



NEXUS
PLANNING

East Lindsey Retail Study 2021

Final Report

On behalf of East Lindsey District Council

March 2022

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1 Introduction

Instruction and Purpose

- 1.1 Nexus Planning has been instructed by East Lindsey District Council (hereafter referred to as 'the Council') to undertake a new Authority-wide Retail Study ('the Study'). The primary focus of the Study is to establish the current position in respect of the need for additional retail facilities in East Lindsey, and to consider the vitality and viability of the District's defined centres.
- 1.2 This report replaces the previous Retail and Leisure Study, which was undertaken by Chase and Partners in January 2008 on behalf of the Council, and the previous East Lindsey Retail and Economic Assessment 2014 Update, which was undertaken in March 2014 by NLP. The Council considers it necessary to undertake a new Study, due to the time that has passed since the publication of the previous report, and as a consequence of ongoing developer interest in the retail and leisure sector in the centres within East Lindsey.
- 1.3 The Council are currently undertaking a partial review of the Local Plan. It is therefore envisaged that this Study will not only form part of the evidence base to inform the future emerging updates to the Local Plan, but it will also assist with the Council's consideration of planning applications for retail uses and to help the Council consider future strategies to support vital and viable town centres.
- 1.4 This Study is underpinned by new empirical evidence in the form of a new household shopper survey, and our site visits to survey and assess the health of the principal centres. The household survey was undertaken by NEMS Market Research in May 2021 and covers eight separate zones, which are collectively considered representative of the principal catchment area for retail facilities within East Lindsey. The zones are broadly consistent with those utilised in the previous 2008 Study in order to allow comparison of shopping patterns over time. We go on to explain the slight modifications to the zones later in the report.
- 1.5 A plan of the Study Area is provided at Appendix 1, and the tabulated household survey results are provided at Appendix 2. Whilst the Study Area largely corresponds with the boundaries of the East Lindsey authority area, it does include small parts of neighbouring authority area of Boston, where residents sometimes look to facilities in East Lindsey to meet at least some of their retail and leisure needs.
- 1.6 The Study Area is broken down into eight Zones which broadly cover a key settlement each. The context of the zones are summarised below in Table 1.1.

Table 1.1: Study Area Zones by Settlement

Survey Zone	Key Settlements
1	Skegness
2	Chapel St. Leonards, Wainfleet All Saints
3	Coningsby/Tattershall,
4	Spilsby
5	Horncastle
6	Alford
7	Louth
8	Mablethorpe

Structure of Report

- 1.7 Our report firstly provides an overview of prevailing retail and leisure trends, before then going on to consider the planning policy context for the Study. We then summarise the key findings of the new household shopper survey, before considering the vitality and viability of the principal defined centres within East Lindsey. The remainder of the report is focussed around our assessment of retail needs.
- 1.8 Accordingly, our report is structured as follows:
- Section 2 identifies current retail trends of relevance;
 - Section 3 provides an overview of the planning policy context;
 - Section 4 summarises the findings of the household survey;
 - Section 5 summarises our assessment of the vitality and viability of the defined centres;
 - Section 6 provides an overview of forecast changes in Study Area population and expenditure;
 - Section 7 sets out the assessment of retail needs; and
 - Section 8 provides a summary of our key findings and conclusions.

2 Current and Emerging Trends

- 2.1 In order to provide a context for this Study and help identify the sectors that are more likely to be the subject of additional development proposals, we provide an overview of current retail and leisure trends below. In reading the below review, it should be noted that the retail and leisure sectors are dynamic and, whilst online shopping has impacted on the retail sector, new retailers and new formats continue to evolve to meet shoppers' needs.
- 2.2 The below commentary should therefore be taken as a 'snapshot' in respect of current market conditions; it will be necessary to judge future development proposals for main town centre uses with reference to the prevailing conditions at the time of a proposal's determination. This is particularly the case given the current commercial circumstances arising from the Covid-19 pandemic, and the impact of the lockdown measures on our high streets and operators (both local and nationally). We reflect on this in more detail below.

The Current State of the UK Economy

- 2.3 The UK economy has experienced a significant shock over the past 18 months as a result of the Covid-19 pandemic and subsequent restrictions on movement and behaviour which have sought to mitigate its impact. This uncertain background has caused business investment and expenditure to decline. Household spending fell by over 20% quarter-on-quarter in the second quarter of 2020 following the imposition of national lockdown measures. This is the largest quarterly contraction on record. Retail sales volumes also suffered double-digit falls in April 2020 as all but essential stores closed during the height of the lockdown.
- 2.4 However, as a result of the gradual reopening of businesses over summer 2020, the economy returned to growth, with this gathering momentum as a greater number of sectors reopened, including hospitality and leisure services followed by the full reopening of schools. A more pronounced resurgence in the number of cases of Covid-19 resulted in the Government reinstating a nationwide lockdown in early 2021.
- 2.5 In January 2022, Experian published its Retail Planner Briefing Note 19 ('ERPBN19'), which provides comprehensive and up-to-date information on retail developments and short, medium and long term forecasts for retail planning decisions.
- 2.6 ERPBN19 (January 2022) sets out Experian's best estimate of the retail sector and future changes in expenditure at the time of its publication. Experian anticipates that the post-Covid-19 recovery will

- be subdued over the coming months and that the economy will not recover to pre-Covid levels until at least 2023. In this regard, Experian consider that due to the unpredictable nature of the global pandemic, there is some degree of uncertainty over the scale and duration of the outbreak and the resulting economic consequences. Accordingly, Experian's forecasts are subject to a greater degree of uncertainty and volatility than previously would have been the case.
- 2.7 Although the medium term outlook for GDP will be shaped by the course of the pandemic, the long term outlook for GDP remains unchanged, with growth expected to remain below historic averages due to slower population rises and productivity.
- 2.8 The overall retail sales are projected to be volatile in the near term, but growth is less impacted over the medium and longer terms. The outlook for special forms of trading (i.e. internet sales, mail order) has been revised upwards in the short to medium term. The prospects for retail floorspace has been revised upwards in line with stronger projections for spending and slowing levels of growth projected for internet sales.
- 2.9 In terms of inflation, Office for National Statistics data¹ indicates that the rate of inflation (as measured by the consumer price index) increased from 0.5% at June 2016 to a high of 3.1% at November 2017, before reducing to 0.6% at December 2020. The rate of inflation in 2021 has then increased back up to 2.4% in June 2021, and has then increased to 5.5% at January 2022 and further to 9.0% at April 2022 and 9.4% at June 2022. Retail has been an industry under significant stress, as many retailers find themselves squeezed between rising costs and the increasing volume of sales over the internet. This has of course, been pressurised further with the impact of the Covid-19 pandemic.
- 2.10 There will still be the need and demand for physical stores, despite the increase in shopping online. This is particularly the case for convenience sales in light of the fact that the online shopping orders are still, in the majority, being picked from shelves in physical stores. In terms of comparison shopping, there will also still be the requirement for physical stores as shoppers enjoy the experience of viewing items in person, but this shopping experience will need to evolve and diversify, and seek to engage shoppers at a level which has not been explored before.

¹ ONS 'Consumer price inflation tables' dataset, July 2022

- 2.11 In terms of the grocery market, the ONS² reports that the food and non-alcoholic beverage inflation rate as of May 2021 was 1.0% when compared to 12 months previous, with the inflation rate on alcoholic beverages and tobacco was 2.6% when compared to 12 months previous.
- 2.12 The long-term impacts of this period are yet to be determined, and as such it is almost impossible to predict with any meaningful certainty what effects short-term business closures and significantly reduced levels of activity will have.
- 2.13 However, as may be expected, ONS³ has reported that retailers which predominantly rely on customers visiting their stores recorded a big drop after they were ordered to close their doors. Dispensing chemists sold consistently more since the pandemic began than they did before, with their sales increasing strongly in March 2020, and continued to grow in June even after restrictions were eased and other non-essential stores were allowed to reopen. Non-specialised foodstores, which include supermarkets, also traded consistently above their pre-pandemic levels. However, for furniture retailers, customers returned in the summer with trade returning to pre-pandemic levels and growing further, boosted by people still spending more time at home than they used to.
- 2.14 In terms of online retailing, ONS has reported ‘...online sales reaching higher than usual levels over the course of the pandemic’. Although these levels dropped off after shops reopened in June, the proportion of online retailing began to increase in October and continued to do so into November following the reintroduction of lockdown measures. However, with the gradual reopening of the economy in Spring/Summer 2021, ONS has reported a decrease in the overall proportion of retail spending online.

Available Expenditure and the Impact of the Internet

- 2.15 Experian forecasts fairly turbulent growth in per capita convenience and comparison goods expenditure over the short term. In this regard, Experian forecasts that per capita expenditure growth in the convenience goods sector will decrease slightly at 2022 by 2.0% (from -3.7% at 2021, and 8.7% growth at 2020). The growth at 2020 was largely attributed to consumers spending more on such goods as a result of lockdown measures. However, this growth is forecast to unwind over the short to medium term, and Experian forecasts very limited growth beyond 2022.

² ONS ‘Detailed Figures by Division’ dataset, November 2021

³ ONS analysis titled ‘The impact of the coronavirus so far: the industries that struggled or recovered’, published on www.ons.gov.uk on 9 December 2020

2.16 As the below Table 2.1 indicates, forecast increases in comparison goods spending are more optimistic following reduced growth of 1.6% at 2020 and 1.9% at 2021, but it is evident that per capita comparison goods expenditure increases going forward will be below the level apparent at the turn of the millennium. Experian identifies that per capita comparison goods expenditure growth dropped from 3.9% at 2017 to 1.0% at 2018, and forecasts that it will remain between 2.8% to 2.9% per annum in the medium to long term. The exception to this is the reduction in growth between 2020 and 2021, which is largely a result of lockdown measures closing all but essential stores, and an anticipated growth of 2.1% and 2.8% in per capita expenditure in 2022 and 2023 respectively under the expectation that lockdown measures will be gradually eased and expenditure will pick up.

Table 2.1: Experian’s Identified and Forecast Convenience and Comparison Goods Per Capita Expenditure Growth

Volume Growth Per Head (%)	2017	2018	2019	2020	2021	2022	2023	2024-28	2029-40
Convenience goods	0.2	0.0	-1.2	8.7	-3.7	-2.0	0.1	0.1	0.1
Comparison goods	3.9	1.0	2.2	1.6	1.9	2.1	2.8	2.8	2.9

Source: Figure 1a and Figure 1b of Experian Retail Planner Briefing Note 19

2.17 Whilst the above figures relate to a level of growth which is significantly below that which has historically been available to retailers, the situation for high street stores is exacerbated through the increasing amount of expenditure which is committed through special forms of trading⁴ and, in particular, online.

2.18 In this regard, Appendix 3 of ERPBN19 indicates that special forms of trading accounted for just over 30% of total retail sales at 2021 as a consequence of Covid-19 and subsequent to very strong growth in online retailing over the past decade. Although the growth in special forms of trading is anticipated to drop back slightly in 2022, Experian believes that special forms of trading will account for over 30% of retail sales by 2025, increasing to around 34% by 2031.

2.19 The below Table 2.2 sets out Experian’s identified and forecast level of special forms of trading as a proportion of overall convenience and comparison goods expenditure. Experian estimates that special forms of trading will account for over a third of comparison goods expenditure and over a fifth of convenience goods expenditure at 2031.

⁴ Including internet sales, mail order, stalls and markets, door-to-door and telephone sales

Table 2.2: Experian’s Identified and Forecast Market Share of Non-Retail Sales for Convenience and Comparison Goods Sectors

Volume Growth Per Head (%)	2017	2018	2019	2020	2021	2022	2026	2031
Convenience goods	11.2	12.4	13.7	18.0	20.9	19.1	22.2	23.9
Comparison goods	20.8	22.8	24.3	34.1	35.5	31.9	35.6	38.1

Source: Figure 5 of Experian Retail Planner Briefing Note 19

2.20 The ongoing popularity of internet shopping continues to have clear implications in respect of the viability of some ‘bricks and mortar’ retailers. However, it is important to note that changes in how people shop also bring about some opportunities for retailers trading from the high street. In particular, many stores sell online but fulfil orders from regular stores rather than warehouses⁵, with purchases therefore helping to sustain tangible retail floorspace. As a consequence, Experian also provides an ‘adjusted’ estimate of special forms of trading, which relates to expenditure which is not available to actual stores.

Convenience Goods

2.21 Recent socio-economic conditions have led to significant shifts in convenience goods retailing, which have resulted in the ‘big four’ supermarket operators’ market share being cut. Mintel⁶ finds that the decline of the food superstore is well established and that this can be attributed to two issues.

2.22 Firstly, people are undertaking food shopping in different ways. More people are living in town and city centres and more people are having difficulties financing the purchase of their own home. Mintel indicates that such people are more likely to undertake food shopping on an ‘as needs’ basis and are more likely to eat out or use takeaways. As such, they are less likely to have need to undertake a ‘main food shop’.

2.23 Secondly, the current uncertainty in the economy has made hard discounters (namely Aldi and Lidl) a more attractive proposition, and are particularly thriving given that shoppers are currently having to be ‘money savvy’. Discounters have also made efforts to try to compete more directly with the ‘big four’ supermarket operators, with larger stores, greater ranges of goods, fresh foods and premium products becoming increasingly prevalent. It is clear that the likes of Aldi and Lidl are no longer ‘discount retailers’ as they once were, and have better met a wider range of customers’ needs through the increase in a supply of more premium products.

⁵ This is particularly the case with food shopping and speciality comparison goods purchases, where retailers often try to tap into a wider market through an online presence

⁶ ‘UK Retail Rankings’, Mintel, April 2018

2.24 The move towards the middle ground has allowed discounters to secure market share from both superstores and smaller convenience stores. In addition, we note that discount retailers are often happy to trade alongside more upmarket convenience goods retailers (such as Marks & Spencer Foodhall) as, collectively, the two stores can meet many food shopping needs.

2.25 The shifts in the sector are illustrated with reference to changes in retailers' market share in recent years, as shown in Table 2.3.

Table 2.3: Market Share of convenience goods operators

Operator	December 2016	December 2017	December 2018	December 2019	December 2020	December 2021
Tesco	28.4	28.1	27.8	27.4	27.3	27.9
Sainsbury's	16.5	16.5	16.1	16.0	15.9	15.7
Asda	15.3	15.3	15.2	14.8	14.3	14.2
Morrisons	10.8	10.8	10.6	10.3	10.4	10.1
Aldi	6.2	6.8	7.4	7.8	7.4	7.7
Co-op	6.3	5.8	5.9	6.1	6.0	5.8
Lidl	4.6	5.0	5.3	5.9	6.1	6.3
Waitrose	5.1	5.2	5.0	5.0	5.0	5.1
Iceland	2.2	2.2	2.2	2.3	2.5	2.4
Symbols & Independent	1.8	1.7	1.5	1.6	1.7	1.6
Other Outlets	1.7	1.6	1.7	1.6	1.8	1.8
Ocado	1.1	1.1	1.2	1.3	1.6	1.7

Source: KANTAR Grocery Market Share. Figures shown are for the final reporting period in each calendar year

2.26 Over the past couple of years, the market has witnessed the closure of unprofitable foodstores, particularly operated by Tesco and Morrisons but a substantial investment plan from the likes of Aldi and Lidl over the coming years, which will likely further shift the grocery market in the short and medium term.

Comparison Goods

2.27 The comparison goods sector is currently being squeezed by a number of factors, the most substantial being the effects of Covid-19 and the efforts to contain it. Other factors include reduced expenditure growth, the ability of internet shopping to plug gaps in retailer representation, increases in the minimum wage, and business rates changes.

2.28 This 'perfect storm' has resulted in changes in the structure of retailing on the UK high street and a generally lesser reliance on comparison goods retail. To underscore this, the Centre for Retail

- Research reported that 2020 was the worst year for the retail job losses in more than 25 years. Around 180,000 retail jobs were lost in total, with this figure representing a rise of almost a quarter on 2019⁷.
- 2.29 Whilst the sector is continually evolving and there are a number of ongoing success stories (including Primark, Zara, Jack Wills, Joules and Hotel Chocolat), recent headlines have focussed on failing retailers and store closures. High profile retailers that have struggled include Debenhams, which announced the closure of all 124 stores in December 2020⁸ and the Arcadia Group, which owned Topshop, Topman and Dorothy Perkins, which in February 2021 announced the closure of around 500 stores⁹. Furthermore, Intu Properties, one of Britain's biggest shopping centre owners, fell into administration in June 2020 after failing to secure an agreement with its creditors¹⁰.
- 2.30 Whilst the loss of the some of the above names will have significant repercussions for certain towns (particularly those that lose Debenhams, Marks & Spencer or House of Fraser from their high street in very quick succession), some well-known retailers have failed to 'move with the times' and update their offer, accommodation and online presence. This is partly a consequence of retailers struggling to reinvest in their business when margins are tight (or non-existent).
- 2.31 It will be interesting to see whether any permanent change in working from home may act to counterbalance the polarisation trend, given the prospect of fewer commuters in larger centres and greater numbers of people spending the working day in and around their home. The impact on larger centres may be to reduce footfall, particularly within the week, and result in the shift in expenditure being directed to the smaller town, district and local centres. Whilst this will be a positive for the smaller centres, the city centre may suffer as a result.
- 2.32 Whilst structural changes have had a material impact on the vitality and viability of many UK high streets, there are some beneficiaries. In particular, household discount operators, such as B&M Bargains, Poundland and Wilko, have reoccupied a number of medium to large retail units. However, as evidenced by the failure of Poundworld, there is some evidence that this market may be approaching capacity.
- 2.33 It remains to be seen what additional long-term impacts will eventuate from retail closures resulting from Covid-19 containment measures. However, prior to the implementation of lockdown measures,

⁷ Article headlined 'Retail sales in 2020 'worst for 25 years'', BBC, 12 January 2021

⁸ Article headlined 'Debenhams set to close putting 12,000 jobs at risk', BBC, 1 December 2020

⁹ Article headlined 'After Topshop owner Arcadia's demise, what now for UK clothes shopping?' The Guardian, 13 February 2021

¹⁰ Article headlined 'Shopping centre owner Intu collapses into administration', The Guardian, 26 June 2020

trading conditions for retailers were challenging and many retailers were struggling to meet costs, including rents, resulting in a higher proportion of retailers restructuring or entering administration. As has been seen throughout 2020 and 2021, the conditions have only become more challenging.

Leisure and Food & Drink

- 2.34 The greater availability of high street units appears to have helped stoke an entrepreneurial spirit in recent years, with a number of centres beginning to benefit from a greater focus on independent retailers and also modern markets, which are frequently focussed around food and drink operators.
- 2.35 More generally, the food and drink sector has also been buoyed in recent years by the success of mid-market national multiples, which expanded quickly across the UK. However, there are signs that the market is becoming saturated in some locations and a number of high profile operators have been in financial difficulty. Given the problems suffered by such operators, the market has become more cautious and mid-market operators are picking new sites carefully as a result. Instead, we have seen a number of independent operators flourish, both before and throughout the pandemic, and a desire of shoppers to choose local operators over the bigger, regional and national brands. This is particularly the case for the smaller centres in the authority area.
- 2.36 A further significant recent high street success story has been the resurgence of the town centre leisure sector, which has resulted in new cinemas being developed close to the shopping core and 'competitive socialising' concepts, which include bowling, crazy golf, table tennis, darts, axe-throwing and other seemingly niche pursuits.
- 2.37 Cinema openings have been on the up in recent years and 'boutique' cinema operators – including Curzon, Everyman and The Light – are able to operate from smaller sites in town centres (partly as a consequence of digital technology). Town centre cinema development has successfully underpinned wider mixed-use developments, as food and drink operators are typically keen to locate in close proximity to benefit from spin-off custom. New, innovative leisure operators have been particularly beneficial both in re-using existing difficult to let premises, and in driving the evening economy.
- 2.38 More generally, the gym market continues to perform well, with the Leisure Database Company identifying that there are now more than 7,000 gyms across the UK, with the fitness market having an estimated value of more than £5bn. The Leisure Database Company suggests that this is a 'golden age of fitness', with around one in every seven Britons having a gym membership. Budget gyms are

currently particularly popular, with operators such as Pure Gym, the Gym Group and easyGym utilising a format that is based on low costs and high volume.

- 2.39 There is a concern that the implications of the pandemic will be particularly felt on the leisure sector, with some facilities having not being allowed to reopen until July 2021. The full impact on the leisure sector as a whole will really evolve throughout the remainder of 2021 and into 2022, and it is clear that the industry is not 'in the clear' yet. However, the evidence of early trends is starting to emerge with the Local Data Company claiming that fast-food takeaway operators were the fastest growing category in the first half of 2021, with a net 333 units opening. The reasons for this growth are attributed to growth in delivery driven by the closure of the casual dining sector, and more brands expanding to take advantage of increased demand for take-away dining.

Planning Reform on the High Street

- 2.40 One of the most impactful planning reforms of the last year has been the consolidation of a number of separate Use Classes under a single 'Commercial, Business and Service' Class E. This update to the Town and Country Planning (Use Classes) Order 1987 (the 'UCO') in July 2020 came into effect in September 2020. It combines shops, restaurants, offices, gyms and nurseries (amongst others) that no longer require planning permission to switch uses.
- 2.41 Then, in March 2021, an update was made to the General Permitted Development) (England) Order 2015 (the 'GPDO'). This allows for the change of use from Class E properties to residential from August 2021 (extending a right that had previously been restricted to office uses. This permitted development right is subject to maximum size requirements, the property having been in use as Class E for 2 years and vacant for 3 months. Also, an application to the Council for 'Prior Approval' for limited consideration of impacts related to transport, contamination, flood risk, noise, the provision of natural light, and the potential effect of providing residential accommodation within an industrial area. Further limitations apply in Conservation Areas and for nurseries, as well as in areas covered by 'Article 4 directions' where the rights do not apply.
- 2.42 Article 4 directions are issued under article 4 of the GPDO, and allow for Councils to withdraw permitted development rights from defined areas. However, after notifying the Secretary of State of their intention to make an Article 4 directions, the Secretary of State can intervene and modify or cancel an Article 4. This would occur if they do not feel it is justified as they have done on a few notable occasions in the past. They can be immediate (taking effect within a year of being issued, but

- liable for compensation to landowners) or non-immediate (taking effect at least a year after issue, but not liable for compensation).
- 2.43 On 20th July 2021, the latest update to the National Planning Policy Framework ('NPPF') introduced new limitations on the use of Article 4 directions (Paragraph 53). The new text significantly narrows the areas in which it is justified to introduce Article 4 directions, limiting Councils abilities to control development within their boundaries. These updates to Paragraph 53 were first put forward in the January 2021 consultation for draft revisions to the NPPF. However, the final updates differ from the initial consultation in a couple of key areas. The text recognises that the loss of the "essential core of a primary shopping area" could result in wholly unacceptable adverse impacts on an areas vitality and viability. This is the Government's first acknowledgement of the potential for the permitted development rights to undermine the health of centres in the NPPF. The updated text also introduces a requirement for 'robust evidence'.
- 2.44 On the one hand, this can be seen as good news for Councils looking to protect vulnerable centres. Protection of the vitality and viability of a high street or town centre against the adverse impacts of change of use is now listed as justification for issuing an Article 4 direction.

Implications for East Lindsey Centres

- 2.45 The above trends have a number of potential implications for retail and leisure provision within East Lindsey. Skegness town centre is the principal retail and leisure centre within East Lindsey with the highest level of national multiples present. As we demonstrate in more detail later in the report, the centre still attracts the highest proportion of convenience and comparison shopping trips from residents in East Lindsey and has retained its importance as a commercial destination within the wider area. This is particularly the case given the relatively rural nature of East Lindsey and the importance of ensuring that there is a principal centre within the authority which provides for the range of operators residents require. Skegness is also undoubtedly an important town centre serving residents and tourists' needs. The centre's offer is dominated by its wider leisure and service offer but is also an important destination to serve shoppers comparison needs.
- 2.46 The other alternative is for residents to look online to meet their shopping needs, which of course is partly to the detriment of defined centres (albeit there will be an element of 'click and collect' and other means which can encourage linked-trips to centres).

- 2.47 Skegness is also well served by large format convenience destinations meeting both main and top-up food shopping functions and attract residents from a relatively large catchment, particularly from those areas within which larger stores are not present. This in itself raises sustainability concerns in terms of the distances required by residents to travel to meet their needs but which is not unusual for areas similar to East Lindsey. Furthermore, and as is the case for comparison retailing, residents are becoming more familiar with shopping online, which again has been accelerated as a result of COVID-19. It will be important that post-COVID, operators and centres incentivise residents back into the centres to help support the revitalisation of the high streets.
- 2.48 Whilst the growth of online retailing is likely to have had a detrimental impact on the turnover of East Lindsey's retail destinations, going forward there may be opportunities for East Lindsey's retail facilities to benefit from multi-channel retailing in order to help drive footfall and sustain retailer representation. This is particularly important in light of the current commercial situation and the need to rejuvenate high streets once the pandemic is over. Working with bodies such as the Institute of Place Management to plan for a successful recovery will be vital following the current commercial climate, and will likely be a relatively lengthy process as we get used to being back to 'normal'.
- 2.49 Alongside this we can also point to an increase in community cohesion and partnerships amongst high street occupiers, as well as between high streets and local residents. In a number of cases, high street operators have adapted to the COVID-19 outbreak by pivoting to an online model (which will likely remain as an additional revenue stream for a number of businesses in the future) and increased communication of opening hours and operating procedures. This has led to new level of customer interaction for some high street occupiers, while others have understandably reduced communication whilst focussing on other priorities during the outbreak. Many businesses are also diversifying their offer and adding, often informal, home delivery services.
- 2.50 Such opportunities will likely be driven in the first instance by national multiple retailers – and are therefore of particular relevance to larger retail venues, such as Skegness and Louth town centres and to a lesser extent the likes of Horncastle – but there are also likely to be opportunities for smaller centres to provide click and collect facilities, which could help encourage residents to visit the centres and access other facilities whilst they do so.
- 2.51 There is a need for flexibility in centres, which needs to be adaptable to a number of uses to address a wide range of future needs. This is ever important following the COVID-19 pandemic and as we witness the 'recovery' within the centres and high streets in East Lindsey. Indeed, vital and viable

centres need a varied mix of uses and there is also an identified need to concentrate multi-functional public services in town centre locations to realise agglomeration benefits.

- 2.52 The latest pressures on our high streets will likely affect demand for space and its use, the design of buildings and public realm, and transport access. Indeed, the changes in working habits will likely impact on the way we live longer-term, resulting in a need for residents to shop and work locally, and enjoy the local services and leisure activities. In this regard, the sub-regional centres have struggled more during the relaxing of the lockdown measures given that a higher proportion of workers are still working from home and making the most of facilities within the smaller local town centres. This may result in a decrease in retail space overall, a trend which has been witnessed in East Lindsey's centres pre-COVID in any event. In this regard, we recommend that the authority ensure that policies are sufficiently flexible so as to allow for a wide range of town centre uses beyond retail, and that consideration is given to repurposing historic, often outdated retail stock to accommodate residential, leisure and community uses.

3 Planning Policy Context

- 3.1 In order to shape the direction of this Study, it is helpful to understand relevant retail and town centre planning policy at a national and local level. As such, we first summarise national planning policy of relevance before considering relevant development plan policy as set out in the East Lindsey Core Strategy. We also consider changes to the Use Classes Order and the application of permitted development rights to town centre uses.

Revised National Planning Policy Framework

- 3.2 The most recent iteration of the National Planning Policy Framework ('NPPF') was published in July 2021. The NPPF reflects the fact that the traditional role of town centres has been somewhat undermined by structural changes in the retail sector, and that there may be a need to plan for a more diverse range of uses going forward. As such, the NPPF advocates a more flexible policy framework to support the future vitality and viability of town centres.
- 3.3 NPPF policies are considered on a thematic basis below.

Plan-Making

- 3.4 Paragraph 20 of the NPPF indicates that development plans should set out an overall strategy for the pattern, scale and design quality of places, including policies to deliver retail, leisure and other commercial development. Paragraph 31 states that the preparation and review of all policies should be underpinned by relevant and up-to-date evidence. This should be proportionate and take into account relevant market signals.

Building a Strong, Competitive Economy

- 3.5 Paragraph 81 of the NPPF indicates that planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt. Significant weight should be placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development.

Ensuring the Vitality of Town Centres

- 3.6 Paragraph 86 specifically relates to planning for town centres. It states that:

'Planning policies should:

- a. **define a network and hierarchy of town centres and promote their long-term vitality and viability – by allowing them to grow and diversify in a way that can respond to rapid changes**

in the retail and leisure industries, allows a suitable mix of uses (including housing) and reflects their distinctive characters;

- b. define the extent of town centres and primary shopping areas, and make clear the range of uses permitted in such locations, as part of a positive strategy for the future of each centre;**
- c. retain and enhance existing markets and, where appropriate, re-introduce or create new ones;**
- d. allocate a range of suitable sites in town centres to meet the scale and type of development likely to be needed, looking at least ten years ahead. Meeting anticipated needs for retail, leisure, office and other main town centre uses over this period should not be compromised by limited site availability, so town centre boundaries should be kept under review where necessary;**
- e. where suitable and viable town centre sites are not available for main town centre uses, allocate appropriate edge of centre sites that are well connected to the town centre. If sufficient edge of centre sites cannot be identified, policies should explain how identified needs can be met in other accessible locations that are well connected to the town centre; and**
- f. recognise that residential development often plays an important role in ensuring the vitality of centres and encourage residential development on appropriate sites.'**

3.7 The requirement to plan to meet needs across a minimum ten year period represents a change from the previous NPPF which required town centre needs to be met in full across the entire plan period.

3.8 In addition, it is notable that the NPPF Annex 2 Glossary fails to make any reference to the designation of primary and secondary frontages. Page 32 of the Government Response to the February 2019 Draft Revised National Planning Policy Framework Consultation¹¹ indicates that, whilst the revised NPPF has removed the expectation in national planning policy that such frontages must be defined, this does not necessarily preclude authorities from doing so where their use can be justified. However, it is evident that the general intention is to provide for more flexibility through a less prescriptive approach to land use.

3.9 Paragraph 90 of the NPPF states that it is appropriate to identify thresholds for the scale of edge of centre and out of centre retail and leisure development that should be the subject of an impact assessment. Any such threshold policy applies only to the impact test. All planning applications for

¹¹ Published July 2018.

main town centre uses that are not in an existing centre and not in accordance with an up-to-date development plan will generally be the subject of the sequential test¹².

Promoting Healthy and Safe Communities

3.10 Paragraph 93 seeks to support the social, recreational and cultural facilities and services the community needs.

3.11 As such, planning policies and decisions should:

- plan positively for the provision and use of shared spaces, community facilities (such as local shops, meeting places, sports venues, open space, cultural buildings, public houses and places of worship), and other local services to enhance the sustainability of communities and residential environments;
- take into account and support the delivery of local strategies to improve health, social and cultural well-being for all sections of the community;
- guard against the unnecessary loss of valued facilities and services, particularly where this would reduce the community's ability to meet its day-to-day needs;
- ensure that established shops, facilities and services are able to develop and modernise, and are retained for the benefit of the community; and
- ensure an integrated approach to considering the location of housing, economic uses and community facilities and services.

3.12 Paragraph 96 states that to ensure faster delivery of public service infrastructure such as hospitals and criminal justice accommodation, Local Planning Authorities should work closely with promoters, delivery partners and statutory bodies to plan for the required facilities.

Town Centres and Retail Planning Practice Guidance

3.13 The Town Centres and Retail Planning Practice Guidance ('the Town Centres PPG') was published in July 2019 and last updated in September 2020 and provides additional direction in respect of how retail and town centre planning policy should be applied in respect of plan-making and decision taking. The Town Centres PPG affirms the Government's aspiration to support town centres in order

¹² With the exception (in accordance with paragraph 88 of the NPPF) of small scale rural office proposals and other small scale rural development.

to generate employment, promote beneficial competition and create attractive, diverse places where people want to live, work and visit.

3.14 Paragraph 004 of the Town Centres PPG indicates that a local planning authority's strategy for their town centres should include:

- The realistic role, function and hierarchy of town centres over the plan period. Given the uncertainty in forecasting long-term retail trends and consumer behaviour, this assessment may need to focus on a limited period (such as the next five years), but will also need to take the lifetime of the plan into account and be regularly reviewed.
- The vision for the future of each town centre, including the most appropriate mix of uses to enhance overall vitality and viability.
- The ability of the town centre to accommodate the scale of assessed need for main town centre uses, and associated need for expansion, consolidation, restructuring or to enable new development or the redevelopment of under-utilised space.
- How existing land can be used more effectively – for example, the scope to group particular uses such as retail, restaurant and leisure activities into hubs or for converting airspace above shops.
- Opportunities for improvements to the accessibility and wider quality of town centre locations, including improvements to transport links in and around town centres, and enhancement of the public realm.
- What complementary strategies are necessary or appropriate to enhance the town centre and help deliver the vision for its future, and how these can be planned and delivered. For example, this may include consideration of how parking charges and enforcement can be made proportionate.
- The role that different stakeholders can play in delivering the vision. If appropriate, it can help establish the level of cross-boundary/strategic working or information sharing required between both public and private sector groups.
- Appropriate policies to address environmental issues facing town centres, including opportunities to conserve and enhance the historic environment.

- 3.15 This particular piece of work seeks to provide a general City-wide retail strategy which will provide an overall context to the determination of planning application for such uses and will help inform the Council's consideration of specific strategies and regeneration initiatives. As such, many of the above detailed requirements could be addressed by future centre-specific commissions.
- 3.16 Paragraph 006 of the Town Centres PPG identifies a series of key indicators of relevance in assessing the health of a centre over time¹³. The indicators allow the role, performance and function of centres to be monitored and are considered in greater detail at Section 5 of this report (which specifically addresses the vitality and viability of East Lindsey's principal centres).

Use Classes Order

- 3.17 Significant changes to the Use Classes Order have been enacted through the Town and Country Planning (Use Classes) (Amendment) (England) Regulations 2020, which came into force on 1 September 2020.
- 3.18 The amendments include the revocation of Parts A and D, and the introduction of three new Use Classes, these being Classes E, F1 and F2. The Government's objective is that the changes will support the revival of the high street and allow for greater flexibility in changing uses within town centres without the need for planning permission.
- 3.19 In addition to the three new Use Classes, the changes also result in some changes in respect of uses classified as sui generis. In practical terms, the changes comprise:
- **Use Class E** – Commercial, business and service uses include: shops or retail; cafes or restaurants; financial services; professional services; any service appropriate to provide in a commercial, business or service locality; indoor sports, recreation or fitness; medical or health services; crèche, day nursery or day centre; and, offices.
 - **Use Class F1** – Learning and non-residential institutions include any non-residential use for the: provision of education; display of works of art; museum; public library or public reading room; public hall or exhibition hall; for or in connection with public worship or religious instruction; or, as a law court.
 - **Use Class F2** – Local community uses include: a shop selling mostly essential goods, including food, no larger than 280 sq.m and where there is no other such facility within 1,000 metres

¹³ These indicators inform the healthcheck assessments that are set out at Section 5 of this report.

radius of the shop's location. A hall or meeting place for the local community, an area or place for outdoor sport or recreation and an indoor or outdoor swimming pool or skating rink.

- **Sui Generis** – Use within this Class now include Public house, wine bar or drinking establishment; a drinking establishment with expanded food provision; as a hot food takeaway for the sale of hot food where consumption of that food is mostly undertaken off the premises; live music venue; cinema; concert hall; bingo hall; or, dance hall.

3.20 The introduction of Class E is significant and places a wide range of uses including retail, food, financial services, gyms, healthcare, nurseries, offices and light industry into a single use class.

3.21 As ever, the Use Classes are not linked to any spatial considerations. As such, the expanded Use Class E applies equally to both town centres and out of centre locations, and there may be unintended consequences in providing additional flexibility across Class E outside of town centres. Accordingly, it may be necessary for the Council to apply restrictive conditions to certain forms of development in order to restrict the authorised use to that which has been justified in the application submission. This will help ensure that unacceptable impacts do not arise from future Class E development.

Local Planning Policy Context

Adopted Local Plan

3.22 The Adopted Local Plan is made up of the Core Strategy and the Settlement Proposals Development Plan Document, both adopted in July 2018.

3.23 Point 11 of Core Strategy Policy 10 on 'Design' sets out the developments the Council will support when they satisfy a site-specific design brief, this includes all retail applications over 0.25 hectares and applications over 0.5 hectares within a designated town centre.

3.24 CS Policy 14 relates to town and village centres and shopping. This policy sets out that the Council will work to support the development of shopping, commercial leisure, office, tourism, cultural services and community services and facilities that contribute to the vitality and viability of town centres in the District by expanding these facilities, supporting retail uses within the primary shopping frontages, prioritising sites within the Town Centre before allowing for retail schemes on the 'edge of town' and 'out of centre' developments to take place and the use of impact assessments to demonstrate that any developments outside of the town centre will not be detrimental to the existing and future investment of the centre.

- 3.25 CS Policy 14 also states that housing and conversions of redundant shops in the secondary housing area will only be supported where it is proven that shopping is no longer a viable use and that there is no demand for unit through re-let or resale. It should also be proven that it will not compromise the future development of the centre for retail and community uses.
- 3.26 CS Policy 15 'Widening the Inland Tourism and Leisure Economy' lists the quality tourism facilities that the Council would support. This includes those that will extend and diversify the offering of what exists presently, provide opportunities for the enjoyment of the District's wider area and are sensitive in terms of design to the existing natural and built landscape.
- 3.27 CS Policy 21 outlines that holiday attractions will play an important role within Coastal Employment, as well as food and drink, hostels and hotels and assembly and leisure facilities. The Policy states that development of which widens the scope of the holiday facilities and attractions, supports the economy and lengthens the holiday season will be supported by the Council.

4 Market Research

Introduction

- 4.1 An assessment of spending patterns is undertaken to identify where residents across the study area are currently undertaking their convenience (food) and comparison (non-food) spending. This exercise is important to establish how much money is spent in centres within East Lindsey and how much 'leaks' to other destinations outside of the authority area.
- 4.2 In summarising and analysing the shopping patterns, it is useful to have regard to the settlements located within each of the zones. In this regard, the Study Area is broken down into eight Zones which broadly cover a key settlement each. The context of the zones are summarised again below in Table 4.1:

Table 4.1: Study Area Zones by Settlement

Survey Zone	Key Settlements
1	Skegness
2	Chapel St. Leonards, Wainfleet All Saints
3	Coningsby/Tattershall,
4	Spilsby
5	Horncastle
6	Alford
7	Louth
8	Mablethorpe

Convenience Shopping Patterns

- 4.3 Table 4.2 below provides the top ten destinations in the authority area based on the level of convenience expenditure. We can see from Table 4.1 that the principal destination for convenience goods shopping across the Study Area as a whole is the Aldi on Newbridge Hill in Louth, which attracts a total of £44.4m of available convenience expenditure within the study area, or 10.6% of the available expenditure. This is followed by the Morrisons on Wainfleet Road in Skegness which attracts 7.2% of available expenditure and the Morrisons on Eastgate in Louth, which also attracts 6.6% of available expenditure.

Table 4.2: Total Convenience Expenditure Summary (Top Ten Destinations)

Convenience Spending Patterns	2021 Study Area Residents' Expenditure	2021 Market Share (%)
Aldi, Newbridge Hill, Louth	44.4	10.6%
Morrisons, Wainfleet Road, Skegness	30.2	7.2%
Morrisons, Eastgate, Louth	27.9	6.6%
Tesco Superstore, Richmond Drive, Skegness	26.0	6.2%
Aldi, Burgh Road, Skegness	25.4	6.0%
Tesco Superstore, Watermill Road, Horncastle	21.1	5.0%
Lidl, High Street, Mablethorpe	18.8	4.5%
Sainsbury's Superstore, Boston Road, Spilsby	17.4	4.1%
Lidl, Richmond Drive, Skegness	12.4	3.0%
Co-op, Conging Street, Horncastle	7.5	1.8%

- 4.4 Table 4.2 also indicates that the discount foodstores in particular are trading exceptionally well against their benchmark averages and specifically the Aldi store in Louth, which is estimated to be trading at approximately £33.2m above benchmark average.
- 4.5 Other stores identified as trading well are the Aldi store in Skegness, the Sainsbury's store in Spilsby and the Morrisons in Louth in particular.
- 4.6 Table 4.3 below provides the main, top up and total retention of expenditure on a zonal basis. The retention level demonstrates the proportion of residents residing in that zone who also shop at destinations in the same zone.
- 4.7 We can see that in terms of main food expenditure, the highest level of retention for main food expenditure is in Zone 1 (Skegness) within which 99.5% of expenditure generated by Zone 1 residents is retained. This is followed by Zones 7 (Louth) and 8 (Mablethorpe) at 74.0% and 71.5% respectively. The higher retention level in Zone 1 indicates that the settlement of Skegness contains a range of existing convenience stores which are meeting residents' needs. However, the lower retention levels in Zones 2 and 3 particularly but also Zones 4, 5 and 6 indicate that residents are having to travel outside of their local zone to meet their needs at convenience destinations elsewhere. For example, for Zone 3 residents, key destinations outside of Zone 3 include stores within Boston, which are located outside of the Study Area and outside of the authority area.

Table 4.3: Convenience Expenditure Retention by Zone at 2021

Zone	Main Food Expenditure Retention	Top-Up Food Expenditure Retention	Total Convenience Expenditure Retention Per Zone
1- Skegness	99.5%	94.0%	98.2%
2- Outer Skegness	5.7%	70.9%	22.0%
3- Coningsby/Tattershall,	5.6%	58.5%	18.8%
4- Spilsby	48.0%	81.4%	56.3%
5- Horncastle	55.3%	91.6%	64.4%
6- Alford	17.3%	72.2%	31.0%
7- Louth	74.0%	86.1%	77.1%
8- Mablethorpe	71.5%	93.2%	76.9%

- 4.8 In terms of top-up food shopping trips, the retention levels are higher within each of the zones, indicating that residents often choose to meet their day-to-day top-up convenience requirements at smaller, more local convenience destinations. For example, although just 55.3% of main food expenditure generated by Zone 5 residents is spent at destinations in the corresponding zone, 91.6% of top-up expenditure is spent in Zone 5. In this regard, the Co-op on Conging Street in Horncastle performs both a main and top-up shopping function, but is able to retain a higher proportion of the top-up expenditure generated by Zone 5 residents.
- 4.9 Table 4.4 below provides the overall market share for destinations in East Lindsey and then for the Study Area as a whole. The Table also provides details of the proportion of expenditure being lost to destinations outside of the Study Area.
- 4.10 We can see from Table 4.4 that the total proportion of convenience expenditure retained within the authority area is 80.1%, or £336.3m of the available expenditure generated by residents. This increases slightly to 81.1% when including all of the destinations within the Study Area, but outside of the authority area.
- 4.11 Table 4.4 also indicates that a total of 18.9%, or £79.4m of expenditure generated by residents in the Study Area is spent at destinations outside of the Study Area. Key destinations outside of the Study Area include the Asda, Tesco and Lidl all located within Boston.

Table 4.4: Convenience Goods Expenditure Retention and Leakage

Destinations	2021 Study Area Residents' Expenditure £m	2021 Market Share %
All Destinations Inside East Lindsey Authority Area	336.3	80.1%
All Other Destinations in Study Area	4.3	1.0%
Total - All Destinations Inside Study Area	340.7	81.1%
Total - All Destinations Outside Study Area	79.4	18.9%
Total	420.0	100.0%

Comparison Shopping Patterns

- 4.12 Table 4.5 below provides the principal comparison destinations within and outside of the Study Area. The Table demonstrates that the principal comparison shopping destination for residents in the Study Area is Louth town centre, which attracts a total of 16.2% of available comparison expenditure, or £73.9m of available expenditure at 2021. This is followed by Skegness town centre which attracts 12.0% or £55.0m. In addition to Skegness town centre, Skegness Retail Park also attracts a total of £20.5m of available expenditure, indicating its importance in serving residents' comparison shopping needs.
- 4.13 Looking outside of the authority area, Lincoln, Boston and Grimsby all play important roles in meeting residents' comparison shopping needs, with Lincoln city centre attracting a total of 10.0% of available comparison goods expenditure.

Table 4.5: Total Comparison Expenditure Summary – Principal Destinations (Over 2.0% of Comparison Expenditure)

Convenience Spending Patterns	2021 Study Area Residents' Expenditure	2021 Market Share (%)
Destinations Inside East Lindsey		
Louth Town Centre	73.9	16.2%
Skegness Town Centre	55.0	12.0%
Skegness Retail Park, Wainfleet Road, Skegness	20.5	4.5%
Horncastle Town Centre	16.3	3.6%
Mablethorpe Town Centre	14.6	3.2%
Spilsby Town Centre	9.9	2.2%
Destinations Outside East Lindsey		
Lincoln City Centre	45.9	10.0%
Boston Town Centre	37.8	8.3%
Grimsby Town Centre	29.1	6.4%
Tritton Retail Park, Tritton Road, Lincoln	10.7	2.3%

- 4.14 In terms of Zones 1 and 2 residents, Skegness town centre and Skegness Retail Park both function as important comparison destinations. In this regard, Zone 1 destinations attract a total of 76.8% of comparison goods expenditure generated by Zone 1 residents, and 44.9% of available expenditure generated by Zone 2 residents. For Zone 3 residents, the principal comparison goods shopping destination is Boston town centre, which attracts a total of 33.3% of expenditure generated by these residents.
- 4.15 Table 4.6 below then sets out the overall comparison goods retention and leakage within East Lindsey. Table 4.6 indicates that a total of 56.3% or £257.6m of available comparison goods expenditure generated by residents in the Study Area is retained within East Lindsey. However, a total of £199.4m is currently leaking to destinations outside of the Study Area.
- 4.16 The level of leakage of comparison goods expenditure outside of the Study Area is significantly higher for residents in Zones 3, 4, 5 and 7, with the highest proportions of expenditure leaking outside of the Study Area being from Zone 3 residents at 76.9%, followed by Zone 5 residents at 58.9%. The lowest level is from Zone 2 residents at 19.6%.

Table 4.6: Comparison Goods Expenditure Retention and Leakage

Destinations	2021 Study Area Residents' Expenditure £m	2021 Market Share %
All Destinations Inside East Lindsey Authority Area	257.6	56.3%
All Other Destinations in Study Area	0.4	0.1%
Total - All Destinations Inside Study Area	275.3	56.4%
Total - All Destinations Outside Study Area	199.4	43.6%
Total	475.5	100.0%

Clothing and Footwear

- 4.17 In reviewing the comparison shopping patterns within the Study Area, the analysis focuses on the eight separate categories of goods which fall within the 'non-bulky' and 'bulky' comparison goods sectors.
- 4.18 However, given the dominance of the clothing and footwear market and the level of expenditure which is spent on such goods (approximately 21% of residents' expenditure), we focus firstly on the clothing and footwear patterns, followed by a summary of the other seven categories below. Clothing and footwear retailing has traditionally been the bedrock of town centres' retail offer and it can

therefore be a useful barometer of the popularity of high streets. Comparison goods purchases are generally made less often than convenience purchases, and residents are often willing to travel greater distances to meet their comparison shopping needs. As such, levels of zonal retention are often lower than those which are established by convenience goods.

4.19 Table 4.7 below sets out the proportion of clothing and footwear trips travelling to the key destinations of Skegness and Louth town centres and other destinations (which include 'smaller' town centres, along with out of centre facilities). We note that approximately 50% of residents in both Zones 1 and 2 choose Skegness town centre to meet their clothing and footwear shopping needs. Other key destinations for Zone 1 residents include Tesco Superstore on Richmond Drive and Skegness Retail Park on Wainfleet Road. Overall, the clothing and footwear shopping trip retention in Zone 1 is 56% at 2021.

4.20 In terms of Zones 6 and 8, Skegness town centre attracts 26% and 19% of clothing and footwear trips respectively. Overall, the district claims 38% of Study Area clothing and footwear shopping trips.

Table 4.7: Clothing and Footwear Shopping Market Share Analysis by Zone (%)

	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8	Total
Skegness town centre	53%	49%	4%	15%	5%	26%	1%	19%	18%
Louth town centre	1%	2%	0%	3%	2%	23%	35%	9%	12%
Other, Within Study Area	2%	4%	3%	13%	15%	5%	4%	33%	8%
Other, Outside Study Area	44%	45%	93%	69%	79%	47%	61%	39%	63%

4.21 Table 4.8 below provides a comparison of the proportion of clothing and footwear shopping trips to Boston, Grimsby and Lincoln town centres. This demonstrates that Lincoln as a destination for clothing and footwear shopping has a relatively consistent infiltration across the District, with the greatest proportion of trips originating in the west of the Study Area, Zones 5 and 3, closest to Lincoln and the lowest proportion in Zone 8 in the west. Indeed, in Zone 5 (Horncastle) over 60% of all clothing and footwear trips are to Lincoln. In total across the Study Area, 25% of clothing and footwear shopping trips are to Lincoln.

4.22 For both Boston and Grimsby town centre, the spatial distribution of their market shares and catchment is more concentrated in the parts of the Study Area closest to each centre. For instance, for Zones 7 (Louth) and 8 (Mablethorpe), 34% and 26% respectively of all clothing and footwear shopping trips are to Grimsby, whereas in Zones 3 (Coningsby/Tattershall) and 4 (Spilsby), 29% and 18% of all such trips are to Boston.

Table 4.8 Boston, Grimsby and Lincoln Town Centres Clothing and Footwear Shopping Market Share Analysis by Zone (%)

	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8	Total
Boston town centre	3%	4%	29%	18%	1%	6%	0%	0%	7%
Grimsby town centre	3%	4%	2%	5%	3%	17%	34%	26%	14%
Lincoln town centre	24%	25%	29%	28%	62%	20%	11%	4%	25%

Source: Table 9 of Appendix 4

Books, CDs and DVDs Goods

4.23 Across the Study Area as a whole, Skegness town centre attracts 15% of the total shopping trips within this sector, followed by Louth town centre, which secures 14% of trips. Looking outside of the Study Area, Lincoln town centre attracts 15%, followed by Boston town centre at 12%, and then Grimsby town centre at 7% of all such shopping trips. In total, 53% of trips to purchase books, CDs and DVDs are to destinations in the District.

4.24 Looking in more detail at the shopping patterns within the zones located principally within the District, 60% of Zone 1 (Skegness) and 63% of Zone 2 (Outer Skegness) residents choose Skegness town centre to purchase books, CDs and DVDs and a further 24% and 8% of residents in Zones 1 and 2 respectively choose the Tesco Superstore at Richmond Drive. In terms of Zones 7 (Louth), 44% choose Louth town centre and in Zone 8 (Mablethorpe) 39% of residents choose Mablethorpe town centre.

Small Household Goods

4.25 Turning to small household goods shopping patterns, we note that the most popular destination across the district is Skegness town centre, which attracts 16% of such trips, followed by Louth town centre (which attracts 11% of these trips), and Mablethorpe town centre (3% of trips). Outside of the Study Area, key destinations include Lincoln town centre which attracts 10% of all trips to purchase small household goods in the Study Area, alongside Alban Retail Park in Boston (10% of all trips). The total proportion of trips attracted to the District’s retail destinations is 41%.

4.26 The most popular destination to make small household goods purchases for Zone 1 residents is Skegness town centre (53%), followed by Tesco Superstore on Richmond Drive (9%). Skegness town centre is also the most popular destination for Zones 2, 4 and 6 residents (with Skegness town centre securing a respective market share of 44%, 24% and 17% of small household goods shopping trips

originating within these zones). For Zone 7 residents, the most popular destination is Louth town centre (41%) followed by Mablethorpe town centre (3%).

Recreational Goods

4.27 Looking at shopping patterns for recreational goods across the Study Area as a whole, the most popular destination for East Lindsey's residents is Louth town centre (which claims 18% of such trips), followed by Skegness town centre (which claims 14% of trips). The total proportion of trips attracted to the district's retail destinations is 54%.

4.28 For Zones 1, 2, 4 and 8 it is evident that the most popular destination for residents is Skegness town centre which attracts 35.6% and 43.5% of trips in Zones 1 and 2. For Zones 6 and 7, Louth is the principal destination for purchasing recreational goods. Its market share is highest in Zone 7 (where it secures 42% of all such trips), followed then by Zone 6 (14% of trips).

Chemist Goods

4.29 Turning to the final non-bulky comparison category of chemist and beauty goods, the most popular destination across the Study Area as a whole is Louth town centre (which secures 24% of such trips), followed by Skegness town centre (17%).

4.30 In total, 80% of chemist goods shopping trips originating within the Study Area are attracted to facilities within East Lindsey. Moreover, within Zones 1, 2, 4, 6, 7 and 8 the District retention rate is over 85%, which reflects the localised catchment area for purchasing such goods. Only Zone 3 loses more than half of its trips to destinations outside East Lindsey, with 40% of all trips in this Zone directed to Boston town centre.

4.31 The top destination for purchasing chemist goods in Zones 1 and 2 is Skegness town centre (which secures a share of 72% and 53% respectively for such trips). For Zone 7 residents, the principal destination for purchasing chemist goods is Louth town centre (78% share of such trips), followed by Aldi on Newbridge Hill (3%).

Electrical Goods

4.32 Looking at the first of the three bulky categories of comparison goods of electrical goods, the household survey results demonstrate that the most popular destination across the Study Area as a whole for this type of retailing is Skegness Retail Park (which attracts 28% of all trips), followed by

Louth town centre (18%), and then Skegness town centre (4%). In total, the Borough's retail facilities collectively secure 68% of all such trips.

DIY and Gardening Goods

4.33 The B&Q at Wainfleet Road in Skegness is the principal destination for DIY and gardening shopping trips across the Study Area and attracts a total of 17% of all DIY trips originating within the Study Area; the second most popular destination is the B&Q at Belvoir Road in Louth, which attracts 15% of all such trips. In total, 77% of DIY shopping trips from Study Area residents are claimed by destinations within East Lindsey District.

4.34 The most popular destination for residents in Zones 1 and 2 is the B&Q at Wainfleet Road, which secures 59% and 56% of such trips respectively.

Furniture Goods

4.35 Finally, turning to shopping patterns for furniture goods, the principal destination for residents across the Study Area as a whole is Skegness town centre (which attracts 15% of trips to buy furniture), followed by Louth town centre (which attracts 15% of trips). In total, 60% of trips from residents in the Study Area to purchase furniture goods are attracted to destinations within East Lindsey District.

4.36 The principal destination for Zone 1 residents is Skegness town centre, which attracts a total of 53% of furniture shopping trips. Louth town centre is the most popular destination to purchase furniture goods for Zone 7 residents (it secures 53% of such trips within this zone). A total of 55% of Zone 4 furniture shopping trips are attracted to Spilsby town centre.

Summary

4.37 We set out the overall District market share by zone for each of the eight comparison goods sub-sectors in Table 4.9 below.

Table 4.9 East Lindsey District Comparison Retention Rates by Category and Zone

Category	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8	Total
Clothing and footwear	56%	55%	7%	31%	21%	53%	39%	61%	38%
Books etc.	84%	92%	17%	56%	44%	62%	46%	79%	53%
Household	68%	61%	6%	63%	23%	55%	46%	61%	41%
Toys etc.	81%	76%	24%	56%	33%	64%	54%	62%	54%
Chemist	100%	100%	32%	89%	75%	98%	85%	95%	80%
Electrical	98%	95%	40%	72%	45%	86%	64%	90%	68%
DIY	100%	100%	31%	82%	62%	100%	88%	91%	77%
Furniture	70%	85%	25%	72%	39%	74%	68%	90%	60%

4.38 The household survey results are provided in full at Appendix 2. In respect of convenience goods, the findings that are of greatest relevance to the future retail strategy in East Lindsey are as follows:

- Overall, the East Lindsey convenience destinations meet both main and top up food shopping requirements for East Lindsey residents in a satisfactory manner; and
- For Zones 1, 2, 4, 6 and 8 more than nine of every ten main food shopping and top-up shopping trips are undertaken to stores within East Lindsey District; for top-up shopping, East Lindsey's market share is above 90% for Zones 5 and 7.

4.39 In terms of comparison goods, our assessment has identified that:

- a. The vast majority of residents in Zones 1, 2, 4, 6, 7 and 8 are able to meet their comparison goods shopping needs within the East Lindsey authority area (principally at Skegness town centre and Louth town centre);
- b. The overall clothing and footwear market share claimed by facilities within East Lindsey represents 37.5% of the total market share in the Study Area; and
- c. Lincoln town centre draws a relatively high proportion of clothing and footwear trips away from Zones 1, 2, 3, 4 and 5 in particular.

5 Healthcheck Assessments

Introduction

- 5.1 Paragraph 86 of the NPPF indicates that planning policies should promote the long term vitality and viability of town centres by allowing them to grow and diversify in a way that can respond to rapid changes in the retail and leisure industries. The same paragraph also states that town centres should accommodate a suitable mix of uses (including housing) and provide for development that reflects a centre's distinctive character.
- 5.2 Paragraph 006 of the Town Centres PPG identifies a range of indicators that should be assessed over time in order to establish the health of a town centre. The indicators include the following:
- diversity of uses;
 - proportion of vacant street level property;
 - retailer representation and intentions to change representation;
 - pedestrian flows;
 - accessibility;
 - perception of safety and occurrence of crime;
 - the state of town centre environmental quality;
 - the balance between independent and national multiple retailers; and
 - the extent to which there is an evening and night time economy.
- 5.3 Updated healthcheck assessments have been undertaken for Alford, Coningsby, Horncastle, Louth, Mablethorpe, Skegness and Spilsby town centres. The assessments are based on site visits which were undertaken in June 2021, following 'Step 4' of the Government's roadmap out of lockdown. This 'Step 4' followed the previous opening on 'non-essential retail' at 'Step 2' and as such the centres were substantially 'open for business'. In any event, the assessments should be taken as a 'snapshot' of the performance of each centre at a moment in time, and further issues may subsequently become apparent in each centre as a consequence of the ongoing negative impacts arising from the Covid-19 pandemic.

5.4 Detailed healthchecks for each of the centres are provided at Appendix 3. However, we summarise the key conclusions from our healthcheck assessments below.

Skegness Town Centre

5.5 Skegness is the largest town in the East Lindsey authority area and is considered to be a traditional seaside destination, and as such much of its retail and service offer is geared towards meeting the needs of the seasonal tourist population. However, the town centre also includes a more standard retail offer, primarily focused around Lumley Road and the Hildred's Shopping Centre. Notwithstanding this, the town is relatively dependent on the tourism industry, which provides a number of jobs for Skegness and East Lindsey.

5.6 There is a distinct geographic divide in the town centre, with leisure service uses located primarily along the seafront and the eastern end of Lumley Road, comparison operators in the Hildred's Shopping Centre and along Lumley Road and convenience operators in the vicinity of Skegness train station in the west of the town centre.

5.7 Our site visit was undertaken at the height of the summer season and as such the centre was observed as being very vibrant, with low levels of vacancy and high levels of activity. This is evidenced in the composition figures, which show a vacancy rate lower than the current national averages in respect of both floorspace and units.

5.8 Table 5.1 shows the composition of retail units within Skegness Town Centre as at June 2021.

Table 5.1: Skegness Town Centre Unit Composition at June 2021

	Comparison	Convenience	Financial & Business Services	Leisure Services	Retail Services	Vacant
Skegness	32.8%	9.6%	4.2%	32.8%	13.3%	7.2%
National average	27.4%	9.1%	9.2%	24.5%	15.6%	13.9%

Source: Composition of Skegness town centre (as defined by Experian Goad) derived from Nexus Planning Survey of June 2021; UK Average from Experian Goad Report July 2021

5.9 The town centre is located immediately adjacent to the Lincolnshire Coast and Skegness Beach. As such there are a variety of tourist attractions located along the town's seafront, including fairground rides, amusements and Skegness Pier. The Tower Esplanade area has recently benefited from considerable investment in order to pedestrianise the area. The centre is generally attractive, however there are a number of units which are in a relatively poor state of repair. This negatively impacts the overall perception of Skegness as a destination. Similarly, it is considered that out-of-season the

centre would lack the vibrancy noted at the time of our visit, with the effect of this being to reduce the overall environmental quality of Skegness. However despite the impacts that this reduced vibrancy could have on the town (and potentially the vacancy rate) at the time of our visit the vacancy rate was considerably lower than the national average and pedestrian activity was high. As such, Skegness town centre is considered to be a vital and viable centre.

Louth Town Centre

- 5.10 Louth is an historic market town and a key service centre in the east of Lincolnshire, and is the second largest centre in the East Lindsey, but unlike Skegness it is less focused on providing for the needs of the seasonal tourist population. Instead, the town centre provides a more 'traditional' retail make-up, focused on comparison and convenience goods, with a number of supporting service operators. The town centre is underpinned by a strong comparison goods offer, which is greater than the current national average in terms of both floorspace and units. The proportion of convenience goods operators in Louth is broadly similar to the current national average in respect of both floorspace and units. Louth Market is held at Cornmarket on Wednesdays, Fridays and Saturdays between 9am and 4pm. Every fourth Wednesday of the month a Farmers' Market is held, alongside a 'Food Friday' market on the second Friday of each month.
- 5.11 Louth's vacancy rate at the time of our survey equates to 8.7% and 5.7% in respect of units and floorspace respectively. Both of these figures are lower than the current national averages, and as such are not considered to represent cause for concern.
- 5.12 Table 5.2 shows the composition of retail units within Louth Town Centre as at June 2021.

Table 5.2: Louth Town Centre Unit Composition at June 2021

	Comparison	Convenience	Financial & Business Services	Leisure Services	Retail Services	Vacant
Louth	35.1%	8.4%	8.4%	20.4%	19.1%	8.7%
National average	27.4%	9.1%	9.2%	24.5%	15.6%	13.9%

Source: Composition of Louth town centre (as defined by Experian Goad) derived from Nexus Planning Survey of June 2021; UK Average from Experian Goad Report July 2021

- 5.13 Louth town centre is an attractive retail destination and has a high standard of environmental quality, with a number of attractive shopfronts which add interest and vibrancy to the streetscene. It is also well integrated into the transport network, in respect of both roads and public transport. Louth's vacancy rate at the time of our survey equated to a lower rate than the current national averages,

and as such are not considered to represent cause for concern. Accordingly, Louth is considered to be a vital and viable centre.

Other Town Centres

5.14 The composition of the five 'smaller' town centres, as measured by total number of units, is provided in Table 5.3 below. With the exception of Spilsby, all of these town centres display vacancies rates lower than or very similar to the UK average of 13.9% (as identified by Experian Goad at July 2021).

Table 5.3: Town Centre Unit Composition at June 2021

Town Centre	Comparison	Convenience	Financial & Business Services	Leisure Services	Retail Services	Vacant
Alford	34.7%	9.7%	9.7%	15.3%	18.1%	12.5%
Coningsby	25.6%	12.8%	2.6%	35.9%	17.9%	5.1%
Horncastle	37.8%	9.8%	7.7%	19.6%	16.8%	8.4%
Mablethorpe	31.0%	11.1%	2.3%	29.2%	12.3%	14.0%
Spilsby	32.5%	7.5%	8.8%	17.5%	18.8%	15.0%
National average	27.4%	9.1%	9.2%	24.5%	15.6%	13.9%

Source: Composition of town centres (as defined by Experian Goad - with the exception of Alford and Coningsby where Local Plan defined boundaries were used) derived from Nexus Planning Survey of June 2021; UK Average from Experian Goad Report July 2021

Alford Town Centre

5.15 Alford is dominated by heritage buildings, and as such lacks a significant number of units which are of a format and size that would appeal to national multiple retailers. As such, the majority of retailers are independents. Notwithstanding this, national multiples with a presence in Alford include Co-operative Food Store, McColl's and Spar. Additionally there are a diverse range of comparison and service operators, alongside a level of vacant floorspace which is comparable to the current national average.

5.16 Alford benefits from a high standard of accessibility, both by private vehicle and public transport, and is an attractive and well maintained centre. As such, the retail core of Alford (focused around Market Place) provides a pleasant environment, with the exception being the major arterial route of the A1104 which runs immediately to the north of the Market Place. As such, Alford is considered to be a vital and viable centre.

Coningsby Town Centre

5.17 Coningsby is a small village centre located in the south west of the East Lindsey authority area, with the town being situated just to the north of RAF Coningsby and adjacent to the neighbouring village

of Tattershall. The defined village centre is focused along Silver Street and High Street, with a mix of modern purpose built retail units alongside converted former residential properties. However, within the defined boundaries of the village centre are a number of residential properties and other non-retail operators. As a result of this, Coningsby lacks a clear retail 'core'. However, the centre is generally well maintained and provides an attractive and pleasant retail environment.

- 5.18 The centre provides a reasonable range of operators which are considered to be easily capable of providing for the day-to-day needs of the local community, particularly in respect of convenience goods with operators such as Londis, Co-op Food and McColl's having a presence in Coningsby. Alongside the retail and service operators, a range of community facilities further support the role and function of the village.

Horncastle Town Centre

- 5.19 Horncastle is the primary retail centre in the western area of East Lindsey, and as such has a relatively diverse retail and service offer which is augmented by a range of community facilities. The town centre is an attractive and pleasant retail environment, with architectural elements and interesting shop fronts that create a high standard of environmental quality. Although the centre is located adjacent to a major road junction, the retail core of the town is relatively free from vehicles.
- 5.20 The town centre is focused around Market Place, which hosts a twice weekly market, and High Street. Retailers within the town centre are generally independents, however a number of national multiples, including Tesco, Co-op Food and Heron Foods, have a presence in the town centre. Horncastle also has a diverse range of service operators commensurate with the centre's role and which are considered sufficient to provide for the needs of the local community.
- 5.21 Whilst the town has a reasonably high vacancy rate in respect of units (one of the highest figures in East Lindsey), this figure remains lower than the current national average. Given this, and in light of the centre's strong range of convenience, comparison and service operators and its evident high levels of use, Horncastle town centre is considered to be a vital and viable centre.

Mablethorpe Town Centre

- 5.22 Mablethorpe is one of two town centres in East Lindsey located on the North Sea coast. As such, it is underpinned by a strong service offer providing for the needs of the summer tourist population including a number of amusement arcades, such as The Mirage, and fairground attractions. Given its role in providing for tourist needs, the town has a distinctly seasonal retail and service economy.

However, alongside this the town also provides a range of retailers and services to provide for the day-to-day needs of the town's permanent population. These include key convenience goods operators and a number of major national multiple retailers, although a majority of units in Mablethorpe are independently operated.

- 5.23 The town centre, which is focused on High Street with a lesser number of retail units being located on Seacroft Road, is tightly bound by residential development. The town centre is considered to have an acceptable standard of environmental quality, which although lacking any special or defining features is functional. However, the centre's proximity to Mablethorpe's seafront is a positive contributor to the character of the town centre. Mablethorpe is located on the Lincolnshire coast, and as such does not benefit from a varied transport network that is found at other settlements further inland.
- 5.24 The town also has a strong range of convenience and comparison operators which are capable of providing for the needs of both the resident population as well as the transient tourist population. Despite having the highest figure for vacant units of all centres surveyed, Mablethorpe is considered to be a vital and viable centre.

Spilsby Town Centre

- 5.25 Spilsby is one of the smaller town centres in East Lindsey, and as such primarily caters to serving day-to-day retail needs. The centre is focused along two linear retail streets, High Street and The Terrace, and includes a diverse range of goods and services which are considered easily capable of providing for the day-to-day needs of the local community. Spilsby is anchored by a strong convenience and leisure service offer which reflect the centre's role as a key service centre to surrounding villages in this part of East Lindsey.
- 5.26 However, whilst the town has the highest vacancy rate in respect of units and second highest vacancy rate in respect of floorspace, only in respect of vacant units is Spilsby figure higher than the national average. Despite a relatively high vacancy rate, Spilsby is underpinned by a strong range of convenience, comparison and service operators which are commensurate with the centre's role as a key service centre. This role is further strengthened by the town's Market which is held weekly. Although the town caters less for the area's tourist population than other centres, its focus on providing for the local community and its strong, well-used provision mean that it is considered to be a vital and viable centre.

6 Population and Expenditure

Study Area and Survey

- 6.1 In May 2021, a survey of 1,000 households was undertaken by NEMS within the defined Study Area in order to ascertain where residents go to undertake a range of shopping and leisure activities. The defined Study Area is consistent with that used in undertaking the 2008 Retail and Leisure Study. The Study Area reflects the area where residents look to facilities within East Lindsey to help meet their retail and leisure needs. A plan of the Study Area is provided as Appendix 1.
- 6.2 The defined Study Area has been broken down into eight separate zones (in a manner which is also broadly consistent with the 2008 Study) based on postcode sectors. The eight zones are considered representative of geographic areas that may accommodate broadly similar patterns of shopping behaviour. The below Table 6.1 identifies the postcode sectors which define each of the zones.

Table 6.1: Study Area Zones by Postcode Sector

Survey Zone	Postcode Sectors
1- Skegness	PE25 1, PE25 2, PE25 3
2-Outer Skegness	PE24 4, PE24 5
3- Coningsby/Tattershall,	LN4 4, PE22 0, PE22 7, PE22 8, PE22 9
4- Spilsby	PE23 4, PE23 5
5- Horncastle	LN 8 5, LN9 5, LN9 6, LN10 5, LN10 6
6- Alford	LN13 0, LN13 9
7- Louth	DN36 5, LN8 6, LN11 0, LN11 7, LN11 8, LN11 9
8- Mablethorpe	LN12 1, LN12 2

- 6.3 The zones were used as the basis for the NEMS household survey, which is used to inform our assessment of shopping patterns as set out at Section 4 of this report. The survey results also underpin the quantitative retail capacity assessment, which follows at Section 7. However, in order to consider the flow of expenditure to retail destinations, it is first necessary to estimate the population and future convenience and comparison goods expenditure apparent in the Study Area.
- 6.4 The East Lindsey authority area is broadly consistent with the eight zones that constitute the Study Area.

Study Area Population

- 6.5 The population within each postcode sector and each zone at 2021 has been calculated using Experian Micromarketer G3 data (2020 estimate, which was issued in February 2022). In estimating

the future population of the Study Area, consideration has been given to the authority's population projections across the period to 2036.

- 6.6 Table 6.2 below sets out Experian's population projections for each zone in the Study Area for reporting years 2021, 2026, 2031 and 2036.

Table 6.2: Estimated Study Area Population by Survey Zone

Zone	2021	2026	2031	2036
1- Skegness	22,542	23,264	23,865	24,397
2-Outer Skegness	12,463	12,937	13,356	13,641
3- Coningsby/Tattershall,	29,597	30,792	31,710	32,567
4- Spilsby	8,948	9,336	9,673	9,962
5- Horncastle	19,956	20,571	20,939	21,201
6- Alford	8,368	8,650	8,931	9,134
7- Louth	42,501	44,294	45,731	47,059
8- Mablethorpe	13,605	13,909	14,111	14,162
Total	157,980	163,753	168,316	172,123

Source: Table 1 of Appendix 4

- 6.7 The Study Area population will increase from 157,980 persons at 2021 to 172,123 at 2036. This equates to an increase of 14,143 over the 15-year period. In this context, planning policy seeks to manage population increase and to support and encourage future growth.

Retail Expenditure

- 6.8 In order to calculate per capita convenience and comparison goods expenditure, we have utilised Experian Micromarketer G3 data, which provides detailed information on local consumer expenditure that takes into consideration the socio-economic characteristics of the local population. The base year for the Experian expenditure data is 2020. Our methodology takes account of the fact that some special forms of trading expenditure¹⁴ is not available to support retail floorspace, and then allows for increases in per capita expenditure growth on an annual basis.
- 6.9 Figure 5 of Appendix 3 of ERPBN19 (January 2022) provides forecasts in respect of the proportion of convenience and comparison goods expenditure that will be committed through special forms of trading both now and in the future. We have 'stripped out' any survey responses which relate to expenditure committed via special forms of trading and have instead made an allowance derived

¹⁴ Identified as comprising sales via the internet, mail order, stalls and markets, door-to-door and telephone sales (i.e. all expenditure not available to traditional retail floorspace)

- from Experian's recommendations (which we consider to be the most appropriate means by which to account for such expenditure).
- 6.10 In considering special forms of trading, it should be noted that many products which are ordered online are actually sourced from a store's shelves or stockroom (particularly in the case of convenience goods). As such, expenditure committed in this manner acts to sustain shops and can be considered 'available' to support floorspace within the Study Area.
- 6.11 Accordingly, in order not to overstate the influence of special forms of trading on retailers, our methodology utilises Experian's 'adjusted' allowance for special forms of trading (which is provided at Figure 5 of ERPBN19). This allowance indicates that 5.4% of convenience goods expenditure and 25.6% of comparison goods expenditure is 'lost' from shops at base year 2020 through special forms of trading purchases.
- 6.12 Having made an allowance for special forms of trading, we then take account of projected changes in expenditure in accordance with the recommendations provided by Figure 6 of Appendix 3 of ERPBN19. Experian provides overall growth rates and 'adjusted' rates, which account for any additional increases in expenditure lost to special forms of trading.
- 6.13 The latest growth rates suggest that growth in comparison goods expenditure should pick up in the short term as confidence in the economy returns, with this increase following a significant impact to comparison goods expenditure arising from the situation around Covid-19 in 2020.
- 6.14 For convenience goods, Experian forecasts very limited per capita expenditure growth across the entire period to 2036. The position is even more pessimistic when account is taken of future growth in special forms of trading, with Experian's forecasts suggesting that the growth in convenience goods expenditure available to actual stores will not exceed 0.1% per annum across the entire period 2022 to 2036. Overall, it is evident that per capita convenience goods expenditure is not forecast to increase in the period to 2036.
- 6.15 The position in respect of comparison goods expenditure is more positive. Experian forecasts that per capita comparison goods expenditure growth will take place over the period to 2036, but, with the exception of growth of 5.9% in 2022, will not exceed 2.7% per annum in the period from 2022 to 2036. Experian's forecast suggests that there will be relatively healthy growth in comparison goods even after accounting for expenditure lost to special forms of trading.

- 6.16 Growth in expenditure forecasts in the longer term (beyond the next ten years) should be treated with caution given the inherent uncertainties associated with predicting the performance of the economy over time (particularly in the current economic, health and political climates). As such, assessments of this nature should be reviewed on a regular basis in order to ensure that forecasts over the medium and longer term reflect changing circumstances.
- 6.17 In this regard, we also note that paragraph 85 of the revised NPPF requires local planning authorities to allocate sites to meet likely needs ‘...**looking at least ten years ahead**’, which differs from the previous requirement to meet needs across the entire plan period. We believe that this change directly reflects current economic conditions and changes in the retail sector in recent years. By applying Experian’s recommendations in respect of special forms of trading and expenditure growth, we are able to produce expenditure estimates for each survey zone and the Study Area as a whole at 2021, 2026, 2031 and 2036.

Convenience Goods Expenditure

- 6.18 Taking into account the Study Area resident population and the available per capita convenience goods expenditure, we estimate that £420.0m¹⁵ of convenience goods expenditure originates within the Study Area at 2021. The below Table 6.3 indicates that available Study Area convenience goods expenditure is forecast to increase to £450.8m at 2036.

Table 6.3: Total Available Study Area Convenience Goods Expenditure

2021 (£m)	2026 (£m)	2031 (£m)	2036 (£m)
420.0	426.7	438.6	450.8

In 2020 Prices

- 6.19 Table 6.4 indicates that this represents a modest increase of £30.8m (or 6.7%) across the Study Area between 2021 and 2036. Given the static growth in per capita expenditure, this increase can be attributed to growth in the Study Area’s population.

Table 6.4: Growth in Available Study Area Convenience Goods Expenditure

Growth 2021-26 (£m)	Growth 2021-31 (£m)	Growth 2021-36 (£m)
6.7	18.6	30.8

In 2020 Prices

- 6.20 We have assumed that around 75% of available convenience goods expenditure would take the form of main food shopping and that around 25% would take the form of top-up shopping (which relates

¹⁵ In 2020 Prices, as is every subsequent monetary reference

to smaller purchases, often including staple items such as milk and bread)¹⁶. By applying this ratio, we estimate that main food shopping trips account for £315.0m of Study Area convenience goods expenditure at 2021, and top-up shopping trips account for £105.0m.

Comparison Goods Expenditure

6.21 For comparison goods, Table 6.5 sets out our estimate that the resident population of the Study Area will generate £457.5m of comparison goods expenditure at 2021. Available comparison goods expenditure is then forecast to grow to £727.4m at 2036. The large majority of this growth is forecast to occur in the medium to longer term (i.e. after 2026).

Table 6.5: Total Available Study Area Comparison Goods Expenditure

2021 (£m)	2026 (£m)	2031 (£m)	2036 (£m)
457.5	541.0	624.3	727.4

In 2020 Prices

6.22 The identified increase in comparison goods expenditure growth is substantial, but it represents a level of annual growth that is more circumspect than that which has been achieved in the past. This is due to both a reduction in the overall level of growth when compared to that achieved in the early part of this millennium and as a consequence of further forecast increases in expenditure committed via special forms of trading (most obviously, internet shopping).

Table 6.6: Growth in Available Study Area Comparison Goods Expenditure

Growth 2021-26 (£m)	Growth 2021-31 (£m)	Growth 2021-36 (£m)
83.5	166.9	270.0

In 2020 Prices

6.23 We sub-divide comparison goods expenditure into eight categories, these being: 'DIY', 'Electrical' and 'Furniture' (collectively referred to as bulky goods); and, 'Clothing and Footwear', 'CDs, DVDs and Books', 'Health, Beauty and Chemist Goods', 'Small Household Goods', and 'Toys, Games, Bicycles and Recreational Goods' (collectively referred to as non-bulky goods). The proportion of expenditure directed to each sub-category is estimated by Experian on a zonal basis. Experian's estimates are reflected in the detailed expenditure tables set out at Table 7b of the 2020 Nexus Planning Quantitative Needs Assessment.

6.24 In considering expenditure growth, it should be noted that not all growth arising within the Study Area will be to support additional floorspace. Instead, account needs to be taken of: the market share of expenditure secured by retailers within the town centres; the claim made by existing retailers on

¹⁶ This is a fairly standard split applied in undertaking this exercise

expenditure growth (the future efficiency of retail floorspace); and, the expenditure that will be claimed by committed retail developments. We will consider the matter of expenditure growth and future floorspace requirements in subsequent sections.

7 Assessment of Retail Capacity

- 7.1 Our retail capacity tables set out our step-by-step approach to estimating the expenditure surplus which is available to support additional retail floorspace and are provided at Appendix 4. A summary of our methodological approach, together with our findings, is provided below.

General Approach to Estimating Quantitative Capacity

- 7.2 Retail capacity modelling follows the basic principle that: Available Expenditure minus Expected Turnover of Existing and Committed Floorspace equals Expenditure Surplus or Deficit. An identified quantitative expenditure surplus indicates that there may be capacity to support additional retail floorspace (subject to there being no unacceptable impacts arising as a consequence of the increased provision). We summarise the key considerations relating to each component of the equation below.

Available Expenditure

- 7.3 As we set out in Section 6 of this report, available expenditure within a zone is calculated by multiplying the population at a given reporting year by the estimated per capita expenditure. The available expenditure takes into consideration: estimated population growth; forecast increases in per capita expenditure; and forecast increases in special forms of trading.

Anticipated Turnover of East Lindsey's Retail Floorspace

- 7.4 The turnover relates to the expenditure required by existing retailers (and by retail commitments benefitting from an extant planning permission) to ensure that they trade viably. For convenience goods retailers, the expected 'benchmark' turnover of existing convenience goods facilities is calculated with reference to GlobalData Convenience and Comparison Goods Sales Densities of Major Grocers and Mintel Retail Rankings data¹⁷.

Surplus/Deficit

- 7.5 The expenditure surplus (or deficit) is calculated by subtracting the turnover of existing and committed floorspace from the available expenditure in the East Lindsey authority area. A surplus figure effectively represents an under-provision of retail facilities within the District (which may indicate that additional floorspace could be supported), whereas a deficit would suggest a quantitative over-provision of retail floorspace.

¹⁷ These datasets provide independent analysis of key grocery retailers' declared turnover and the overall floorspace in their portfolio in order to calculate national average sales densities.

- 7.6 Although a surplus is presented as a monetary figure, it can be converted to a floorspace requirement through the application of an appropriate sales density. In this regard, the floorspace requirement will vary according to operator and the likely sales density they could achieve. For example, in the case of comparison goods, non-bulky goods retailers tend to achieve higher sales densities than bulky goods retailers. However, within the bulky goods sector itself there is significant variation, with electrical retailers typically having higher sales densities than DIY or furniture retailers. The turnover of destinations is generally considered with reference to retailers' net sales areas and all of the following floorspace figures relate to net sales areas. Our assessment considers convenience and comparison goods needs on an Authority-wide basis and then on a settlement by settlement basis based on existing market share.

Capacity for Future Convenience Goods Floorspace

- 7.7 In order to identify the likely need for additional convenience goods floorspace in East Lindsey, it is first necessary to consider the performance of the current provision. In this respect the built up area of East Lindsey already accommodates a variety of foodstore operators. As such, we believe that many of the food shopping trips which originate within the Study Area, but are directed to facilities outside of East Lindsey, occur principally because the trip is convenient (i.e. close to home or work), rather than due to any significant deficiencies in East Lindsey's offer. Consideration of convenience goods shopping patterns on a zone-by-zone basis does not suggest that there is a particular problem with shoppers driving outside the District to access convenience goods shopping facilities. Given this, we believe that the East Lindsey's existing convenience goods market share of 80.1% of Study Area convenience goods expenditure is broadly appropriate and is likely to be sustained in the future.
- 7.8 Based on the existing market share, we estimate that £407.3m of convenience goods expenditure which originates within the Study Area will be claimed by retailers in East Lindsey at 2021. For each convenience goods retail destination, consideration has been given as to whether any of its turnover is likely to be derived as 'inflow' from outside the Study Area.
- 7.9 Visitor spending has been estimated using data from the East Lindsey District Council Steam Final Trend Report data prepared by Global Tourism Solutions (UK) Ltd on tourist expenditure in East Lindsey. Discussions with officers have confirmed that appropriate split between convenience and comparison spending is 55% to convenience and 45% to comparison. We then apportion both levels of tourism inflow on a pro-rata basis, based on the current turnovers of stores and the likelihood of attracting tourism inflow (i.e. the larger convenience and comparison destinations will also attract the

higher proportions of tourism inflow). In this regard, the Steam Report indicates that in 2019 in East Lindsey, there was a total of £129.0m of direct expenditure directed towards shopping from tourists. When taking the 55:45 split between convenience and comparison spend, this equates to a total of £71.0m of convenience inflow and £58.1m of comparison inflow from tourists.

- 7.10 For each convenience goods retail destination, the identified survey derived turnover is compared to its expected benchmark performance (which is estimated with reference to company average sales densities and the estimated net sales areas of individual shops). Our assessment assumes a 'goods based' approach, which disaggregates expenditure by sector, as it is important to recognise that major foodstore operators generally also sell some comparison goods, such as clothing, household goods, books and CDs. To account for this, the typical split between convenience and comparison goods provision for each operator has been identified¹⁸ and this multiplier has been applied to the estimated net floorspace of each foodstore. This provides an indication of the likely floorspace dedicated to the sale of convenience goods at each store and provides for an accurate estimation of convenience goods benchmark turnover.
- 7.11 The calculation of the estimated benchmark turnover of individual stores allows an assessment to be made in respect of individual retailers' trading performance and whether (on an aggregated basis) surplus expenditure exists to support additional floorspace. For smaller shops (where it is more difficult to collate accurate floorspace and sales density data), we assume that stores are trading 'in equilibrium' (i.e. the survey-derived turnover equates to the anticipated benchmark turnover). Our assessment is summarised below at Table 7.1 and identifies that convenience goods floorspace in East Lindsey has an expected benchmark turnover of £321.1m at 2021, which is below the estimated survey derived turnover of £407.31m. As such, taken collectively, convenience goods floorspace is 'overtrading' by £86.1m.
- 7.12 In order to appraise the future need for additional convenience goods floorspace, it is necessary to consider how the performance of stores will be affected by forecast expenditure growth. Accordingly, Table 7.1 also sets out the anticipated increases in expenditure that will be available to the District's convenience goods retailers, assuming its current market share is maintained. We have assumed that the benchmark turnover of floorspace will change going forward in accordance with improvements in floorspace efficiency set out in ERPBN19.

¹⁸ Generally sourced from GlobalData Convenience and Comparison Goods Sales Densities of Major Grocers 2021, except where the data is not likely representative of how a store trades in practice. Detailed notes in respect of our approach in calculating net convenience goods sales areas are provided at Table 5 of Appendix 4

7.13 Table 7.1 sets out our estimate that the convenience goods expenditure available to facilities in East Lindsey will be £413.8m at 2026, increasing to £425.3m at 2031, and then increasing to £437.1m at 2036. When the forecasted increase in available convenience goods expenditure is compared to growth in the benchmark turnover of such floorspace, the identified estimated convenience goods surplus equates to £100.3m at 2036.

Table 7.1 Quantitative Need for Convenience Goods Floorspace in East Lindsey

Year	Benchmark Turnover (£m)	Available Expenditure (£m)	Surplus Expenditure (£m)
2021	321.1	407.3	86.1
2026	336.1	413.8	77.7
2031	336.8	425.3	88.5
2036	336.8	437.1	100.3

Source Table 6a of Appendix 4
In 2020 Prices

7.14 When considering the above assessment, it should be noted that the survey only takes account of retail venues that were trading as of the date of the undertaking of the household survey (May 2021). As such, convenience goods floorspace implemented subsequent to the undertaking of the survey needs to be accounted for in a similar manner to retail commitments (i.e. the floorspace will have a claim on future convenience goods expenditure and, as such, will partly extinguish any identified capacity).

Table 7.2 Committed and Implemented Convenience Goods Floorspace in East Lindsey

Zone	Location	Planning Application Reference	Proposal	Net Conv Sales (sq.m)	Conv Sales Density (£ per sq.m)	Estimate Turnover at 2021 (£m)
1	The Mint Amusement Arcade, Sea Lane, Skegness	S/090/02183/18	Change of use of existing amusement arcade to form a retail unit and sandwich bar	203	7,000	1.4
1	Wiltex Cables, Skegness	S/153/01019/19	Erection of 3no. Units	354	7,000	2.5
2	Land East of Gatrum Lane, Chapel St. Leonards	N/031/01487/20	Erection of 2no. ground floor shops	310	7,000	2.2
8	Land rear of Sundown, Mablethorpe	N/110/00727/20	Erection of a building comprising 2 retail stores	1,466	14,447	20.6
8	The Beck, Mablethorpe	N/110/02098/19	Erection of a convenience store	1,145	11,264	11.3
				3,478		38.0

Source Table 6c of Appendix 4

Notes: Net sales area and estimated sales density reflect operator (or likely operator)
In 2020 Prices

7.15 Table 7.3 below then provides the identified capacity once commitments have been taken account of within the District. In calculating the turnover of the identified commitments, we have extracted the floorspace information from the relevant planning application documents, and applied professional judgement where necessary to determine whether proposals are likely to incorporate an element of convenience goods sales floorspace once built out. This is of particular relevance to larger schemes where the market is likely to dictate how much convenience floorspace could be realistically accommodated in practice.

7.16 As Table 7.3 identifies, once the turnover of commitments are taken account of, there is a considerable identified surplus capacity for additional convenience goods floorspace within the authority area, with the short, medium and even longer term.

Table 7.3 Quantitative Need for Convenience Goods Floorspace in East Lindsey after Commitments

Year	Surplus (£m)	Commitments (£m)	Residual (£m)	Floorspace Requirement	
				Minimum (sq.m)	Maximum (sq.m)
2021	86.1	38.0	48.1	3,600	4,900
2026	77.7	39.8	37.9	2,700	3,700
2031	88.5	39.9	48.7	3,500	4,700
2036	100.3	39.9	60.5	4,300	5,800

Source Table 6d of Appendix 4
In 2020 Prices

Assessment of Convenience Need on a Settlement Boundary Basis

7.17 Table 7.4 below sets out the residual convenience expenditure capacity in Skegness and each of the other Town Centres in East Lindsey taking account of the turnover requirements of the extant commitment for convenience floorspace.

7.18 As can be seen from Table 7.4, we identify a significant quantitative need for additional convenience floorspace in Louth. Alongside this, a smaller but still relatively substantial quantitative need for additional convenience floorspace is noted at Skegness, Horncastle and Spilsby.

7.19 Importantly, whilst we do not identify any convenience capacity for additional floorspace within Mablethorpe, the settlement benefits from two extant consents for additional convenience floorspace (at The Beck and land to the rear of Sundown). Should both of these come forward, not only would they provide for additional consumer choice and meet a potential qualitative deficiency, the result will also be to increase the market share of Mablethorpe. In any event, we do consider that the offer

within Mablethorpe will be sufficient to meet the needs of residents, particularly following the delivery of one or indeed both of the extant stores.

Table 7.4: Quantitative Need for Convenience Goods Floorspace in East Lindsey's Town Centres

Year	Surplus (£m)	Commitments (£m)	Residual (£m)	Floorspace Requirement	
				Minimum (sq.m)	Maximum (sq.m)
Skegness					
2021	22.6	3.9	18.7	1,400	1,900
2026	19.3	4.1	15.2	1,100	1,500
2031	23.1	4.1	19.0	1,300	1,800
2036	27.3	4.1	23.2	1,600	2,200
Alford					
2021	-1.3	0.0	-1.3	-100	-100
2026	-1.6	0.0	-1.6	-100	-200
2031	-1.4	0.0	-1.4	-100	-100
2036	-1.2	0.0	-1.2	-100	-100
Horncastle					
2021	17.8	0.0	17.8	1,300	1,800
2026	17.2	0.0	17.2	1,200	1,700
2031	18.4	0.0	18.4	1,300	1,800
2036	19.7	0.0	19.7	1,400	1,900
Spilsby					
2021	15.2	0.0	15.2	1,100	1,500
2026	15.0	0.0	15.0	1,100	1,500
2031	15.8	0.0	15.8	1,100	1,500
2036	16.6	0.0	16.6	1,200	1,600
Louth					
2021	47.8	0.0	47.8	3,600	4,800
2026	46.9	0.0	46.9	3,300	4,500
2031	49.7	0.0	49.7	3,500	4,800
2036	52.6	0.0	52.6	3,700	5,100
Mablethorpe					
2021	16.6	31.9	-15.3	-1,100	-1,600
2026	15.9	33.4	-17.5	-1,200	-1,700
2031	17.2	33.5	-16.3	-1,200	-1,600
2036	18.6	33.5	-14.9	-1,100	-1,400

Notes: Assumes constant market share of Study Area expenditure claimed by facilities in each respective settlement; allows for changes in benchmark turnover sales efficiency in accordance with Table 4a of Experian Retail Planner Briefing Note 19; minimum floorspace requirement based on an assumed sales density of £13,434 per sq.m at 2020 (which equates to the average sales density of the 'big four' foodstore operators); maximum floorspace requirement based on an assumed sales density of £9,878 per sq.m at 2020 (which is typical figure for discount operators)
In 2020 Prices

Capacity for Future Comparison Goods Floorspace

- 7.20 Our methodology in calculating comparison goods capacity deviates from that employed in respect of convenience goods. This is because it is difficult to accurately estimate a benchmark turnover for comparison goods floorspace, both because of the number of units involved (which are occupied by a wide variety of retailers), and due to the variation in the trading performance of floorspace depending on its location, the character of the area and the nature of the catchment. As a consequence, we adopt the position for comparison goods floorspace that it is trading 'at equilibrium' at base year 2021 (i.e. our survey derived turnover estimate effectively acts as benchmark). We assume that there is therefore a nil quantitative need for any additional comparison goods floorspace across the District at 2021.
- 7.21 The £257.6m of comparison goods expenditure claimed by facilities within East Lindsey that originates from inside the Study Area equates to a market share of 56.3% of all such comparison goods expenditure. By making provision for inflow and 'rolling forward' this market share, our assessment finds that facilities in the District will attract £315.6m at 2021, increasing to £373.2m at 2026, to £430.7m at 2031, and then to £501.8m at 2036.
- 7.22 Given forecast increases in comparison goods expenditure and allowing for annual forecast changes in the productivity of existing floorspace, we estimate that, at 2026, there will be an expenditure surplus of £3.8m to support additional comparison goods floorspace within East Lindsey. As set out by Table 4.5, this surplus is forecast to increase slightly to £13.9m at 2031, and then increase to £28.0m at 2036.

Table 7.5 Quantitative Need for Comparison Goods Floorspace in East Lindsey

Year	Benchmark Turnover (£m)	Available Expenditure (£m)	Surplus Expenditure (£m)
2021	315.6	315.6	0.0
2026	369.5	373.2	3.8
2031	416.8	430.7	13.9
2036	473.9	501.8	28.0

Source: Table 26a of Appendix 4

Notes: Assumes constant market share (56.3%) of Study Area expenditure claimed by facilities in East Lindsey; allows for changes in benchmark turnover sales efficiency in accordance with Table 4b of Experian Retail Planner Briefing Note 19 In 2020 Prices

- 7.23 Once more, the above assessment does not take into consideration existing commitments and the claim they will have on capacity. Table 5.6 summarises current extant planning permissions that provide for additional comparison goods floorspace. We estimate that these commitments will have a total turnover of £12.9m at 2021.

Table 7.6 Committed and Implemented Comparison Goods Floorspace in East Lindsey

Zone	Location	Planning Application Reference	Proposal	Net Conv Sales (sq.m)	Conv Sales Density (£ per sq.m)	Estimate Turnover at 2022 (£m)
1	The Mint Amusement Arcade, Sea Lane, Skegness	S/090/02183/18	Change of use of existing amusement arcade to form a retail unit and sandwich bar	203	3,000	0.6
1	Wiltex Cables, Skegness	S/153/01019/19	Erection of 3no. Units	354	3,000	1.1
1	Former Fun City Site, Skegness	S/153/01032/20	Outline erection of 4no. Retail units	660	3,000	2.0
1	54 High Street, Skegness	S/153/02052/20	Change of use from existing betting shop to retail use	147	3,000	0.4
2	The Mint, South Road, Chapel St. Leonards	N/031/00510/20	Erection of a building to use ground floor as Class A1 or Class A3	203	3,000	0.6
2	Land East of Gatrum Lane, Chapel St. Leonards	N/031/01487/20	Erection of 2no. ground floor shops	310	3,000	0.9
7	83-87 Park Avenue, Louth	N/105/01350/18	Erection of 2no. Retail units	63	3,000	0.2
7	Sharpely's Court, Louth	N/105/01836/19	Erection of 2no. Retail units	83	3,000	0.2
8	Land rear of Sundown, Mablethorpe	N/110/00727/20	Erection of a building comprising 2 retail stores	366	7,690	3.2
				1,208	3,000	3.6
				3,597		12.9

Source Table 26c of Appendix 4

Notes: Net sales area and estimated sales density reflect operator (or likely operator) In 2020 Prices

7.24 The turnover of identified extant commitments is relatively considerable and acts to extinguish any requirement for additional comparison goods floorspace across the period to 2031, with a moderate requirement for additional comparison goods floorspace recorded at 2036. As Table 7.7 illustrates, comparison goods expenditure deficit of -£12.9m is apparent at 2021, decreasing slightly to -£11.3m at 2026. The identified comparison goods expenditure deficit then falls to -£3.1m at 2031 and then increases sharply to £8.7m at 2036. Due to the deficit, there is no identified need for additional comparison goods floorspace across the medium term period to 2031.

Table 7.7 Quantitative Need for Comparison Goods Floorspace in East Lindsey after Commitments

Year	Surplus (£m)	Commitments (£m)	Residual (£m)	Floorspace Requirement	
				Minimum (sq.m)	Maximum (sq.m)
2021	0.0	12.9	-12.9	-2,100	-3,700
2026	3.8	15.1	-11.3	-1,600	-2,800
2031	13.9	17.0	-3.1	-400	-700
2036	28.0	19.3	8.7	1,000	1,600

Source Table 26d of Appendix 4

Notes: Estimated sales densities reflect format of floorspace and location

In 2020 Prices

- 7.25 In considering comparison goods commitments, it is again relevant to note that the capacity assessment is based on the market share of the local authority area being maintained going forward. As set out above, we are unaware of any significant proposed development which is likely to have a very significant impact on East Lindsey's future comparison goods market share.

Assessment of Comparison Need on a Settlement Boundary

- 7.26 Consideration has also been given to the residual comparison expenditure capacity in Skegness and each of the Town Centres in East Lindsey taking account of the turnover requirements of the extant commitments for comparison floorspace. This is provided at Table 7.8 below which shows that there is no identified quantitative capacity for additional comparison floorspace within the six town centres of East Lindsey in the short term, with a relatively limited requirement for additional comparison floorspace observed towards the end of the plan period at Skegness and Louth in particular.

Table 7.8: Quantitative Need for Comparison Goods Floorspace in East Lindsey's Town Centres

Year	Surplus (£m)	Commitments (£m)	Residual (£m)	Floorspace Requirement	
				Minimum (sq.m)	Maximum (sq.m)
Skegness					
2021	0.0	4.1	-4.1	-700	-1,200
2026	1.5	4.8	-3.3	-500	-800
2031	5.5	5.4	0.1	0	0
2036	11.0	6.1	4.9	500	900
Alford					
2021	0.0	0.0	0.0	0	0
2026	0.1	0.0	0.1	0	0
2031	0.3	0.0	0.3	0	100
2036	0.6	0.0	0.6	100	100
Horncastle					
2021	0.0	0.0	0.0	0	0
2026	0.3	0.0	0.3	0	100
2031	1.1	0.0	1.1	100	200
2036	2.3	0.0	2.3	300	400
Spilsby					
2021	0.0	0.0	0.0	0	0
2026	0.2	0.0	0.2	0	0
2031	0.7	0.0	0.7	100	200
2036	1.5	0.0	1.5	200	300
Louth					
2021	0.0	0.4	-0.4	-100	-100
2026	1.1	0.5	0.6	100	100
2031	4.1	0.6	3.6	400	800
2036	8.3	0.7	7.6	800	1,500
Mablethorpe					
2021	0.0	6.8	-6.8	-1,100	-1,900
2026	0.3	8.0	-7.6	-1,100	-1,900
2031	1.3	9.0	-7.7	-1,000	-1,700
2036	2.5	10.2	-7.7	-900	-1,500

Notes: Assumes constant market share of Study Area expenditure claimed by facilities in each respective settlement; allows for changes in benchmark turnover sales efficiency in accordance with Table 4a of Experian Retail Planner Briefing Note 19; minimum floorspace requirement based on an assumed sales density of £6,000 per sq.m at 2020; maximum floorspace requirement based on an assumed sales density of £3,500 per sq.m at 2020 (which is typical figure for discount operators) In 2020 Prices

Qualitative Requirements

7.27 As set out above, we have identified that when considered cumulatively across the Study Area, the convenience stores calculated to be under-trading when compared to their benchmark averages.

- 7.28 However, we do identify that even when excluding the tourism inflow, there are a number of stores which are over-trading considerably. In particular, we identify that the two existing Aldi stores (Skegness and Louth) are over trading and performing very well compared to their benchmark averages.
- 7.29 In the case of Skegness, the destinations overall are not calculated to be over-trading and we consider the offer and nature of existing convenience facilities within the settlement to appropriately meet residents and tourists needs, and therefore that there is no identified qualitative need for additional convenience floorspace.
- 7.30 In terms of Louth, the overall offer and range of fascias are less diverse, and the convenience offer is dominated principally by the Morrisons and Aldi, and to a lesser extent the Co-op foodstores. It is considered that there may be an opportunity to widen the qualitative offer within Louth to provide a wider range of facilities for residents.
- 7.31 The main food shopping needs in Horncastle are principally met by the Tesco Superstore and to a lesser extent the Co-op and Sainsbury's Local stores. In this regard, the Tesco is identified as overtrading and there does appear to be a qualitative deficiency in terms of overall convenience offer within the town to appropriately meet residents' needs. There are also indications of residents travelling greater distances to meet their shopping needs at alternative locations outside of the settlement.
- 7.32 At Mablethorpe, once again the town's main food shopping offer is dominated by a single key store, namely the Lidl on High Street. This store is identified as over-trading, and in this context we note an extant planning permissions for the erection of a convenience store at The Beck¹⁹.
- 7.33 Finally, in terms of Spilsby, the centre's main food shopping offer is again dominated by one principal store – the Sainsbury's on Boston Road - which is identified to be over-trading. Given the lack of qualitative offer to meet residents' main food shopping needs in the centre, there does again appear to be a potential to broaden the offer within the centre through the delivery of additional convenience floorspace.
- 7.34 In terms of comparison retailing, Skegness, Mablethorpe and Louth town centres provide a relatively good comparison offer for residents and it is these three centres which draw expenditure from across the Study Area, but principally from the local catchment within the respective zones. It is these centres

¹⁹ Planning permission reference N/110/02098/19

which also draw the highest levels of trips for clothing and footwear products within the Study Area, and are therefore key destinations for such uses. Skegness Retail Park also plays an important role but solely for bulky goods shopping.

- 7.35 However, there are relatively high levels of expenditure leakage to destinations outside of the Study Area including to Lincoln city centre, Boston town centre and Grimsby town centre, all of which provide a good comparison goods offer. It follows that there does appear to be an opportunity to draw expenditure back into the Study Area through the diversification of the comparison offer within the key centres.

8 Summary and Recommendations

- 8.1 In making recommendations, this part of the Study draws together the previous sections of this report, drawing the key findings from the extensive market research undertaken and the overarching messages which have been taken account of in formulating strategies for the future of the centres in East Lindsey.
- 8.2 These recommendations focus on the distribution of identified need within the authority area, and the findings from the health assessments of the defined centres.

Key Findings: Retail

- 8.3 As identified at Section 7, there is an identified quantitative requirement for additional convenience goods floorspace on an authority-wide basis across the reporting period to 2036. This is because, when considered cumulatively, the existing convenience provision within the whole authority area is identified as over-trading when compared against the total benchmark average. As we have set out in detail in the previous section however, there are some stores which are significantly overtrading, which has the effect of identifying capacity on a settlement by settlement basis.
- 8.4 As such, on a settlement by settlement basis and having regard to the retention of market share within the individual settlements, due to the level of over-trading of a number of stores, we have identified capacity for additional convenience floorspace within Skegness, Horncastle, Spilsby and Louth in particular.
- 8.5 We set out the key capacity figures for these four settlements below.

Table 8.1: Quantitative Need for Convenience Goods Floorspace in East Lindsey's Town Centres

Year	Surplus (£m)	Commitments (£m)	Residual (£m)	Floorspace Requirement	
				Minimum (sq.m)	Maximum (sq.m)
Skegness					
2021	22.6	3.9	18.7	1,400	1,900
2026	19.3	4.1	15.2	1,100	1,500
2031	23.1	4.1	19.0	1,300	1,800
2036	27.3	4.1	23.2	1,600	2,200
Horncastle					
2021	17.8	0.0	17.8	1,300	1,800
2026	17.2	0.0	17.2	1,200	1,700
2031	18.4	0.0	18.4	1,300	1,800
2036	19.7	0.0	19.7	1,400	1,900

Year	Surplus (£m)	Commitments (£m)	Residual (£m)	Floorspace Requirement	
				Minimum (sq.m)	Maximum (sq.m)
Spilsby					
2021	15.2	0.0	15.2	1,100	1,500
2026	15.0	0.0	15.0	1,100	1,500
2031	15.8	0.0	15.8	1,100	1,500
2036	16.6	0.0	16.6	1,200	1,600
Louth					
2021	47.8	0.0	47.8	3,600	4,800
2026	46.9	0.0	46.9	3,300	4,500
2031	49.7	0.0	49.7	3,500	4,800
2036	52.6	0.0	52.6	3,700	5,100

Notes: Assumes constant market share of Study Area expenditure claimed by facilities in each respective settlement; allows for changes in benchmark turnover sales efficiency in accordance with Table 4a of Experian Retail Planner Briefing Note 19; minimum floorspace requirement based on an assumed sales density of £13,656 per sq.m at 2020 (which equates to the average sales density of the 'big four' foodstore operators); maximum floorspace requirement based on an assumed sales density of £10,041 per sq.m at 2020 (which is typical figure for discount operators)
In 2020 Prices

8.6 In terms of comparison goods, we identify a nil requirement for additional floorspace across the reporting period to 2031, with a limited requirement being anticipated thereafter. This is a consequence of both expenditure growth and existing commitments which remain to be built out, which together result in a comparison goods expenditure deficit across the early years of the plan period.

Table 8.2 Quantitative Need for Comparison Goods Floorspace in East Lindsey after Commitments

	2022 (sq.m)	2026 (sq.m)	2031 (sq.m)	2036 (sq.m)
Minimum Comparison Goods Requirement	-2,100	-1,600	-400	1,000
Maximum Comparison Goods Requirement	-3,700	-2,800	-700	1,600

Source Table 26d of Appendix 5

Key Findings: Principle Centres

Skegness Town Centre

8.7 Skegness is the largest town in the East Lindsey authority area and is considered to be a traditional seaside destination, and as such much of its retail and service offer is geared towards meeting the needs of the seasonal tourist population. There is a distinct geographic divide in the town centre, with leisure service uses located primarily along the seafront and the eastern end of Lumley Road, comparison operators in the Hildred's Shopping Centre and along Lumley Road and convenience operators in the vicinity of Skegness train station in the west of the town centre.

- 8.8 The town centre, at the time of our visit during the summer season, the centre was observed as being very vibrant, with low levels of vacancy and high levels of activity. The level of tourist activity results in the town is relatively dependent on the tourism industry, which provides a number of jobs for Skegness and East Lindsey.
- 8.9 The centre is generally attractive, however there are a number of units which are in a relatively poor state of repair. This negatively impacts the overall perception of Skegness as a destination. Similarly, it is considered that out-of-season the centre would lack the vibrancy noted at the time of our visit, with the effect of this being to reduce the overall environmental quality of Skegness.
- 8.10 Notwithstanding this, Skegness is a largely pleasant centre whose diverse offer is considered likely to drive footfall throughout the day and into the evening.

Louth Town Centre

- 8.11 Louth is an historic market town and the key service centre in the eastern area of Lincolnshire, and is the second largest centre in the East Lindsey, but unlike Skegness it is less focused on providing for the needs of the seasonal tourist population.
- 8.12 Louth town centre is an attractive retail destination and has a high standard of environmental quality, with a number of attractive shopfronts which add interest and vibrancy to the streetscene. It is also well integrated into the transport network, in respect of both roads and public transport. Louth's vacancy rate at the time of our survey equated to a lower rate than the current national averages, and as such are not considered to represent cause for concern. Accordingly, Louth is considered to be a vital and viable centre.

Other Town Centres

- 8.13 The five smaller town and village centres in East Lindsey typically serve a more localised role and provide catchments with their day-to-day retail and service needs. With the exception of Spilsby, all of these town centres display vacancies rates smaller than or very similar to the UK average of 13.9% (as identified by Experian Goad at July 2021). We summarise the key findings for each of the five town and village centre's below:
- 8.14 Alford lacks a significant number of units which are of a format and size that would appeal to national multiple retailers. As such, the majority of retailers are independents. Notwithstanding this, national multiples with a presence in Alford include Co-operative Food Store, McColl's and Spar. Additionally

there are a diverse range of comparison and service operators, alongside a level of vacant floorspace which is comparable to the current national average.

- 8.15 Coningsby is a small village centre located in the south west of the East Lindsey authority area, with the town being situated just to the north of RAF Coningsby and adjacent to the neighbouring village of Tattershall. The centre provides a reasonable range of operators which are considered to be easily capable of providing for the day-to-day needs of the local community, particularly in respect of convenience goods with operators such as Londis, Co-op Food and McColl's having a presence in Coningsby. Alongside the retail and service operators, a range of community facilities further support the role and function of the village.
- 8.16 Horncastle is the primary retail centre in the western area of East Lindsey, and as such has a relatively diverse retail and service offer which is augmented by a range of community facilities. The town centre is an attractive and pleasant retail environment, with architectural elements and interesting shop fronts that create a high standard of environmental quality. The town centre is focused around Market Place, which hosts a twice weekly market, and High Street. Retailers within the town centre are generally independents, however a number of national multiples, including Tesco, Co-op Food and Heron Foods, have a presence in the town centre.
- 8.17 Mablethorpe is one of the two town centres in East Lindsey located on the North Sea coast. As such, it is underpinned by a strong service offer providing for the needs of the summer tourist population. Given its role in providing for tourist needs, the town has a distinctly seasonal retail and service economy. However, alongside this the town also provides a range of retailers and services to provide for the day-to-day needs of the town's permanent population. These include key convenience goods operators and a number of major national multiple retailers.
- 8.18 Spilsby is one of the smaller town centres in East Lindsey, and as such primarily caters to serving day-to-day retail needs. The town is anchored by a strong convenience and leisure service offer which reflect the centre's role as a key service centre to surrounding villages in this part of East Lindsey. However, whilst the town has the highest vacancy rate in respect of units and second highest vacancy rate in respect of floorspace, only in respect of vacant units is Spilsby figure higher than the national average.

Key Policy Recommendations

General Policy Approach

- 8.19 We note that East Lindsey promotes a 'town centre first' approach in its adopted development plan, which we welcome. This is consistent with paragraph 86 of the NPPF (which indicates that planning policy should support the role of town centres at the heart of local communities), paragraphs 87 and 88 (which set out the sequential approach to development), and paragraph 90 (relating to the impact test).
- 8.20 We note that paragraph 017 of the Town Centres PPG indicates that proposals for edge and out of centre retail and leisure developments should be considered with reference to the health of centres that would be impacted upon. In this regard, paragraph 017 states that:
- 'A judgement as to whether the likely adverse impacts are significant can only be reached in light of local circumstances. For example, in areas where there are high levels of vacancy and limited retailer demand, even very modest trade diversion from a new development may lead to a significant adverse impact.'**
- 8.21 We recommend that the authority continues to ensure that the forthcoming plan sets out sequential and impact tests that can be applied in a robust manner to provide for future centres that are fit for purpose.
- 8.22 Whilst non-retail uses will be an increasingly important component of the mix of land uses in principal centres moving forward, there is still a requirement to accommodate new retailers and additional retail floorspace within defined centres wherever possible.

Boundaries

- 8.23 Paragraph 86 of the newly published revised NPPF requires local planning authorities to **'define the extent of town centres and primary shopping areas'**, with there now being no specific requirement to identify primary and secondary frontages.
- 8.24 The Ministry for Housing, Communities and Local Government has confirmed that the deletion of this requirement is to encourage a more positive and flexible approach to planning for the future of town centres due to the rapid changes taking place in the retail and leisure industries. However, the removal does not preclude local planning authorities from identifying primary and secondary shopping frontages where their use can be justified. We consider there to be no benefit in defining

- primary and secondary frontages in the defined centres in the authority area and that future flexibility should be applied to enable the take-up of vacant units by wider mix of uses.
- 8.25 Annex 2 of the revised NPPF indicates that a primary shopping area is the **'Defined area where retail development is concentrated'**.
- 8.26 Annex 2 also identifies that a town centre is the **'Area defined on the local authority's policies map, including the primary shopping area and areas predominantly occupied by main town centre uses within or adjacent to the primary shopping area'**.
- 8.27 Notwithstanding the above, we believe that the offer in most of the centres is generally varied and that the retail uses are not typically located in a manner which lends itself to the identification of a primary shopping area ('PSA'). The exceptions to this are Skegness and Louth town centres.
- 8.28 As such, for Alford, Conningby, Horncastle, Mablethorpe and Spilsby, we do not believe that there is any requirement to differentiate between a PSA and a wider town centre boundary.
- 8.29 For Skegness and Louth, we have provided our recommendations for the primary shopping area and town centre boundary at Appendix 5.

Thresholds

- 8.30 Paragraph 90 of the NPPF states that it is appropriate to identify thresholds for the scale of edge of centre and out of centre retail and leisure development that should be the subject of an impact assessment. Any such threshold policy applies only to the impact test (all planning applications for main town centre uses that are not in an existing centre and not in accordance with an up-to-date development plan will generally be the subject of the sequential test²⁰).
- 8.31 The purpose of applying an impact threshold within the development plan which deviates from the national threshold of 2,500 sq.m, is to allow the Council to retain appropriate control in respect of the potential for development to impact on the future health of defined centres within the two authority areas. By applying a lower threshold, applications for developments which could potentially have a harmful effect on the overall vitality and viability of a defined centre, will need to be supported by a proportionate impact assessment which sets out the potential trade diversion impact assumptions.

²⁰ With the exception (in accordance with paragraph 89 of the NPPF) of small scale rural office proposals and other small scale rural development

8.32 Paragraph 16 of the Town Centres PPG provides specific guidance in relation to floorspace thresholds and states:

‘The impact test only applies to proposals exceeding 2,500 square metres gross of floorspace unless a different locally appropriate threshold is set by the local planning authority. In setting a locally appropriate threshold it will be important to consider the:

- **scale of proposals relative to town centres**
- **the existing viability and vitality of town centres**
- **cumulative effects of recent developments**
- **whether local town centres are vulnerable**
- **likely effects of development on any town centre strategy**
- **impact on any other planned investment.’**

8.33 Using the above guidance, we set out the justification to support our view that a lower threshold should be applied across the hierarchy of centres within the authority area. To note, the current adopted policy adopts a threshold across the whole authority area for proposals over 1,000 sq.m.

8.34 We typically do not consider that applying a single threshold to apply to all types of centre in the authority area is appropriate, given the different scale and nature of each of the centres.

8.35 In considering the setting of a local impact threshold, it is important to give consideration to the type of development (relating to convenience and comparison goods retail uses, and leisure uses) which would, in practice, provide space for key operators who could act to ‘anchor’ a centre. Should one of these anchor units or operators leave a centre, there will likely be the potential for a significant adverse impact to arise.

8.36 As such, where there is genuine potential for an application proposal to divert a material level of expenditure away from a defined centre, or potentially remove a key tenant from that centre, there will likely be a requirement to consider the impacts arising from the proposal in detail.

8.37 In respect of lower order centres, the introduction of even a small convenience store nearby (of the type operated by Sainsbury’s Local or Tesco Express) may have the potential to impact on the ongoing viability of key operators. Small convenience stores operated by national multiple grocers can generate a relatively substantial turnover. If this is diverted from existing retailers in defined

centres, the impact on the overall vitality and viability through the loss of spend and footfall, could be of a significant adverse magnitude.

8.38 Therefore, in implementing a local threshold policy, it is considered more appropriate to apply a range of thresholds in accordance with the type of centre the proposed development is proximate to. The thresholds should not only apply to new floorspace, but also to changes of use and variations of condition to remove or amend restrictions on how units operate or trade in practice.

8.39 We believe that town centre anchor units will typically provide at least 500 sq.m of gross floorspace. Such a unit could potentially accommodate an operator of importance, which is capable of attracting shoppers to a centre, thus increasing the potential for linked trips.

8.40 We note that there are a relatively limited number of units greater than 500 sq.m (for Skegness and Louth centres) and 300 sq.m (in the remaining centres).

8.41 The following provides a summary of the proportion of units within each centre over 500 sq.m and 300 sq.m, and the current vacancy rate identified as part of this study:

- In **Skegness town centre**, less than 10% of the total stock of commercial units in the town centre have a greater floorspace than 500 sq.m, which includes the large format leisure units which accommodate tourist attractions along Grand Parade, as well as retail units which accommodate national retailers such as Morrisons, Tesco and Home Bargains. The vacancy rate equates to 4.1% of total commercial floorspace and 7.2% of all units. In total, retail uses (convenience and comparison operators) account for 39,200 sq.m of floorspace, which equates to 51.0% of the total stock of retail floorspace.
- In **Louth town centre** approximately 3% of all units have a greater floorspace than 500 sq.m and 10% of all units have a greater floorspace than 300 sq.m, which includes Wilko, Co-operative Food and George Smith Furniture. The vacancy rate equates to 5.7% of total commercial floorspace and 8.7% of all units. In total, retail uses (convenience and comparison operators) account for 22,470 sq.m of floorspace, which equates to 52.9% of the total stock of retail floorspace.
- In **Horncastle town centre** approximately 11% of all units have a greater floorspace than 300 sq.m, which includes the Tesco and Co-op foodstores, and a large vacant unit at 17-29 West Street. The vacancy rate equates to 11.3% of total commercial floorspace and 8.4% of all units.

In total, retail uses (convenience and comparison operators) account for 10,290 sq.m of floorspace, which equates to 53.2% of the total stock of retail floorspace.

- In **Mablethorpe town centre** approximately 13% of all units have a greater floorspace than 300 sq.m, which includes large format leisure destinations such as The Mirage and the Co-op foodstore. The vacancy rate equates to 6.4% of total commercial floorspace and 14.0% of all units. In total, retail uses (convenience and comparison operators) account for 12,880 sq.m of floorspace, which equates to 44.7% of the total stock of retail floorspace.
- In **Spilsby town centre** approximately 10% of all units have a greater floorspace than 300 sq.m, which includes large format leisure destinations such as The Mirage and the Co-op foodstore. The vacancy rate equates to 10.7% of total commercial floorspace and 15.0% of all units. In total, retail uses (convenience and comparison operators) account for 5,760 sq.m of floorspace, which equates to 54.1% of the total stock of retail floorspace.
- In **Alford town centre** approximately 6% of all units have a greater floorspace than 300 sq.m, which includes destinations such as the Co-op foodstore. The vacancy rate equates to 11.3% of total commercial floorspace and 12.5% of all units. In total, retail uses (convenience and comparison operators) account for 4,235 sq.m of floorspace, which equates to 54.4% of the total stock of retail floorspace.
- In **Coningsby town centre** approximately 3% of all units have a greater floorspace than 300 sq.m, which includes destinations such as the Co-op foodstore. The vacancy rate equates to 4.5% of total commercial floorspace and 5.1% of all units. In total, retail uses (convenience and comparison operators) account for 2,217 sq.m of floorspace, which equates to 45.6% of the total stock of retail floorspace.

8.42 In this context, we recommend that the impact threshold of relevance to Skegness and Louth centres is set at 500 sq.m for retail and leisure proposals. This threshold would effectively be the default to be applied authority-wide, should a proposal not fall within the criteria set out below which we recommend is applied to development in proximity to the remaining centres.

8.43 The remaining five town centres are generally anchored by one or two national multiple convenience stores. These operators underpin the function of these centres, drawing in custom and encouraging linked trips to the other parts of the centre. Should the viability of such stores be impacted, there is a real risk of the role of the wider centre being undermined. There are relatively few units substantially

larger than 300 sq.m in any of the five centres and the level of retail floorspace is considerably less than within Skegness and Louth. As such, to lose an occupier of this magnitude could have a significant adverse impact on the centre as a whole. Accordingly, in the local context, 300 sq.m constitutes a significant unit for these five centres.

8.44 The above recommendation is also reflective of the town centre vacancy rates and the potential for out of centre retail developments to become even stronger in the future at the expense of centres' vitality and viability. The existing out of centre commercial destinations all offer a range of comparison goods, which traditionally would have been sold from town centres.

8.45 For the purpose of drafting future planning policy, it is important to qualify the area to which each local impact threshold will apply. We recommend that the threshold of relevance to the five smaller town centres²¹ (i.e. 300 sq.m) would be applicable within 800 metres of the boundary of the relevant centre. The distance of 800 metres is broadly commensurate with the potential walk-in catchments of smaller centres and is identified by Guidelines for Providing for Journeys on Foot (The Institution of Highways & Transportation, 2000) as being the 'preferred maximum' acceptable walking distance to a centre. We consider it to be appropriate for the higher threshold of 500 sq.m to apply authority-wide (i.e. beyond 800 metres of these centres), due to the lesser likelihood of significant adverse impacts arising from retail and leisure development.

Recommended Policy Approach

8.46 Based on the above, we are of the view that an impact assessment will be necessary to accompany proposals for retail and leisure uses (including those relating to mezzanine floorspace and the variation of restrictive conditions) which are not located within a defined centre where:

- the proposal provides a gross floorspace in excess of 500 sq.m gross; or
- the proposal is located within 800 metres of Alford, Conningsby, Horncastle, Mablethorpe and Spilsby, and is in excess of 300 sq.m gross.

8.47 In our experience, it will only generally be development of a scale greater than these thresholds which could lead to a 'significant adverse' impact, which could merit the refusal of an application for town centre uses in accordance with the provisions of paragraph 91 of the NPPF. The setting of a 'tiered' threshold is consistently accepted by Inspector's at Local Plan Examination and, in our view, acts to

²¹ Namely Alford, Conningsby, Horncastle, Mablethorpe and Spilsby

appropriately ensure that only those proposals which could genuinely result in an unacceptable impact are the subject of an impact assessment.

8.48 It is important to emphasise that, whilst the locally set threshold would require the submission of an impact assessment for all edge-of-centre and out-of-centre developments exceeding the thresholds, national guidance states that the impact test should be undertaken in a proportionate and locally appropriate way, commensurate to the scale of development proposed. The level of detail would typically be agreed with planning officers during the pre-application process in order to avoid overly onerous requirements that may otherwise restrict and delay development opportunities from coming forward.

Monitoring recommendations

8.49 This study provides the Council with its floorspace needs requirements. To establish whether the requirements for new floorspace (by type) are being met and more generally to monitor the performance, the Council should monitor:

- planning permissions for retail floorspace - by type, amount (sq.m gross and net), location and retailer;
- completions of retail floorspace - by type, amount, location and retailer;
- mix of uses, including vacancies; and
- health checks of designated centres. This is particularly important given the current commercial and economic situation.

8.50 The monitoring recommended above is relatively straightforward and should be conducted on a rolling basis for the first two items and annually or every two years for the latter two items.

8.51 The recommendations set out in this report may need to be adjusted, in the future, due to changing market conditions, demographic changes and the impact of developments elsewhere. They may also need to be adjusted if standard assumptions, in particular those relating to expenditure growth and e-tailing, change. The role of monitoring is crucial in highlighting changes in the assumptions that underpin this study and we recommend regular monitoring to the Council.



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