Nathaniel Lichfield & Partners
Planning. Design. Economics.

East Lindsey Retail and Economic Assessment

2014 Update

East Lindsey District Council

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1.0 Introduction

Background

1.1 Nathaniel Lichfield & Partners (NLP) was commissioned by East Lindsey District Council to prepare a Retail and Economic Assessment. This study was completed in November 2012. The study considered the potential for new convenience retail floorspace at Louth, Horncastle and Alford, and provided an assessment of the need for retail development of the three towns up to 2018, 2023 and 2028.

1.2 Due to recent changes in population, the continued effects of the recession on retail expenditure levels and other changes, NLP has been commissioned to undertake an update of the previous study.

Report Structure

1.1 Section 2 of this report summarises the hierarchy of centres. Section 3 updates the retail capacity assessment. Section 4 considered the qualitative need for retail development. Section 5 assesses the impact of commitments and a proposed food store on the Cattle Market site in Louth. Section 6 provides the recommendations and conclusions.

2.0 The Shopping Hierarchy

2.1 This section of the report updates the description of the retail hierarchy in East Lindsey.

Role of Centres

2.2 East Lindsey is a large rural district bounded by a number of neighbouring authorities (West Lindsey; North East Lincolnshire; North Kesteven and Boston Borough Council). East Lindsey also falls within the catchment area of the sub-regional centres of Lincoln and Grimsby which influence shopping patterns within the District.

2.3 Because of the dispersed nature of the population and towns, the hierarchy of shopping centres within East Lindsey is well defined. Louth, along with Skegness, fulfils an important role as one of the main shopping and commercial centres within East Lindsey, supporting a wide range of employment, shopping, education, recreation, health and community services.

2.4 Because there are no other settlements of similar size or status nearby, Louth's catchment area is extensive and overlaps with the catchment areas of other major centres within, and outside, the District.

2.5 Louth operates above the smaller market towns of Horncastle and Alford within the hierarchy, both of which are identified as town centres, or small market towns. Horncastle and Alford act as secondary centres intended to serve more local catchment areas, below Louth as the largest centre in the District.

2.6 The role and function of the retail hierarchy within East Lindsey is further illustrated by Management Horizons Europe’s UK Shopping Index which ranks retail centres across the Great Britain 2008, and Javelin’s more recent index in 2013/2014. Each centre is given a weighted score for multiple retailers present (i.e. each retail multiple is given a score related to its importance e.g. a department store has a higher score than other high street retailers).

2.7 The MHE and Javelin ranks do not necessarily reflect the overall size of the town centre or the number of shops, but the presence of national multiples. Towns with a larger number of independent shops may have a low score in relation to their overall size. Management Horizon and Javelin’s ranks for centres in East Lindsey and centres surrounding the District is shown in Table 2.1 below.

Table 2.1 Management Horizons Europe Shopping Index

Centre	2008 MHE Rank	2013/2014 Venuescore Rank	Vensuescore
Kingston upon Hull	13	32	280
Lincoln	34	77	192
Grimsby	57	143	148
Scunthorpe	196	194	120
Boston	253	250	92
Skegness	239	320	77
Louth	**493**	**450**	**57**
Cleethorpes	1,175	636	26
Horncastle	**1,207**	**1,684**	**15**
Market Rasen	1,500	1,907	13
Alford	**2,247**	**n/a**	**n/a**
Mablethorpe	2,356	2,428	10
Wragby	4,666	n/a	n/a

Source: Management Horizon Europe 2008 and Javelin's Venuescore 2013/2014

2.8 Both Management Horizon and Javelin rank Skegness as the main centre in East Lindsey. Skegness is followed by Louth. These two centres are ranked well above the centres of Horncastle and Alford reflecting their local role and function in comparison with other larger centres in the sub-region area and their more limited range of comparison goods retailers. Alford is ranked significantly lower than Horncastle reflective of the relative attractiveness of the two towns.

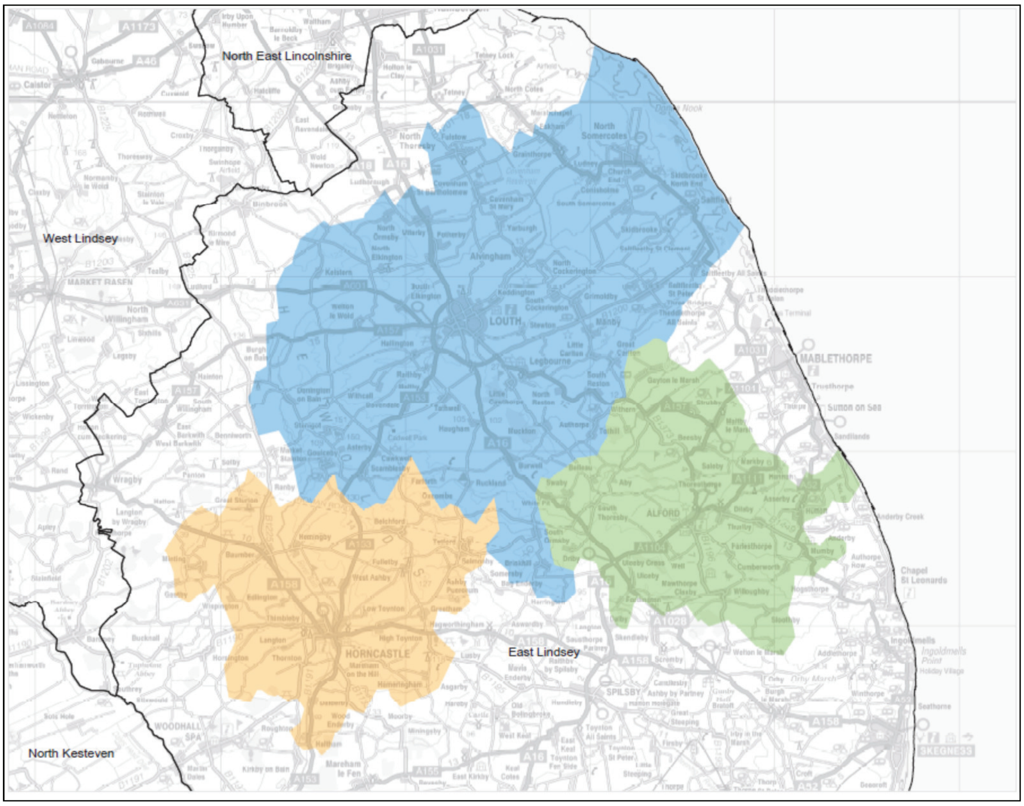
2.9 All four centres within East Lindsey are ranked well below the nearest main competing centres outside the District, i.e. Lincoln and Grimsby, which have an influence on shopping patterns within the District, mainly for higher order comparison retailing.

3.0 # Assessment of Retail Capacity

Introduction

3.1 This section assesses the quantitative and qualitative scope for new retail floorspace in the East Lindsey District up to 2028. The quantitative capacity analysis is assessed in terms of levels of spending for convenience and comparison shopping. A qualitative assessment of the range and scale of existing shopping facilities has been undertaken as part of the town centre health check work in Appendix 2. The quantitative analysis adopts a study area covering the primary catchment areas of the three towns, as shown in Figure 3.1. The methodology is set out in more detail in Appendix 1.

Figure 3.1: Study Area



Key

- Local Authority Boundary
- Zone 1: Louth
- Zone 2: Horncastle
- Zone 3: Alford

Retail Trends

3.2 The prolonged economic downturn is still having a significant impact on the retail sector. Projecting expenditure levels within this study update takes into account slow growth over the expected rate of recovery.

Expenditure Growth

3.3 Historic retail trends indicate that expenditure has consistently grown in real terms in the past, generally following a cyclical growth trend. The underlying trend shows consistent growth and this trend is expected to continue in the future. The economic downturn led to limited growth over the past few years, but more recent growth and future forecasts are more promising. Nevertheless, Experian's future growth forecasts do not suggest a full return to very high pre-recession growth.

3.4 In the past expenditure growth has fuelled the growth in retail floorspace, including major out-of-centre development particularly in the 1980s and 1990s. The economic downturn suggests that rates of growth during the past few years are unlikely to be achieved in the short term, but the underlying trend over the medium and long terms is expected to lead to a need for further retail floorspace. We anticipate these more cautious national growth trends should be mirrored in East Lindsey.

New Forms of Retailing

3.5 New forms of retailing have continued to grow as an alternative to more traditional shopping facilities. Home/electronic shopping has increased with the increasing growth in the use of personal computers, smart phones and the internet. The growth of multi-channel retailing including home computing, internet connections and interactive TV may lead to continued growth in home shopping and may have effects on retailing in the high street.

3.6 On-line shopping has experienced rapid growth since the late 1990s but in proportional terms the latest available data suggests it remains a relatively low percentage of total retail expenditure (about 11.5% of all retail expenditure in 2012). Recent national trends and commentator forecast suggest continued strong growth in this sector. Experian's Retail Planning Note 11 (October 2013) states:

"Non-store retailing continues to grow rapidly, outpacing traditional forms of spending. We retain our assumption that non-store retailing will increase at a faster pace than total retail sales well into the long term. There were 52.7 million internet users in the UK (representing 84.1% of the population) in mid-year 2012 according to Internet World Stats. So growth of the internet user base will be less of a driver than in the past decade. But growth momentum will be sustained as new technology such as browsing and purchasing through mobile phones and the development of interactive TV shopping boost internet retailing. We expect that the SFT market share will continue to increase over the forecast period, although the pace of e-commerce growth will moderate markedly after about 2020. Our forecast has the SFT share of total retail sales reaching 17.4% by 2020 rising to 20% by the end of the 2020s."

3.7 Experian's forecasts suggest special forms of trading will increase by 49% in proportional between 2012 and 2018 (11.5% to 17.1%). The Centre for Retail Research figures suggests slightly higher growth of 69% during this period (12.7% to 21.5%).

3.8 This retail update makes an allowance for future growth in e-tailing based on Experian projections. The implications on the demand for retail space are unclear. For example, some retailers operate on-line sales from their traditional retail premises e.g. food store operators, therefore growth in on-line sales may not always mean there is a reduction in the need for retail floorspace. Given the uncertainties relating to internet shopping and the likelihood that it will increase in proportional terms, this assessment has adopted relatively cautious growth projections for retail expenditure.

3.9 In addition to new forms of retailing, retail operators have responded to changes in customers' requirements. For example, extended opening hours and Sunday trading increased significantly in the 1990s. Retailers also responded to stricter planning controls by changing their trading formats to include smaller store formats capable of being accommodated within town centres (such as the Tesco Express/Metro, Sainsbury Central/Local store and Marks and Spencer's Simply Foods formats). The number of smaller convenience stores (below the Sunday trading) operated by the main multiples has increased significantly during the last decade, due to the operator's national expansion in this sector, and perhaps also due to the absence of available sites for larger food stores. Co-op has recently opened or is planning new stores of this size, although Tesco Express and Sainsbury's Local stores have yet to emerge in East Lindsey.

3.10 The number of shops units within town centres has declined consistently since the early 1970's. The Centre for Retail Research's figures show a decline from over 300,000 units in 2001 to 282,000 in 2012. The Centre for Retail Research's Retail In 2018 report predicts nearly 62,000 high street stores across Great Britain (22% in total) will close between 2012 and 2018, including nearly 5,600 in the East Midlands.

3.11 This decline in the number of shops hides structural trends towards fewer but larger retail stores, store extensions and significant out of centre development.

Valuation Office data indicates the amount of retail floorspace in England and Wales grew by over 3% during the economic downturn (2008 to 2012), during a period of low expenditure growth and rapid growth in on-line shopping. These trends suggest that town centres must continue to evolve and change if their long term vitality and viability are to be maintained.

3.12 The expansion of European discount food operators Aldi and Lidl has also been rapid during the last decade. Aldi is expected to open a new store in Louth.

3.13 Food store operators have also implemented a programme of store extensions, particularly Tesco, Sainsbury and Asda. These operators, faced with limited growth in food expenditure, have often increased the sale of non-food products within their food stores, including clothing and electrical goods. The physical scope to extend existing food stores in Louth, Horncastle and Alford has restricted this trend in the District. The recent recession has halted this trend for extensions nationally.

3.14 Comparison retailers have also responded to market conditions. The bulky goods warehouse sector has rationalised, including a number of mergers and failures, and scaled down store sizes. Other traditional high street retailers often seek large out-of-centre stores, for example Boots, TK Maxx and Poundstretcher. Matalan has also opened numerous discount clothing stores across the UK. Sports clothing retail warehouses including Decathlon have also expanded out-of-centre.

3.15 The charity shop sector has grown steadily over the past 20 years and there is no sign this trend will halt. The discount comparison sector has also grown significantly in recent years e.g. pound shops.

3.16 Within town centres, many high street multiple comparison retailers have changed their format. High street national multiples have increasingly sought larger modern shop units (over 200 sq.m) with an increasing polarisation of activity into the larger regional and sub-regional centres. This trend has restricted multiple retailer demand for space, particularly within Horncastle and Alford.

3.17 Operator demand for space has decreased during the recession and, of those national multiples looking for space many prefer to locate in larger centres. Demand from multiples within smaller centres is likely to be weaker, which will affect the appropriate strategies for individual centres.

3.18 The continuation of these trends will influence future operator requirements in East Lindsey District with smaller vacant units becoming less attractive for new multiple occupiers, with retailers increasingly looking to relocate into larger units in higher order centres. However smaller vacant units could still be attractive to independent traders and non-retail services.

3.19 A possible strategy in Louth may be to provide a mix of large and small units for both multiple and independent retailers. In Horncastle and Alford demand from multiple retailers is likely to be more limited.

Population and Expenditure

3.20 The study area population for 2001 to 2028 is set out in Table 1A in Appendix 3. Experian provides postcode area population estimates for each of the survey zones at 2011 latest Census data. Future growth up to 2028 is based on Edge Analytics population projections for East Lindsey District (25,661 additional people between 2011 and 2031). Population within the study area is expected to increase between 2011 and 2028 by 9,061 people (19.8%).

3.21 Experian's local expenditure figures for East Lindsey have been adopted. Table 2A in Appendix 3 sets out the forecast growth in spending per head for convenience goods within each zone in the study area up to 2028. Comparison forecasts of per capita spending are shown in Table 1B in Appendix 4.

3.22 The levels of available spending are derived by combining the population in Table 1A per capita spending figures in Tables 2A and 1B.

3.23 As a consequence of growth in population and per capita spending, convenience goods spending within the study area is forecast to increase by 25% from £94.84 million in 2014 to £118.54 million in 2028, as shown in Table 3A. About 65% of this expenditure increase is attributable to population growth.

3.24 Comparison goods spending is forecast to increase by 64% between 2012 and 2028, increasing from £115.95 million in 2014 to £190.22 million in 2028, as shown in Table 2B. About 74% of this expenditure increase is attributable to growth in expenditure per person rather than population growth.

Existing Retail Floorspace 2014

3.25 Existing convenience goods retail sales floorspace within the three centres within East Lindsey is 7,962 sq.m net as set out in Table 4A, Appendix 3. This floorspace figures excludes comparison sales floorspace within food stores/shops. The benchmark turnover of this floorspace is £60.81 million based on company average sales density figures, as shown in Table 4A. Comparison goods retail floorspace within the three centres is estimated as 17,970 sq.m net as shown in Table 3B, Appendix 4.

Base Year Spending Patterns 2014

3.26 The results of the household shopper questionnaire survey undertaken by NEMS in March 2012 were used to estimate base year shopping patterns within the study area. These market shares have been adopted to roll forward base year spending patterns to 2014.

Convenience Shopping

3.27 The estimates of market share adopted in 2012 within each study area zone are shown in Table 5A, Appendix 3. Based on these base year shares, the level of convenience goods expenditure attracted to shops/stores in Louth, Horncastle and Alford in 2014 is estimated to be £73.26 million as shown in Table 6A and 11A, Appendix 3.

3.28 The total benchmark turnover of the existing convenience sales floorspace within the three centres is £60.81 million at 2014 (Table 4A). These figures suggest that collectively convenience retail facilities across these three centres are trading 20% above the benchmark average in 2014. The comparable figure at 2012 was 16.6% above average. There is an expenditure surplus of £12.45 million in 2014 (see Table 11A).

3.29 The analysis of existing food and grocery shopping patterns suggests convenience facilities in Louth are trading on average 36.8% above benchmark. Convenience facilities in Horncastle are trading 9.6% below benchmark. In Alford convenience facilities are trading 33.7% above benchmark.

Comparison Shopping

3.30 The estimated comparison goods expenditure currently attracted by shopping facilities within the three main centres is £66.09 million in 2014, as shown in Tables 4B and 8B in Appendix 4. The three centres' market share of total comparison goods expenditure generated within the study area is less than 51%. This reflects the influence of higher order centres within East Lindsey, and outside the district including Skegness, Grimsby and Lincoln.

3.31 Based on these expenditure estimates Table 4B, the average sales density for existing comparison sales floorspace (17,970 sq.m) is £3,678 per sq.m net, broken down in Table 3.1.

Table 3.1: Defined Centres Comparison Average Sales Densities

Centre	Average Sales Density 2014 £ per sq.m net
Louth	£4,034
Horncastle	£2,900
Alford	£2,536
Average	**£3,678**

3.32 Table 3.1 indicates that trading levels amongst comparison facilities in the three towns vary. The average sales density figures should be viewed in the context of the type of floorspace in each area. Comparison facilities in Louth are trading at the highest density, followed by Horncastle. This reflects the role played by Louth as the main comparison shopping destination in this part of the District, and the presence of national multiple retailers.

3.33 Alford is trading at a much lower density. This difference is due primarily the type of retail floorspace in this centre, with the centres within Alford predominantly containing a higher proportion of small independent shops, with much lower sales densities than national multiples.

3.34 Overall comparison shopping facilities within Louth and Horncastle demonstrate that these centres appear to be trading satisfactorily in 2014. Comparison shops in Alford appear to be trading below expected levels, in part due to the high proportion of second hand shops.

Quantitative Capacity for Convenience Floorspace

3.35 Since the 2012 report was produced a number of food store proposals have been permitted within Louth and in other towns outside the study area, as listed at the foot of Table 4A in Appendix 3. These planned food store commitments will alter convenience goods shopping patterns within the study area and will absorb some of the projected expenditure capacity.

3.36 Base year market shares have been adjusted to take into account the likely impact of these commitments on future shopping patterns. Adjusted future market shares are shown in Table 8A in Appendix 3. The proposed Tesco store at Mablethorpe will draw trade from Zone 3 (Alford) and to a lesser extent Zone 1 (Louth). The proposed Tesco store at Tattershall will draw trade from the southern part of Zone 2 (Horncastle). The proposed Aldi and Co-op stores in Louth store will reduce the market share of existing stores in Louth, but will also draw trade from other towns.

3.37 The level of available convenience goods expenditure in 2014, 2018, 2023 and 2028 is shown at Tables 6A to 12A, in Appendix 3. The total level of convenience goods expenditure available for shops in the three towns between 2014 and 2028 is summarised in Table 11A. This table assumes all food store commitments will be implemented. Convenience expenditure available to shopping facilities in the three towns is expected to increase from £73.26 million in 2014 to £92.96 million in 2028.

3.38 In overall terms, Louth's projected 2018 turnover, assuming constant market shares (no food store development) would be £51.79 million. Following the implementation of commitments this turnover will increase to £53.62 million. Commitments in Louth will counter-balance the impact of food stores in Mablethorpe and Tattershall. The cumulative impact of all food store commitments will reduce the turnover of existing convenience goods floorspace in Louth from £51.79 million to £43.68 million in 2018, a reduction of £8.11 million.

3.39 In Horncastle the convenience turnover will reduce from £20.30 million to £19.68 million in 2018. In Alford the convenience turnover will reduce from £5.60 million to £5.33 million in 2018.

3.40 Table 11A subtracts the benchmark turnover of existing floorspace and food store commitments in Louth from available expenditure to calculate the amount of surplus expenditure that may be available for further new development. Within the three towns there is +£12.45 million of surplus convenience goods expenditure in 2014. This surplus is expected to reduce to +£7.96 million due to the implementation of commitments. The impact of commitment will not be fully offset by expenditure growth between 2014 and 2018.

3.41 Longer term expenditure growth will generate an expenditure surplus of +£14.78 million in 2023 increasing to +£22.28 million in 2028, if the population and expenditure growth forecasts are achieved.

3.42 The surplus expenditure projections have been converted into potential new floorspace estimates in Table 11A. Surplus expenditure is converted into floorspace estimates based on an assumed average sales density of £11,000 per sq.m net, assuming surplus expenditure will be accommodated in large food stores.

3.43 Based on these assumptions, surplus expenditure at 2018 could support 723 sq.m net of sales floorspace (1,033 sq.m gross) in the three towns as a whole, or 1,343 sq.m net by 2023 (1,919 sq.m gross), as shown in Table 12A in Appendix 3. The projection to 2028 is 2,025 sq.m net (2,893 sq.m gross).

3.44 The above capacity figures are based on adjusted market shares to reflect food store commitments. The qualitative assessment of food store provision in Section 4 of this report, indicates there is potential for large food store development to increase the market share of these three towns, i.e. dependent on the level of expenditure leakage from the primary catchment area.

3.45 In Louth convenience expenditure leakage from the primary catchment area (Zone 1) is about 28% in 2014. Following the implementation of food store commitments in Louth, this leakage is expected to reduce marginally to 24%. The development a food superstore within Louth that addresses the deficiencies in main and bulk food shopping outlined in Section 4, should help reduce expenditure leakage in Zone 1 to 20%.

3.46 In Horncastle convenience expenditure leakage from the primary catchment area (Zone 2) is about 21% in 2014. The commitments in Louth, Tattershall and Mablethorpe are expected to increase this leakage to about 23%. In our view a modest reduction in expenditure leakage from 23% to 17% could be achieved.

3.47 In Alford convenience expenditure leakage from the primary catchment area (Zone 3) is significant at about 69% in 2013. This is expected to increase to about 71% due to the proposed Tesco store in Mablethorpe. In our view a significant reduction in expenditure leakage from 71% to 20% could be achieved if a large food store was developed.

3.48 The uplifted market shares are shown in Table 13A and the revised retail floorspace projections are shown in Table 14A. Based on these assumptions, surplus expenditure at 2018 could support 2,015 sq.m net of sales floorspace (2,879 sq.m gross) in the three towns as a whole, or 2,737 sq.m net by 2023 (3,910 sq.m gross). The projection to 2028 is 3,531 sq.m net (5,045 sq.m gross).

3.49 The floorspace figures suggest there is potential for large food stores in both Louth and Alford in the short to medium term (2018 and 2023), but not in Horncastle even allowing for an uplift in market share.

Quantitative Capacity for Comparison Floorspace

3.50 The household survey suggests that the three town’s retention of comparison goods expenditure is lower than for convenience goods. The lower level of comparison expenditure retention is due to the strength of competing towns, particularly Grimsby, Lincoln and Skegness.

3.51 Future improvements to comparison retail provision within the three towns could help to claw back some additional expenditure leakage from the study area. However, major developments in neighbouring authorities will limit the ability of shopping facilities in the three towns to increase their market share of comparison expenditure. Retail development will be necessary in the three towns in order to maintain existing market share in the future. An appropriate strategy for the three towns should be to maintain existing 2014 market shares in the face of increasing future competition, whilst maintaining the vitality and viability of centres.

3.52 The baseline retail capacity projections in this report assume the three centres within East Lindsey can maintain their market share of comparison expenditure in the future. The potential to increase market shares has also been assessed.

3.53 Based on constant market shares, available comparison goods expenditure has been projected forward to 2018, 2023 and 2028 in Tables 5B to 7B in Appendix 4, and summarised in Table 8B. Available comparison expenditure is expected to increase from £66.09 million in 2014 to £108.69 million in 2028.

3.54 Future available expenditure is compared with the projected turnover of existing comparison retail facilities within the three towns in order to provide estimates of surplus expenditure, as shown in Table 8B. Table 8B assumes that the existing turnover of comparison floorspace will increase in real terms. A growth rate of 2% per annum is adopted, as recommended by Experian.

3.55 Population and expenditure growth will result in a comparison goods expenditure surplus of £3.35 million in 2018, increasing to £10.67 million in 2023 and £21.48 million in 2028. A breakdown of surplus expenditure for each centre is shown in Table 8B in Appendix 4.

3.56 Surplus comparison expenditure has been converted into net comparison sales floorspace projections in Table 8B in Appendix 4 using an average sales density of £4,000 per sq.m at 2014. Surplus expenditure at 2018 could support 775 sq.m net of sales floorspace (1,033 sq.m gross), or 2,233 sq.m net (2,977 sq.m gross) by 2023. The projection to 2028 is 4,070 sq.m net (5,426 sq.m gross).

3.57 In market shares increase then surplus expenditure at 2018 could support 2,036 sq.m net of sales floorspace (2,715 sq.m gross), or 3,598 sq.m net

(4,797 sq.m gross) by 2023. The projection to 2028 is 5,566 sq.m net (7,421 sq.m gross).

4.0 Qualitative Need for Retail Facilities

Introduction

4.1 Section 3 of this report provides an update of the quantitative retail capacity projections. Theoretical quantitative capacity is only one element of objectively assessed need for new facilities. This section assesses the qualitative need for new retail facilities.

Food and Grocery Shopping

4.2 The household survey results undertaken in the 2012 study indicate that most residents in the study area undertake both a main and top-up shopping trips shopping trip. Main shopping trips are generally made once a week or less often and made more frequently and many households will also undertake bulk food shopping trips, particularly households who have access to a car for shopping. Nearly all (99.4%) of households within the study area undertake main food shopping trips, predominantly undertaken on a weekly basis.

4.3 The survey results suggest about 85% of main food shopping trips are undertaken by car. The availability of a wide range (types of goods) and choice (different brands and packet sizes) of products and free car parking are important requirements for main and bulk food shopping trips. Large supermarkets or superstores are the usual destination for these types of shopping trip. Food superstores are generally defined as food stores with at least 2,500 sq.net sales area. This is the minimum sales area required to accommodate a wide range and choice of food and grocery products and ancillary non-food goods. Food superstores usually have a full range of specialist counters, including fishmongers, butchers, cake shop, bakery, delicatessen, flower shop and in-store facilities e.g. customer toilets, lobby area, CTN, café and customer services. Larger food stores often provide a petrol filling station. Smaller food stores generally do not offer all of these specialist counters and in-store facilities, and size of counters and choice of products is more limited.

4.4 Food superstores generally provide more spacious internal layouts, which provide better circulation between gondolas and checkouts. Gondolas tend to be lower in height allowing customers to reach upper selves more easily. Smaller stores tend to be more cramped and have narrower aisles, smaller checkouts with less space to pack products and higher gondolas. Superstores are designed to allow sufficient space for trolleys to pass each other, whist smaller store are designed predominantly for basket based rather than trolley shopping.

4.5 Superstores usually have between 20-30 full sized checkouts and ample free surface car parking, with disabled and toddler bays located immediately adjacent to the store entrance. Larger stores also provide more up-to-date floor plans that improve the overall shopping experience. As well as providing a more extensive range and choice of food and grocery products, food superstores have a better provision of ancillary non-food items. Superstores offer a good range and choice of comparison items that are regularly bought during weekly food and grocery shopping trips, such as health/beauty goods, medicine, kitchen utensils, small household goods, greetings cards and flowers.

Louth

4.6 There are only two medium sized food supermarkets of around 1,400 sq.m net within Louth, i.e. Morrison's and Co-op, which is more than 40% smaller than the recognised minimum sales area for food superstore (2,500 sq.m net). These stores have half the number of checkouts one would expect to find within a superstore.

4.7 The Lincolnshire Co-op and Heron Foods are small convenience stores of around 200-300 sq.m net, which cater for predominantly for top up/basket shopping only. The choice and quality of food stores for main and bulk food shopping is relatively poor.

4.8 Whilst the centre has a good range of quality independent convenience provision (butchers, bakers, greengrocers and fishmongers), food store provision within the centre is limited to small scale supermarkets with a more limited range of provision.

4.9 The Morrison's store (1,424 sq.m net) is 35% smaller than the company average store size (2,183 sq.m net – source Verdict 2013). This store does not offer the same range of facilities available at the Morrison's store in Cleethorpes, including cake shop, fresh to go counter, café and petrol filling station. A more extensive range and choice of products will be an important consideration for some, but not all, households when choosing which store to visit.

4.10 The Morrison's store is elongated in shape, providing a relatively narrow sales area. Customer access to the car park to the rear is poor, particularly for customers using trolleys. Both the Morrison's and Co-op stores are relatively cramped in terms of circulation space and do not provide a full range and choice of products typically available in food superstores.

4.11 The retail capacity projections show that in 2018 there a still a surplus expenditure available to Louth (+£8.06 million), following the implementation of commitments. These figures suggest the relatively cramped Morrison's and Co-op stores may continue to be congested at peak times.

4.12 The household survey results indicate that Louth's existing stores only attract around 68% of main food and grocery shopping trips from the town's primary catchment area (Zone 1). Of the 32% of main food shopping trips that leak from the local catchment area, over three quarters of these trips are attracted to large food superstores in Grimsby and Cleethorpes i.e. Asda, Morrison's, Sainsbury's and Tesco Extra. These food superstores have a net sales floorspace of between 3,600 to 7,300 sq.m net, between 2.5 to 5 times larger than the two largest food stores currently available in Louth (Morrison's and Co-op). These customers are currently making round trips of about 30 miles on average (over 45 minute drive time).

4.13 An element (8%) of the main food shopping trips leaking from the Louth's catchment area are attracted to discount Lidl food stores in Mablethorpe and Grimsby. This niche sector is not currently represented in Louth, but the proposed Aldi store in Louth should help to claw back these discount food shopping trips, but the store is unlikely to claw back a significant proportion of the food and grocery trips leaking to large food superstores.

4.14 In should be noted that the retention/leakage percentages exclude the 6.8% of respondents who indicated they have their main food and grocery shopping delivered. The provision of better food and grocery shopping facilities locally in Louth could divert some of these home shoppers back to more traditional forms of shopping. The retail capacity projections in Section 3 exclude home shopping and make no allowance for the diversion of home shopping back to food stores.

4.15 In the 2012 household survey respondents were asked about the size/quality of food supermarkets in Louth, Horncastle and Alford. In Louth's catchment area, of those who expressed a view, over 22% indicated current food store provision was either 'poor' or 'very poor' (a score of 1-2 out of 5) in Louth. A further 26% rated provision as 'average' (a score of 3 out of 5).

4.16 Respondents were also if they would like to see a new large food supermarket in Louth. Views were divided with half of respondents not wanting a new food store in Louth (50.2%) and 34.2% saying they would like a new store. The remaining 10.8% said that it would depend on where it would be located or who the store operator would be.

4.17 These survey figures help to explain the 32% of main food shopping trips that currently leak from Louth catchment area, i.e. there is a significant sector of the local community that is not satisfied with current provision in Louth.

4.18 Existing food stores in Louth do not meet all of the main food shopping needs of Louth's catchment area, due to the relatively small range and choice of products and in-store facilities when compared within food superstores in other towns. As a result many main and bulk food shopping trips are leaking from Louth's catchment area, despite the 45 minute round trip, albeit some of these will be linked purpose trips to other towns.

Horncastle

4.19 There are only two medium sized food supermarkets of between 900 to 1,000 sq.m net within Horncastle, i.e. Tesco and Co-op. The Lincolnshire Co-op and Heron Foods are small convenience stores around 200 sq.m net, which cater for predominantly for top up shopping only.

4.20 The retail capacity projections show that in 2018 there a still a deficit of expenditure available to Horncastle (-£1.43 million) and the Tesco and Co-op stores are performing below average. These figures suggest there is unlikely to be in-store congestion.

4.21 The household survey results indicate that Horncastle attracts around 83% of main food and grocery shopping trips from its primary catchment area (Zone 2). Horncastle retains a higher proportion of main food shopping trips within its catchment area than Louth, primary due to the extensive distances to food superstores in Lincoln (over 40 miles round trip), Cleethorpes (over 55 miles round trip) and Boston (over 65 mile round trip), rather than the quality and choice of its local food stores.

4.22 In Horncastle's catchment area, of the household survey respondents who expressed a view, only 11% indicated current food store provision was 'poor' (a score of 1-2 out of 5) in Horncastle. A third of respondents rated provision as 'average' (a score of 3 out of 5). Over half of the respondents said they do not want a new food store in Horncastle (54.6%), whilst around a third said they would (32.2%). Around 5% confirmed that this would depend on where the store was to be located, and who the store operator would be.

4.23 Existing food stores in Horncastle have a relatively small range and choice of products and in-store facilities when compared within food superstores in other towns. However the leakage of main food shopping trips 17% is relatively low when compared with Louth (32%). There is qualitative scope to improve food store provision in Horncastle, but the quantitative capacity assessment suggests the catchment population is not sufficient to support a large food store.

Alford

4.24 The Lincolnshire Co-op is the largest food store in Alford supermarkets, at 368 sq.m net. This small convenience store caters for predominantly for top up shopping only. Food and grocery provision in the centre is not suitable for main or bulk food shopping.

4.25 The household survey results indicate that Alford only attract 15% of main food and grocery shopping trips from its primary catchment area (Zone 3). Of the 85% of main food shopping trips that leak from the local area, predominantly to larger food stores in Louth, Mablethorpe and Skegness i.e. Morrison's and Tesco, a round trip of over 30 miles.

4.26 Views were split down the middle over whether the respondents wanted to see a new food supermarket in Alford, with 46.5% saying yes and 44.4% saying no.

4.27 Alford does not have a food store large enough to meet the main and bulk food shopping needs of most household's within its catchment area, therefore a significant number travel to other towns to do their main food shopping. There is qualitative scope to improve food store provision in Alford. The catchment population is relatively small and may reduce operator demand to development a large food store.

Comparison Shopping

Louth

4.28 Louth is the main comparison shopping destination in this part of East Lindsey. It is the highest ranking centre within East Lindsey, after Skegness. However, Louth is ranked below other larger centres surrounding East Lindsey, i.e. Lincoln and Grimsby. These centres will continue to attract shopping trips from East Lindsey, because they have a much more extensive range and choice of retailers.

4.29 Louth has a good range of comparison shops (112 shops) including national multiples (29) and independent specialists (83). The proportion of comparison goods shop units (40.7%) within the centre is comparable with the national average. All of the Goad comparison goods categories are represented in Louth, with a reasonable choice of shops in most categories.

4.30 The centre has a good proportion of national multiple retailers and a number of key retailers alongside a good range of independent retailers which adds interest and variety to the centre.

4.31 Louth has comparison shopping facilities commensurate with its role as one of the main comparison shopping and leisure destinations in the District.

4.32 There is limited provision of retail warehouses selling bulky goods within East Lindsey. The B&Q store in Louth is the main operator. There may be qualitative scope to improve bulky goods provision.

4.33 In commercial terms Louth has the best prospects for attracting new multiple retailers to East Lindsey. Horncastle and Alford are likely to remain lower order centres, but will some potential to increase the range and quality of comparison shopping if they can maintain or modestly improve their market share of expenditure.

Horncastle

4.34 Horncastle does not offer the same quality and range of facilities available in Louth, but provision is commensurate with its role and function within the retail hierarchy.

4.35 In Horncastle, there is a more limited choice of comparison shops (57 shops) and a limited number of national multiples (7) within the centre, and these multiples are mostly charity shops. Most but not all of the Goad comparison goods categories are represented in Horncastle, but the choice of shops within each category is limited.

Alford

4.36 Alford is a much smaller centre and has a much more limited range of comparison shops (26). There are only 1 or 2 shops within each Goad comparison goods category and choice is very limited. Alford does not offer the same quality and range of facilities available in either Louth or Horncastle.

Non-Retail Services

4.37 The retail floorspace projections relate to Class A1 retail uses and exclude Class A2 and A3 uses.

4.38 National information available from Goad Plans indicates that the proportion of Class A1 non-retail and A2 uses within town centres across the country represent 20% of all shop units (Experian GOAD). In the three town centres, 25% of all shop units are occupied by Class A1 non-retail services and Class A2 uses, slightly higher than the Goad national average.

4.39 For Class A3/A5 uses, the Goad national average is nearly 16% of all units. In the three town centres in East Lindsey, just over 11% of all units are in A3/A5 use, lower than the national average.

4.40 It is appropriate to assume that retail developments within centres will include an element of non-retail services). It may be reasonable to assume 20% of new town centre floorspace will be occupied by non-retail services.

5.0 Louth Food Store Economic Impact

Introduction

5.1 The 2012 study examined the impact of various food store development scenarios in Louth and Alford. The Council is now exploring the potential to provide a new large food store on the Cattle Market site in Louth. The site is expected to accommodate a store of between 4,000 to 5,000 sq.m gross. A store of this size would have a net sales area of between 2,500 to 3,000 sq.m net, of which approximately 2,000 sq.m net would be devoted to convenience goods.

5.2 The retail capacity projections indicate theoretical capacity for between 732 to 1,003 sq.m net of convenience goods sales floorspace in Louth over and above commitments at 2018. This projection will increase to between 1,155 to 1,451 sq.m net at 2023 and 1,619 to 1,945 sq.m net in 2028. These projections suggest a food store providing around 2,000 sq.m net will exceed the future capacity projections and will result in an over-supply of sales floorspace. However the NPPF does not require developers to demonstrate a need for their development proposals. The key issue is the acceptability of the development's impact on the town centre.

5.3 The implications of developing a food store with 2,000 sq.m net of convenience goods sales floorspace at 2018 has been assessed in this section.

5.4 Government guidance contained within the NPPF indicates proposals should only be refused where there is likely to be significant adverse impacts which outweigh the benefits of the proposal, or the proposal fails the sequential approach. NPPF states that planning applications for town centre uses should be assessed against:

- the impact of the proposal on existing, committed and planned public and private investment in a centre or centres in the catchment area of the proposal; and
- the impact of the proposal on the town centre vitality and viability, including local consumer choice and trade in the town centre and wider area.

5.5 If a proposal is likely to lead to a significant adverse impact it should be refused.

Trade Diversion and Impact

5.6 Building on the retail capacity analysis in Appendix 3, an economic impact analysis undertaken for a potential new food store in Louth. This assessment examines trading patterns in the base year 2014 and assumes a 2018 design, based on new store being completed by 2016 and allowing two years to achieve settled trading patterns.

Base Year 2014 Shopping Patterns

5.7 Table 6A in Appendix 3 set out existing 2014 convenience trading pattern based on the market shares shown in Tables 5A.

5.8 The turnover of convenience facilities in Louth is estimated to be £48.83 million, as summarised in Table 12A. The benchmark turnover of existing convenience goods floorspace in Louth is £35.7 million, based on company average sales densities. Existing facilities are estimated to be trading 36.8% above average. The Morrison's store is estimated to be trading 63% above the company average and the Co-op store is trading about 27% above average.

Future Trading Patterns in 2018 – Assuming No Development

5.9 The future turnover of existing convenience shopping facilities at 2018 is shown in Table 7A, and summarised in Table 12A in Appendix 3. In total the amount of convenience expenditure attracted to Louth is expected to increase from £48.83 million to £51.79 million between 2014 and 2018, due to population and expenditure growth. These figures are a baseline for assessing impact and assume no new retail floorspace will be implemented by 2018, and that shopping patterns remain unchanged. Existing facilities will trade 45% above benchmark in 2018.

Future Trading Patterns in 2018 – With Commitments

5.10 Food store commitments within Louth and in other towns outside the study area have been assessed, as listed at the foot of Table 4A in Appendix 3. Base year market shares have been adjusted to take into account the likely impact of these commitments on future shopping patterns. Adjusted future market shares are shown in Table 8A in Appendix 3. Based on the current shopping patterns indicated by the household survey results, the proposed Tesco store at Mablethorpe will draw trade from Zone 3 (Alford) and Zone 1 (Louth). The proposed Tesco store at Tattershall will draw trade from the southern part of Zone 2 (Horncastle). The proposed Aldi and Co-op stores in Louth store will reduce the market share of existing stores in Louth, but will also draw trade from other towns.

5.11 The revised shopping patterns in 2018 with food stores commitments are shown in Table 9A in Appendix 3. These commitments are expected to reduce the convenience goods turnover of existing convenience goods facilities in Louth from £51.79 million to £43.68 million in 2018, a cumulative impact of about -15.7%.

5.12 Commitments are expected to reduce the convenience goods turnover of existing convenience goods facilities in Alford from £5.60 million to £5.33 million, a cumulative impact of about -4.8%. Impact on Horncastle's convenience goods facilities is around -3.1%.

Future Trading Patterns in 2018 – With Cattle Market Stores

5.13 The expected convenience turnover and trade draw of a 2,000 sq.m net food store in Louth is shown in Table 1 in Appendix 5. The store has an expected convenience turnover of approximately £22 million, based on company average sales density of £11,000 per sq.m net.

5.14 The cumulative trade diversion and impact results with this new food store in Louth and with commitments are summarised in Table 2 in Appendix 5.

5.15 The new store and commitments are expected to reduce the convenience goods turnover of existing convenience goods facilities in Louth from £51.79 million to £32.18 million, a cumulative impact of -37.9%.

5.16 These developments are expected to reduce the convenience goods turnover of existing convenience goods facilities in Alford from £5.60 million to £5.20 million, a cumulative impact of about -7.1%. Impact on Horncastle's convenience goods facilities is around -7.5%.

Implications for Louth Town Centre

5.17 In Louth the highest level of cumulative trade diversion is expected to come from the Morrison's and Co-op stores (-£12.68 million and -£4.62 million respectively, this represents a cumulative impact of -47.8% and -34.5% respectively. Impact on the smaller Heron and Lincolnshire Co-op stores in Louth is -30.4% and -29.7%. Average impact on small convenience shops in the town centre is estimated to be -14.6%.

5.18 The residual turnover of convenience stores/shops in Louth town centre including the Morrison's store (£30.92 million) is 8.2% below the benchmark turnover (£33.68 million). Convenience goods trade diversion from these stores/shops totals -£19.08 million. The implications of this trade diversion need to be carefully considered.

5.19 The impact figures suggest the Morrison and Co-op stores will experience a significant reduction in trade. The Morrison's store will trade 9.7% below the company average. The Co-op store will trade 11.9% below the company average. Food stores generally trade within plus or minus 20% of their respective company averages. There is no evidence to suggest that either Morrison's or Co-op stores would be forced to close if their turnover reduces to between 9.7% to 11.9% below the company averages.

5.20 The 14.6% reduction in trade amongst small convenience shops in the town centre could result in some shop closures, perhaps 3-4 convenience shops. Nevertheless, over a third of the loss in trade (£0.46 million out of £1.18 million) will be offset by growth in expenditure between 2014 and 2018, and existing shopping patterns suggest convenience shops in Louth are trading relatively healthily.

5.21 The cumulative impact on convenience goods shopping facilities in Louth town centre (including Morrison's is likely to be around 38%. This impact relates to direct trade diversion to commitments and the proposed new food store. It does not take into account any indirect impact through the reduction or increase in linked shopping trips made to Louth town centre. This reduction in trade may have knock on effects for Louth town centre as a whole.

5.22 The household survey results indicate that households currently undertake linked shopping trips at in-centre edge of centre and out of centre stores. On average about 30% of respondents linked their last main food and grocery shopping trips with other non-food shopping. This figure underlines the importance of food shopping in attracting non-food shopping customers to the town centres.

5.23 A 38% reduction in convenience trade in the town centre could lead to a reduction in non-food shopping customers in the town centre. Total trade diversion of £19.08 million could represent about 382,000 trips per annum assuming a £50 average per trips. If as a minimum a third of these trips were linked trips then Louth town centre could lose about 127,000 linked trips. Over 40% of these lost linked trips (50,000) will be trips diverted to food store commitments in Louth and other towns. The loss of linked trips attributed to the food store on the Cattle Market site is therefore only 77,000 trips.

5.24 Based on the existing propensity for households to undertake linked trips (30% on average for non-food shopping linked trips), the proposed new store on the Cattle Market site will generate linked trips because it is well connected to the town centre. A new store on this site is likely to generate only a marginally lower proportion of linked trips to the town centre when compared with existing food stores, particularly the Morrison's store. The Morrison's store is approximately 350 metres from the Market Place at the heart of the town centre. The Morrison's car park serves the rest of the town centre. The Cattle Market site is a similar distance from the Market Place. There is no reason to assume the Cattle Market site will generate significantly less linked trips than the existing Morrison's store.

5.25 A new food store on the Cattle Market site in Louth are expected to increase the overall amount of convenience goods trade within the town by 16% (£53.62 million to £62.1 million). The proposed Cattle Market store's turnover is £22 million, generating about 440,000 trips. In order to offset the increase in lost linked trips to the town centre (77,000 trips) the new store would need to generate about 18% linked trips. In our view this level of linked trips should be achieved by a food store on the Cattle Market site. The food store should be well connected to the town centre, and therefore the net effects in terms of linked trips and spin-off trade for non-food shops should be positive for the town centre. This will help to mitigate against the impact of food store commitments in other towns and out of centre in Louth.

Implications for Alford Town Centre

5.26 In Alford cumulative trade diversion from the Co-op store is -£0.38 million, a cumulative impact of -12.3%. This store will continue to trade above the company average. Average impact on small convenience shops in the town centre is estimated to be -1%. The overall impact on facilities in Alford is -7%. The residual turnover of convenience stores/shops in Alford (£5.20 million) is still 30% above the benchmark turnover (£4 million). This level of impact is not significant.

Implications for Horncastle Town Centre

5.27 In Horncastle cumulative trade diversion from the Tesco is -£1.13 million, a cumulative impact of -10.3%. This store will continue to trade above the company average and is unlikely to close.

5.28 The overall impact on facilities in Horncastle Alford is -7.5%. The residual turnover of convenience stores/shops in Horncastle Alford (£18.78 million) is 11% below the benchmark turnover (£21.12 million). Turnover in 2018 will reduce only marginally from levels in 2014 (£18.78 million compared with £19.08 million). This level of impact is not significant.

6.0 Conclusions and Recommendations

Introduction

6.1 This report provides an updated assessment of the need for retail development in Louth, Horncastle and Alford. It provides a guide to the shopping needs of the three towns up to 2018, 2023 and 2028. The principal conclusions of the analysis contained within this study are summarised below.

Meeting Shopping Needs

6.2 In order to meet projected growth in expenditure, there is a need for additional shopping and service facilities. Future planning policy and site allocations should seek to identify opportunities to accommodate growth.

Floorspace Projections

Convenience Goods Floorspace (Food and Grocery)

6.3 Using the uplifted market shares and taking food store commitments into account, the theoretical capacity for new convenience goods floorspace in each town at 2018 is:

- Louth - 1,003 sq.m net (1,432 sq.m gross);
- Horncastle - 8 sq.m net (12 sq.m gross);
- Alford - 1,004 sq. net (1,435 sq.m gross);
- **Total - 2,015 sq.m net (2,879 sq.m gross).**

6.4 By 2028 these capacity projections will increase to:

- Louth - 1,945 sq.m net (2,779 sq.m gross);
- Horncastle - 377 sq.m net (539 sq.m gross);
- Alford - 1,209 sq.m net (1,728 sq.m gross);
- **Total - 3,531 sq.m net (5,045 sq.m gross).**

Comparison Goods Floorspace (Non-Food)

6.5 In terms of comparison goods the capacity for new floorspace in each town based on uplifted market shares at 2018 is:

- Louth - 1,065 sq.m net (1,420 sq.m gross);
- Horncastle - 512 sq.m net (683 sq.m gross);
- Alford - 460 sq.m net (613 sq.m gross);
- **Total - 2,036 sq.m net (2,715 sq.m gross).**

6.6 By 2028 these capacity projections will increase to:

- Louth - 3,719 sq.m net (4,958 sq.m gross);
- Horncastle - 1,163 sq.m net (1,551 sq.m gross);
- Alford - 684 sq.m net (912 sq.m gross);
- **Total - 5,566 sq.m net (7,421 sq.m gross).**

Non-Retail Services (Class A2 to A5)

6.7 These above projections relate to Class A1 convenience and comparison retail uses only. There may be scope for a further 20% floorspace that can be occupied by non-retails services such as banks, hairdressers, travel agents, cafés and takeaways (Use Classes A2 to A5 uses and Class A1 non-retail services). About 1,100 sq.m gross could be provided by 2018. On this basis the overall projection (Class A1 to A5) for 2018 would be around **6,700 sq.m** gross.

Qualitative Need

Louth

6.8 Louth has a good range of quality independent convenience provision (butchers, bakers, greengrocers and fishmongers), but food store provision is limited to small scale supermarkets with a more limited range and choice of products. The choice and quality of food stores for main and bulk food shopping is relatively poor when compared with food superstores in other towns. Both the Morrison's and Co-op stores are relatively cramped and do not provide a full range and choice of products typically available in food superstores.

6.9 Louth's existing stores only attract around 68% of main food and grocery shopping trips from the town's primary catchment area). Main food shopping trips that leak to large food superstores in Grimsby and Cleethorpes, which are between 2.5 to 5 times larger than the two largest food stores in Louth.

6.10 In order to claw back these main food shopping trips to other towns a large food superstore (at least 2,500 sq.m net) with an extensive range and choice of products will need to be provided in Louth.

6.11 Louth has a good range of comparison shops (112 shops) including national multiples (29) and independent specialists (83). The proportion of comparison goods shop units (40.7%) within the centre is comparable with the national average. All of the Goad comparison goods categories are represented in Louth, with a reasonable choice of shops in most categories.

6.12 The centre has a good proportion of national multiple retailers and a number of key retailers alongside a good range of independent retailers, commensurate with its role as one of the main comparison shopping and leisure destinations in the District. There may be qualitative scope to improve bulky goods provision. In commercial terms Louth has the best prospects for attracting new multiple retailers to East Lindsey.

Horncastle

6.13 Horncastle does not offer the same quality and range of facilities available in Louth, but provision is commensurate with its role and function within the retail hierarchy.

6.14 Horncastle has two medium sized food supermarkets, i.e. Tesco and Co-op. These stores are performing below average. Horncastle retains a higher proportion of main food shopping trips within its catchment area than Louth. There is no quantitative or qualitative need for an additional food store in Horncastle.

6.15 Horncastle has a more limited choice of comparison shops than Louth, and a limited number of national multiples. Most comparison goods categories are represented in Horncastle, but the choice of shops within each category is limited.

Alford

6.16 In Alford the small Co-op caters for predominantly for top up shopping. Food and grocery provision in the centre is not suitable for main or bulk food shopping. There is qualitative scope to improve food store provision in Alford. The catchment population is relatively small and may reduce operator demand to development a large food store.

6.17 Alford is a much smaller centre and has a much more limited range of comparison shops. The choice of shops within each comparison goods category is very limited.

Accommodating Future Growth

6.18 Planning policy suggests town centres should be the first choice for retail development, followed by edge of centre sites that are well connected to the town centre.

6.19 Existing shops will have a role to play in accommodating growth, after the recession. The retail capacity analysis in this report assumes that existing retail floorspace can, on average, increase trade in real terms and the floorspace projections reflect this assumption. In addition to the growth in sales, vacant shops could help to accommodate future growth.

6.20 There are 47 vacant shop units within the three town centres, which equates to an overall unit vacancy rate of 9.9%, which is below the 2013 national average (13.7%). There are 27 vacant units in Louth (9.8% of all units), 9 units in Horncastle (7.3%) and 11 units in Alford (14.5%). The total amount of vacant floorspace is not more than 4,500 sq.m gross across the three town centres.

6.21 Vacant premises should help to accommodate future growth. As a maximum target the current vacancy level could fall from 9.9% to 5% then the number of reoccupied units would be about 23 units, which could accommodate about

2,100 sq.m gross of Class A1 to A5 floorspace. Based on existing vacancy levels, this potential re-occupied space could be distributed as follows:

- **Louth**: 1,400 sq.m gross;
- **Horncastle**: 200 sq.m gross;
- **Alford**: 500 sq.m gross;

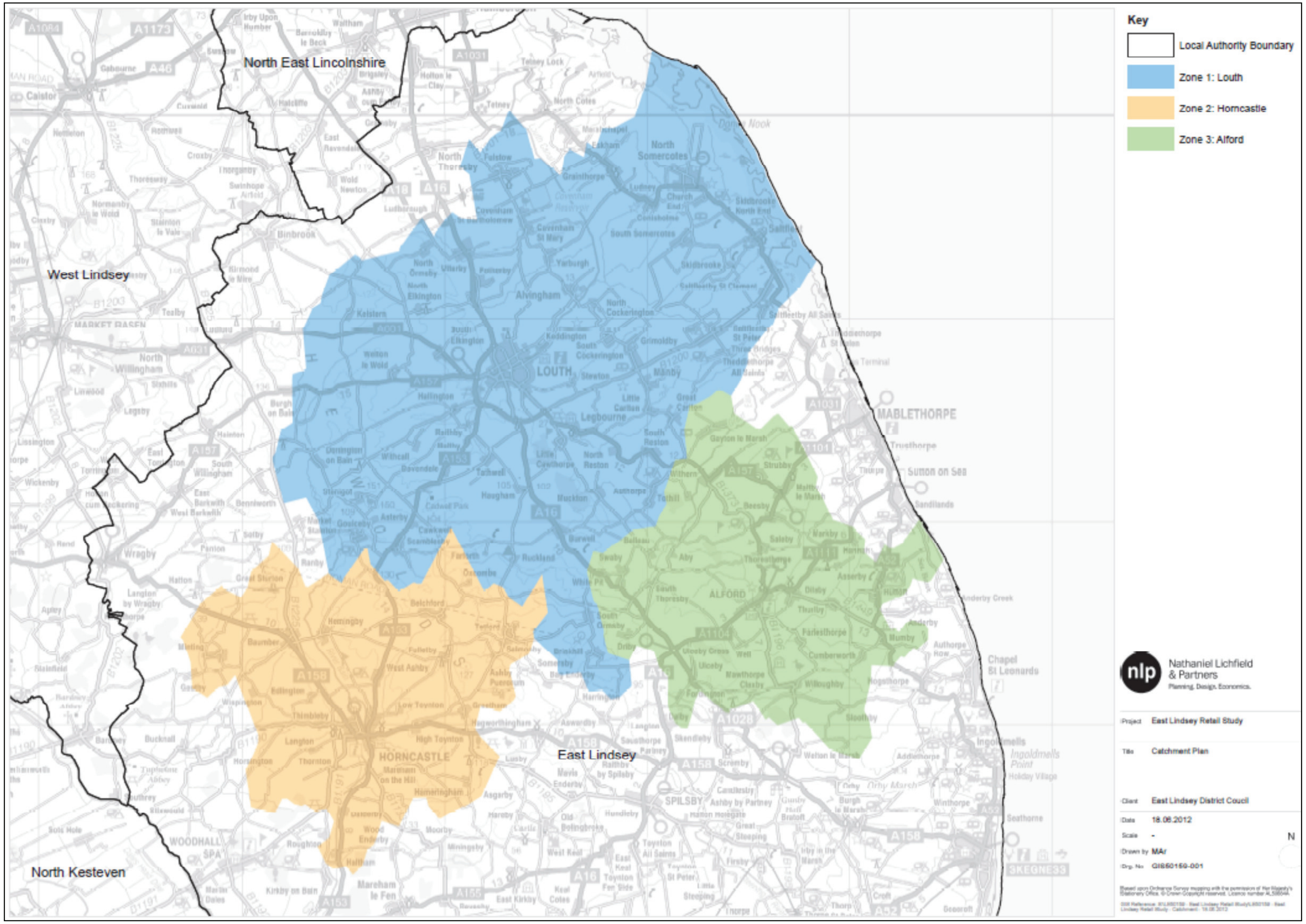
6.22 If this reduction in vacant units can be achieved then the overall retail floorspace projection up to 2018 would reduce from around 6,700 sq.m gross to around 4,600 sq.m gross. The short term priority during the recession should be the reoccupation of vacant floorspace, but this should not prevent investment within the three town centres.

Appendix 1 Study Area and Methodology

East Lindsey Retail Study Area Zones

	Area	Postcode Sectors
1	Louth	LN11 0; LN11 7; LN11 8; LN11 9
2	Horncastle	LN 9 5; LN 9 6;
3	Alford	LN13 0; LN13 9

STUDY AREA ZONES



Retail Capacity Assessment – Methodology and Data

Price Base

All monetary values expressed in this study are at 2012 prices, consistent with Experian's base year expenditure figures for 2012 (Retail Planner Briefing Note 11 – October 2013), which is the most up to date information available. Expenditure and turnover figures within the 2012 study were quoted in 2010 prices, therefore the figures within the two studies are not directly comparable. Experian's price indices show a 10.6% growth in convenience goods inflation between 2010 and 2012, and only 0.9% growth for comparison goods.

Study Area

The study area is based on postcode area boundaries. The extent of the study area is based on the study area adopted in the East Lindsey Retail Study (2006), which takes into consideration the extent of the catchment areas of the Area and District Retail Centres within East Lindsey and the proximity of competing shopping destinations.

Retail Expenditure

The level of available expenditure to support retailers is based on first establishing per capita levels of spending for the study area population. Experian's latest local consumer expenditure estimates for comparison and convenience goods for each of the study area zones for the year 2012 have been obtained.

Experian's EBS national expenditure information has been used to forecast expenditure within the study area from 2012 to 2018, 2023 and 2028. Experian's forecasts are based on an econometric model of disaggregated consumer spending. This model takes a number of macro-economic forecasts (chiefly consumer spending, incomes and inflation) and uses them to produce forecasts of consumer spending volumes, prices and value, broken down into separate categories of goods. The model incorporates assumptions about income and price elasticities.

Experian's average annual growth forecast is 0.8% for convenience goods and 2.9% for comparison goods. We believe the Experian's growth forecast rates reflect the current economic circumstances and provide an appropriate growth rate for the future. These growth figures relate to real growth and exclude inflation.

Special Forms of Trading (SFT) or non-store activity is included within Experian's Goods Based Expenditure (GBE) estimates. SFT includes other forms of retail expenditure not spent in shops e.g. mail order sales, some internet sales, vending machines, party plan selling, market stalls and door to door selling. SFT needs to be excluded from retail assessments because it relates to expenditure not spent in shops and does not have a direct relationship with the demand for retail floorspace. The growth in home computing, Internet connections and interactive TV may lead to a growth in home shopping and may have effects on retailing in the high street. Experian provides projections for special forms of trading and e-tailing.

This Experian information suggests that non-store retail sales in 2012 was:

- 7% of convenience goods expenditure; and
- 14% of comparison goods expenditure.

Experian predicts that these figures will increase in the future.

Experian recognises that not all of this SFT expenditure should be excluded from a retail capacity analysis, because some of it relates to internet sales through traditional retail businesses, rather than internet companies. The turnover attributable to e-tail through retail businesses is included in the company average turnovers, and therefore expenditure figures should not exclude this expenditure. Experian has provided adjusted deductions for SFT and projections. These projections have been used to exclude only e-tail expenditure attributed to non-retail businesses, which will not directly impact on the demand for retail floorspace.

The adjusted figures suggest that SFT sales in 2012 are:

- 2.1% of convenience goods expenditure; and
- 10.5% of comparison goods expenditure.

The projections provided by Experian suggest that these percentages could increase to 5.9% and 12.7% by 2016.

Home/electronic shopping has also emerged with the increasing growth in the use of personal computers and the Internet. This study makes an allowance for future growth in e-tailing based on Experian projections. It will be necessary to monitor the amount of sales attributed to home shopping in the future in order to review future policies and development allocations.

On-line shopping has experienced rapid growth since the late 1990s but in proportional terms the latest available data suggests it remains an insignificant percentage of total retail expenditure. Experian's October 2013 figures suggest that the growth in e-tailing has to a certain extent been at the expense of other forms of home shopping such as catalogue and mail order shopping.

The implications on the demand for retail space are unclear. For example, some retailers operate on-line sales from their traditional retail premises e.g. food store operators. Therefore, growth in on-line sales may not always mean there is a reduction in the need for retail floorspace. Given the uncertainties relating to internet shopping and the likelihood that it will increase in proportional terms, this assessment has adopted relatively cautious growth projections for retail expenditure.

Market Shares/Penetration Rates

To assess the capacity for new retail floorspace, penetration rates are estimated for shopping facilities within the study area. The assessment of penetration rates are based on a range of factors but primarily information gathered through the 2011 household survey.

The total turnover of shops within East Lindsey is estimated based on penetration rates. For convenience goods shopping turnover estimates are then compared to average company benchmark or average sales floorspace densities derived from Verdict (UK Food and Grocery retailers 2013), which provides an indication of how individual retail stores and centres are performing against expected turnover averages. This allows the identification of potential surplus or deficit capacity for retail sales floorspace.

Benchmark Turnover Levels

Company average turnover to sales floorspace densities are available for major food store operators and are compiled by Verdict. Company average sales densities (adjusted to exclude petrol and comparison sales and include VAT) have been applied to the sales area of the large food stores listed in Table 1A, Appendix 2, and a benchmark turnover for each store has been calculated. This benchmark turnover is not necessarily the actual turnover of the food store, but it does provide a useful benchmark for assessing existing shopping patterns and the adequacy of current floorspace in quantitative terms.

The estimated convenience goods sales areas have been derived from a combination of the Council's floorspace surveys, Institute of Grocery Distribution (IGD) and NLP estimates based on site visits. Estimates for comparison sales floorspace within large food stores has been deducted from the figures for consistency with the use of goods based expenditure figures.

Average sales densities are not widely available for small convenience shops, particularly independent retailers. Based on the mix of shops present in each town in East Lindsey and our experience of trading levels of small independent shops informed by household shopper surveys elsewhere, we have adopted an average sales density of £4,400 per sq.m has been adopted for small convenience shops in the study area, consistent with NLP's experience of retail studies across the country. The total benchmark turnover of existing convenience sales floorspace within East Lindsey is £60.81 million at 2014.

Mintel's Retail Rankings provides company average sales density information for a selection of national comparison retailers. This data suggests a notional average sales density for national high street comparison retailers of around £5,000 per sq.m. The average for bulky good retail warehouses is generally lower than this average. Based on our recent experience across the country average sales densities for comparison floorspace can range from £2,000 to £8,000 per sq.m net. The higher end of this range is usually only achieved by successful shopping centres, which reflects the higher proportion of quality multiple retailers.

Appendix 2 Centre Health Checks

A. Louth

Louth is, with Skegness, one of the main shopping centres within East Lindsey, and is identified as a town centre of strategic importance. It functions above the smaller market towns of Horncastle, Alford and Mablethorpe, but below larger centres such as Grimsby and Lincoln. Louth fulfils an important role as a market town supporting a wide ranging community in terms of employment, shopping, education, recreation, health and community services.

It is located to the north of Horncastle and Alford, and serves the catchment to the north of the District. The nearest major centres to Louth include Grimsby 15 miles to the north, Skegness approximately 17 miles south east and Lincoln 25 miles to the west. Given the lack of other settlements of similar size or status nearby, Louth's catchment area is relatively extensive and overlaps with the catchment areas of sub-regional centres of Lincoln and Grimsby which based on the household survey results influence shopping patterns within the District.

The centre has a variety of retail and service uses. Retail uses (Class A1) occupy about 23,600 sq.m of gross floorspace (source: GOAD). The key roles of Louth include:

- **Convenience shopping**: A Co-op store located within the town centre (to the north/off Northgate) provides the main food store within primary shopping streets. This is supported by a Spar convenience store, as well as a good range of smaller units including butchers, fishmongers, bakers, delicatessens, greengrocers and newsagents. Morrison's supermarket provides a larger supermarket destination on the edge of the town centre to the east. The centre has a permanent indoor market and open air markets operate on Tuesdays, Fridays and Saturdays. Louth is developing a reputation for high quality, independent food shopping, particularly those independent food shops located along Eastgate.
- **Comparison shopping**: Louth offers a good range of comparison shopping, with a significant number of quality independent retailers commensurate with its role and function as a market town. The main higher order retail provision is located along Eastgate, Mercer Row and Market Place which accommodates retailers including New Look, Greenwoods, Superdrug, WH Smith, Boots, Peacocks and Boyes.
- **Services**: Louth provides a range of services including a post office, high street banks cafés, restaurants, takeaways, hairdressers, travel agents and beauty parlours. Takeaways in particular were concentrated along secondary retail streets, notably Aswell Street.
- **Entertainment**: Entertainment in Louth includes the Playhouse Cinema, art galleries and several pubs and bars;
- **Community facilities**: Louth provides a range of community services including a library, health centres and dentists, community centres, places of worship, tourist information and a number of advice centres.

Mix of Uses and Occupier Representation

Louth has a total of 286 retail/service uses (Class A uses). The diversity of uses present in Louth in terms of the number of units is set out in Table 2.1, compared against the national average.

Table 2.1 Louth Use Class Mix by Unit

Type of Unit	Units	% of Total Number of Units	
		Louth %	National Average (1)
Comparison Retail	112	40.7	40.9
Convenience Retail	31	11.3	8.6
A1 Services (2)	40	14.5	11.7
A2 Services	34	12.4	9.1
A3/A5 (eating out)	31	11.3	16.0
Vacant	27	9.8	13.7
Total	**275**	**100.0**	**100.0**
A4 Pubs/Bars (3)	11	n/a	n/a

Source: Goad and NLP
(1) UK average for all town centres surveyed by Goad Plans (2013)
(2) incl. hairdressers, travel agents and other Class A1 uses not selling comparison/convenience goods
(3) Goad Plans average excludes Class A4 pubs and bars

Louth has a slightly higher proportion of convenience retail units than the national average. The centre has a higher proportion of A1 and A2 services but a lower proportion of A3/A5 units. The proportion of vacant units is significantly below the national average as an indication of the high demand for retail units.

Retailer Representation

Louth has a good selection of small independent food and grocery specialists. There are two main food supermarkets (Morrison's and Co-op) and a smaller Heron Foods store. The Morrison's and Co-op stores are only two medium sized food supermarkets of around 1,400 sq.m net, which do not meet the main and bulk food shopping needs of all household within Louth's catchment area, due to the relatively small range and choice of products when compared within food superstores in other towns. As a result many main and bulk food shopping trips are leaking from Louth's catchment area.

Louth has a good selection of comparison shops (112 units), reflecting its importance within the retail hierarchy. Table 2.2 provides a breakdown of comparison shop units by category. Louth provides a good range of comparison shopping, with all of the comparison categories are represented in the centre. The choice of shops in each category is reasonable, particularly clothing and footwear, charity shops and furniture/carpet shops. The centre has a good mix of independent and chain stores.

Table 2.2: Louth Breakdown of Comparison Units

Type of Unit	Louth		% UK* Average
	Units	%	
Clothing and footwear	29	25.8	27.7
Furniture, carpets and textiles	10	8.9	6.3
Booksellers, arts, crafts and stationers	7	6.2	5.7
Electrical, gas, music and photography	8	7.1	12.6
DIY, hardware and homewares	5	4.5	2.5
China, glass, gifts and fancy goods	6	5.4	1.9
Cars, motorcycles and motor access.	1	0.9	2.5
Chemists, drug stores and opticians	7	6.3	11.3
Variety, department and catalogue	7	6.3	3.1
Florists, nurserymen and seedsmen	2	1.8	1.3
Toys, hobby, cycle and sport	6	5.4	7.5
Jewellers	5	4.5	8.2
Antique shops	1	)	)
Charity shops	10	) 17.0	) 9.4
Other comparison retailers	8	)	)
Total	**112**	**100.0**	**100.0**

Source: Goad and NLP
** UK average for all town centres surveyed by Goad Plans (2013)*

Service Uses

Louth has a good range of service uses, with all categories represented (see Table 2.3). The representation of categories is generally similar to the national average, albeit Louth has a higher than average proportion of hairdressers and beauty parlours and lower than average proportion of restaurants, cafés and takeaways.

Table 2.3: Louth Analysis of Selected Service Uses

Type of Unit	Louth		% UK* Average
	Units	%	
Restaurants/cafes/takeaways	31	36.9	43.1
Banks/other financial services	10	11.9	16.2
Estate agents/valuers	8	9.5	12.3
Travel agents	4	4.8	2.3
Hairdressers/beauty parlours	30	35.7	23.8
Laundries/dry cleaners	1	1.2	2.3
Total	**84**	**100.0**	**100.0**

Source: Goad and NLP
** UK average for all town centres surveyed by Goad Plans (2013)*
N.B. 'Restaurants, cafés and takeaways' does not include drinking establishments in the centre.

Other uses within Louth include a post office, Playhouse Cinema, art galleries, churches and heritage buildings, a number of pubs, bars and nightclubs, a library, a number of medical centres and dentists, churches and community centres.

A large indoor market operates daily in Louth, with open air markets operating in the town on Wednesdays, Fridays and Saturdays. A farmers market visits the centre around once every three weeks.

National Multiple Retailers

Louth is represented by 50 national multiple retailers and service providers, a proportion of 18% of total units in the town. This is slightly less than might be expected for a town of this size and status and reflects the high number of independent retailers within the town rather than an indication of the low quality of retail provision.

There are 7 major retailers are represented in the town including New Look, Boots, Clarks, Carphone Warehouse, Superdrug, WH Smith and Wilkinsons as an indication of the attractiveness of the town to major retailers.

Vacant Units

There are 27 vacant retail units within Louth a vacancy rate of 9.8% which is significantly below the national average (13.7%). Vacant units are spread throughout the centre and are generally small scale.

Summary of Louth's Strengths and Weaknesses

Strengths

- Louth has a good range and choice of comparison shopping commensurate with its role as one of the main shopping destinations in East Lindsey.
- The centre has a number of good quality independent convenience retailers (butchers, bakers, greengrocers and fishmongers) and is developing a reputation for high quality, independent food shopping, particularly along Eastgate.
- Within the centre, all categories of comparison retail are represented and the centre has a good range of independent retailers which adds interest and variety to the centre.
- The centre is represented by a number of national multiple retailers and key retailers which compliment the presence of a high proportion of high quality, independent comparison and convenience stores.
- The centre provides a good range of service facilities and uses complementary to its main shopping role, including leisure and entertainment facilities.
- The centre has a relatively low vacancy rate and evidence of a healthy turnover of units and retail letting market.
- Shopping streets appear to be busy and lively with high levels of footfall. Regular indoor and outdoor markets add further interest and footfall to the centre.
- The centre provides a high quality built environment within an attractive rural and historic setting.

Weaknesses

- Whilst the centre has a good range of independent convenience shops, food store provision is medium to small scale supermarkets with a more limited range and choice of goods. They do not offer the same range and choice as larger superstores in competing towns.
- Whilst the physical environment in Louth is of high quality, the centre does not benefit from any pedestrianised areas and pedestrian movement in places is restricted by narrow pavements and close proximity to vehicular traffic in the town.
- The centre has good public transport links by bus but no central railway station and traffic and parking within the centre is a problem during peak periods.

B. Horncastle

Horncastle is identified as a town centre, or small market town, intended to serve a more local catchment area below Louth as the main district centre in the District. Horncastle is identified as a market town which is expected to accommodate significant growth in the future.

Horncastle town centre serves the settlement and a rural hinterland. The nearest key centres including Louth, approximately 20km to the north east, and Lincoln which is 30km to the west. Horncastle also acts as a local tourist destination which is likely to attract shoppers and visitors from further afield. Horncastle has a variety of retail and service uses with retail uses (Class A1) occupying about 11,700 sq.m of gross floorspace (source: GOAD).

The key roles of Horncastle include:

- **convenience shopping**: Horncastle has two supermarkets within the centre, including a Tesco and Co-op stores. These are supported by a further smaller scale Co-op as well as a range of smaller convenience units including discount stores, newsagents, off-licence, butchers and grocers. A market operates in the centre on Thursdays and Saturdays;
- **comparison shopping**: The centre offers a small range of national multiple retailers commensurate with its size and role within the retail hierarchy. The town has a particularly high number of antique shops and independent retailers as well as the presence of national multiple retailers including Tesco, Wine Rack and the major high street banks. The majority of the comparison retail shops are concentrated along High Street and, to a lesser extent, The Bull Ring. The centre offers a small range of national multiple retailers including Boots the Chemist, as well as a number of independent retailers.
- **services**: The centre provides a range of services including a post office, high street banks, cafés, restaurants, takeaways, hairdressers, estate agents and beauty parlours;
- **entertainment**: Entertainment in Horncastle includes a number of cafés and several pubs and bars;
- **community facilities**: Horncastle provides a range of community services including a library, dentists, community hall, council offices, tourist information and advice centres.

Mix of Uses and Occupier Representation

Horncastle centre has a total of 135 retail/service (Class A) uses. The diversity of uses present in Horncastle (in terms of the number of units) against the national average is set out in Table 2.4. Horncastle has a higher proportion of both comparison and convenience units when compared with the national average. The proportion of A2 services is higher than the national average, whilst representation of A1 services is slightly lower than the national average.

The proportion of cafés, restaurants and takeaways in the centre is also underrepresented in the town. As well as the number of convenience units being above the national average, convenience floorspace is also is significantly above the national average due to the presence of large scale food stores in the town.

Table 2.4 Horncastle Use Class Mix by Unit

Type of Unit	Units	% of Total Number of Units	
		Horncastle %	National Average (1)
Comparison Retail	57	46.0	40.9
Convenience Retail	16	12.9	8.6
A1 Services (2)	12	9.7	11.7
A2 Services	16	12.9	9.1
A3/A5 (eating out)	14	11.3	16.0
Vacant	9	7.3	13.7
Total	**124**	**100.0**	**100.0**
A4 Pubs/Bars (3)	11	n/a	n/a

Source: Goad and NLP

(1) UK average for all town centres surveyed by Goad Plans (2013)
(2) incl. hairdressers, travel agents and other Class A1 uses not selling comparison/convenience goods
(3) Goad Plans average excludes Class A4 pubs and bars

Retailer Representation

Horncastle centre has a good selection of comparison shops (57) in keeping with its role within the retail hierarchy. Table 2.5 provides a breakdown of comparison shop units by category. All of the comparison categories are represented in the centre apart from variety/department stores and florists. However the choice of shops within each category is relatively limited. The centre has a good provision of antique shops.

Table 2.5: Horncastle Breakdown of Comparison Units

Type of Unit	Horncastle		% UK* Average
	Units	%	
Clothing and footwear	4	7.0	27.7
Furniture, carpets and textiles	4	7.0	6.3
Booksellers, arts, crafts and stationers	3	5.3	5.7
Electrical, gas, music and photography	6	10.5	12.6
DIY, hardware and homewares	8	14.0	2.5
China, glass, gifts and fancy goods	5	8.8	1.9
Cars, motorcycles and motor access.	1	1.8	2.5
Chemists, drug stores and opticians	3	5.3	11.3
Variety, department and catalogue	0	0.0	3.1
Florists, nurserymen and seedsmen	0	0.0	1.3
Toys, hobby, cycle and sport	3	5.3	7.5
Jewellers	3	5.3	8.2
Antique shops	5	)	)
Charity shops	6	) 29.8	) 9.4
Other comparison retailers	6	)	)
Total	**57**	**100.0**	**100.0**

Source: Goad and NLP ** UK average for all town centres surveyed by Goad Plans (2013)*

Service Uses

Horncastle has a good range of service uses, with all categories represented, as shown in Table 2.6. Other uses within Horncastle include several pubs and bars, health centres dentists, council offices, tourist information and places of worship.

Table 2.6: Horncastle Analysis of Selected Service Uses

Type of Unit	Horncastle		% UK* Average
	Units	%	
Restaurants/cafes/takeaways	14	43.7	43.1
Banks/other financial services	4	12.5	16.2
Estate agents/valuers	4	12.5	12.3
Travel agents	1	3.1	2.3
Hairdressers/beauty parlours	7	21.9	23.8
Laundries/dry cleaners	2	6.3	2.3
Total	**32**	**100.0**	**100.0**

Source: Goad and NLP

** UK average for all town centres surveyed by Goad Plans (2013).*

N.B. 'Restaurants, cafés and takeaways' does not include drinking establishments in the centre.

National Multiple Retailers

There are 17 national multiple occupiers are located in Horncastle, equating to 13.5% of total units in the town, but these include banks, charity shops. National multiple retailers include Tesco, Boots, Heron Foods and Co-op Food. This is reflective of the size and status of Horncastle town centre acting below Louth in the retail hierarchy and indicates that the town is attractive to national multiple retailers and service providers.

Vacant Units

There were nine vacant retail units within Horncastle, accounting for 7.3% of the total provision. This is significantly below (half that of) the national average of 13.7% and indicates a strong demand for premises within the town. Vacant units are spread throughout the centre with no noticeable clusters or long term voids.

Summary of Horncastle's Strengths and Weaknesses

Strengths

- Horncastle has a good range and choice of both convenience and comparison shopping commensurate with its role and function within the retail hierarchy.
- Food and grocery provision in the centre is good and is anchored by Tesco and Co-op stores. There is physical scope for the existing Tesco to extend to further improve main food shopping within the town.

- All but two of the comparison retailer categories are represented. The centre has a good range of independent, particularly antique, shops for which the town is recognised.
- The centre provides a good range of service facilities similar to that of the national average.
- National multiple and 'key' retailers are present in the centre indicating the attractiveness of the centre to national retailers.
- The vacancy rate is very low at only half that of the national average, demonstrating that the demand for premises remains strong.
- The centre is characterised by a very high quality and historic environment providing a pleasant rural and historic retail setting.

Weaknesses

- The centre does not offer the same quality and range of facilities available in Louth. The proportion of clothing and footwear units in particular is significantly below the national average and the town lacks some larger national multiple retailers.
- The centre provides a limited range of leisure and entertainment facilities.
- The centre has good public transport links by bus but no central railway station, and accessibility to the centre appears to be mainly by car with associated problems of parking.
- None of the centre is pedestrianised leading to occasional conflicts with vehicles and segregation on different sides of shopping streets.

C. Alford

Like Horncastle, Alford is identified as a town centre, or small market town, intended to act as a secondary centre serving localised catchments and operating below Louth in the retail hierarchy. The nearest centres to Alford include Louth, 20km to the north west, and Horncastle, 25km south west. The key roles of Alford include:

- **convenience shopping**: convenience shopping within Alford is limited to a small scale Co-op store on the northern edge of the centre. This is supported by a limited range and number of smaller units including newsagents, butchers, bakers, and an off-licence. Alford has a weekly market which operates on Tuesdays;
- **comparison shopping**: the centre offers limited opportunities for comparison shopping and is characterised by very few national multiples and a lack of key retailers. There are a number of independent retailers in the centre, including a number of antique and second hand shops. A craft market is present in the town twice a week during the summer months.
- **services**: a range of services including a post office, high street banks, medical centre and dentists, hairdressers, estate agents and beauty parlours, but a more limited number of cafés, restaurant, takeaways;
- **entertainment**: Entertainment in the town includes a small number of cafés, restaurants and pubs as well as a number of heritage attractions;
- **community facilities**: Alford provides a small range of community services including doctors, dentists, a community hall and a library.

Mix of Uses and Occupier Representation

Alford has a total of 81 retail/service uses (excluding non-retail Class A uses). The diversity of uses present in Alford in terms of the number of units is set out in Table 2.7, compared against the national average. Alford has a higher proportion of convenience and A1/A2 service units than the national average. Comparison retail and A3/A5 uses are significantly below the national average.

Table 2.7 Alford Use Class Mix by Unit

Type of Unit	Units	% of Total Number of Units	
		Alford %	National Average (1)
Comparison Retail	26	34.2	40.9
Convenience Retail	10	13.2	8.6
A1 Services (2)	11	14.5	11.7
A2 Services	10	13.2	9.1
A3/A5 (eating out)	8	10.5	16.0
Vacant	11	14.5	13.7
Total	**76**	**100.0**	**100.0**
A4 Pubs/Bars (3)	5	n/a	n/a

Source: Goad and NLP (1) UK average for all town centres surveyed by Goad Plans (2013)
(2) incl. hairdressers, travel agents and other Class A1 uses not selling comparison/convenience goods

(3) Goad Plans average excludes Class A4 pubs and bars

Retailer Representation

Alford centre has an average selection of comparison shops (26), reflecting its role in the retail hierarchy in the District. Table 2.8 provides a breakdown of comparison shop units by category.

Table 2.8: Alford Breakdown of Comparison Units

Type of Unit	Alford		% UK* Average
	Units	%	
Clothing and footwear	1	3.8	27.7
Furniture, carpets and textiles	4	15.4	6.3
Booksellers, arts, crafts and stationers	0	0.0	5.7
Electrical, gas, music and photography	1	3.8	12.6
DIY, hardware and homewares	1	3.8	2.5
China, glass, gifts and fancy goods	2	7.7	1.9
Cars, motorcycles and motor access.	1	3.8	2.5
Chemists, drug stores and opticians	2	7.7	11.3
Variety, department and catalogue	1	3.8	3.1
Florists, nurserymen and seedsmen	1	3.8	1.3
Toys, hobby, cycle and sport	4	15.4	7.5
Jewellers	0	0.0	8.2
Antique/second hand shops	2	)	)
Charity shops	2	) 30.8	) 9.4
Other comparison retailers	4	)	)
Total	**26**	**100.0**	**100.0**

Source: NLP   ** UK average for all town centres surveyed by Goad Plans (2013).*

All of the comparison categories are represented in the centre apart from booksellers, arts, crafts and stationers; and jewellers. However the number of shops in each category and the choice of shops are poor. The quality of some shops is also poor. There is a high proportion of charity and second hand shops. Like Horncastle, Alford provides a significantly higher proportion of china, glass, gifts and fancy goods stores, as well as shops selling furniture, carpets and textiles. DIY and homeware shops are also above the national average. The proportion of 'other' comparison shops, including antiques and charity shops, is also significantly above the national average. The proportion of shops in Alford selling clothing and footwear is significantly below the national average. Electrical, gas, music and photography shops are also underrepresented. The other comparison categories are reflective of the national average.

Service Uses

Alford has a reasonable range of service uses, with all categories represented in the centre, as shown in Table 2.9. The representation of categories is generally similar to the national average, with the exception of a lower proportion of restaurants, cafés and takeaways, and higher proportion of hairdressers and beauty parlours.

Table 2.9: Alford Analysis of Selected Service Uses

Type of Unit	Alford		% UK* Average
	Units	%	
Restaurants/cafes/takeaways	8	34.8	43.1
Banks/other financial services	3	11.1	16.2
Estate agents/valuers	3	11.1	12.3
Travel agents	1	4.3	2.3
Hairdressers/beauty parlours	7	30.4	23.8
Laundries/dry cleaners	1	4.3	2.3
Total	**23**	**100.0**	**100.0**

Source: Goad and NLP February 2012

** UK average for all town centres surveyed by Goad Plans (2013).*

N.B. 'Restaurants, cafés and takeaways' does not include drinking establishments in the centre.

Other uses within Alford include a small number of pubs and cafés, as well as a number of heritage attractions (e.g. Manor House). A market is present in the town every Tuesday, and a Craft Market operates in Alford twice a week during the summer months.

National Multiple Retailers

Very few national multiple retailers are present in the town, with only 4 units, or 5%, of total retail and service provision in the town. There are no key retailers represented in the town.

Vacant Units

There were 11 vacant units in 2013 within Alford, a vacancy rate of 14.5%. This is above the national average and indicates a more limited demand for retail and service premises in the town. Vacant units are for the most part small, and appear to be spread throughout the centre with no apparent clusters or long term voids. Vacant units within the town are limited to small scale premises with few opportunities to accommodate new operators looking to trade in Alford.

Summary of Alford's Strengths and Weaknesses

Strengths

- Alford provides a range of retail, service uses and facilities, which help meet the day to day needs of residents.
- The centre has a number of heritage assets within the town and the presence of weekly markets and a specialist craft market will help to draw people to the town.
- The centre has good public transport accessibility and provision of car parking for shoppers.

Weaknesses

- Alford is a small town with a limited catchment population.
- The centre does not offer the same quality and range of facilities available in either Louth or Horncastle. The choice of shops in each category is poor and the proportion of charity and second hand shops is high.
- Food and grocery provision in the centre is limited to small scale convenience stores only suitable for top up food shopping.
- There is a very low proportion of multiple retailers and a lack of key retailers indicative of the limited attractiveness of the centre to national retailers.
- The centre has a higher than average vacancy rate, yet it has a limited supply of premises with can accommodate new operators looking to trade in Alford. Available vacant units are small, limiting their attractiveness.
- The centre is not pedestrianised and does not provide as high quality environment compared with Louth and Horncastle.

Appendix 3 Convenience Capacity

Table 1A : Population Projections

Catchment Area	2011	2014	2018	2023	2028
1 - Louth	28,193	29,216	30,580	32,285	33,990
2 - Horncastle	9,677	10,055	10,559	11,189	11,819
3 - Alford	7,808	8,006	8,270	8,600	8,930
	45,678	**47,277**	**49,409**	**52,074**	**54,739**

Sources: *2011 Census Population (obtained from Experian for postcode areas)*
Edge Analytics Growth Projections and ELDC's distribution of growth

Table 2A: Convenience Goods Expenditure Per Capita (2012 Prices)

Catchment Area	2014	2018	2023	2028	Growth 2014-2018	Growth 2014-2023	Growth 2014-2028
1 - Louth	£2,009	£2,037	£2,098	£2,169	1.4%	4.4%	8.0%
2 - Horncastle	£1,987	£2,014	£2,075	£2,145	1.4%	4.4%	8.0%
3 - Alford	£2,019	£2,047	£2,108	£2,180	1.4%	4.4%	8.0%

Sources:
Experian local estimates of 2012 convenience goods expenditure per capita
Excluding special forms of trading.
Experian Business Strategies - forecast annual growth rates.

Table 3A: Total Available Convenience Goods Expenditure (£M - 2012 Prices)

Catchment Area	2014	2018	2023	2028	Growth 2014-2018	Growth 2014-2023	Growth 2014-2028
1 - Louth	£58.69	£62.29	£67.73	£73.72	6.1%	15.4%	25.6%
2 - Horncastle	£19.98	£21.27	£23.22	£25.35	6.4%	16.2%	26.9%
3 - Alford	£16.16	£16.93	£18.13	£19.47	4.7%	12.2%	20.4%
Total	**£94.84**	**£100.49**	**£109.08**	**£118.54**	**6.0%**	**15.0%**	**25.0%**

Table 4A: Existing Convenience Facilities and Commitments - Benchmark Turnover (2012 prices)

Town	Net Sales Floorspace sq m	Convenience Sales Floorspace (%)	Convenience Floorspace sq m (net)	Turnover Density (£/sq m)	Total Convenience Turnover £/m
Louth					
Morrison's	1,424	85%	1,210	12,649	£15.31
Co-op, town centre	1,445	90%	1,301	7,661	£9.96
Heron Foods	200	80%	160	5,500	£0.88
Lincolnshire Co-op	278	95%	264	7,661	£2.02
Other Louth Town Centre Convenience Shops	1,800	95%	1,710	4,400	£7.52
Louth Sub-total	**5,147**		**4,645**	**7,686**	**£35.70**
Horncastle					
Tesco	1,037	85%	881	11,080	£9.77
Co-op	916	90%	824	7,661	£6.32
Lincolnshire Co-op	217	95%	206	7,661	£1.58
Heron Foods	180	95%	171	5,500	£0.94
Other Horncastle Town Centre Convenience Shops	600	95%	570	4,400	£2.51
Horncastle Sub-total	**2,950**		**2,653**	**7,957**	**£21.11**
Alford					
Lincolnshire Co-op	368	90%	331	7,661	£2.54
Other Alford Town Centre Convenience Shops	350	95%	333	4,400	£1.46
Alford Sub-total	**718**		**664**	**6,027**	**£4.00**
TOTAL	**8,815**		**7,962**	**7,638**	**£60.81**
Commitments					
Aldi, Malt Kiln, Louth	1,254	80%	1,003	8,116	£8.14
Co-op, Newmarket, Louth	250	90%	225	7,661	£1.72
Tesco, Tattershall	1,105	85%	939	11,080	£10.41
Tesco, Mablethorpe	1,860	80%	1,488	11,080	£16.49
Louth Sub-total	**4,469**		**3,655**	**10,056**	**£36.76**

Sources: IDG Food Store Directory, Goad Plans and NLP

Table 5A: Existing Convenience Shopping Market Shares

Town/Facilities	Zone 1 Louth	Zone 2 Horncastle	Zone 3 Alford	% Inflow
Louth				
Morrison's	35.3%	2.2%	8.3%	10.0%
Co-op	19.5%	0.0%	3.4%	5.0%
Heron Foods	2.8%	0.0%	0.9%	5.0%
Lincolnshire Co-op	2.6%	0.0%	0.5%	5.0%
Other Louth	12.1%	0.0%	0.9%	5.0%
Sub-Total	**72.3%**	**2.2%**	**14.0%**	
Horncastle				
Tesco	0.7%	40.8%	1.7%	15.0%
Co-op	0.0%	23.0%	0.3%	10.0%
Lincolnshire Co-op	0.0%	1.3%	0.0%	10.0%
Heron Foods	0.0%	5.3%	0.0%	10.0%
Other Horncastle	0.3%	8.4%	0.0%	10.0%
Sub-Total	**1.0%**	**78.8%**	**2.0%**	
Alford				
Lincolnshire Co-op	0.0%	0.5%	16.5%	5.0%
Other Alford	0.0%	0.0%	14.3%	5.0%
Sub-Total	**0.0%**	**0.5%**	**30.8%**	
Cleethorpe	7.9%	0.0%	0.9%	90.0%
Grimsby	12.8%	0.4%	3.1%	95.0%
Lincoln	1.5%	8.4%	0.8%	98.0%
Mablethorpe	2.0%	0.0%	13.0%	90.0%
Skegness	0.0%	1.5%	27.2%	90.0%
Splisby	0.1%	1.4%	4.8%	70.0%
Other	2.4%	6.8%	3.4%	95.0%
Sub-Total	**26.7%**	**18.5%**	**53.2%**	
Market Share Total	**100.0%**	**100.0%**	**100.0%**	

Source: *NEMS household surveys 2012*

Table 6A: **Base Year Convenience Expenditure 2014 £Million**

Centre/Facilities	Zone 1	Zone 2	Zone 3	% Inflow	Total Expend
Expenditure 2014	**£58.69**	**£19.98**	**£16.16**	**n/a**	
Louth					
Morrison's	£20.72	£0.44	£1.34	£2.50	£25.00
Co-op	£11.45	£0.00	£0.55	£0.63	£12.63
Heron Foods	£1.64	£0.00	£0.15	£0.09	£1.88
Lincolnshire Co-op	£1.53	£0.00	£0.08	£0.08	£1.69
Other Louth	£7.10	£0.00	£0.15	£0.38	£7.63
Sub-total	**£42.44**	**£0.44**	**£2.26**	**£3.69**	**£48.83**
Horncastle					
Tesco	£0.41	£8.15	£0.27	£1.56	£10.40
Co-op	£0.00	£4.60	£0.05	£0.52	£5.16
Lincolnshire Co-op	£0.00	£0.26	£0.00	£0.03	£0.29
Heron Foods	£0.00	£1.06	£0.00	£0.12	£1.18
Other Horncastle	£0.18	£1.68	£0.00	£0.21	£2.06
Sub-total	**£0.59**	**£15.74**	**£0.32**	**£2.43**	**£19.08**
Alford					
Lincolnshire Co-op	£0.00	£0.10	£2.67	£0.15	£2.91
Other Alford	£0.00	£0.00	£2.31	£0.12	£2.43
Sub-total	**£0.00**	**£0.10**	**£4.98**	**£0.27**	**£5.35**
Cleethorpe	£4.64	£0.00	£0.15	£43.04	£47.82
Grimsby	£7.51	£0.08	£0.50	£153.79	£161.88
Lincoln	£0.88	£1.68	£0.13	£131.71	£134.40
Mablethorpe	£1.17	£0.00	£2.10	£29.48	£32.75
Skegness	£0.00	£0.30	£4.40	£42.27	£46.96
Splisby	£0.06	£0.28	£0.78	£2.60	£3.71
Other	£1.41	£1.36	£0.55	£63.02	£66.34
Sub-Total	**£15.67**	**£3.70**	**£8.60**	**£465.90**	**£493.87**
Total	**£58.69**	**£19.98**	**£16.16**	**n/a**	**£567.13**

Sources: Table 3A and 5A

Table 7A: Future Convenience Expenditure 2018 £Million - No New Stores

Centre/Facilities	Zone 1	Zone 2	Zone 3	% Inflow	Total Expend
Expenditure 2018	**£62.29**	**£21.27**	**£16.93**	**n/a**	
Louth					
Morrison's	£21.99	£0.47	£1.41	£2.65	£26.51
Co-op	£12.15	£0.00	£0.58	£0.67	£13.39
Heron Foods	£1.74	£0.00	£0.15	£0.10	£2.00
Lincolnshire Co-op	£1.62	£0.00	£0.08	£0.09	£1.79
Other Louth	£7.54	£0.00	£0.15	£0.40	£8.09
Sub-total	**£45.04**	**£0.47**	**£2.37**	**£3.92**	**£51.79**
Horncastle					
Tesco	£0.44	£8.68	£0.29	£1.66	£11.06
Co-op	£0.00	£4.89	£0.05	£0.55	£5.49
Lincolnshire Co-op	£0.00	£0.28	£0.00	£0.03	£0.31
Heron Foods	£0.00	£1.13	£0.00	£0.13	£1.25
Other Horncastle	£0.19	£1.79	£0.00	£0.22	£2.19
Sub-total	**£0.62**	**£16.76**	**£0.34**	**£2.58**	**£20.30**
Alford					
Lincolnshire Co-op	£0.00	£0.11	£2.79	£0.15	£3.05
Other Alford	£0.00	£0.00	£2.42	£0.13	£2.55
Sub-total	**£0.00**	**£0.11**	**£5.21**	**£0.28**	**£5.60**
Cleethorpe	£4.92	£0.00	£0.15	£45.66	£50.73
Grimsby	£7.97	£0.09	£0.52	£163.08	£171.66
Lincoln	£0.93	£1.79	£0.14	£139.95	£142.81
Mablethorpe	£1.25	£0.00	£2.20	£31.02	£34.47
Skegness	£0.00	£0.32	£4.60	£44.31	£49.24
Splisby	£0.06	£0.30	£0.81	£2.74	£3.91
Other	£1.49	£1.45	£0.58	£66.82	£70.33
Sub-Total	**£16.63**	**£3.93**	**£9.01**	**£493.57**	**£523.15**
Total	**£62.29**	**£21.27**	**£16.93**	**n/a**	**£600.84**

Sources: Table 3A and 5A

Table 8A: **Future Convenience Shopping Market Shares (commitments)**

Town/Facilities	Zone 1 Louth	Zone 2 Horncastle	Zone 3 Alford	% Inflow
Louth				
Morrison's	28.6%	2.1%	7.0%	10.0%
Co-op	16.4%	0.0%	3.0%	5.0%
Heron Foods	2.4%	0.0%	0.8%	5.0%
Lincolnshire Co-op	2.2%	0.0%	0.4%	5.0%
Aldi, former Malt Kiln	11.2%	0.1%	2.0%	10.0%
Co-op, Newmarket	2.6%	0.0%	0.5%	5.0%
Other Louth	11.3%	0.0%	0.8%	5.0%
Sub-Total	**74.7%**	**2.2%**	**14.5%**	
Horncastle				
Tesco	0.6%	39.4%	1.4%	15.0%
Co-op	0.0%	22.5%	0.3%	10.0%
Lincolnshire Co-op	0.0%	1.3%	0.0%	10.0%
Heron Foods	0.0%	5.2%	0.0%	10.0%
Other Horncastle	0.3%	8.4%	0.0%	10.0%
Sub-Total	**0.9%**	**76.8%**	**1.7%**	
Alford				
Lincolnshire Co-op	0.0%	0.5%	15.0%	5.0%
Other Alford	0.0%	0.0%	14.3%	5.0%
Sub-Total	**0.0%**	**0.5%**	**29.3%**	
Cleethorpe	7.0%	0.0%	0.8%	90.8%
Grimsby	11.3%	0.4%	2.8%	95.3%
Lincoln	1.2%	8.1%	0.7%	98.1%
Tesco, Mablethorpe	0.9%	0.0%	6.2%	90.0%
Mablethorpe	1.7%	0.0%	11.8%	87.0%
Skegness	0.0%	1.5%	24.6%	90.7%
Splisby	0.1%	1.4%	4.4%	70.0%
Tesco, Tattershall	0.0%	2.4%	0.0%	95.0%
Other	2.2%	6.7%	3.2%	95.2%
Sub-Total	**24.4%**	**20.5%**	**54.5%**	
Market Share Total	**100.0%**	**100.0%**	**100.0%**	

Source: *NEMS household surveys 2012 and NLP adjustments*

Table 9A: **Future Convenience Expenditure 2018 £Million - Commitments**

Centre/Facilities	Zone 1	Zone 2	Zone 3	% Inflow	Total Expend
Expenditure 2018	**£62.29**	**£21.27**	**£16.93**	**n/a**	
Louth					
Morrison's	£17.82	£0.45	£1.19	£2.16	£21.61
Co-op	£10.22	£0.00	£0.51	£0.56	£11.29
Heron Foods	£1.49	£0.00	£0.14	£0.09	£1.72
Lincolnshire Co-op	£1.37	£0.00	£0.07	£0.08	£1.51
Aldi, former Malt Kiln	£6.98	£0.02	£0.34	£0.82	£8.15
Co-op, Newmarket	£1.62	£0.00	£0.08	£0.09	£1.79
Other Louth	£7.04	£0.00	£0.14	£0.38	£7.55
Sub-total	**£46.53**	**£0.47**	**£2.45**	**£4.17**	**£53.62**
Horncastle					
Tesco	£0.37	£8.38	£0.24	£1.59	£10.58
Co-op	£0.00	£4.78	£0.05	£0.54	£5.37
Lincolnshire Co-op	£0.00	£0.28	£0.00	£0.03	£0.31
Heron Foods	£0.00	£1.11	£0.00	£0.12	£1.23
Other Horncastle	£0.19	£1.79	£0.00	£0.22	£2.19
Sub-total	**£0.56**	**£16.33**	**£0.29**	**£2.50**	**£19.68**
Alford					
Lincolnshire Co-op	£0.00	£0.11	£2.54	£0.14	£2.78
Other Alford	£0.00	£0.00	£2.42	£0.13	£2.55
Sub-total	**£0.00**	**£0.11**	**£4.96**	**£0.27**	**£5.33**
Cleethorpe	£4.36	£0.00	£0.14	£44.37	£48.87
Grimsby	£7.04	£0.09	£0.47	£155.32	£162.92
Lincoln	£0.75	£1.72	£0.12	£135.98	£138.57
Tesco, Mablethorpe	£0.56	£0.00	£1.05	£14.49	£16.10
Mablethorpe	£1.06	£0.00	£2.00	£20.46	£23.51
Skegness	£0.00	£0.32	£4.16	£43.73	£48.21
Splisby	£0.06	£0.30	£0.74	£2.58	£3.68
Tesco, Tattershall	£0.00	£0.51	£0.00	£9.70	£10.21
Other	£1.37	£1.42	£0.54	£66.18	£69.52
Sub-Total	**£15.20**	**£4.36**	**£9.23**	**£492.81**	**£521.59**
Total	**£62.29**	**£21.27**	**£16.93**	**n/a**	**£600.23**

Sources: Table 3A and 8A

Table 10A: **Convenience Expenditure 2023 £Million - with commitments**

Centre/Facilities	Zone 1	Zone 2	Zone 3	% Inflow	Total Expend
Expenditure 2023	**£67.73**	**£23.22**	**£18.13**	**n/a**	
Louth					
Morrison's	£19.37	£0.49	£1.27	£2.35	£23.48
Co-op	£11.11	£0.00	£0.54	£0.61	£12.27
Heron Foods	£1.63	£0.00	£0.15	£0.09	£1.86
Lincolnshire Co-op	£1.49	£0.00	£0.07	£0.08	£1.64
Aldi, former Malt Kiln	£7.59	£0.02	£0.36	£0.89	£8.86
Co-op, Newmarket	£1.76	£0.00	£0.09	£0.10	£1.95
Other Louth	£7.65	£0.00	£0.15	£0.41	£8.21
Sub-total	**£50.60**	**£0.51**	**£2.63**	**£4.53**	**£58.27**
Horncastle					
Tesco	£0.41	£9.15	£0.25	£1.73	£11.54
Co-op	£0.00	£5.22	£0.05	£0.59	£5.86
Lincolnshire Co-op	£0.00	£0.30	£0.00	£0.03	£0.34
Heron Foods	£0.00	£1.21	£0.00	£0.13	£1.34
Other Horncastle	£0.20	£1.95	£0.00	£0.24	£2.39
Sub-total	**£0.61**	**£17.83**	**£0.31**	**£2.72**	**£21.47**
Alford					
Lincolnshire Co-op	£0.00	£0.12	£2.72	£0.15	£2.98
Other Alford	£0.00	£0.00	£2.59	£0.14	£2.73
Sub-total	**£0.00**	**£0.12**	**£5.31**	**£0.29**	**£5.71**
Cleethorpe	£4.74	£0.00	£0.15	£48.23	£53.11
Grimsby	£7.65	£0.09	£0.51	£168.74	£177.00
Lincoln	£0.81	£1.88	£0.13	£148.16	£150.98
Tesco, Mablethorpe	£0.61	£0.00	£1.12	£15.60	£17.34
Mablethorpe	£1.15	£0.00	£2.14	£22.02	£25.31
Skegness	£0.00	£0.35	£4.46	£46.89	£51.70
Splisby	£0.07	£0.33	£0.80	£2.78	£3.97
Tesco, Tattershall	£0.00	£0.56	£0.00	£10.59	£11.14
Other	£1.49	£1.56	£0.58	£71.91	£75.54
Sub-Total	**£16.53**	**£4.76**	**£9.88**	**£534.92**	**£566.09**
Total	**£67.73**	**£23.22**	**£18.13**	**n/a**	**£651.54**

Sources: Table 3A and 8A

Table 11A: Convenience Expenditure 2028 £Million - with commitments

Centre/Facilities	Zone 1	Zone 2	Zone 3	% Inflow	Total Expend
Expenditure 2028	**£73.72**	**£25.35**	**£19.47**	**n/a**	
Louth					
Morrison's	£21.09	£0.53	£1.36	£2.55	£25.53
Co-op	£12.09	£0.00	£0.58	£0.67	£13.34
Heron Foods	£1.77	£0.00	£0.16	£0.10	£2.03
Lincolnshire Co-op	£1.62	£0.00	£0.08	£0.09	£1.79
Aldi, former Malt Kiln	£8.26	£0.03	£0.39	£0.96	£9.64
Co-op, Newmarket	£1.92	£0.00	£0.10	£0.11	£2.12
Other Louth	£8.33	£0.00	£0.16	£0.45	£8.93
Sub-total	**£55.07**	**£0.56**	**£2.82**	**£4.93**	**£63.38**
Horncastle					
Tesco	£0.44	£9.99	£0.27	£1.89	£12.59
Co-op	£0.00	£5.70	£0.06	£0.64	£6.40
Lincolnshire Co-op	£0.00	£0.33	£0.00	£0.04	£0.37
Heron Foods	£0.00	£1.32	£0.00	£0.15	£1.46
Other Horncastle	£0.22	£2.13	£0.00	£0.26	£2.61
Sub-total	**£0.66**	**£19.47**	**£0.33**	**£2.97**	**£23.44**
Alford					
Lincolnshire Co-op	£0.00	£0.13	£2.92	£0.16	£3.21
Other Alford	£0.00	£0.00	£2.78	£0.15	£2.93
Sub-total	**£0.00**	**£0.13**	**£5.70**	**£0.31**	**£6.14**
Cleethorpe	£5.16	£0.00	£0.16	£52.47	£57.79
Grimsby	£8.33	£0.10	£0.55	£183.52	£192.50
Lincoln	£0.88	£2.05	£0.14	£161.51	£164.59
Tesco, Mablethorpe	£0.66	£0.00	£1.21	£16.83	£18.70
Mablethorpe	£1.25	£0.00	£2.30	£23.76	£27.31
Skegness	£0.00	£0.38	£4.79	£50.41	£55.58
Splisby	£0.07	£0.35	£0.86	£3.00	£4.28
Tesco, Tattershall	£0.00	£0.61	£0.00	£11.56	£12.17
Other	£1.62	£1.70	£0.62	£78.21	£82.16
Sub-Total	**£17.99**	**£5.20**	**£10.61**	**£581.28**	**£615.08**
Total	**£73.72**	**£25.35**	**£19.47**	**n/a**	**£708.03**

Sources: Table 3A and 8A

Table 12A: Convenience Floorspace Capacity - With Commitments

Centre/Facilities	2014	2018	2023	2028
Available Expenditure				
Louth	£48.83	£53.62	£58.27	£63.38
Horncastle	£19.08	£19.68	£21.47	£23.44
Alford	£5.35	£5.33	£5.71	£6.14
Total	**£73.26**	**£78.63**	**£85.45**	**£92.96**
Benchmark Turnover of Existing Facilities				
Louth	£35.70	£35.70	£35.70	£35.70
Horncastle	£21.11	£21.11	£21.11	£21.11
Alford	£4.00	£4.00	£4.00	£4.00
Total	**£60.81**	**£60.81**	**£60.81**	**£60.81**
Benchmark Turnover of Commitments				
Louth	n/a	£9.87	£9.87	£9.87
Horncastle	n/a	£0.00	£0.00	£0.00
Alford	n/a	£0.00	£0.00	£0.00
Total	**£0.00**	**£9.87**	**£9.87**	**£9.87**
Surplus Expenditure				
Louth	£13.13	£8.06	£12.70	£17.81
Horncastle	-£2.03	-£1.43	£0.36	£2.33
Alford	£1.35	£1.33	£1.71	£2.14
Total	**£12.45**	**£7.96**	**£14.78**	**£22.28**
Turnover Density New Floorspace £ per sq m	£11,000	£11,000	£11,000	£11,000
Sales Floorspace (Sq M Net)				
Louth	1,194	732	1,155	1,619
Horncastle	-184	-130	33	212
Alford	122	121	156	194
Total	**1,132**	**723**	**1,343**	**2,025**
Gross Floorspace (Sq M)				
Louth	1,705	1,046	1,649	2,313
Horncastle	-263	-186	47	302
Alford	175	173	222	278
Total	**1,617**	**1,033**	**1,919**	**2,893**

Sources: Tables 6A to 11A

Table 13A: Uplifted Convenience Shopping Market Shares

Town/Facilities	Zone 1 Louth	Zone 2 Horncastle	Zone 3 Alford	% Inflow
Louth	80.0%	2.0%	4.0%	10.0%
Horncastle	1.0%	83.0%	1.0%	13.0%
Alford	0.0%	0.0%	80.0%	10.0%
Sub-Total	**81.0%**	**85.0%**	**85.0%**	
Elsewhere	19.0%	15.0%	15.0%	
Market Share Total	**100.0%**	**100.0%**	**100.0%**	

Source: Tables 5A and 8A with NLP adjustments

Table 14A: Convenience Floorspace Capacity - Uplifted Market Shares

Centre/Facilities	2014	2018	2023	2028
Available Expenditure				
Louth	£48.83	£56.60	£61.53	£66.96
Horncastle	£19.08	£21.20	£23.14	£25.26
Alford	£5.35	£15.05	£16.11	£17.30
Total	**£73.26**	**£92.84**	**£100.78**	**£109.52**
Benchmark Turnover of Existing Facilities				
Louth	£35.70	£35.70	£35.70	£35.70
Horncastle	£21.11	£21.11	£21.11	£21.11
Alford	£4.00	£4.00	£4.00	£4.00
Total	**£60.81**	**£60.81**	**£60.81**	**£60.81**
Benchmark Turnover of Commitments				
Louth	n/a	£9.87	£9.87	£9.87
Horncastle	n/a	£0.00	£0.00	£0.00
Alford	n/a	£0.00	£0.00	£0.00
Total	**£0.00**	**£9.87**	**£9.87**	**£9.87**
Surplus Expenditure				
Louth	£13.13	£11.03	£15.96	£21.39
Horncastle	-£2.03	£0.09	£2.03	£4.15
Alford	£1.35	£11.05	£12.11	£13.30
Total	**£12.45**	**£22.16**	**£30.10**	**£38.85**
Turnover Density New Floorspace £ per sq m	£11,000	£11,000	£11,000	£11,000
Sales Floorspace (Sq M Net)				
Louth	1,194	1,003	1,451	1,945
Horncastle	-184	8	184	377
Alford	122	1,004	1,101	1,209
Total	**1,132**	**2,015**	**2,737**	**3,531**
Gross Floorspace (Sq M)				
Louth	1,705	1,432	2,073	2,779
Horncastle	-263	12	263	539
Alford	175	1,435	1,573	1,728
Total	**1,617**	**2,879**	**3,910**	**5,045**

Sources: Table 13A

Appendix 4 Comparison Capacity

Table 1B: Comparison Goods Expenditure Per Capita (2012 Prices)

Catchment Area	2014	2018	2023	2028	Growth 2014-2023	Growth 2014-2028
1 - Louth	£2,508	£2,717	£3,083	£3,552	22.9%	41.6%
2 - Horncastle	£2,401	£2,601	£2,952	£3,401	22.9%	41.6%
3 - Alford	£2,315	£2,508	£2,846	£3,280	22.9%	41.7%

Sources:

Experian local estimates for 2012 comparison goods expenditure per capita

Excluding special forms of trading.

Experian Business Strategies - forecast annual growth rates

Table 2B: Total Available Comparison Goods Expenditure (£M - 2012 Prices)

Catchment Area	2014	2018	2023	2028	Growth 2014-2023	Growth 2014-2028
1 - Louth	£73.27	£83.09	£99.53	£120.73	35.8%	64.8%
2 - Horncastle	£24.14	£27.46	£33.03	£40.20	36.8%	66.5%
3 - Alford	£18.53	£20.74	£24.48	£29.29	32.1%	58.0%
Total	**£115.95**	**£131.29**	**£157.04**	**£190.22**	**35.4%**	**64.1%**

Sources: *Table 1A and Table 1B*

Table 3B: Existing Comparison Floorspace

Town Centre Comparison Shops	Gross Floorspace sq m	Net Sales Floorspace sq m
Louth		
Town Centre Comparison Shops	17,400	10,440
B&Q DIY store	2,507	2,330
Louth Sub-total	**n/a**	**12,770**
Horncastle		
Town Centre Comparison Shops	6,400	3,800
Horncastle Sub-total	**n/a**	**3,800**
Alford		
Town Centre Comparison Shops	n/a	1,400
Alford Sub-total	**n/a**	**1,400**
TOTAL	**n/a**	**17,970**

Source: GOAD, NLP

Table 4B: **Comparison Shopping Market Shares and Expenditure 2014**

Centre/Facilities	Zone 1 Louth	Zone 2 Horncastle	Zone 3 Alford	% Inflow	Total
Expenditure 2014	**£73.27**	**£24.14**	**£18.53**	**n/a**	**£115.95**
Market Share					
Louth	57%	6%	17%	10%	
Horncastle	1%	35%	1%	15%	
Alford	1%	1%	12%	10%	
Cleethorpes	3%	0%	1%	95%	
Grimsby	30%	2%	19%	90%	
Lincoln	5%	39%	9%	95%	
Mablethorpe	1%	0%	4%	90%	
Skegness	0%	2%	27%	90%	
Other	2%	15%	10%	95%	
Total	**100%**	**100%**	**100%**	**n/a**	
Turnover £M					
Louth Town centre	£41.77	£1.45	£3.15	£5.15	£51.52
Horncastle	£0.73	£8.45	£0.19	£1.65	£11.02
Alford	£0.73	£0.24	£2.22	£0.36	£3.55
Cleethorpe	£2.20	£0.00	£0.19	£45.29	£47.67
Grimsby	£21.98	£0.48	£3.52	£233.88	£259.86
Lincoln	£3.66	£9.42	£1.67	£280.20	£294.94
Mablethorpe	£0.73	£0.00	£0.74	£13.27	£14.74
Skegness	£0.00	£0.48	£5.00	£49.38	£54.87
Other	£1.47	£3.62	£1.85	£131.86	£138.80
Total	**£73.27**	**£24.14**	**£18.53**	**£761.03**	**£876.98**

Sources: *Table 2B*
NEMS Household Surveys 2012

Table 5B: **Comparison Shopping Market Shares and Expenditure 2018**

Centre/Facilities	Zone 1 Louth	Zone 2 Horncastle	Zone 3 Alford	% Inflow	Total
Expenditure 2018	**£83.09**	**£27.46**	**£20.74**	**n/a**	**£131.29**
Market Share					
Louth	57%	6%	17%	10%	
Horncastle	1%	35%	1%	15%	
Alford	1%	1%	12%	10%	
Cleethorpe	3%	0%	1%	95%	
Grimsby	30%	2%	19%	90%	
Lincoln	5%	39%	9%	95%	
Mablethorpe	1%	0%	4%	90%	
Skegness	0%	2%	27%	90%	
Other	2%	15%	10%	95%	
Total	**100%**	**100%**	**100%**	**n/a**	
Turnover £M					
Louth Town centre	£47.36	£1.65	£3.53	£5.84	£58.37
Horncastle	£0.83	£9.61	£0.21	£1.88	£12.53
Alford	£0.83	£0.27	£2.49	£0.40	£3.99
Cleethorpe	£2.49	£0.00	£0.21	£51.30	£54.00
Grimsby	£24.93	£0.55	£3.94	£264.74	£294.16
Lincoln	£4.15	£10.71	£1.87	£317.91	£334.64
Mablethorpe	£0.83	£0.00	£0.83	£14.94	£16.61
Skegness	£0.00	£0.55	£5.60	£55.34	£61.49
Other	£1.66	£4.12	£2.07	£149.25	£157.11
Total	**£83.09**	**£27.46**	**£20.74**	**£861.61**	**£992.90**

Sources: *Table 2B*
NEMS Household Surveys 2012

Table 6B: **Comparison Shopping Market Shares and Expenditure 2023**

Centre/Facilities	Zone 1 Louth	Zone 2 Horncastle	Zone 3 Alford	% Inflow	Total
Expenditure 2023	**£99.53**	**£33.03**	**£24.48**	**n/a**	**£157.04**
Market Share					
Louth	57%	6%	17%	10%	
Horncastle	1%	35%	1%	15%	
Alford	1%	1%	12%	10%	
Cleethorpes	3%	0%	1%	95%	
Grimsby	30%	2%	19%	90%	
Lincoln	5%	39%	9%	95%	
Mablethorpe	1%	0%	4%	90%	
Skegness	0%	2%	27%	90%	
Other	2%	15%	10%	95%	
Total	**100%**	**100%**	**100%**	**n/a**	
Turnover £M					
Louth Town centre	£56.73	£1.98	£4.16	£6.99	£69.86
Horncastle	£1.00	£11.56	£0.24	£2.26	£15.06
Alford	£1.00	£0.33	£2.94	£0.47	£4.74
Cleethorpe	£2.99	£0.00	£0.24	£61.39	£64.62
Grimsby	£29.86	£0.66	£4.65	£316.54	£351.71
Lincoln	£4.98	£12.88	£2.20	£381.16	£401.22
Mablethorpe	£1.00	£0.00	£0.98	£17.77	£19.74
Skegness	£0.00	£0.66	£6.61	£65.42	£72.69
Other	£1.99	£4.95	£2.45	£178.46	£187.85
Total	**£99.53**	**£33.03**	**£24.48**	**£1,030.46**	**£1,187.50**

Sources: *Table 2B*
NEMS Household Surveys 2012

Table 7B: Comparison Shopping Market Shares and Expenditure 2028

Centre/Facilities	Zone 1 Louth	Zone 2 Horncastle	Zone 3 Alford	% Inflow	Total
Expenditure 2028	**£120.73**	**£40.20**	**£29.29**	**n/a**	**£190.22**
Market Share					
Louth	57%	6%	17%	10%	
Horncastle	1%	35%	1%	15%	
Alford	1%	1%	12%	10%	
Cleethorpes	3%	0%	1%	95%	
Grimsby	30%	2%	19%	90%	
Lincoln	5%	39%	9%	95%	
Mablethorpe	1%	0%	4%	90%	
Skegness	0%	2%	27%	90%	
Other	2%	15%	10%	95%	
Total	**100%**	**100%**	**100%**	**n/a**	
Turnover £M					
Louth Town centre	£68.82	£2.41	£4.98	£8.47	£84.68
Horncastle	£1.21	£14.07	£0.29	£2.75	£18.32
Alford	£1.21	£0.40	£3.51	£0.57	£5.69
Cleethorpe	£3.62	£0.00	£0.29	£74.38	£78.30
Grimsby	£36.22	£0.80	£5.57	£383.30	£425.89
Lincoln	£6.04	£15.68	£2.64	£462.64	£486.99
Mablethorpe	£1.21	£0.00	£1.17	£21.41	£23.79
Skegness	£0.00	£0.80	£7.91	£78.41	£87.12
Other	£2.41	£6.03	£2.93	£216.09	£227.46
Total	**£120.73**	**£40.20**	**£29.29**	**£1,248.02**	**£1,438.24**

Sources: *Table 2B*
NEMS Household Surveys 2012

Table 8B: Comparison Retail Capacity and Floorspace Projections - Constant Market Shares

	2014	2018	2023	2028
A - Available Expenditure £M				
Louth	£51.52	£58.37	£69.86	£84.68
Horncastle	£11.02	£12.53	£15.06	£18.32
Alford	£3.55	£3.99	£4.74	£5.69
Total	**£66.09**	**£74.89**	**£89.66**	**£108.69**
B - Turnover Existing Floorspace £M				
Louth	£51.52	£55.76	£61.57	£67.98
Horncastle	£11.02	£11.93	£13.17	£14.54
Alford	£3.55	£3.85	£4.25	£4.69
Total	**£66.09**	**£71.54**	**£78.99**	**£87.21**
C - Surplus Expenditure £M A - B				
Louth	n/a	£2.61	£8.30	£16.70
Horncastle	n/a	£0.60	£1.89	£3.77
Alford	n/a	£0.15	£0.49	£1.00
Total	**n/a**	**£3.35**	**£10.67**	**£21.48**
D - Sales Density for New Floorspace £ PSM Net	£4,000	£4,330	£4,780	£5,278
E - Retail Sales Floorspace Capacity Sq M Net				
Louth	n/a	602	1,735	3,164
Horncastle	n/a	139	395	715
Alford	n/a	34	102	190
Total	**n/a**	**775**	**2,233**	**4,070**
F - Gross Retail Floorspace Capacity Sq M				
Louth	n/a	803	2,314	4,219
Horncastle	n/a	185	527	954
Alford	n/a	45	137	254
Total	**n/a**	**1,033**	**2,977**	**5,426**

Sources: *Tables 3A, 3C to 6C*
Notes: *Turnover efficiency of 2% per annum applied*

Table 9B: Uplifted Comparison Shopping Market Shares

Centre/Facilities	Zone 1 Louth	Zone 2 Horncastle	Zone 3 Alford	% Inflow
Louth	60%	5%	15%	10%
Horncastle	1%	40%	1%	15%
Alford	1%	1%	20%	10%
Elsewhere	38%	54%	64%	
Total	**100%**	**100%**	**100%**	

Sources: *NEMS Household Surveys 2012 and NLP adjustments*

Table 10B: Comparison Retail Capacity and Floorspace Projections - Uplifted Market Shares

	2014	2018	2023	2028
A - Available Expenditure £M				
Louth	£51.52	£60.37	£72.27	£87.60
Horncastle	£11.02	£14.15	£17.00	£20.68
Alford	£3.55	£5.84	£6.91	£8.30
Total	**£66.09**	**£80.36**	**£96.19**	**£116.58**
B - Turnover Existing Floorspace £M				
Louth	£51.52	£55.76	£61.57	£67.98
Horncastle	£11.02	£11.93	£13.17	£14.54
Alford	£3.55	£3.85	£4.25	£4.69
Total	**£66.09**	**£71.54**	**£78.99**	**£87.21**
C - Surplus Expenditure £M A - B				
Louth	n/a	£4.61	£10.70	£19.63
Horncastle	n/a	£2.22	£3.83	£6.14
Alford	n/a	£1.99	£2.67	£3.61
Total	**n/a**	**£8.82**	**£17.20**	**£29.37**
D - Sales Density for New Floorspace £ PSM Net	£4,000	£4,330	£4,780	£5,278
E - Retail Sales Floorspace Capacity Sq M Net				
Louth	n/a	1,065	2,239	3,719
Horncastle	n/a	512	801	1,163
Alford	n/a	460	558	684
Total	**n/a**	**2,036**	**3,598**	**5,566**
F - Gross Retail Floorspace Capacity Sq M				
Louth	n/a	1,420	2,985	4,958
Horncastle	n/a	683	1,069	1,551
Alford	n/a	613	743	912
Total	**n/a**	**2,715**	**4,797**	**7,421**

Appendix 5 Louth Food Store Impact

Table 1 **Louth Food Store Turnover and Trade Draw 2018**

	Zone 1	Zone 2	Zone 3	% Inflow	Total
Trade Draw %	80	5	5	10	100
Turnover £M	17.60	1.10	1.10	2.20	£22.00

Notes:

Food store of 2,000 sq m net convenience goods sales
Sales density of £11,000 per sq m net
Total convenience good turnover of £22 million

Table 2: Ecomomic Impact Summary - Lough Food Store (2,000 sq m net convenience sales)

Centre/Facilities	£M Turnover 2014	£M Turnover No new stores 2018	£M Turnover With Commitments 2018	£M Turnover New Store in Lough 2018	£M Trade Diversion 2018	% Cuumlative Impact Impact	£M Benchmark Turnover	Above/below Benchmark Turnover Index
Large store in Louth	*n/a*	*n/a*	*n/a*	*£22.00*	*n/a*	*n/a*	*n/a*	*n/a*
Louth								
Morrison's	£25.00	£26.51	£21.61	£13.83	-£12.68	-47.8%	£15.31	90.3
Co-op	£12.63	£13.39	£11.29	£8.78	-£4.62	-34.5%	£9.96	88.1
Heron Foods	£1.88	£2.00	£1.72	£1.39	-£0.61	-30.4%	£0.88	158.0
Lincolnshire Co-op	£1.69	£1.79	£1.51	£1.26	-£0.53	-29.7%	£2.02	62.4
Aldi, former Malt Kiln	n/a	n/a	£8.15	£6.43	£6.43	n/a	£8.14	79.0
Co-op, Newmarket	n/a	n/a	£1.79	£1.49	£1.49	n/a	£1.72	86.9
Other Lough	£7.63	£8.09	£7.55	£6.91	-£1.18	-14.6%	£5.85	118.1
Sub-total	**£48.83**	**£51.79**	**£53.62**	**£40.10**	**-£19.62**	**-37.9%**	**£43.88**	**91.4**
Horncastle								
Tesco	£10.40	£11.06	£10.58	£9.92	-£1.13	-10.3%	£9.77	101.6
Co-op	£5.16	£5.49	£5.37	£5.19	-£0.30	-5.5%	£6.32	82.1
Lincolnshire Co-op	£0.29	£0.31	£0.31	£0.30	-£0.01	-2.5%	£1.58	18.9
Heron Foods	£1.18	£1.25	£1.23	£1.20	-£0.05	-4.4%	£0.94	127.4
Other Horncastle	£2.06	£2.19	£2.19	£2.17	-£0.02	-1.0%	£2.51	86.5
Sub-total	**£19.08**	**£20.30**	**£19.68**	**£18.78**	**-£1.52**	**-7.5%**	**£21.12**	**88.9**
Alford								
Lincolnshire Co-op	£2.91	£3.05	£2.78	£2.68	-£0.38	-12.3%	£2.54	105.4
Other Alford	£2.43	£2.55	£2.55	£2.52	-£0.02	-1.0%	£1.46	172.8
Sub-total	**£5.35**	**£5.60**	**£5.33**	**£5.20**	**-£0.40**	**-7.1%**	**£4.00**	**130.0**
Cleeththorpe	£47.82	£50.73	£48.87	£47.31	-£3.42	-6.7%	n/a	n/a
Grimsby	£161.88	£171.66	£162.92	£159.94	-£11.72	-6.8%	n/a	n/a
Lincoln	£134.40	£142.81	£138.57	£137.48	-£5.33	-3.7%	n/a	n/a
Tesco, Mablethorpe	n/a	n/a	£16.10	£15.75	£15.75	n/a	n/a	n/a
Mablethorpe	£32.75	£34.47	£23.51	£22.88	-£11.58	-33.6%	n/a	n/a
Skegness	£46.96	£49.24	£48.21	£47.80	-£1.43	-2.9%	n/a	n/a
Splisby	£3.71	£3.91	£3.68	£3.63	-£0.28	-7.2%	n/a	n/a
Tesco, Tattershall	n/a	n/a	£10.21	£10.21	£10.21	n/a	n/a	n/a
Other	£66.34	£70.33	£69.52	£69.14	-£1.19	-1.7%	n/a	n/a
Sub-Total	**£493.87**	**£523.15**	**£521.59**	**£514.15**	**-£9.00**	**-1.7%**		

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