EAST LINDSEY DISTRICT COUNCIL

AN ASSESSMENT OF THE CAPACITY FOR FURTHER CONVENIENCE GOODS FLOORSPACE DEVELOPMENT IN LOUTH AND THE IMPLICATIONS OF SUCH DEVELOPMENT ON THE TOWN CENTRE

March 2007

Farrell Bass Prichard
14 Linden Square
Harefield
Middlesex
UB9 6TQ

CONTENTS

PLANS, TABLES AND APPENDICES

PLANS

TABLES

APPENDICES

1.0 Introduction

1.1 This assessment has been commissioned by East Lindsey District Council in order to identify the potential for additional convenience goods floorspace development within Louth and the implications of any such development for the town centre. The findings and conclusions of this assessment are intended to inform the Council's preparation of their Local Development Framework and to assist the Council in their consideration of proposals for additional foodstore development within Louth.

1.2 The preparation of this report is consistent with the guidance set out in PPS6 and the application of Government policy objectives with regard to retail development and town centres. PPS6 notes that the Government's key objectives for town centres are to promote their vitality and viability by planning for their growth and development; promoting and enhancing existing centres by focusing such development in such centres; and encouraging the provision of a wide range of services, in a good environment accessible to all (PPS6, para 1.3).

1.3 In addition to these key objectives, other Government objectives include enhancing consumer choice by making provision for a range of shopping facilities which meet the needs of the entire community; supporting efficient, competitive and innovative retail development; and improving accessibility to existing and new retail development (PPS6, para 1.4).

1.4 In addition to the objectives set out above, planning for new retail development should also have regard to the Government's wider policy objectives which include the promotion of social inclusion, to ensure that communities have access to a range of main town centre uses and that deficiencies of provision in areas with poor access to facilities are remedied; to encourage investment, create additional employment and improve physical environments; to promote economic growth; to deliver more sustainable patterns of development, including reducing the need to travel; and to promote high quality development which protects and enhances historic centres, provides a sense of place and provides an attractive accessible safe environment for businesses, shoppers and residents (PPS6, para 1.5).

1.5 In implementing the Government's objectives for town centres, planning authorities are required to, inter alia, assess the need for further retail development and ensure there is the capacity to accommodate such requirements; focus development in, and plan for the expansion of, existing centres as appropriate; and identify sites for development (PPS6, para 1.6).

1.6 In this context, national planning policy guidance makes clear that it is not the role of the planning system to restrict competition, preserve existing commercial interests or to prevent innovation (PPS6, para 1.7).

1.7 In order to deliver the Government's objectives, local planning authorities are therefore required to actively promote growth and manage change within town centres and ensure that each centre performs a role appropriate to meet the needs of the catchment area it serves (PPS6, para 2.1).

1.8 Where there is a need for additional retail development, this should be located within existing centres. Where growth cannot be accommodated within existing centres, local planning authorities should plan for the extension of the primary shopping area of those centres, or, where appropriate, plan for the extension of a town centre itself. Such extensions may be necessary where the need for large development has been identified which cannot be accommodated within the centre. An example of such need may be a requirement for larger stores, capable of delivering benefits to the community and where these are required, local planning authorities should seek to make provision for them in this context. (PPS6, para 2.5-2.6).

1.9 Government guidance notes that where centres are in decline, local planning authorities should assess the scope for strengthening the centres to reverse the decline (PPS6, para 2.8).

1.10 The preparation of this assessment has had due regard to the guidance set out PPS6. The latter requires that need assessments for the development plan document period should be carried out as part of the plan preparation and review process and updated regularly. It requires that local need assessments should take account of, inter alia, the catchment areas of the centres under consideration and should form part of the evidence base for development plan documents and provide the basis for identifying the need for additional development and the appropriate scale of such development (PPS6, para 2.32).

1.11 This assessment updates the analysis set out in the East Lindsey Shopping Study (ELSS) of 1999 and the draft report on the Capacity for Retail Floorspace Development in the Louth and Mablethorpe Areas of December 2004 ("the 2004 Report") also produced by Farrell Bass Prichard.

1.12 This assessment utilises the results of a telephone household shopping survey of the Louth area undertaken in October 2006. The survey was undertaken by Research and Marketing Limited and was based upon a total of 600 interviews across six post code sector based zones. The survey zones were the same as those used for the ELSS in 1999 and the 2004 Report. A copy of the Survey and an analysis of its results are reproduced at Appendix 1.

1.13 Population estimates and projections for each post code sector were obtained from MapInfo. Local expenditure estimates for the area were also provided by MapInfo.

1.14 The extent of the Study Area is shown on Plan FBP1.

1.15 The study has regard to the period up to 2016. The assessment of capacity for the period beyond 2011 should be considered indicative only as projections this far ahead are inherently uncertain given the changes that may occur in that period in levels of consumer retail expenditure and shopping patterns. It is recommended that the period beyond 2011 should be the subject of more detailed consideration at a future date. Such an update of the assessment of the need for additional retail development accords with the guidance set out in PPS6 (para 2.32 and Chapter 4).

1.16 All references in this report are to net sales floorspace unless stated to the contrary. All expenditure and turnover figures are at 2005 prices.

1.17 This assessment is structured as follows:

- In Section 2.0 we identify demographic and expenditure growth within the study area;
- In Section 3.0 we describe current convenience shopping patterns within the study area and compare these with comparable patterns existing at 1999 and 2004;
- In Section 4.0 we set out our assessment of the capacity for further convenience goods floorspace development within Louth;
- In Section 5.0 we identify the impact of such development on Louth town centre; and
- In Section 6.0 we set out our conclusions.

2.0 Study Area Population and Expenditure Growth 2006 - 2016

(i) Study Area Population

2.1 The study area comprises the six postcode sectors making up the northern part of East Lindsey District. Postcode sectors LN 11 0, 11 7, 11 8 and 11 9 effectively surround and encompass the town of Louth, while postcode sectors DN 36 5 and LN 8 6 are located on the northern and western periphery of the district.

2.2 Results of shopping surveys undertaken in 1999 and 2004 reveal that residents of DN 36 5 and LN 8 6 do not undertake a significant volume of food shopping within Louth: significant proportions of convenience expenditure generated within these areas flow to convenience goods stores in the Cleethorpes/Grimsby area. As described below, these shopping patterns are confirmed by the 2006 survey.

2.3 On this basis, the study area has been divided into a Louth core catchment area: LN 11 0, 11 7, 11 8 and 11 9, and an outer catchment area: LN 8 6 and DN 36 5.

2.4 Population estimates and projections for the study area are shown in Table 1. This identifies a resident population at 2006 of 41634, made up of a core catchment area population of 29292 and an outer area population of 12342. It is anticipated that the population of the study area will increase to 43589 by 2011 and to 45568 by 2016.

2.5 These population projections have been prepared by MapInfo but have been validated with Officers of East Lindsey District Council.

2.6 The extent of population change in the study area is shown in Table 2. This reveals population growth within the study area of just under 1% per annum in the period up to 2011 and beyond.

(iii) Current and Projected Levels of Convenience Goods Retail Expenditure

2.7 Per capita estimates of consumer retail expenditure on convenience goods are shown in Table 3.

2.8 Expenditure estimates are adjusted to account for special forms of trading which MapInfo currently assess as amounting to 1.6% of convenience goods expenditure.

2.9 MapInfo estimates of consumer retail expenditure for the study area at 2003 have been projected forward to 2006 on the basis of actual growth in consumer expenditure for the period 2003-2005 and then projected forward at a growth rate of 0.9% for the period 2005-2006.

2.10 Expenditure growth for the period beyond 2006 is modelled at 0.9% per annum in real terms in accordance with the latest available projections from MapInfo.

2.11 Expenditure growth in the convenience goods sector is significantly lower than that for comparison goods. Over the ultra long term period (1964-2005) data indicates there has been virtually no growth in real terms in expenditure in the convenience goods sector. However, this was affected by decline in spending during the 1970's and the effect of recession on general spending patterns. In this regard, MapInfo comment:

> **"A clearer growth trend is visible looking at more recent data period. Medium-term trend growth (from the mid-1980's) is 0.5% and a further jump in the trend calculation is visible for more short-run data, once the recession and period of higher inflation in the early 1990's is excluded. Average growth calculated since the mid-1990s is 0.9%".**

(MapInfo Information Brief 06/2, para 2)

2.12With regard to the future, MapInfo comment:

> **"Convenience goods retail expenditure has been erratic over the last 40 years, with low trend growth over the period as a whole. But the statistical relationship is unreliable and there appear to have been some trend breaks. Using a shorter run of data, the correlation co-efficient rises, as does the trend growth rate. The most statistically robust estimate of trend growth calculated is for the period 1998-2005 (with a correlation co-efficient of 0.87), when the annual growth rate averaged 0.9%. Such growth appears to be sustainable and the spending on convenience goods as a share of all spending appears low, compared with trend, over this period, but this may be more as a result of the strength of comparison goods".**

(MapInfo Information Brief 06/2, page 3)

2.13 Forecasts of consumer expenditure by Oxford Economic Forecasting are also included in the latest MapInfo Information Brief. These forecasts also lend support to the view that it is reasonable to assume expenditure growth on convenience goods spending of 0.9% per annum. In this regard the Brief states:

> **"Convenience goods expenditure is expected to be 0.6% in 2006 with average annual growth rates projected to increase in line with short term trends of 0.9% over time".**

(MapInfo Information Brief 06/2, page 3)

2.14 On the basis of a projected annual 0.9% increase in real terms in levels of consumer expenditure on convenience goods, per capita spending in the study area will increase from £1422 at present to £1487 in 2011 and £1555 in 2016 (Table 3).

2.15 Projected population growth within the study area over the next ten years, coupled with real increases in levels of consumer expenditure on convenience goods of 0.9% per annum, combine to produce significant increases in convenience goods expenditure over the period. As Table 4, shows convenience goods expenditure within the study area is projected to increase from £59.2 million at 2006 to £64.82 million in 2011 and to £70.87 million in 2016.

2.16 Convenience expenditure within the core catchment area will increase from £41.65 million at 2006 to £45.66 million in 2011 and to £49.98 million in 2016. Within the outer area expenditure will increase from £17.55 million at 2006 to £19.16 million at 2011 and to £20.89 million at 2016.

2.17 It must be noted that not all of the expenditure generated from within the study area is available to support retail development in Louth. Louth's claim, or market share, of such expenditure is determined by shopping patterns within the area, which themselves reflect the geography of the area, the accessibility of residents of the study area to shopping centres and the comparative attractions of such centres and the shopping facilities they offer. These matters are considered in detail in subsequent sections of this report.

(iv) **Tourist Expenditure**

2.18 In both the ELSS of 1999 and the 2004 Report, reference was made to the contribution of tourist expenditure to the retail sector of the East Lindsey economy.

2.19 Our previous assessments have noted the difficulty in quantifying the scale of contribution tourist expenditure made to the retail economy. However, in overall terms we conclude that whilst such expenditure constituted a component of retail turnover within the local area, its scale could increase or decrease depending upon a range of factors and that in the absence of evidence to the contrary it was appropriate to consider it a constant and that no reliance should be made upon expenditure in this sector in any assessment of the requirement for future development within the District.

2.20 We consider the approach adopted towards tourist spending in this regard in both the ELSS of 1999 and the 2004 Report remains valid and therefore no allowance for any increase, or decrease, in tourist spending is made in the assessment of capacity set out in this report.

(v) **Clawback**

2.21 The issue of expenditure clawback was addressed in the ELSS. The latter commented:

> **"The "clawback" of expenditure currently leaking from a centre to more distant centres can constitute an additional source of expenditure on which a centre may rely. Such clawback may increase the capacity of the centre to accommodate additional retail development.**
>
> **If clawback is to be included within an assessment of the future capacity for retail development within an area, it needs to be considered on a rational basis. The scale to which a centre can potentially increase the proportion of locally generated expenditure it retains, and/or expenditure it draws from further afield and the implications this has on the expenditure available to other centres locally, needs to be assessed on the basis of the available evidence".**

(ELSS, para 2.14-2.15)

And:

> **"A retail strategy which has an objective of reducing leakage and plans for existing centres within the district to clawback locally generated expenditure will, in part, simply re-distribute expenditure around the local retail system and not necessarily produce any overall net benefit to the vitality and viability of the district's retail centres as a whole. However, the district's centres would benefit from increased trade if expenditure leakage to more distant centres such as Cleethorpes/Grimsby, Lincoln and Boston can be reduced".**

(ELSS, para 2.17)

2.22 We consider these comments remain valid and go on to consider the possible clawback of expenditure currently lost from the Louth area in Section 4 of this Report.

3.0 Current Convenience Shopping Patterns Within The Study Area

(i) Introduction

3.1 The detailed results of the 2006 Shopping Survey are set out at Appendix 1.

3.2 The results of the 2006 Shopping Survey, coupled with the results of the surveys undertaken in 1999 and 2004, constitute a substantial body of survey information and reveal a clear picture of local shopping patterns to which a high degree of confidence can be ascribed. The survey data constitutes a significant part of the evidence base available to inform the preparation of development plan documents. In overall terms, the 2006 survey confirms the findings of the 1999 and 2004 surveys and demonstrates the influence that the nearby higher order centre of Cleethorpes/Grimsby (and to a lesser extent centres such as Boston and Lincoln) has on shopping patterns in the Louth area.

3.3 Convenience shopping patterns within the study area are set out Tables 5-7.

(ii) Main Food Shopping Patterns

3.4 The Telephone Survey identified the main food destination of respondents. The pattern of main food shopping within the study area is shown in Table 5. This identifies expenditure on main food shopping within the study area, assessed as representing 70% of total convenience goods expenditure, amounting to £41.44 million at 2006.

3.5 Table 5 shows that of this total of £41.44 million, some £17.32 million, equating to 41.8% of the total was spent within the town of Louth and the surrounding villages within the Louth area. A total of £18.2 million (43.9% of the total) was spent at foodstores in the Cleethorpes/Grimsby area. Smaller elements of expenditure went to other centres such as Lincoln (£2.24 million – 5.4%), Horncastle (£0.48 million – 1.2%), Mablethorpe (£0.48 million – 1.1%), Skegness (£0.64 million – 1.5%) and to other centres further afield (£1.96 million – 4.7%).

3.6 Table 5 clearly demonstrates that across the study area as a whole, convenience floorspace within the study area retained less than 50% of locally generated expenditure and a smaller overall percentage (41.8%) than Cleethorpes/Grimsby (43.9%).

3.7 Table 5 provides a detailed assessment of expenditure flows from each of the post code sectors making up the Louth study area. This shows that foodstores in Louth and surrounding villages accounted for approximately 60% of locally generated expenditure in those post code sectors (LN 11 0 - LN 11 9) focused around Louth, but captured very small proportions of expenditure generated from those post code sectors to the west (LN 8 6 – 6.1%) and to the north (DN 36 5 – 4.9%).

3.8 Within post code sector DN 36 5, 91% of expenditure spent on main food shopping flowed to foodstores in the Cleethorpes/Grimsby area, with only 4.9% of locally generated expenditure being accounted for by shopping within the town of Louth and other villages in the Louth area.

3.9 Within post code sector LN 8 6, 57.6% of main convenience goods spending was accounted for by stores in Cleethorpes/Grimsby, with 12.1% going to foodstores in Lincoln and a further 21.9% going to "other" destinations (principally accounted for by the Tesco store at Market Rasen). Foodstores in Louth and the surrounding villages accounted for only 6.1% of main food shopping expenditure generated from LN 8 6.

3.10 The limited proportion of convenience goods expenditure drawn from DN 36 5 and LN 8 6 to Louth demonstrates that these areas cannot be considered to constitute parts of the Louth "core" catchment area. They comprise part of the town's "outer" catchment area from which, as a result of considerations of geography and accessibility, expenditure flows to Louth are likely to remain limited.

(iii) Top Up Food Shopping Patterns

3.11 Table 6 summarises shopping patterns for top-up or secondary shopping in the study area. Table 6 demonstrates that convenience foodstores in Louth and in the surrounding villages within the study area were the principal destination for top-up shopping, accounting for 84.6% of all such expenditure generated within the study area. Foodstores in Cleethorpes/Grimsby accounted for 7.8% of top-up shopping with no other destination accounting for any significant element of such expenditure.

3.12 Whilst foodstores within Louth itself accounted for a significant element of top-up expenditure, local stores within the surrounding villages also attracted a substantial proportion of top-up shopping. For example, whilst foodstores within Louth accounted for 44.4% of all top-up expenditure on convenience goods within the study area, local stores in villages within the study area such as Holton le Clay, Binbrook, Northcotes and Tetney accounted for a further 34%. Patronage of local stores for top-up shopping is therefore significant within the Louth rural hinterland reflecting the extensive geographical area lying between Louth and the larger centres of Cleethorpes/Grimsby and Lincoln.

3.13 However, many of the local villages revealed as important centres for top-up shopping are located in the north of the study area, within post code sector DN 36 5, outside Louth's "core" catchment area. The proportion of top-up shopping expenditure generated from this area attracted to the town of Louth itself is limited. The pattern of top-up shopping in this area reinforces the identification of Louth's "core" catchment area set out above.

(iv) Total Convenience Shopping Patterns

3.14 Table 7 reveals that foodstores within the town of Louth and the surrounding villages within the study area accounted for 54.6% of all convenience expenditure generated from within the study area. Foodstores in Cleethorpes/Grimsby accounted for a further 33.1% of locally generated expenditure with no other centre accounting for any significant element of spending.

(v) Historical Analysis: 1999-2006

3.15 The shopping patterns revealed by the Survey demonstrate that the proportion of locally generated convenience goods expenditure accounted for by the turnover of foodstores in the Louth area continues to decline.

3.16 In order to identify changes in convenience shopping patterns within the study area we have reassessed the Survey results from the 1999 and 2004 Shopping Surveys and analysed it on a comparable basis to that undertaken in respect of the 2006 Survey. Data relating to main, top-up and total convenience shopping expenditure flows for 1999 and 2004 is reproduced at Tables 8-13.

3.17 Tables 8-13 apply the shopping pattern data recorded from the 1999 and 2004 shopper surveys to the population and expenditure data for the 2006 survey in order to present directly comparable data.

3.18 With regard to main convenience shopping, Table 8 reveals that at 1999 convenience floorspace within the town of Louth and in the surrounding villages accounted for 52.6% of all main food convenience expenditure generated from within the study area. Table 11 reveals that by 2004 the proportion of expenditure captured by this floorspace had fallen by some 5 percentage points to 47.7%. As noted above, and as shown in Table 5, at the time of the 2006 Survey this proportion had declined by a further 6 percentage point to 41.8%.

3.19 With regard to top-up shopping, the position is less clear with the proportion of locally generated expenditure captured by convenience floorspace in the Louth area ranging from 79.3% in 1999 (Table 9) to 78.4% in 2004 (Table 12), compared to 84.6% in 2006 (Table 6).

3.20 The data collected in the Shopping Survey also allows us to identify the market share, or proportion of locally generated expenditure, captured by retail floorspace trading within Louth itself. The results of this analysis are reproduced at Table 14. This shows that the overall proportion of main convenience goods expenditure captured by the Somerfield, Co-op, Pioneer, Kwik Save and other convenience goods floorspace in Louth, declined from 52.% of expenditure generated in the study area at 1999, to 45.1% in 2004 and to 32.1% at 2006. Table 14 also shows a comparable decline in the proportion of top-up shopping captured by this floorspace from 66.1% in 1999 to 52.2% in 2004 and to 44.3% in 2006.

3.21 The overall trend to emerge from the analysis of convenience goods shopping patterns within the study area clearly demonstrates that over the past eight years there has been a consistent and marked decline in the market share of convenience goods floorspace within the Louth area.

3.22 Over the period under consideration, the element of locally generated expenditure attracted to foodstores in Cleethorpes/Grimsby has remained broadly constant, varying between approximately 33% and 36%. Small scale increases have occurred however in the proportion of locally generated expenditure captured by other centres such as Skegness, Mablethorpe, Horncastle, Lincoln and other centres outside the Study area. These small incremental increases in expenditure "leakage" from the study area reflects enhanced provision of convenience goods stores in those locations at a time when comparable provision in Louth has remained unchanged.

3.23In overall terms, the results of the Shopping Survey demonstrate that:-

(i) Louth retains a relatively small proportion of locally generated convenience goods expenditure, particularly with regard to main food shopping expenditure; and

(ii) The proportion of locally generated convenience goods expenditure retained by Louth is progressively declining, particularly with regard to main food shopping expenditure.

4.0 Capacity Assessment

(i) Introduction

4.1 The capacity for additional convenience goods floorspace development within Louth can be assessed by reference to the increase in expenditure available to support this floorspace arising from growth in population and real levels of consumer retail expenditure. In addition, further capacity may arise as a consequence of additional expenditure which could become available as a result of changes in shopping patterns resulting in a reduction in the volume of expenditure currently flowing out of the local area to centres further afield. The assessment of capacity must also have regard to improvements in the productivity of existing floorspace (PPS6, para 2.34).

(ii) The Louth Catchment Area

4.2 In Section 2.0 of this Report we identified the likely level of increase in expenditure within the study area in the period up to 2016 arising from population growth and real levels of increase in consumer retail expenditure.

4.3 However, the results of the Shopping Survey lead us to conclude that it would be unwise to rely upon significant increases in expenditure drawn from postcode sectors DN 36 5 and LN 8 6 as being available to support additional floorspace development within Louth.

4.4 The shopping patterns discussed in the preceding section of this Report clearly reveal that the resident population of those postcode sectors do not use Louth for any significant element of main food shopping. It is apparent from the results of the survey that the resident population of these areas look principally to retail outlets in Cleethorpes/Grimsby and in other centres to satisfy their main food shopping requirement.

4.5 Table 5 demonstrates that only 4.9% of main food shopping expenditure generated from postcode sector DN 36 5 was attracted to Louth. This figure remains little change from 1999 (7% - Table 8) and 2004 (7.5% - Table 11).

4.6 Patronage of Louth for main food shopping trips is more variable on the part of residents of postcode sector LN 8 6. Louth attracted 6.1% of main food shopping expenditure from this period in 2006 (Table 5) compared with 12% in 1999 (Table 8) and 16.4% in 2004 (Table 11).

4.7 The shopping patterns revealed by the Surveys undertaken since 1999 therefore demonstrate that these two postcode sectors should not be considered to constitute part of the core catchment area of Louth and that it would not be prudent to consider any significant element of expenditure growth from these areas as realistically being available to support new foodstore development within Louth. While it may be possible to increase the amount of main food shopping expenditure attracted from these areas to Louth, it is considered that the scale of any such increase would be limited and that there is no significant potential to increase expenditure in-flow from these areas.

4.8 Conversely, it is considered that the postcode sectors comprising the immediate Louth hinterland – LN 11 0, LN 11 7, LN 11 8 and LN 11 9 are locations which naturally look towards Louth to meet their convenience shopping requirements as this is the most accessible centre to residents of those areas.

4.9 Tables 5, 8 and 11 reveal that Louth is the principal main food shopping destination for residents of these areas (Cleethorpes/Grimsby pulled ahead of Louth as the principal main food shopping destination for residents of postcode sector LN 11 7 in 2006, but in both 1999 and 2004 Louth remained the principal destination for main food shopping for residents of that area).

4.10 On this basis, it is considered that current expenditure as well as future expenditure growth within the Louth “core” catchment area, comprising postcode sectors LN 11 0, LN 11 7, LN 11 8 and LN 11 9 can be relied upon to support additional retail floorspace development within Louth. Furthermore, it is also considered that expenditure outflow from this area to other centres for main food shopping purposes is susceptible to “clawback” because of considerations of accessibility and geography.

4.11 With regard to top-up shopping, convenience floorspace within Louth and in the local villages within the study area retains a substantial proportion – approximately 90% - of all top-up shopping expenditure generated within postcode sectors LN 11 0, LN 11 7, LN 11 8 and LN 11 9. It is therefore considered unreasonable to assume that it is possible to significantly increase Louth’s market share of such top-up convenience shopping and that it would not be wise to rely upon this source of expenditure to sustain further floorspace development within Louth.

4.12 On this basis we conclude that the assessment of the future capacity for convenience goods floorspace development within Louth should principally have regard to the expenditure generated within the “core” Louth catchment area. Regard should also be had to the current level of expenditure “leakage” and the ability to clawback an element of that expenditure lost from the local shopping system, together with making an allowance for some expenditure inflow from the more peripheral parts of the study area i.e postcode areas DN 36 5 and LN 8 6, comprising Louth’s outer catchment area.

(iii) Existing And Committed Floorspace

4.13 The present assessment has updated the floorspace survey undertaken as part of the ELSS, 1999. The results of this floorspace survey are reproduced at

Appendix 2. The benchmark convenience turnover of the floorspace trading within the area is set out Table 15 . This amounts to £21.27 million at 2006.

(iv) Convenience Goods Floorspace Capacity

4.14 Our assessment of capacity is set out in Table 16.

4.15 In Table 16 the total volume of convenience goods expenditure generated from the Louth core catchment area is set out for the period 2006-2016. This is assessed as amounting to £41.65 million at present, increasing to £45.66 million at 2011 and £49.98 million at 2016.

4.16 The benchmark turnover of existing convenience goods floorspace trading within the catchment area amounts to £21.27 million at 2006, equating to just over half (51.1%) of locally generated expenditure.

4.17 Table 16 demonstrates that as at 2006 residual expenditure within the Louth core catchment area therefore amounts to £20.38 million.

4.18 Having considered in detail the shopping patterns within the area, we consider it reasonable to assume that up to 70% of this residual expenditure could be "clawed-back" to support additional convenience floorspace within Louth. As noted previously, the core catchment area of Louth constitutes an area which in geographical and accessibility terms is located closer to Louth than to other nearby competing centres. Louth can therefore reasonably be expected to command a significant proportion of locally generated expenditure from this area. The assumption that 70% of the residual expenditure generated within the area could be captured by the development of a new foodstore in Louth is therefore considered reasonable.

4.19 As at 2006, Table 16 shows that the benchmark turnover of convenience floorspace within the town of Louth, amounting to £21.27 million, accounts for approximately 51% of locally generated expenditure (£41.65 million). Assuming a 70% claw back of locally generated expenditure which currently "leaks" from the area, amounting to £14.27 million, would increase the retention rate from 51% at present to 85%.

4.20 This is a significant increase in the proportion of locally generated expenditure retained by floorspace within Louth. However, whilst significant, the change in shopping patterns that would occur on the basis of this "clawback" assumption is of a broadly comparable order of magnitude to that which has occurred since 1999 when the market share of convenience expenditure secured by floorspace within Louth declined from 56.2% to 35.8% as shown in Table 14.

4.21 In addition to considering expenditure generated within the core catchment Area, regard must also be had to the share of expenditure captured by Louth from postcode sectors DN 36 5 and LN 8 6. On the basis of the scale of main and top-up convenience expenditure drawn from these areas, as revealed by the surveys undertaken between 1999 and 2006, we consider it reasonable to assume that retail floorspace in Louth could account for 7% of main convenience goods expenditure and 10% of top-up spending generated from postcode sector DN 36 5 and 15% of main expenditure and 20% of top-up expenditure generated from within postcode sector LN 8 6. These assumptions are consistent with the shopping patterns revealed by the shopping surveys.

4.22 Combining together the convenience expenditure currently retained within the town, with the clawback expenditure assessed as being available to support further convenience floorspace provision in Louth and the expenditure inflow from postcode sectors DN 36 5 and LN 8 6, identifies a convenience goods expenditure capacity of £16.05 million as at 2006.

4.23 In accordance with the guidance set out in PPS6 allowance is made for real increases in the turnover of existing convenience floorspace trading within the area. This is allowed to increase at a rate of 1% per annum over the period.

4.24 Table 16 demonstrates that on this basis expenditure capacity increases from £16.05 million in 2006, to £18.18 million in 2011 and to £20.49 million in 2016. As noted previously, the projection to 2016 must be considered indicative only as any projection this far ahead should be treated with caution given the likelihood that changes in shopping patterns or other variables will affect the capacity identified

4.25 Leading convenience goods retailers such as Asda, Morrison, Sainsbury and Tesco achieve sales densities of between approximately £8500 and £10,500 per sq.mtrs after allowing for the value of petrol sales. For the purpose of this capacity assessment we have assumed an average sales density of £9500 per sq.mtr.

4.26 On this basis we have identified a capacity for additional convenience goods floorspace development within Louth of 1690 sq.mtrs at present increasing to 1914 sq.mtrs at 2011 and to 2157 sq.mtrs at 2016.

4.27 Leading convenience goods retailers allocate varying proportions of their sales floorspace to non-convenience goods items. Such space allocations vary from one retailer to another: Asda allocate a significant proportion of their sales floorspace, approximately 45%, to the sale of non-convenience goods, including, for example, approximately 20% being allocated to the sale of clothing and footwear. Other retailers such as Morrison, Tesco and Sainsbury's typically allocate between 65%-70% of floorspace to the sale of convenience goods. Smaller stores also tend to have a larger proportion of sales floorspace allocated to the sale of convenience goods, with larger proportions of comparison sales floorspace being found within larger superstores within the individual retailers property portfolios.

4.28 For the purpose of this capacity assessment, we have therefore assumed that the convenience goods floorspace capacity identified will represent 70% of the total sales floorspace of any new foodstore to be developed in Louth. On this basis we would expect a store with a convenience floorspace of circa. 1690 sq.mtrs to have an overall sales area of some 2414 sq.mtrs. Assuming a net to gross ratio of 65:100 - 70:100, this equates to a store with a gross floor area of some 3500 sq.mtrs – 3700 sq.mtrs.

4.29 Looking forward to 2011, net convenience sales floorspace capacity of 1883 sq.mtrs, as identified in Table 16, would equate to a store with an overall sales area of some 2690 sq.mtrs and a gross floor area of some 3800 sq.mtrs to 4150 sqm.trs.

(v) Comparison Goods Floorspace Capacity

4.30 The analysis set out in this report has not addressed the issue of the capacity for additional comparison goods floorspace development within Louth.

4.31 This matter was considered in some detail in the earlier 1999 ELSS and the 2004 Report. The analysis undertaken in the earlier reports revealed that Louth retained a relatively low proportion of locally generated expenditure on comparison goods with significant outflows of expenditure to the surrounding higher order centres of Cleethorpes/Grimsby, Boston and Lincoln.

4.32 The position of these higher order centres in the retail hierarchy and the significantly more extensive retail offer they provide compared with Louth, means that it is unlikely Louth could realistically be expected to retain a significantly increased level of locally generated comparison goods expenditure.

However, whilst it would be unreasonable to expect Louth to alter its position in the local retail hierarchy, there is clearly potential for Louth to accommodate additional comparison goods floorspace on the basis of the level of expenditure available locally.

4.33 Whilst such expenditure capacity exists, the likelihood of additional comparison goods floorspace being provided within Louth will largely be dependent upon the demand of retailers to seek representation within the town.

4.34 The recent development of the Focus DIY Store at Belvoir Way is likely to have reduced expenditure outflow for DIY and related products. The site occupied by the new Focus store comprises part of a larger allocation set out in the now abandoned review of the local plan (June 2004) for bulky goods retailing. In the event that allocation were maintained in a future development plan document, development of retail warehouses on that site would also contribute to reducing an element of comparison goods expenditure outflow from Louth to larger centres further afield.

4.35 Notwithstanding the provision of any retail warehouse development within Louth, there would still remain substantial expenditure capacity to support further comparison goods retailing within the town centre. In the event development proposals for further comparison goods retail development in the town centre were forthcoming, that development would be acceptable in retail planning policy terms.

5.0 The Impact of New Convenience Floorspace Development in Louth

(i) Introduction

5.1 Irrespective of the scale of capacity identified as potentially available to support additional convenience goods floorspace development in Louth, the development of such a store will have trading implications for existing retailers. In this section we consider the retail trading implications arising from the development of a major new foodstore in Louth. In turn we consider the potential development of a major new store on the Northgate site, previously identified for retail development by the Council in the local plan review and also on a site bounded by Queen Street and Kidgate, which has also been identified as a potential foodstore development site.

5.2 Whilst we expect that the most significant effect of the development of a major new foodstore in Louth would be to reduce the scale of expenditure leakage from the town's core catchment area, it will also divert an element of trade away from existing retailers within the town. Whilst the new store will compete directly with the existing supermarkets trading in the town – as well, as a result of clawback, with other major foodstores located in centres further afield - any major new supermarket or superstore will also divert an element of trade away from local convenience businesses located within Louth.

5.3 The defined town centre of Louth is shown on the adopted East Lindsey Local Plan Louth Town Centre Inset Map. The town centre stretches approximately 600 metres from west to east along a central spine, which comprises the primary shopping area, (as defined by the protected shopping frontages designated on the proposals map) stretching along Mercer Road through Market Place and along Eastgate. The town centre's two existing principal supermarkets are located outside of the primary shopping area on the edge of the defined town centre: the Co-op Pioneer store is located on the northern fringe of the town centre, off

Northgate, whilst the Somerfield store is located on the eastern fringe of the town centre, on Eastgate. The pedestrian entrances to the Co-op Pioneer and the Somerfield stores are both approximately 170 metres from the primary shopping area. Both the Somerfield and Co-op Pioneer stores therefore occupy edge-of-centre sites in PPS6 terms.

5.4 Whilst now abandoned, the review of the local plan – East Lindsey Local Plan 2001-2021 – First Deposit, (June 2004), proposed to amend the extent of the town centre, principally by reducing it's eastwards extent along Eastgate, with the effect of placing the Somerfield store outside of the defined town centre. The draft review of the local plan sought to maintain the extent of the primary shopping area broadly unchanged from that set out in the adopted local plan. The draft review of the local plan allocated the site of the existing Co-op Pioneer store, together with adjacent land comprising the existing Kiln Lane car park and adjacent land to the east - the Northgate site - as a site for future retail development.

5.5 The Northgate site is located within 300 mtrs of the centre's primary shopping area. The site is bisected by the River Lud, but this already has pedestrian and vehicle crossings to provide access to the Kiln Lane car park. As such, we see no reason why the river should constitute a barrier to easy walking to the primary shopping area, which could not be satisfactorily addressed in design terms if the site were brought forward to accommodate a major new retail development.

5.6 Links between the primary shopping area and the proposed Northgate retail development site are affected by the historic character of this part of Louth town centre. Links between Northgate and Market Place/Eastgate are currently relatively poor: they are either indirect e.g. via Cannon Street or relatively confined, like the link provided by Vicars Lane, or informal, as with the link via the town hall car park.

5.7 As noted in Section 1.0, PPS6 makes clear that where new development is undertaken on edge-of-centre sites such development needs to be carefully integrated with the existing centre to allow easy access between the primary shopping area and the new development on foot. Whilst the historic nature of Louth town centre, the presence of listed buildings and the existence of the Conservation Area act to constrain the ability to enhance such linkages, it will be important that such matters are satisfactorily addressed and resolved if new development on this site is to be successfully integrated and function of part of the town centre, well related to the primary shopping area.

5.8 The possible development of a new foodstore on land between Queen Street and Kidgate would provide the opportunity to locate a store closer to the primary shopping area than would be the case with a store on the Northgate site (much will of course depend upon the detailed siting of a store on either of these sites but in general terms the Queen Street site is closer to the primary shopping area than the Northgate site). The development of a store on Queen Street would also provide the opportunity to locate a new foodstore closer to the town's bus station than would be the case with a development on the Northgate site.

5.9 Pedestrian links to this site from the primary shopping area are at present constrained though less so than the Northgate site. Access to the site from Eastgate is provided by Burnt Hill Lane whilst there may be an opportunity to provide linkage from Aswell Street to Mercer Row and Market Place.

5.10 We have considered two alternative development scenarios in respect of the provision of a major new foodstore within Louth. The first, relates to the possible development of a store with a gross floor area of 2500 sq.mtrs, (a development less than the capacity we have identified as currently existing) and the second to a larger store with a gross floor area of 4000 sq.mtrs, in line with the capacity we have identified for a major new store in Louth having regard to the period to 2011. The retail impact and trade diversion associated with these two scenarios are considered below.

5.11 In considering the two alternative scenarios outlined above, we have assumed that the development of the smaller store of 2,500 sq.mtrs could be accommodated on the Queen Street site. We have assumed that the larger store of 4,000 sq.mtrs is a scale of development that could only be satisfactorily accommodated on the Northgate site. We have assumed that the redevelopment of the Northgate site to provide a store of 4,000 sq.mtrs could only be achieved by the redevelopment of the existing Co-op Pioneer store and we have therefore assumed that this store would cease trading under that development scenario.

(ii) Scenario 1: Potential Development of Supermarket of 2500 sq.mtrs.

5.12 A major new supermarket with a gross floor area of 2500 sq.mtrs is likely to have a net sales area in the region of 1750 sq.mtrs, with some 1225 sq.mtrs devoted to the sale of convenience goods. With an estimated turnover of £9500 per sq.mtr this produces a convenience turnover of £11.64 million. The store will also sell a range of non-convenience goods with a likely turnover of some £5.0 million accounted for by such sales.

5.13 While we have identified considerable expenditure "leakage" from the Louth core catchment area in the preceding section of this assessment, we have assumed that only 60% of the store's turnover will be derived from the "clawback" of expenditure currently leaking from the Louth area to centres further afield.

5.14 We have adopted this assumption, which we consider to be a worst case scenario, as we consider it provides a robust framework for the evaluation of the trading implications arising from the development of such a store. The results of the shopping survey reveal that a substantial proportion of the leakage of expenditure from the Louth area is accounted for by shopping at major superstores in centres such as Grimsby. Whilst the development of a major new supermarket in Louth with a gross floor area of 2500 sq.mtrs will produce a substantial enhancement, in both qualitative and quantitative terms, to convenience shopping facilities within Louth, it will remain the case that such a store will still be significantly smaller than a number of the major superstores currently patronised by local residents. It is therefore reasonable to assume that an element of expenditure leakage will continue to be attracted to those larger shopping facilities. The assumption that the new supermarket would therefore only derive 60% of its turnover from the clawback of expenditure currently leaking from the local area is therefore considered a robust assumption for assessing possible retail impact.

5.15 The trade diversion effects arising from the development of a foodstore with a gross floor area of 2500 sq.mtrs are set out in Table 17. The effects of this development are discussed in detail below, but Table 17 shows that we expect the development of such a store to initially divert just under a quarter (23.4%) of the convenience turnover of the existing Somerfield supermarket and just under half (46%) the convenience turnover of the Co-op store. We expect trade diversion from the Kwik Save store to be less significant, equating to some 11.2% of that store's turnover. Because of its non main food shopping function, we expect diversion from the town centre Spar store to be relatively modest at around 5%.

5.16 The diversion of a substantial proportion of the Co-op's turnover would, in our view, raise doubts over the store's continued operation. While the Co-op has the ability to sustain substantial levels of trade diversion and, as a mixed goods retailer, the ability to diversify and alter its retail offer, we consider the store vulnerable to substantial increased competition and consider its long term survival unlikely in the new trading circumstances that would prevail following the development of a major new supermarket in the town. In the event the Co-op were to close, this would release the turnover it had retained back into the local system, where it would be available to support other convenience floorspace e.g. Somerfield, Kwik Save and local independent convenience businesses as well as the new store.

5.17 With regard to other town centre convenience businesses, we expect overall convenience trade diversion to be 7.3%. Outside of the town centre, we expect trade diversion from small convenience outlets to be limited and to have no material effect on their trading circumstances, given their orientation towards serving trade from very local neighbourhood areas. We similarly expect trade diversion from foodstores within the Louth area villages to be immaterial, given their function of serving the local communities within which they are located.

(iii) Scenario 2: Potential Development of Superstore of 4,000 sq.mtrs

5.18 We would expect a major new superstore with a gross floor area of 4,000 sq.mtrs to have a net sales are of some 2,800 sq.mtrs and a convenience sales floorspace of some 1,960 sq.mtrs. We would expect the store to achieve a convenience sales turnover of £18.62 million with a non food turnover of just under £8 million.

5.19 As with the supermarket considered under Scenario 1, we would expect that only a proportion of the store's turnover would be derived from a reduction in expenditure leakage. Whilst the new store would more directly compete with larger outlets located in centres such as Cleethorpes/Grimsby and therefore would have the potential to secure a greater proportion of its trade from the clawback of expenditure currently loss from the area, we have adopted a conservative approach towards the assessment of trade diversion and have assumed that only 60% of the new store's turnover would be derived from the clawback of expenditure currently loss from the local area.

5.20 Our assessment of the trade diversion effects associated with this development are set out in Table 18 and considered in detail below. In summary, the most significant affect of the new development is the cessation of trade of the Co-op Pioneer store as the new store is assumed to be developed on a site including land currently occupied by the Co-op store. This means that the convenience turnover currently achieved by the Co-op of £5.4 million would be "released" back into the local shopping system. A significant proportion of this will be accounted for by the turnover of the new store, with other elements of the turnover released by the Co-op being attracted to other existing retail outlets within Louth including, for example, Somerfield and Kwik Save. This would off-set to some extent trade diverted from these stores to the new store.

5.21 We consider the new store would divert just over 20% of the convenience turnover of the Somerfield store and just over 10% of the turnover of the Kwik Save store. Table 17 assumes a comparable level of trade diversion from the Spar and other town centre outlets as with the foodstore considered under Scenario 1.

(iv) Trade Diversion Assessment

5.22 The evidence gained from the shopping surveys undertaken over the past eight years clearly demonstrates that the patronage of convenience stores in Louth is progressively declining. The evidence from the surveys indicates that this decline in turnover is most marked amongst the town's supermarkets. Table 14 indicates that the most significant decline has been experienced by the Somerfield supermarket as well as the Kwik Save store. The Co-op supermarket appears to have traded relatively constantly over the period. Other convenience outlets within the town centre have experienced some decline in turnover though this is less pronounced than with respect to the Somerfield store. These results may be expected given that the principal source of expenditure leakage from the core catchment area is as a result of the patronage of other major foodstores with which the Somerfield will most directly compete.

5.23 The provision of a major new foodstore within or on the edge of Louth town centre will bring about a significant change in the scale and extent of local convenience shopping facilities. As set out in Tables 17 and 18, such development is therefore likely to have a marked impact upon existing shopping patterns and the patronage of foodstores and other retail and allied businesses within the centre. In overall terms, the effect of such changes are likely to include the following:

(1) Increased Activity Within Louth Town Centre

5.24 There is likely to be a significant reduction in expenditure "leakage" from the Louth catchment area, as the provision within Louth of a modern new foodstore will represent an alternative facility to that to which many people access on their trips to centres such as Grimsby. We consider that the reduction in expenditure leakage will result in an overall increase in patronage of many retail outlets within the town centre to the overall benefit of the retail sector and the local economy. The increased patronage of Louth town centre by shoppers who are either currently not visiting the town centre, or who are not visiting the town centre to any significant extent, is likely to produce spin-off benefits to all retailers. It is possible that some people visiting the new supermarket will also increase their patronage of other convenience businesses within the town centre, e.g, electing to purchase meat or fish or vegetables from a local butcher, fishmonger or green grocer, combined with their main food shop at the new foodstore. More significantly, however, are the prospects of increased patronage of non-convenience retail businesses and associated service outlets within the town centre as a result of the increased attractiveness of the town centre as a whole and the reduction in the number of people travelling further afield to undertake their principal main food shop.

5.25 As set out in Appendix 1, the shopping survey indicated (Q.14) that overall two thirds of respondents would be likely to use a major new supermarket in Louth increasing to 74.2% within the town's core catchment area. The shopping survey also revealed (Q.4) that when undertaking their main food shopping trip over 40% of respondents linked this with other shopping or other activities. Across the study area as a whole 46.7% of respondents to the survey stated they would increase their use of Louth town centre for other shopping or related purposes if a major new supermarket were provided in the town. Increased patronage of Louth for main food shopping purposes can therefore be expected to produce some spin off benefit to other retailers and allied service businesses within the town.

(2) Trade Diversion and Impact On Vitality and Viability

5.26 As set out in Tables 17 and 18, the increased competition within the town's supermarket sector arising from the development of a major new convenience goods store will result in changes to the turnover of existing supermarkets within the town. While a significant proportion of the turnover of the new foodstore will be accounted for by the clawback of expenditure currently leaking from the area, a substantial proportion is also likely to be derived from a diversion of trade from existing supermarkets.

5.27The new foodstore in Louth will compete directly with the Somerfield store and will divert an element of that store's turnover. Whilst the diversion of an element of trade from that store will reduce its turnover, it is not considered that this would undermine the store's continued retail operation. While the nature of the Somerfield retail operation has experienced considerable change in recent years, particularly with the disposal of the Kwik Save portfolio in February 2006, we consider the Louth store continues to trade relatively well despite the reduction in its market share in recent years. We consider that the store would survive the trade diversion affects arising from the development of a new store within or on the edge of the town centre.

5.28 Despite the Co-op Pioneer store trading steadily in recent years, we consider the store is vulnerable and could experience a significant diversion of trade with the opening of a major new foodstore in Louth. In our view, the Co-op store would be less resistant to the effects of increased competition arising from the development of a new store within Louth and that the convenience function of the store would progressively decline. We consider that there is a real prospect of the store ceasing to trade following the development of major new foodstore in the town. (As noted above (para 5.20), we assume the Co-op store would be lost in any event as part of the redevelopment of the Northgate site).

5.29 The town's Kwik Save store appears, on the basis of the survey evidence, to have experienced a significant decline in turnover in recent years. However, it is noteworthy that the store was one of those acquired by Kwik Save Limited, which came into existence in February 2006, when it acquired much of the then existing Kwik Save portfolio from Somerfield. At the same time, other Kwik Save stores elsewhere were sold to other retailers, such as the deep discount operators, Netto, Aldi and Lidl, whilst others were disposed of for redevelopment. Others were retained by Somerfield and rebranded to operate under one of the Somerfield group's trading fascias. The retention of the Louth Kwik Save by the new company, in the knowledge of the possible development of the Northgate site for a major foodstore given the draft review of the local plan, indicates a commitment to the store and an expectation of it being able to continue to trade profitably. The Kwik Save store remains the only discount supermarket within Louth and the potential for the store to operate successfully within this sector of the market leads us to conclude that the future of this store is secure.

5.30 The Spar convenience store on Market Place provides a top-up shopping facility and is orientated towards meeting the needs of passing trade rather than providing any significant element of main food shopping. In our view the Spar store will be largely insulated from the effects of the development of a new supermarket or superstore and will continue to provide a convenience shopping function within the heart of the town centre.

5.31 With regard to smaller convenience businesses located within Louth town centre, the effect of the development of a new major foodstore in Louth is likely to be mixed.

5.32 Existing independent and/or smaller convenience businesses located within Louth town centre comprise a number of butchers, bakers, green grocers, off-licenses, fish mongers and a number of specialist retailers such as Heron Frozen Foods, Thornton's the confectioners and the Cheese Shop on Eastgate. These retailers already trade alongside the town's existing supermarkets which themselves offer a range of product lines in direct competition with those retailers: Somerfield, Co-op and to a lesser extent Kwik Save, retail meat, vegetables, bread, fish, frozen food, confectionery and alcohol etc in direct competition with the smaller convenience businesses located within Louth town centre. Notwithstanding the existence of these supermarkets, independent convenience businesses continue to trade as a result of factors such as the product range they supply and the service they provide.

5.33 Whilst the provision of a major new foodstore in Louth would add to the competition smaller convenience businesses experience, there is no evidence to demonstrate that the effect of such increased competition would have a material effect on the scale and extent of the local independent convenience business sector within Louth. For example, it is possible that as a consequence of the development of the new major foodstore one or more independent convenience businesses such as a butcher and/or a baker and/or a green grocer would cease trading. However, if such an event were to occur this would in part, provide the opportunity to the remaining butchers, bakers or green grocers etc to increase their trade as a result of the reduction in competition that would result.

5.34 In overall terms, even if the development of a major new foodstore in Louth town centre were to result in a reduction in the number of independent convenience business in the town we do not consider this would have a material affect on the town centre's vitality and viability.

5.35 To the contrary, given the positive benefits that would be derived from the provision of a major new foodstore within the town, we consider that any negative impact arising from the diversion of elements of turnover from existing retail outlets within the centre would be more than offset by the positive benefits that would derive from the enhanced retail provision resulting from the development of a major new foodstore in the town.

(v) PPS6 Impact Criteria

5.36 In advising on development control considerations, PPS6 identifies a number of factors to which local authorities should have regard when considering the impact of new retail development on a centre (PPS6, para 3.22). Whilst the guidance specifically relates to development control, it is considered appropriate to have regard to these factors in the context of the current assessment. These are therefore considered in turn below.

(1) The extent to which the development would put at risk the spatial planning strategy for the area and the strategy for a particular centre or network of centres, or alter it's role in the hierarchy of centres.

5.37 It is not considered that the provision of a major new foodstore in Louth would put at risk the spatial planning strategy for the area or the strategy for Louth in particular.

5.38 The strategy of the Council with regard to retail development is to, inter alia, protect and improve the vitality and viability of the town centre without spoiling its character; to make the town more attractive to shoppers and visitors by improving its environment; to maintain the existing shopping hierarchy; and to ensure shopping facilities are readily available and accessible to everyone. For the reasons discussed previously, we consider that the provision of a major new foodstore within or on the edge of Louth town centre will improve the vitality and viability of the town centre to the benefit of the community it serves.

5.39 The provision of such a store would not alter the role of Louth in the local retail hierarchy but would enable the centre to better compete against competition from larger nearby centres. The development would assist in stemming the town's relative decline with regard to convenience shopping facilities and bringing forward investment to counter an over concentration of growth in higher level centres. As such, the development of a major new foodstore in Louth is considered to accord with Government guidance in PPS6 set out at paras 2.7, 2.8 and 2.9.

5.40 The provision of a major new foodstore in Louth will reduce the need for people to travel to access main food shopping facilities, thereby contributing towards a more sustainable pattern of development.

(2) The likely effect on future, public or private sector investment needed to safeguard the vitality and viability of the centre

5.41 The provision of a major new foodstore at Louth will represent a significant element of private sector investment which will act to safeguard the vitality and viability of the town centre. It is not considered that the provision of such a new store will deter other public or private sector investment in the centre, but, to the contrary, could have a catalytic effect and encourage further investment in the centre as a result of the increased attraction of the centre as a whole that would follow from the new development.

(3) The likely impact of the proposed development on trade/turnover and on the vitality and viability of existing centres within the catchment area of the proposed development, and where applicable, on the rural economy (an example of a positive impact might be if development results in clawback expenditure from the surrounding area)

5.42 The likely impact of the new foodstore has been considered above and it has been concluded that it will have not an adverse impact on the vitality and viability of Louth town centre but, to the contrary, will produce overall positive impacts partly as a result of the clawback of expenditure currently leaking from the local area. It is not considered the development would have any adverse impact on the rural economy.

(4) Changes to the range of services provided by centres that could be affected

5.43 Whilst the proposed new store may have an effect on individual businesses within the town centre, it is not considered that the development will have any material effect on the range of services provided by the centre. Indeed, given the reduction in expenditure leakage and increased patronage of Louth town centre that is expected to result from the development, it is more likely that the increased patronage of the centre by shoppers would provide the opportunity for existing retail and allied service businesses to grow and the range of services offered by the centre to be enhanced and expanded.

(5) Likely impact on the number of vacant properties in the primary shopping area

5.44 As a consequence of the positive effects on the centre's vitality and viability which the proposed new foodstore will bring, it is considered that the development will have no adverse impact on the number of vacant properties within the primary shopping area and is more likely to result in a reduction in such vacancy levels.

(6) Potential changes to the quality, attractiveness, physical condition and character of the centre or centres and to its role in the economic and social life of the community

5.45 It is assumed that the local planning authority will ensure that any new foodstore development in Louth is brought forward in the manner which produces a development of high quality design resulting in a positive impact on the quality, attractiveness and physical condition of the centre.

5.46 It is considered that the extension and enhancement of the town's retail facilities will improve the vitality and viability of the centre, to the benefit of it's character and to the community it serves. The development will provide the opportunity for the local community to avail themselves of main food shopping facilities without the need to travel considerable distances to centres such as Grimsby, reducing the economic burden such travel imposes and the time spent in undertaking such trips. The development is therefore considered to produce positive economic and social benefits to the community.

(7) The implications of proposed leisure and entertainment uses for the evening and night time economy of the centre

5.47 The provision of a major new foodstore in Louth is not considered to have any implication in respect of the leisure, entertainment and night time economy of the town.

6.0 **Conclusions**

6.1 The shopping survey undertaken for the purposes of this study has confirmed the general pattern of shopping for main and top-up food shopping revealed in the earlier surveys of 1999 and 2004. These confirmed that Louth retains a relatively small proportion of convenience goods expenditure generated from within its catchment area and that local shopping patterns are strongly influenced by the presence of major convenience goods stores in the Cleethorpes/Grimsby area.

6.2 The shopping survey reveals that the amount of locally generated expenditure retained by foodstores within Louth continues to decline. At 1999 foodstores within Louth secured some 33% of total convenience goods expenditure generated from within the study area. This had declined to 28% by 2004 and to just over 21% at 2006.

6.3 It is considered there is significant expenditure capacity to support additional foodstore development in Louth. The catchment area is expected to experience significant population growth in the period to 2016 and this, coupled with real increases in levels of consumer retailer expenditure, combined with the opportunity available to “clawback” expenditure currently being lost from the area, means that there exists sufficient expenditure capacity to support a convenience goods superstore with a net sales area of some 2700 sq.mtrs in the period up to 2011.

6.4 The provision of such a store within or on the edge of Louth town centre would have implications for the turnover of existing retail businesses within the town centre. In overall terms, however, we consider that the benefits arising from the development of such a new store will offset any potential negative impact arising from the diversion of trade away from the existing businesses.

6.5 We have evaluated the effects of such new development against the relevant criteria set out in PPS6 and conclude that the development of a major new convenience goods store within Louth will accord with the Government's objectives for town centres set out in PPS6 and the Council's objectives set out in the development plan.

6.6 We have considered the potential effects of two alternative development scenarios comprising, firstly, the development of a major convenience goods supermarket of 2500 sq.mtrs gross floorspace on land at Queen Street and secondly, the development of a convenience goods superstore with a gross floor area of some 4000 sq.mtrs on land currently occupied by the Co-op Pioneer store and adjacent land at Northgate.

6.7 While both schemes would bring considerable benefit to the town centre, we consider that the development of the superstore on land at Northgate would produce the most significant overall benefit to the town centre.

6.8 While this report has not specifically considered the capacity for further comparison goods retail development within Louth, this was considered in earlier studies undertaken in 1999 and 2004. Both previous studies concluded that while the higher order centres of Cleethorpes/Grimsby, Lincoln and Boston would continue to attract significant proportions of locally generated comparison expenditure, there was potential for Louth to retain a larger proportion of such spending by additional retail development within the town. There has been no material change in circumstances in the intervening period and these conclusions are considered to remain valid. In the event the Queen Street site were brought forward for development it could accommodate additional comparison goods floorspace which would further enhance the vitality and viability of the town centre.

APP1. Results of Shopping Survey

(i) Introduction

App1.1 The nature and extent of main food and top up shopping patterns within the study area are analysed and described in the main report. The remainder of the survey's findings are assessed below. Reference to the outer area relates to results from postcode sectors DN 36 5 and LN 8 6 combined, while the core catchment area refers to the aggregate figures for postcode sectors LN 11 0, 11 7, 11 8 and 11 9.

Q.2: Frequency of Undertaking Main Food Shopping

App1.2 Between a half and two-thirds (58%) of respondents undertook their main food shopping on a weekly basis. A further 16.6% undertook such shopping trips fortnightly with a further 10.3% undertaking such trips once a month.

App1.3 In contrast, 8.3% undertook main food shopping twice a week with a further 6.8% undertaking such trips, more frequently, including 2% that reported undertaking such shopping trips on a daily basis.

App1.4 A different pattern of main food shopping is revealed by the survey between residents of the outer parts of the study area, comprising postcode sectors DN 36 5 and LN 8 6 and the "core" part of the Louth catchment area comprising postcode sectors LN N, 11 0, 11 7, 11 8 and 11 9.

App1.5 Within the outer area, those undertaking main food shopping more frequently than once a week amounted to 8.6% of respondents. The comparable figure for the core catchment area was 20.8%. A possible explanation for this difference in frequency of undertaking main food shopping trips is that the relative remoteness of the outer area from main food shopping destinations acts to reduce the frequency with which such trips are undertaken. It also suggests, however, that residents of the core catchment area have a tendency to undertake main shopping trips on more frequent occasions.

Q3: Main Reason for Using Main Food Shopping Destination

App1.6 Across the study area as a whole accessibility considerations were the most commonly cited response to this question. Some 23.9% of all respondents gave the main reason for using their particular main food destination as "I live in the area". This varied from 18.2% in postcode sector LN 11 9 to 29.8% in postcode DN 36 5. A further 19% of respondents, ranging from 15.8% in DN 46 5, to 24% in LN 8 6, gave "convenient" as the main reason for choice of shopping destination.

App1.7 However, when aggregated together, qualitative considerations relating to the choice/variety of goods available, the quality of goods available and better value for money, comprised the largest single factor influencing people's decisions where to shop. Across the study area as a whole, these factors when aggregated together accounted for 46.4% of responses.

Q4: Linked Trips

App1.8 Across the study area as a whole, 41.9% of respondents stated that they combined their main food shopping with other activities such as other forms of shopping and leisure activities etc.

Q5: Start of Main Food Shopping Trip

App1.9 The vast majority of respondents (90.3%) commenced their main food shopping trip from home. There was no significant variation in this response across the postcode sectors covered by the survey.

Q6: Final Destination for Main Food Shopping Trip

App1.10 Home was the destination of the main food shopping trip for 88.5% of respondents across the survey area. There was no material difference across the postcode sectors making up the study area.

Q7: Distance Travelled to Undertake Main Food Shopping

App1.11 The results of the shopping survey clearly demonstrate that main food shopping patterns in the study area are characterised by long distance travel.

App1.12 Across the study area as a whole, 49% of respondents stated that they travelled eight miles or more to their main food shopping destination. This varied between postcode sectors from 31.9% of respondents in postcode sector LN 11 9 to 80.1% of respondents in postcode sector LN 8 6.

App1.13 Within the outer area, (DN 36 5 and LN 8 6 combined), 56.5% of respondents travelled eight miles or more whilst within the core area, the comparable figure was 39.1%.

App1.14 With regard to short distances travelled to main food shopping destinations, 22% of respondents travelled a total of 1.5 miles or less to their main food shopping destination. This varied from only 2.2% of respondents in the outer area to 39.1% of respondents within the core area.

Q11: Louth Town Centre

App1.15 The physical character of Louth town centre was identified as the feature most liked by survey respondents (25.8%). Other key attributes of the centre were considered to be its good range of shops (20.6%) and its good range of independent shops (18.6%). The open market was also given as a reason for the centres' attractiveness by a further 17.5% of respondents whilst the town's "good shopping atmosphere" was identified as an attribute by 11.5% of respondents.

Q.12: Improvements to Shopping Provision Sought within Louth Town Centre

App1.16 Whilst 27.6% of respondents identified no specific improvement in shopping provision within the town centre, four specific factors were identified by more than 10% of respondents. These comprised a better range of shops overall (15.6%), better parking facilities (13.5%), a major supermarket (12.1%) and more national multiple stores (11.2%). In respect of all these factors, when aggregated together, the proportion seeking such improvements were higher in the core catchment area than in the outer area.

Q.12a: Type of Shops To Be Introduced

App1.17 Of those specifying a requirement for a better range of shops, the largest proportion (58.6%) expressed a preference for more clothing/fashion/footwear stores.

App1.18 A further 28.8% specified a desire to see a new supermarket in the centre, (8.5% in the outer area, 21.3% in the core catchment area), while a further 18.7% expressed a general requirement for more foodstores.

App1.19 Other types of retail outlet identified by significant numbers of respondents included more book/cd/dvd/computer stores (19.3%), DIY stores (12.6%), furniture/carpet/electrical stores (11.6%), household applicance stores (10%) and sports/fitness stores (9.9%).

App1.20 The response to Q.12 – specific improvements in shopping provision in Louth town centre – identified a need for a major supermarket by 73 respondents (12.1%). A further 8 respondents (1.3%) identified a need for a big supermarket outside the centre with good parking, with a further 1 respondent specifying a need for a Tesco store and 1 respondent seeking a new Morrisons supermarket. A total of 83 respondents therefore sought improved supermarket provision in one form or another.

App1.21 Of those responding to Q.12a – Specific Shops to be provided in the centre – 27 respondents identified a need for a new supermarket. Combined together it is evident that 110 respondents required improved supermarket provision, amounting to 18.3% of all respondents, making the need for a new supermarket the largest single response identified as the improvement required to shopping provision within Louth town centre. Such a requirement ranged from 15.1% in the outer area to 21.1% in the core catchment area.

Q.13: Non Shopping Improvements in Louth Town Centre

App1.22 Apart from the 36.3% of respondents who did not specify any specific improvements to Louth town centre, the improvement most sought by the largest number of respondents was improved parking facilities, which were identified as a requirement by 23% of respondents. Pedestrianisation was identified by a further 13.4% of respondents. No other factor was identified by more than 10% of respondents.

Pedestrianisation

App1.23 Of those respondents identifying a need for pedestrianisation within Louth town centre, relatively few responses gave any specific guidance as to where pedestrianisation was most required, with 24% of respondents simply stating "town centre". A further 11.2% of respondents were not able to identify a specific area.

App1.24 Specific areas were cited by a range of respondents including the Market area (11%), Mercer Road (10.7%), Market Place to Eastgate (8.4%), main shopping street (8.4%), Mercer Road to Eastgate (6.1%) and Eastgate itself (4.9%). The pedestrianisation of the entire town centre was suggested by 4.9% of respondents.

Q.14: Potential Use of Major New Supermarket

App1.25 Across the survey area as a whole 66.6% of respondents stated they would use a major new supermarket if such a facility were provided within Louth town centre.

App1.26 Within the outer area, the proportion of people confirming that they would use a new supermarket in Louth town centre amounted to 57.6%, whereas within the core catchment area the figure increased to 74.2%. The response across the core catchment area was very uniform ranging from 72.6% in postcode sector LN 11 8 to 74.8% in postcode sector LN 11 0.

Q.14a: Facilities to be included within a new Supermarket

App1.27 The largest single facility identified as a requirement to be provided as part of a new supermarket was car parking (40.9%) followed by restaurant (34.4%), toilets (10.9%) and petrol station (9.1%). No other factor was identified by more than 5% of respondents.

Q.14b: Non Food Products to be offered by the Supermarket

App1.28 Clothing was the largest category of non food goods respondents identified as being required to be provided by a new supermarket in Louth (45.7%). Other items specifically identified by respondents included electrical items (24.3%), household items (27.2%) and cd/dvd/books (14.2%).

App1.29 13% of respondents specified that the supermarket should sell no non-food products and retail only food.

Q14c: Particular Supermarket Retailer to be represented in Louth Town Centre

App1.30 Respondents identified all of the four principal supermarket operators as particular retailers they would wish to see represented in Louth town centre: Tesco (37.2%), Asda (18%), Morrisons (16.3%) and Sainsbury (12.8%).

Q.14d: Principal Use of New Supermarket

App1.31 45.7% respondents stated that they would use the new supermarket for their main food shopping with a further 49.1% stating they would use it for both main food and top-up shopping. 5.2% of respondents identified their likely use of the supermarket for top-up shopping.

Q.15: Linked Trips Arising From New Supermarket

App1.32 Across the study area as a whole 46.7% of respondents stated that they would be likely to increase their use of Louth town centre for other shopping or related purposes if a new supermarket were provided within the town. This varied from 52.9% of respondents in the outer area to 46% of respondents within the core catchment area.

App1.33 It is reasonable to assume that the use of Louth for other shopping and related purposes is already higher amongst residents of the core catchment area than the outer area and therefore the greater likelihood of increased patronage of Louth town centre by residents of the outer area following the development of a new foodstore in the town is not surprising.