Wellingborough Sustainable Expansion Areas

Appropriate Retail Provision

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1. Introduction

1.1 This report responds to the Consultants Brief from Wellingborough Council dated 14 March 2008. The Consultants are asked to:

"Prepare an assessment of the scale & type of retail provision which should be provided in the Sustainable Urban Extensions (SUEs) identified for Wellingborough in the CSS."

1.2 The Brief goes on to require the following. Regard should be had to national policy, the emerging Regional Spatial Strategy (RSS) to 2026; the policies of the CSS and its evidence base, and; the provisions of the emerging Wellingborough DPDs (Town Centre Area Action Plan & Site Specific DPD). Regard should also be had to the existing pattern of retailing within the Borough and current development prospects and proposals.

1.3 The focus of the Study should be for the period to 2021, but in view of the need for masterplans to take account of longer term growth, some guidance in relation to the period 2021 to 2031 is also required.

1.4 The findings of the Study are to be used to provide an evidence base for the Site Specific DPD covering retail provision in the SUEs, and will be used to support ongoing discussions with developers and the preparation of masterplans within the SUEs.

1.5 This report covers the following:

Section 2 – an appraisal of the planning policy framework that is relevant to the consideration of retail provision within the SUEs;

Section 3 – a review of relevant Studies providing information / guidance on retail provision within the SUEs;

Section 4 – a review of Wellingborough's existing retail structure;

Section 5 – a review of relevant retail market trends;

Section 6 – an assessment of the quantitative need for retail floorspace within the expansion areas.

1.6 Finally Section 7 sets out our finding and recommendations.

2. Planning Policy Framework

2.1 The Development Plan for Wellingborough consists of the Regional Spatial Strategy (RSS) Development Plan Documents (DPDs), which form part of the Local Development Framework (LDF), and retained or 'saved' policies in the County Structure Plan and Borough of Wellingborough Local Plan.

Sub-regional Spatial Strategy

2.2 The sub-regional strategic planning framework is provided by the following documents:

- Regional Spatial Strategy for the East Midlands (RSS8), March 2005;
- Milton Keynes & South Midlands Sub-Regional Strategy, March 2005;

2.3 The Milton Keynes & South Midlands Sub-Regional Strategy is not separate strategic guidance. It represents amendments to RSS8 and other regional guidance. We therefore refer only to RSS guidance in the Milton Keynes & South Midlands Sub-Regional Strategy.

Milton Keynes & South Midlands Sub-Regional Strategy

2.4 Strategic Policy 1 of the Sub-Regional Strategy identifies Corby, Kettering and Wellingborough as locations for growth. 34,100 new homes are to be provided in the towns in the period 2001-2021. These are to be provided within the urban areas and in the form of sustainable urban extensions well served by public transport.

2.5 In the period to 2021-2031, provisional assumptions are made in respect of a further 28,000 new homes in the Corby, Kettering and Wellingborough area.

2.6 The Spatial Framework for the Northamptonshire area in Part B of the Guidance specifies housing targets for local authority areas. Policy 1 specifies a target for Wellingborough of 12,800 new homes in the period 2001-2021.

2.7 Policy 4 and paragraphs 122-123 provide guidance for Corby, Kettering and Wellingborough specifically. Paragraph 122 says:

"The neighbouring towns of Corby, Kettering and Wellingborough have been identified as locations with the potential for an increased level of new growth. It is important that they grow in a complementary way, while retaining their separate identities. All three are important retail, business and community centres serving their own individual catchments. This role will continue but the three town centres will need to adapt to cater for increased population and to address regeneration needs."

2.8 The housing targets for the area, referred to above, are reiterated in Policy 4. In addition there is a requirement to bring forward proposals for *'sustainable urban extensions'*, and reference to *'the east, north and west of Wellingborough*'.

2.9 In respect of Central Areas the Policy 4 requires;

"The existing role of Wellingborough should be strengthened through the continued provision of a diverse range of quality comparison shopping that meets the needs of both the town as a whole and its wider rural hinterland."

Local Planning Policies

2.10 Guidance for the Corby, Kettering and Wellingborough area is provided in the saved policies of the Wellingborough Local Plan and the North Northamptonshire Joint Core Spatial Strategy.

Wellingborough Local Plan

2.11 The saved policies of the Local Plan of most relevance are those relating to 'Shopping and other Retail Uses', and the Wellingborough East Strategic Development Area.

2.12 Policy S1 emphasises the key role that the town centre is to play as the focus for retail development in Wellingborough. It says:

"Retail development will not be permitted if it will result in a significant adverse impact upon the vitality and viability of the town centre as a whole - cumulative as well as individual impact will be taken into account."

2.13 Policy S2 places priority on new retail development being located in the Wellingborough Town Centre Core Area in accordance with the requirements of the sequential approach.

2.14 Policy S5 deals with local shops, saying:

"Shopping development within residential areas of the town will only be permitted if it is:

(i) Small scale; and

(ii) Located within a local centre, wherever possible, or within a group of shops."

2.15 The former Policy 7 relating to 'Local Shopping in New Housing Areas' has not been saved.

2.16 The principal policy relating to the Wellingborough East Strategic Development Area is U14, which says:

"Land is allocated at Wellingborough East, as defined on the proposals map, for mixed-use development including 2,875 dwellings, 110.8 hectares of employment land, 9 hectares of leisure uses, community and social facilities, and open space.

Planning permissions will not be granted in advance of approval of supplementary planning guidance, showing the broad distribution of proposed uses for the allocated area, which the Council will adopt after public consultation. Proposals for individual sites should accord with the provisions of the Supplementary Planning Guidance, or subsequently agreed amendments, which will be based on the following key principles:

(i) Safe and convenient access links between all parts of the allocated area, the existing urban road system and the wider transport network, with highway improvements where necessary.

(ii) Reduced dependency on the use of the private car and the promotion of public transport options and cycling and walking.

(iii) The prevention of flood risks, by avoiding unnecessary building in floodplains and employing sustainable drainage systems, and achieving a reduction in flood risks where possible.

(iv) The protection of the character of the countryside and wildlife habitats by retaining important trees and hedges and advance planting with indigenous species, and the conservation of public rights of way.

A regulated development programme taking up, as far as possible, previously developed land first in an outward expansion of the existing built-up area, and ensuring that the provision of infrastructure and community facilities keep pace with house-building."

2.17 The shopping policies and Policy U14 will in due course be superseded by guidance and policies in the North Northamptonshire Joint Core Spatial Strategy and Site Specific Proposals DPD, to which we refer below.

North Northamptonshire Joint Core Spatial Strategy

2.18 The Core Spatial Strategy was adopted in June 2008.

2.19 Table 1 describes the different roles of the settlements with in the region, with Wellingborough grouped with Corby and Kettering to provide:

"the focus for major co-ordinated growth and regeneration. Identified as 'sub regional centres' in town centre hierarchy and focus of new retail development."

The implications of the above are stated as being that the three towns are to have the *"greatest share of new employment, retail and leisure development.*"

2.20 Policy 7 and associated Table 3 describes the rate of housing development that is required in Wellingborough and the other towns. The requirements per annum for Wellingborough are as follows.

2001-2006	2006-2011	2011-2016	2016-2021	Total
304	532	883	841	12,800

2.21 Policy 10 and Table 5 further refines these requirements by identifying that of the 12,800 dwellings, 11,590 will be located in the town and 1,210 in the rural areas.

2.22 Policy 7 also refers to sustainable urban expansions with reference to Figure 13, which indicates Wellingborough East accommodating 4,350 dwellings.

2.23 Policy 9 refers to 'The Distribution and Location of Development'. It again refers to the sustainable urban extension at Wellingborough, but also goes on to say:

"Once these developments are successfully established, further Sustainable Extensions may be brought forward to the west of Corby and north-west of Wellingborough."

2.24 Paragraphs 3.10-3.106 specify the requirements in respect of 'Retail, Leisure and Culture'. Retail is to be concentrated within the town centres, with retailing in the sustainable urban extensions more focused on convenience shops and local facilities to meet the day to day needs of residents. The latter are not to provide significant amounts of comparison shopping.

2.25 Paragraph 3.101 states that:

"The three growth towns will be the focus of development, with Kettering remaining the main retail centre and Corby and Wellingborough also accommodating major growth to transform their retail and service offer."

2.26 Paragraph 3.104 identifies a need for 12,210 sq. m of convenience floorspace by 2021 for North Northamptonshire as a whole. The bulk of this floorspace requirement must be assumed to be in the three Growth Towns, although the CSS notes that there are particular deficiencies in the rural north east (in East Northamptonshire). In respect of convenience shopping, Policy 12 says:

"Local Deficiencies in convenience retail provision will be addressed by provisions made through detailed development plan documents."

2.27 Policies 15 and 16 deal with the form and content of urban extensions. The Wellingborough SUE is to contain 30% affordable housing. In respect of retail and community facilities, Policy 17 specifies a range of requirements including;

"An appropriate level of retail, leisure, social, cultural, community and health facilities that meet local needs, but do not compete with the town centre."

Wellingborough Site Specific Proposals DPD

2.28 The Site Specific Proposals DPD currently in preparation will cover the whole of the Borough, with the exception of the town centre, which is being covered by a Town Centre Action Area Plan. It will cover the period 2001-2021, and provide guidance for both the Wellingborough East and Wellingborough North Expansion Areas.

2.29 An Issues and Options Paper was published in February 2006. Consultation on a Preferred Options document is programmed to take place in winter 2008/9, with final adoption of the DPD anticipated in summer 2010.

Local Shopping

2.30 We understand that strategy for local shopping provision within the East and North Expansion Areas will be for a range of small shops of a local nature. However, because of the scale of additional convenience floorspace that is likely to be required, it is anticipated that within each of the urban extensions a small supermarket will be required. the key test being the need to ensure that there is no adverse impact upon the town centre and that the scale of development is appropriate to a local centre.

2.31 We have been informed of the following matters to which the DPD will refer.

Wellingborough East

2.32 An outline planning application for a mixed use development including 3,100 dwellings and associated infrastructure was approved by the Council on 28th January 2008. This will comprise the initial phases of the urban extension.

2.33 It is anticipated that the expansion area could deliver in the region of 6,000 dwellings together with associated infrastructure and facilities; and that this broad figure is supported by more detailed masterplanning work which has been undertaken on behalf of the developers.

2.34 Assuming that development commences in 2008, it is estimated that the site should deliver 4,350 dwellings during the Plan period, of which 3,100 dwellings have already been granted outline planning permission. The residual capacity would therefore be 1,650 dwellings, which could be delivered after 2021.

Wellingborough North

2.35 The site of the North Expansion Area is approximately 158 hectares and it is estimated that the site could deliver in the region of 3,000 dwellings, of which Core Spatial Strategy envisages 2,300 dwellings being delivered in the plan period, commencing in 2011.

3. Relevant Studies

3.1 The retail policies of the North Northamptonshire Joint Core Spatial Strategy are supported principally by a study undertaken by Roger Tym & Partners, to which we refer below.

North Northamptonshire Town Centre Studies, Roger Tym & Partners

3.2 In December 2004 Roger Tym & Partners (RTP) was commissioned by East Northamptonshire Council on behalf of the North Northamptonshire Joint Planning Unit (NNJPU) to undertake the North Northamptonshire Roles and Relationships Study.

3.3 The Study had two main objectives:

- to establish the current and future roles of the principal centres in the North Northamptonshire Growth Area
- to identify the appropriate quantum of retail floorpace supportable in the principal centres in the period up to 2011, 2021 and 2031, in the context of their roles and the projected levels of growth within the Study Area.

The Study findings were to be an input to the Joint Spatial Strategy.

3.4 In July 2006 RTP produced an Update report. The primary reasons for this were:

- first, to make use of more up-to-date expenditure growth forecasts that had been released from both Experian and MapInfo, and
- second, to include more recent forecasts of housing development phasing produced by the local authorities.

3.5 Although the primary focus of the RTP studies is on the North Northamptonshire town centres and the level of supportable comparison goods floorspace, an assessment of convenience goods floorspace potential was also undertaken.

Convenience Goods Potential

3.6 We summarise below in tabular form RTP's assessment of convenience goods potential in the North Northamptonshire area. Their quantitative analysis was based on a defined Outer Catchment Area (OCA) which included the catchment area of the three towns Corby, Kettering and Wellingborough. RTP found from their Household Survey that the aggregate convenience sector retention rate within their defined Outer Catchment Area (OCA) was 82%. RTP considered this to be 'reasonably satisfactory'.

3.7 For the purposes of the convenience goods assessment RTP assumed that the expenditure retention rate of 82% would remain constant throughout the forecast period (for comparison goods they also consider an 'increased retention rate' scenario). The RTP inputs are set out in the table below.

Forecast dates	2004	2011	2021	2031
Population	322,726	357,587	426,908	513,587
Exp / h'd growth rate	0.6%	0.6%	0.6%	0.6%
Available expenditure	£480.2m	£553.9m	£700.7m	£893.1m
Retained share	82%	82%	82%	82%
Retained expenditure	£389.5m	£449.9m	£569.9m	£727.4m
Inflow	0	0	0	0
Existing Traders (i)	0	£11.0m	£27.4m	£44.3m
Commitments (ii)	0	£40.5m	£42.1m	£43.8m
Expenditure Capacity	0	£8.9m	£111.0m	£249.7[2]
Sales density £/sq m	£11,000	£11,312	£11,772	£12,252
Fl'spce req net	0	784 m^2	9,453 m^2	20,781 m^2

Notes
(i) Allowance is made for existing traders to increase their turnover by 0.4% per annum
(ii) the two principal commitments are Asda Rushden and a neighbourhood centre in Corby

3.8 In respect of both convenience and comparison goods, the Roger Tym Study addresses overall potential within the OCA. Although, it makes recommendations on the distribution of growth having regard to the hierarchy of centres, it does not seek to establish floorspace capacities for individual towns or centres.

3.9 The Roger Tym Study findings therefore do not provide a direct input to our assessment of potential in the Expansion Areas, but we do have regard to some of the technical inputs and assumptions within their Study.

4. Wellingborough Retail Structure

4.1 Shopping provision in Wellingborough can be split into four types:

(v) The Town Centre

(vi) Local centres

(vii) Large foodstores

(viii) Retail warehouses

Wellingborough Town Centre

4.2 Wellingborough Town Centre is dominated by the Swansgate Centre, which opened in 1977. The Centre was originally anchored by two major foodstores, but both of these have moved to larger stores in out-of-centre locations. The major traders in the Swansgate Centre now include Wilkinsons, Boots and W H Smith.

4.3 In common with many planned shopping centres of its era, the Swansgate Centre is inward looking and links with the remainder of the town centre shopping area are not good. This is particularly the case in Midland Road and Sheep Street.

4.4 The historic centre of the town is focussed on Market Street and Silver Street / High Street. Market Street benefits from its proximity to the Swansgate centre, and contains a Woolworth store. Silver Street and High Street have both suffered from the shift in the centre of gravity of the shopping core of the town centre to the Swansgate Centre. Opening of the large new Morrisons foodstore at the rear of Silver Street and Oxford Street has helped introduce some new shoppers to this area of the town centre.

4.5 Similarly Midland Road and Cambridge Street have declined relative to their historic function and are now mostly occupied by independent shops and services. Street improvements have taken place in Midland Road, and some improvement in the quality of offer in Cambridge Street has become evident.

4.6 Aldi and Matalan stores off Victoria Road are a relatively recent development. The development is akin to a retail warehouse format and despite its proximity to the core shopping area links to the remainder of the town centre are poor.

Local Centres

4.7 Outside the town centre, other than large freestanding foodstores and retail warehouses, shopping provision is provided by local centres. These are located within the residential areas, particularly in the western part of the town. Berrymore Road, Doddington Road, Nest Farm Crescent, Grafton Close and Olympic Way local centres are examples of such centres. They are dominated by small convenience shops and services and typically include - a small CTN or foodstore, a Co-Op, a take-away, chemist, dry cleaners and betting shop.

4.8 The local centres that are closest to the North expansion area are Redhill Farm and Grafton Close. Redhill Farm is located on the southern side of Northen Way at the Kettering Road roundabout. There is a pedestrian underpass to the Redhill Grange housing estate opposite. It is a planned centre with car parking at the front of the centre and a good shopping environment. Uses present are:

Co-Op and post office – 3 checkouts, five aisles;
3 Take-aways;
Ceramic Tile shop;
Cosmetics /massage;
Cycle shop;
DVD rental;
Public house; and
Childrens' Nursery.

4.9 Grafton Close is a smaller centre. It also has a good shopping environment with some off street car parking and contains the following facilities

Tesco Metro – 3 check-outs,
Sandwich shop,
Estate agent;
Chemist; and
Hairdresser

4.10 There are no local centres close to the East expansion area.

Large Foodstores

4.11 We have referred above to the large new Morrisons foodstore in the town centre. The other two large foodstores in the town are Tesco at Turnells Mill Lane and Sainsbury at Northampton Road. All three of these stores clearly perform an important role in providing for main food shopping trips for residents of the town. The Morrisons store in addition is popular for those making food shopping trips combined with visits to other shops and services in the town centre.

4.12 In considering appropriate levels of shopping provision in the expansion areas, we are mindful of the role currently being played by these large foodstores.

Retail Warehouses

4.13 The principal retail warehouse provision in the town is at the Victoria Retail Park and Castlefields Retail Park, both of which are located in the southern part of the town. Non-food retailers at Victoria Retail Park include – Homebase, Carpetright, and Halfords. Non-food retailers at Castlefields Retail Park include – B&Q, Allied Carpets, and Pets at home.

4.14 Both retail parks are well related to the primary road network of Wellingborough and serve all residents of the town.

5. Retail Market Trends

Shopping Parades

5.1 Over a lengthy period of time local shopping provision has been under pressure and subject of change. The 1950s and 1960s were the heyday of the local shopping parade, typically a terrace of small units built as an integral part of a housing estate, and located within walking distance of most catchment residents. Typical occupants of parades developed in this era, some of which remain are - small grocery store, CTN / sub post office, butcher, greengrocer / florist; hair stylist, and fast food take-away.

5.2 In the last twenty years or so many of these small traders have become unviable, and the range of convenience goods purchased in supermarkets has widened. Independent butchers shops for example are far fewer in number.

5.3 Some of local centres in Wellingborough, which we have described in the previous section illustrate this type of provision, the problems that are faced by small independent traders, and the changes that are taking place.

Large Foodstores

5.4 By the 1970s large food supermarkets were providing for a different type of shopping trip – the purchase of a large number of goods less frequently with the motor car being the predominant mode of transport. Changes within society drove these changes – growth in the numbers of women with occupations outside the home; more widespread use of refrigerated food products; higher levels of car ownership, etc. The Tesco store at Turnells Mill Lane and Sainsbury store at Northampton Road are examples in Wellingborough of this type of development.

5.5 The expansion of large supermarket trading may now be becoming offset to some degree by the benefits of local shopping facilities for purchases of small quantities of goods, as congestion in and around large stores has become greater.

Discount Foodstores

5.6 Since the 1990s another addition to the range of foodstore provision, has been the discount foodstore. The principal operators are - Aldi, Lidl and Netto. These stores seek to attract the most price-conscious shoppers, and their business model is to limit the number of product lines in the store, but to sell them at the maximum discount. Discount stores typically have up to 2,000 sq m gross floorspace.

5.7 Because of their niche style of trading with limited range of goods, discount foodstores have a relatively wide catchment and are ill-suited to being located below the district centre level in terms of shopping hierarchy. They do not really fulfil a neighbourhood function.

Neighbourhood Retailing

5.8 A recent report by Verdict 'Neighbourhood Retailing 2008' says the following:

"Neighbourhood locations cater almost exclusively to the local populace. Stores in neighbourhood locations provide convenient sites for top up, meal solution and distress purchases. Consequently, retailers in the neighbourhood are less subject to comparison shopping than those

elsewhere, which is an important distinction between this channel and the town centre. The comparatively small average store size and high number of independent operators are distinctive features.

The most prominent retail sectors in neighbourhood locations are grocers and convenience stores, off-licences, food specialists, pharmacies, CTNs and petrol forecourts (which we class as either c-stores or CTN's), though a number of more niche focused – typically independent – retailers also trade from neighbourhood locations."

5.9 Verdict goes on to say:

"Convenience stores and small grocers dominate neighbourhood retailing, accounting for around half of all sales made each year in the neighbourhood. Over the last five years Tesco and Sainsbury have moved into neighbourhood locations, and their product offers and retail brand names have boosted sales in the location and provided a real threat to smaller multiples and independent c-store retailers.

The presence of the major multiples in the c-store market has forced smaller players and independent retailers to improve their propositions. Many have sought help from a symbol group operator. These groups provide retailers with a group fascia above their doors and a variety of services designed to help grow their sales.

Key initiatives of symbol groups are to encourage stronger ranges – including increased fresh food allocations – and improved store environments. Yet, surprisingly, members can be reluctant to invest, leaving symbol group stores disparate in quality of fitout, ranging and service.

Though consolidating quickly, the convenience store market remains fragmented and there are opportunities for smaller and independent retailers. These businesses have the flexibility and closeness to local markets that larger multiples find difficult to achieve. Examples of this include the number of independent c-stores which provide ethnic and non-UK food to local customers. This includes produce of Asian and Polish origin.

Over recent years c-store operators have targeted petrol station forecourts. Their long opening hours, convenient locations and high regular footfall make them highly attractive. Spar and Tesco in particular have increased their forecourt estates substantially over the past few years while Costcutter has expanded its forecourt stores in partnership with Murco.

Pharmacies

5.10 Pharmacies have been an important component of the local shopping offer. Verdict notes that the pharmacy market has grown strongly in the last decade by some 75%, compared with 50% for retail spending as a whole. As the UK population profile ages, consumers are increasingly using pharmacies as their first port of call for healthcare. In addition pharmacy purchases offers retailers the opportunity to sell associated ranges, particularly OTC products, but this requires special skills.

5.11 Verdict notes that:

The deregulation of the pharmacy market in 2004 led to licensing controls being relaxed in April 2005, making it much easier for certain businesses to gain an NHS pharmacy licence. Operators can apply if they are to open for 100 hours or more per week, are based in either large (more than 15,000 sq m – 161,400 sq ft) out-of-town shopping developments or in one-stop primary care centres, or if they will operate solely as a mail order or Internet channel. This move aims to improve access to facilities and make potential savings from increased competition.

Supermarkets in particular have taken advantage of these changes to open new pharmacies and offer more services. These stores are providing services to the community such as health checks and GP services.

Smaller independent pharmacies face an uncertain future. The continued expansion of grocers and larger pharmacy chains will place them under more pressure while smaller pharmacies also face a drop in funding. From March 2008, pharmacies which dispense between 1,100 and 2,119 items per month will no longer receive the Protected Professional Allowance, losing up to £1,500 in funding per month."

5.12 The above issues affecting neighbourhood food and non-food retailing are of relevance to the potential for retail provision in Wellingborough expansion areas, and we have regard to them in considering appropriate levels of future provision. In respect of pharmacies, we note that Tesco Turnells Mill Lane includes such a facility, but that Sainsbury does not.

6. Quantitative Need Assessment

Methodology

6.1 Our methodology for assessing floorspace needs in the expansion areas contains the following steps.

(i) Use of forecast dates of 2016, 2021, and 2031;

(ii) Assessment of Wellingborough residents' retail expenditure per head at the forecast dates;

(iii) Assessment of expansion area populations at the forecast dates;

(iv) Assessment of proportions of residents' retail expenditure at the forecast dates that could be retained at 'local' shopping facilities;

(v) Conversion of residents' retained retail expenditure into floorspace requirements;

(vi) Additional floorspace allowance .

6.2 The tables relating to the quantitative assessment are shown in Appendix 1.

Residents' Retail Expenditure per head

6.3 As a starting point we have assumed that the profile of expansion area residents will accord broadly with that of Wellingborough residents as a whole. We have therefore obtained convenience and comparison goods expenditure per capita estimates for the Wellingborough area at 2006 from Experian Retail Expenditure Reports (April 2008). We have defined the Wellingborough area by postcode: the area accords broadly with the Borough administrative area – see Plan in Appendix 1.

6.4 We found that the average expenditure per head of Wellingborough residents was slightly below the national average. For convenience goods it represented 99.5% of the national average, and for comparison goods it was 95.3% of the national average. Having regard to aspirations for the expansion areas, we have assumed that their expenditure per head will accord with the national average.

6.5 The expenditure estimates for convenience and comparison goods are shown in Appendix 1 Table 1. All monetary figures in the assessment are in 2006 prices. The 2006 expenditure estimates have been grown at a rate of +0.8% for convenience goods and +5.3% for comparison goods per annum to provide estimates for 2007 onwards. These are Experian's most recent recommended long-term growth trend for forecasting convenience and comparison goods expenditure. They are a little higher than the rates used in the RTP Study, which were based on earlier national estimates. The RTP growth rate for convenience goods is 0.6% per annum.

6.6 Expenditure absorbed by Special Forms of Trading (SFT) has been deducted according to the latest Experian estimates in Retail Planner Briefing Note 5.1. Experian defines SFT as purchases via mail order (including purchases from wholly internet-based companies such as Amazon), purchases from market stalls, and purchases from door-to-door salesman. It does not include internet sales of companies that operate shop floorspace, such as department stores.

6.7 The SFT percentage reductions do not remain constant and for convenience goods increase from 3.6% in 2006 to 7.3% in 2016. For comparison goods the Experian estimate is 8.8% at 2006 rising to 14.4% in 2016. Estimates for 2017-2031 are not available, and we have therefore retained constant figures of 7.3% and 14.4% respectively over this period.

6.8 In common with national expenditure patterns, residents' comparison goods expenditure in retail outlets is forecast to grow much faster than convenience goods.

Forecasts of Expansion Area Available Retail Expenditure

6.9 Residents' available expenditure is a function of retail expenditure per head (examined above) multiplied by the resident population. We have derived population forecasts for the expansion areas from the phasing of new homes planned for the two expansion areas. The expansion area housing development programmes have been taken from LDF documents and confirmed with officers of the Council. Planning of the East expansion area is well advanced, unlike the North expansion area for which specific proposals are still being formulated through the Site Specific Proposals DPD.

6.10 The new homes forecasts have been converted to population forecasts through application of a declining average occupancy rate, which has been provided by officers of the Council. The rate declines from 2.36 persons per household (pph) in 2006, to 2.24 pph in 2016, and 2.18 pph from 2021 onwards.

6.11 In the case of the North expansion area, consideration has also been given to the shopping needs of residents in the Redhill Grange estate, which is located in a currently somewhat isolated position to the north of Nothen Way with no shopping facilities within the estate itself. In 2001 the estate was recorded as having 1,339 residents, whom we have included within the North expansion area population total.

6.12 The phasing of new homes in the East and North expansion areas and residents' available expenditure over the forecast period are shown in Tables A and B below, and in Appendix 1 Table 2. For the East expansion area two scenarios have been tested (a) and (b) based upon 6,000 and 7,000 new homes respectively being achieved in 2031.

Table A Wellingborough East

	2016	2021	2031(a)	2031(b)
Homes	3,100	4,350	6,000	7,000
Resident population	6,944	9,483	13,080	15,260
Residents' retail expend £m	38.9	66.5	140.5	163.9

Table B Wellingborough North

	2021	2031
New Homes	2,300	3,000
New Resident population	5,152	6,540
Add 1,339 Redhill Grange residents	6,491	7,879
Residents' retail expend £m	45.5	84.6

6.13 The above figures indicate the overall scale of residents' expenditure only. They do not provide guidance on the quantum of shopping facilities that should be provided locally. Plainly a large proportion of residents' expenditure will be attracted to facilities outside the expansion areas, particularly to Wellingborough Town Centre. A judgement therefore needs to be made on the proportions of residents' expenditure for which shopping provision should be made locally. Shopping provision will need to be made locally for convenience goods that are purchased at frequent intervals. Conversely the purchase of many comparison goods, particularly fashion clothing and footwear, will be made outside the expansion areas.

Retention of Residents' Expenditure Locally

6.14 The scale and type of shopping facilities that should be provided locally will determined by a variety of factors, including - the size of the expansion area and the type of shopping facilities that it can support, sustainability considerations, and planning policy. We address these issues below for the two expansion areas separately.

6.15 We have commented in Section 5 on patterns of retail spending, the types of shopping that are provided locally, and changes that have taken place over time. District and neighbourhood shopping facilities predominantly provide for the convenience shopping needs of their catchment areas. Based on current shopping patterns it is possible to distinguish between main (bulk) food shopping trips, and top-up shopping trips undertaken on a more frequent basis. A rule of thumb often adopted when assessing shopping potential is to assume that on average 70% of convenience goods expenditure is accounted for by main food shopping trips, and 30% of expenditure is accounted for by top-up purchases. A high proportion of main food shopping trips are likely to be attracted outside the expansion areas. This provides a useful starting point for consideration of convenience goods shopping provision in the expansion areas.

6.16 In addition to convenience goods, there are some types of comparison goods for which there is justification for some local provision, pharmaceutical / chemist goods being a particular example. However, we note from the Experian Wellingborough Reports that pharmaceutical / chemist products make up a small proportion only of residents' comparison goods spending – some 2%. Most comparison goods products (other than chemists) are found in the larger centres and, in the case of bulky goods, retail warehouses. We therefore believe it is appropriate to make a small allowance only for comparison goods spending locally in the expansion areas. This accords with the guidance in the Joint Core Spatial Strategy to which we have referred in Section 2 – retailing in the urban extensions should be focussed on convenience goods.

6.17 In addition to Class A1 retail uses, many service uses are found in 'neighbourhood' centres. These include - hair stylists, betting shops, and cafés / fast food outlets. The use of these facilities by residents is not included in our expenditure analysis (which relates to Class A1 retail expenditure only). However, we have made a floorspace allowance for these types of use.

6.18 We go on to consider the two expansion areas separately.

Wellingborough East

Location and Setting

6.19 The Wellingborough East expansion area lies to the east of the railway line and the valley of the river Ise. The majority of the site is open countryside and in agricultural use.

6.20 New road links will be created across the railway to the East expansion area. Nevertheless, because of its location and the geography of the area, the East expansion area will function as a separate neighbourhood of the town. The nearest large scale shopping facilities outside the expansion area will be Wellingborough Town Centre some 3 to 4 kms to the west, and the Tesco foodstore and non-food retail warehouses at Victoria Park / Castlefields slightly further to the south west.

Commitments, Proposals and Phasing

6.21 We have referred in Section 2 to the outline planning application for a mixed use development including 3,100 dwellings and associated infrastructure that was approved by the Council on 28th January 2008. This will comprise the initial phases of the urban extension.

6.22 We have referred in Section 2 to the proposals for the site out in the Site Specific Proposals DPD, which refers to a possible capacity of 6,000 dwellings within the expansion area covering an area of some 330 hectares. Some 4,350 of these dwellings are expected to be delivered within the plan-period – 2021. As indicated above we have also included a scenario (b), in which 7,000 new homes are achieved by 2031.

6.23 The outline planning proposals include provision for a neighbourhood centre and two local centres. These are to include two primary schools, a health centre, a multi-functional community centre, leisure facilities, nursery provision/children's centre, an A1 supermarket unit, other A1 units, A3 food and drink units, urban squares, bus facilities and parking, and a secondary school site.

6.24 The January 2008 planning permission includes the following condition relating to these facilities.

"In the Neighbourhood centre A1 Supermarket unit of 1000m^2, other A1 units of 1000m^2, and A3 food and drink units of 500m^2; In the Ise and Nene Local Centres 250m^2 of A1 retail units and A3 food and drink units each."

Minimum Floorspace Requirements

6.25 Our quantitative assessment of the minimum floorspace requirements for the Wellingborough East expansion area is set out in Appendix 1 Table 3, and summarized below in Table C.

6.26 The forecast assumes that shopping provision is made locally for 30% of residents' convenience goods expenditure. Within this overall allowance some main food shopping trips might be locally offset by some top-up trips made elsewhere. The majority of residents' convenience goods expenditure would continue to be attracted to the large food supermarkets in the town. A very small proportion of their overall comparison goods expenditure is provided for locally, 2.5%.

6.27 Having estimated the pool of residents' expenditure that is likely to be available locally, we have translated this to floorspace requirements by the application of sales density floorspace ratios. The sales ratios are relatively low (£4,000 per sq m sales area) reflecting provision of small scale shopping facilities. We have grown the sales densities over time to allow for existing retailers to increase their productivity as available expenditure grows. The growth rate used, 0.3% per annum only, reflects the fact that the majority of the floorspace will be devoted to convenience sales for which increases in sales densities are limited.

6.28 Having assessed supportable retail floorspace (Class A1) we have made an allowance for service uses (hair stylists, betting shops, and cafés / fast food outlets etc) by treating this as a percentage addition to the retail floorspace, 25%.

Table C Wellingborough East – Minimum Floorspace Requirements

	2016	2021	2031 (a)	2031 (b)
Resident population	6,944	9,483	13,080	15,260
Locally available expenditure	£4.6m	£6.8m	£11.2m	£13.1m
Supp retail f'space (sq m gross)	1,480	2,158	3,477	4,057
Allow 25% services (sq m gross)	370	539	869	1,014
Total supp f'space (sq m gross)	1,850	2,697	4,347	5,071

6.29 The forecasts of supportable floorspace (Class A1 and services) range from some 1,850 sq m in 2016, to 2,700 sq m in 2021. Forecasts beyond 2021 must be treated with considerable caution. The lower estimate based on 6,000 new homes indicates supportable floorspace of approximately 4,350 sq m; whilst the upper estimate based on 7,000 new homes indicates supportable floorspace in excess of 5,000 sq m.

6.30 The outline planning permission that has been granted for a neighbourhood and two local centres appears to be broadly consistent with these forecasts.

Wellingborough North

Location and Setting

6.31 The North expansion area lies to the north of the town within open agricultural land on either side of the Harrowden Brook. Although on the opposite side of Northen Way, the North expansion area is more closely linked to existing residential areas of the town (and Great and Little Harrowden villages) than is the East expansion area. It would be the intention to maintain a strategic gap between the Harrowdens and the new residential areas.

6.32 We have assumed that there may be the opportunity to link the new housing areas with the existing housing (1,339 units) at Redhill Grange.

Commitments and Proposals

6.33 Proposals for a North expansion area are less advanced than in the east of the town. The Site Specific DPD estimates that an area of approximately 158 hectares is identifiable that could deliver some 3,000 dwellings, commencing in 2011.

6.34 A planning application was submitted in November 2007 covering the North expansion area. The application (undetermined at the time of writing) seeks approval for 3,000 dwellings and proposes a maximum of 6,100 sq m of A1 – A5 uses distributed between a neighbourhood centre, two smaller centres and in stand-alone single shop units.

Minimum Floorspace Requirements

6.35 Our quantitative assessment of the minimum floorspace requirements for the North expansion area has adopted the same principles as in the assessment for the East expansion area, which we have described above, and is set out in Appendix 1 Table 4, and summarized below in Table D below.

6.36 The input assumptions are exactly the same as for the East expansion area. The trade retention rates assume in particular that for convenience shopping 'top-up' facilities only will be provided.

Table D Wellingborough North – Minimum Floorspace Requirements

	2021	2031
Resident population	6,491	7,879
Locally available expenditure	£4.6m	£6.8m
Supp retail f'space (sq m gross)	1,477	2,095
Allow 25% services (sq m gross)	369	524
Total supp f'space (sq m gross)	1,846	2,618

6.37 The forecasts of supportable floorspace (Class A1 and services) range from some 1,850 sq m in 2021 to 2,600 sq m by 2031.

6.38 As has been noted above, these floorspace estimates assume that the new housing areas and shopping facilities are designed in such a way as to be readily accessible to existing residents of the Redhill Grange estate. This in turn means that there may be some competitive impact on Redhill Farm Local Centre as Redhill Grange residents who use this facility divert their custom to new facilities within the new housing areas.

Interpretation of Floorspace Requirement Forecasts

6.39 We have provided figures representing what we believe are minimum floorspace requirements. These reflect the strategy set out in the Joint Core Spatial Strategy, which is that new retail development is to be concentrated within the town centres, and that retail development in the expansion areas should be more focused on convenience shops and local facilities to meet the day to day needs of residents (without significant amounts of comparison shopping).

6.40 The technical inputs that we have used for our assessment are based on the provision of small scale shopping facilities. Some of these inputs would change if larger scale facilities were provided. For example, a large foodstore would increase the retention of residents' expenditure within the expansion areas. In particular, a large foodstore would attract more than 30% of residents' available convenience spending, thereby increasing the amount of locally supportable floorspace. On the other hand a large foodstore would achieve much higher sales densities, thereby reducing the amount of floorspace required per £ spent.

6.41 The assessment that we have made is sensitive to changes to these inputs and related assumptions. In evaluating any specific proposals that may be put forward it will be necessary, therefore, to test them not only against policy requirements, but also against technical / economic criteria that are applicable to the type and scale of facility being proposed.

7. Findings and Recommendations

7.1 We have undertaken an economic assessment of the need and justification for new retail floorspace within the Wellingborough East and North expansion areas. The primary factor providing an input to the assessments is consideration of the proportions of expansion area residents' spending power for which local shopping provision should be made.

7.2 We have provided estimates of minimum floorspace requirements, which reflect the need to accommodate residents' 'local shopping needs' only, and encourage use of the town centre shopping facilities for other purchases.

7.3 For Wellingborough East the forecasts of supportable floorspace (Class A1 and services) range from some 1,850 sq m in 2016, to 2,700 sq m in 2021. At 2031 the lower estimate based on 6,000 new homes indicates supportable floorspace of approximately 4,350 sq m; whilst the upper estimate based on 7,000 new homes indicates supportable floorspace in excess of 5,000 sq m.

7.4 For Wellingborough North the forecasts of supportable floorspace (Class A1 and services) range from some 1,850 sq m in 2021 to 2,600 sq m by 2031.

7.5 The forecasts area minimum floorspace requirements, reflecting the Joint Core Spatial Strategy requirement that retail development in the expansion areas should be focused on convenience shops and local facilities to meet the day to day needs of residents only.

Drivers Jonas
May 2008

TABLE 1. WELLINGBOROUGH RETAIL EXPENDITURE PER HEAD FORECASTS

CONVENIENCE GOODS

	2006	2007	2008	2009	2010	2011	2012	2013	2016	2021	2031
0.8 % per annum	1648.9	1662.1	1675.4	1688.8	1702.3	1715.9	1729.7	1743.5	1785.7	1858.3	2012.4

COMPARISON GOODS

5.3 % per annum	2006	2007	2008	2009	2010	2011	2012	2013	2016	2021	2031
	2850.2	3001.3	3160.3	3327.8	3504.2	3689.9	3885.5	4091.4	4777.0	6184.4	10365.4

CONVENIENCE GOODS (MINUS SFT)

	2006	2007	2008	2009	2010	2011	2012	2013	2016	2021	2031
SFT Percentage Reduction	3.6	4.8	5.6	6.1	6.6	7	7.2	7.3	7.3	7.3	7.3
Expenditure per person	1584.0	1582.3	1581.6	1585.8	1590.0	1595.8	1605.1	1616.2	1655.3	1722.6	1865.5

COMPARISON GOODS (MINUS SFT)

	2006	2007	2008	2009	2010	2011	2012	2013	2016	2021	2031
SFT Percentage Reduction	8.8	11	12.1	13	13.6	14.1	14.3	14.4	14.4	14.4	14.4
Expenditure per person	2478.6	2671.1	2777.9	2895.2	3027.6	3169.6	3329.9	3502.3	4089.1	5293.9	8872.8

Source/Notes:
2006 national average expenditure figures from Wellingborough report - April 2008
Convenience goods expenditure grown at +0.8% per annum (Experian Retail Planner Briefing Note 5.1)
Comparison goods expenditure grown at +5.3% per annum (Experian Retail Planner Briefing Note 5.1))
SFT Figures sourced from Experian Retail Planner Briefing Note 5.1
Special forms of trading (SFT) percentage deductions sourced by Experian as follows:
Convenience - 3.6% in 2007 to 7.3% in 2016 and thereafter
Comparison - 8.8% at 2007 to 14.4% in 2016 and thereafter

TABLE 2. WELLINGBOROUGH SUE RETAIL EXPENDITURE FORECASTS

WELLINGBOROUGH EAST

	2016	**2021**	**2031 (a)**	**2031 (b)**
Homes	3100	4350	6000	7000
Resident Population	6944	9483	13080	15260
Convenience goods exp per head	1655	1723	1865	1865
Comparison goods exp per head	4089	5294	8873	8873
Total convenience goods expenditure (£m)	11.5	16.3	24.4	28.5
Total Comparison goods expenditure (£m)	28.4	50.2	116.1	135.4
Total Available Expenditure (£m)	**39.9**	**66.5**	**140.5**	**163.9**

WELLINGBOROUGH NORTH

	2021	**2031**
Homes	2300	3000
Resident Population	5152	6540
Resident Population (including Redhill Grange)	6491	7879
Convenience goods exp per head	1723	1865
Comparison goods exp per head	5294	8873
Total convenience goods expenditure (£m)	11.2	14.7
Total Comparison goods expenditure (£m)	34.4	69.9
Total Available Expenditure (£m)	**45.5**	**84.6**

Source/Notes:

Population figures derived from housing numbers using occupancy factor of 2.24 for 2016 and 2.18 thereafter (The Northamptonshire Demographic Model)

TABLE 3. WELLINGBOROUGH EAST MINIMUM FLOORSPACE REQUIREMENTS

	Rate (%)	2016	2021	2031 (a)	2031 (b)
Resident Population		6944	9483	13080	15260
Residents' available convenience exp. (£m)	30	3.45	4.90	7.32	8.54
Residents' available comparison exp. (£m)	2.5	0.71	1.26	2.90	3.38
Residents' locally available exp. (£m)		4.16	6.16	10.22	11.93
Inflow (£m)	10	0.42	0.62	1.02	1.19
Total locally available expenditure (£m)		**4.57**	**6.77**	**11.24**	**13.12**
Floorspace sales density (4000/sq.m)	0.3	4122	4184	4311	4311
Supportable retail floorspace (sq. m net)		1110	1618	2608	3043
Supportable retail floorspace (sq. m gross)		1480	2158	3477	4057
Allowance for service uses (sq. m gross)	25	370	539	869	1014
Supportable retail and service floorspace (sq. m gross)		**1850**	**2697**	**4347**	**5071**

Source/Notes:
Locally available expenditure is assessed as a percentage of the total available expenditure in Table 2
Inflow is assessed as a percentage of residents locally available expenditure
An allowance has been made for floorspace sales density to rise by 0.3% p.a.
An allowance for service floorspace has been made as a percentage of supportable retail floorspace

TABLE 4. WELLINGBOROUGH NORTH MINIMUM FLOORSPACE REQUIREMENTS

	Rate (%)	2021	2031
Resident Population		6491	7879
Residents' available convenience exp. (£m)	30	3.35	4.41
Residents' available comparison exp. (£m)	2.5	0.86	1.75
Residents' locally available exp. (£m)		4.21	6.16
Inflow (£m)	10	0.42	0.62
Total locally available expenditure (£m)		**4.63**	**6.77**
Floorspace sales density (4000/sq.m)	0.3	4184	4311
Supportable retail floorspace (sq. m net)		1108	1571
Supportable retail floorspace (sq. m gross)		1477	2095
Allowance for service uses (sq. m gross)	25	369	524
Supportable retail and service floorspace (sq. m gross)		**1846**	**2618**

Source/Notes:
Locally available expenditure is assessed as a percentage of the total available expenditure in Table 2
Inflow is assessed as a percentage of residents locally available expenditure
An allowance has been made for floorspace sales density to rise by 0.3% p.a.
An allowance for service floorspace has been made as a percentage of supportable retail floorspace