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# 1 Introduction

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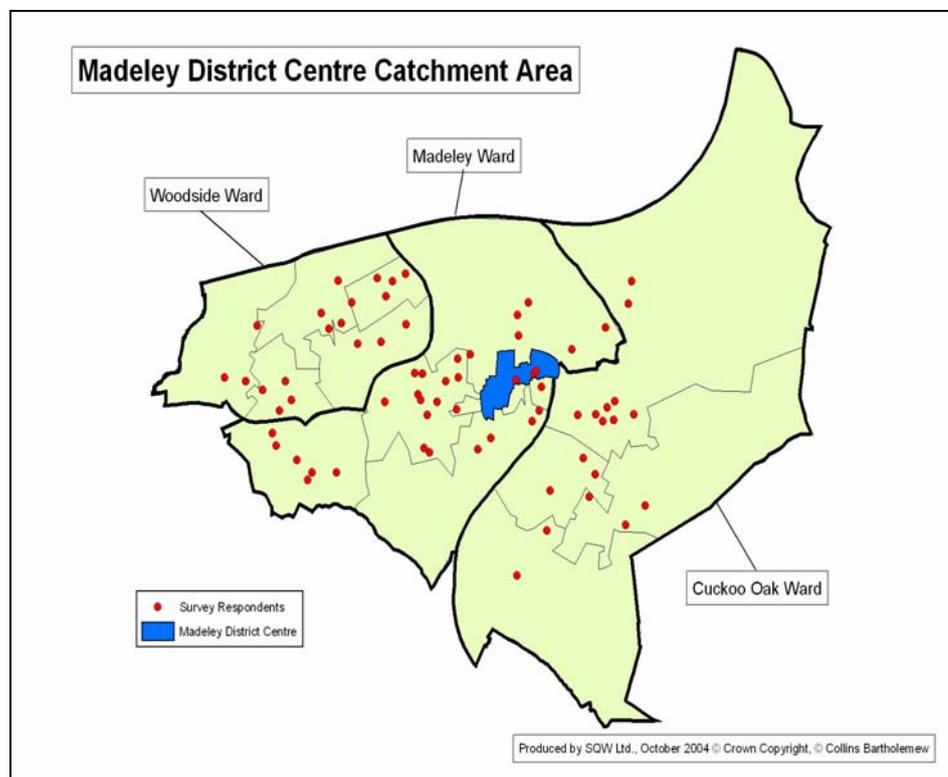
## Overview

1.1 To follow

## Catchment Area

1.2 The catchment area for the Madeley DC has been determined by postcode data from shopper survey respondents<sup>1</sup>. Respondents living in the three wards of **Woodside**, **Madeley** and **Cuckoo Oak** comprised 82% of the survey sample for the Madeley DC. These three wards, totalling almost 18,000 residents, comprise the current core catchment area for the DC (see Figure 1-1).

Figure 1-1 Madeley District Centre Catchment Area



<sup>1</sup> A survey of 102 shoppers in Madeley was conducted as part of this study by BMG during September and October 2004

## 2 Socio-economic profile

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### **A densely populated area**

- 2.1 The catchment area for Madeley has a relatively high population density of 20.3 people per hectare, compared to an average of 5.5 for the Borough as a whole. The Woodside ward has the highest density in the entire Borough (49.4 people per hectare).

### **Relatively youthful**

- 2.2 The working age population comprises 65.4% of the total population in the Madeley catchment area. One quarter of residents are aged under 16, which is relatively high compared to both the Borough average and other DCs. Eighteen per cent are within the 16-29 age group, and 45.8% are aged 30-64. Just over 11% of residents are aged 65 and over, compared to 12.4% across the Borough, although Madeley Ward in particular has an aging population with almost one fifth of residents aged 65 and over.

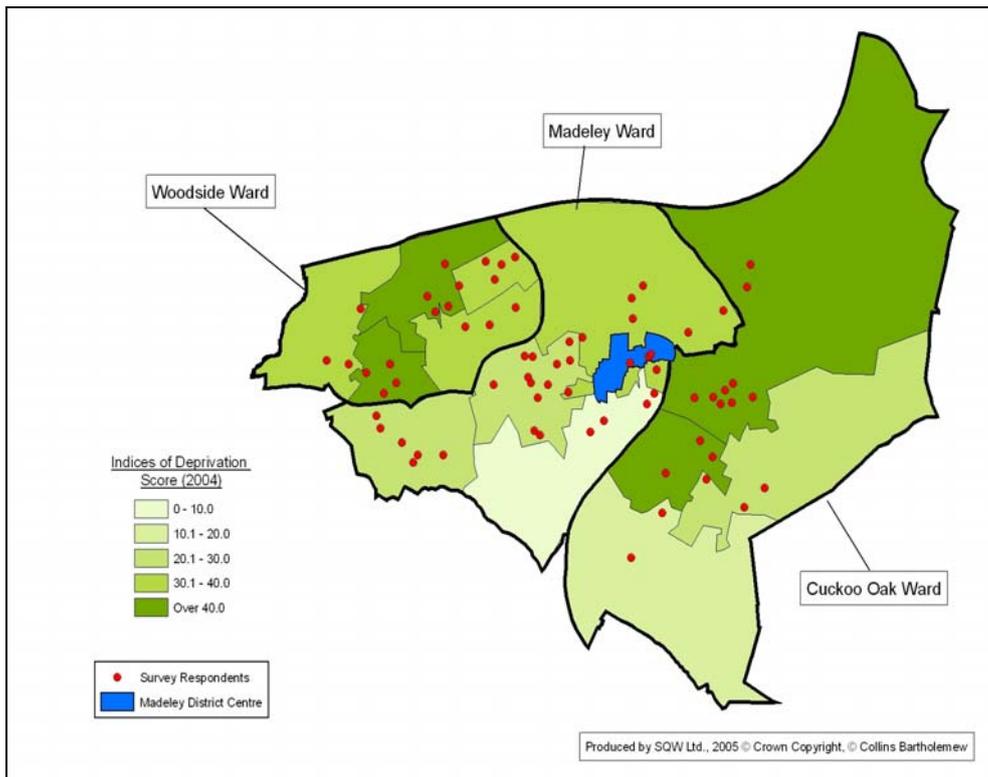
### **Acute levels of deprivation**

- 2.3 The Madeley catchment area is one of the most deprived in the Borough, with an Indices of Deprivation Score of 33.7 (2004), compared to an average of 21.8 across the wider sub-region. It is clear from Figure 2-1 overleaf that large areas of the Cuckoo Oak and Woodside wards experience particularly high levels of deprivation, with scores of over 40 for one-third of their respective Super Output Areas.

### **Poorly qualified**

- 2.4 The Madeley catchment area has an extremely high proportion of residents without any kind of formal qualification (40.4%). Cuckoo Oak and Woodside are amongst the most poorly qualified wards in the entire Borough: 40% and 43.5% of the residents respectively do not have any qualifications. Only 9.5% of the resident population in the Madeley catchment area are qualified to degree level or equivalent, compared to an average of 14.2% across the wider Borough.

Figure 2-1 Indices of Deprivation Score for Madeley catchment area (2004)



### High unemployment and economic inactivity

- 2.5 The Madeley catchment area exhibits lower than average levels of economic activity. Only 57.7% of the population are in employment, compared to 63.1% across Telford and Wrekin as a whole. Employee jobs in the Madeley catchment area are over-represented in the manufacturing sector (33% of employee jobs, compared to a 25% Borough average). 5.3% of the population is unemployed in the Madeley catchment area, a full 2% higher than the Telford and Wrekin average. Furthermore, the long-term unemployment rate is twice the Borough average. This evidence is confirmed by a high average Job Seekers Allowance claimant rate of 2.8% of the working age population across the catchment area, increasing to 3.1% in the Cuckoo Oak Ward (Borough average 1.6%). Over 35% of the population (16-74 years old) are economically inactive (the average for Telford and Wrekin is only 31.3%). However, almost one third of those who are economically inactive are retired.

### A low wage economy

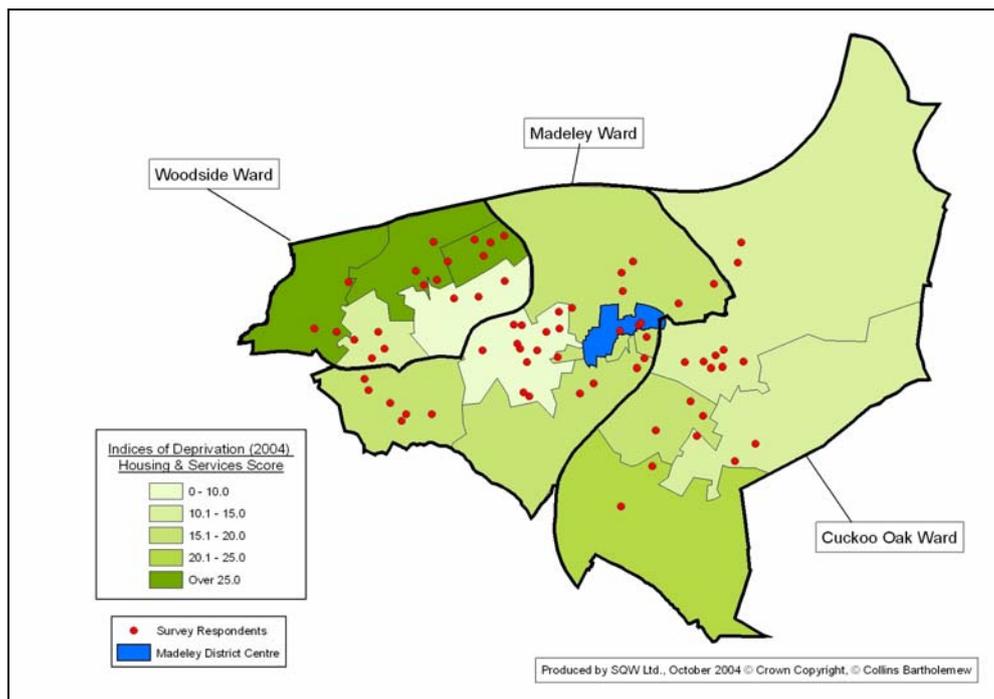
- 2.6 On average, residents in the Madeley catchment area earn a gross weekly pay of £311, compared to an average of £340 across Telford and Wrekin. Earnings fall to £269 in the Woodside ward - the sixth worst paid ward in the Borough. As a consequence of the low wage economy, the wards in the Madeley catchment area have some of the highest Income

Support claimant rates in the Borough, ranging from 15.6% of the working age population in Madeley to 17.8% in Woodside (compared to a Borough average of 11%).

### Low vehicle ownership, poor accessibility to key services in Woodside

- 2.7 The Madeley catchment area has some of the lowest levels of vehicle ownership in the Borough. Over one third of all households do not have a car (34.1%), compared to an average of 22.4% of households in Telford and Wrekin. This analysis is confirmed by the Indices of Deprivation score for housing and services, which is a measure of the accessibility of housing, overcrowding and the road distance to primary services, such as GP premises, a supermarket, a primary school and Post Office. Figure 2-2 clearly indicates that large areas of the Woodside ward are particularly deprived in terms of accessibility to housing and key services.

Figure 2-2 Indices of Deprivation (2004) Housing and Services Score



### Above average levels of Disability Allowance and Incapacity Benefit claimants

- 2.8 One fifth of the population in Madeley have a limiting long-term illness, slightly above Borough and regional averages. Almost 7% claim Disability Allowance benefits, compared to 5.2% across Telford and Wrekin, and similarly high proportion of people claim Incapacity Benefits (6% in the Madeley catchment, compared to 4.3% across the Borough).

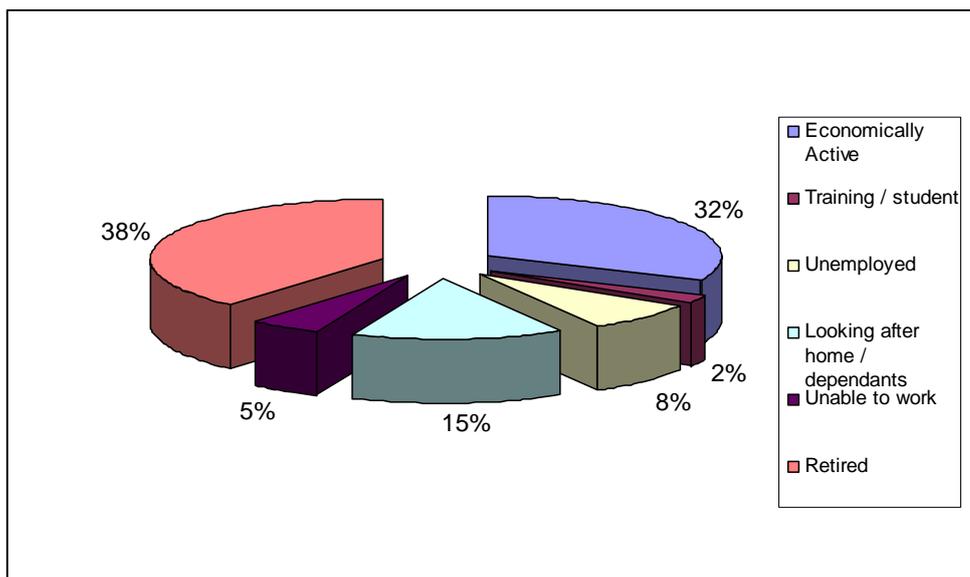
### 3 Shopper activity

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#### High usage by economically inactive groups

3.1 As illustrated by Figure 3-1, retired people comprised a high proportion of the survey sample, although only 29% of the respondents were aged 65 or over. This might be accounted for by the slight over-representation of females in the Madeley catchment area, who constitute 52% of the population. Almost one third of the respondents were in employment, although only 24.5% of respondents work full time. The majority of those in employment work in the local area (62.5%). Relative to other DC catchment areas, a notably high proportion of respondents look after their home and/or dependants.

Figure 3-1 Employment status of survey respondents



#### A location for top-up shopping

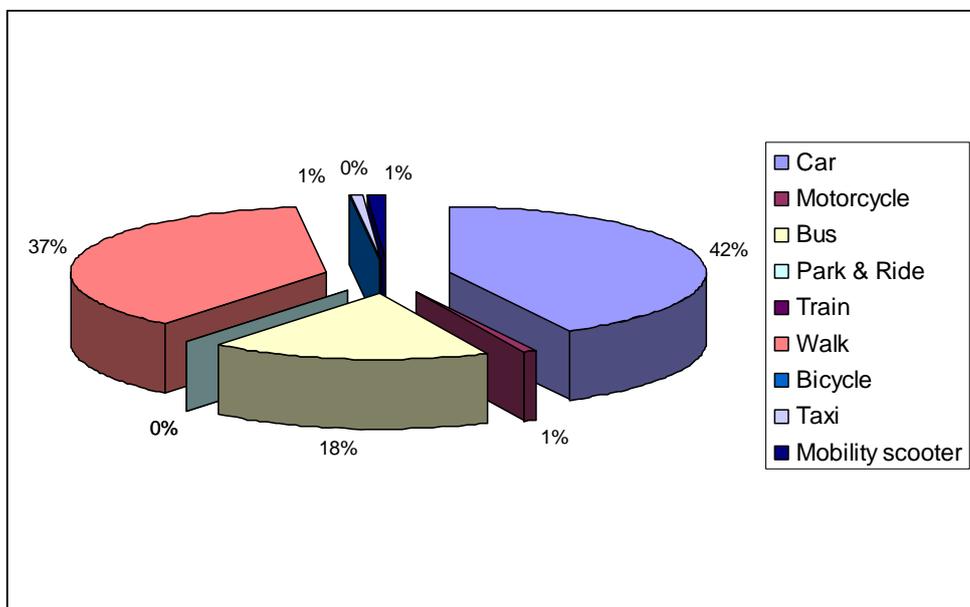
3.2 The shopper survey indicates that Madeley is predominantly used for top-up shopping, reflecting the significance of the Somerfield supermarket in the centre (59% of respondents cited this as the main reason for visiting the DC).

3.3 Visits to Madeley DC appear to be short, but regular. Almost one third spent less than half an hour in Madeley; a further half stayed between 30 minutes and an hour. Over 80% of respondents visited the DC twice a week or more.

### Access primarily by car and foot

3.4 Almost all respondents travelled to the DC directly from home. It is clear from Figure 3-2 that the car was the most popular mode of transport to reach the DC, closely followed by travel on foot. A relatively high proportion of the sample relied on the bus service for transport compared to respondents in other DCs.

Figure 3-2 Mode of transport used to reach DC by survey respondents



3.5 Approximately 65% of respondents regularly visited Telford town centre, primarily for their main weekly food shop and specialist shops. Almost one third of respondents also regularly visited Wellington DC. Interestingly, one fifth of the sample did not regularly visit any other town or district centre in the area, highlighting the importance of Madeley DC for a small but significant part of the catchment's population.

### Low levels of spending

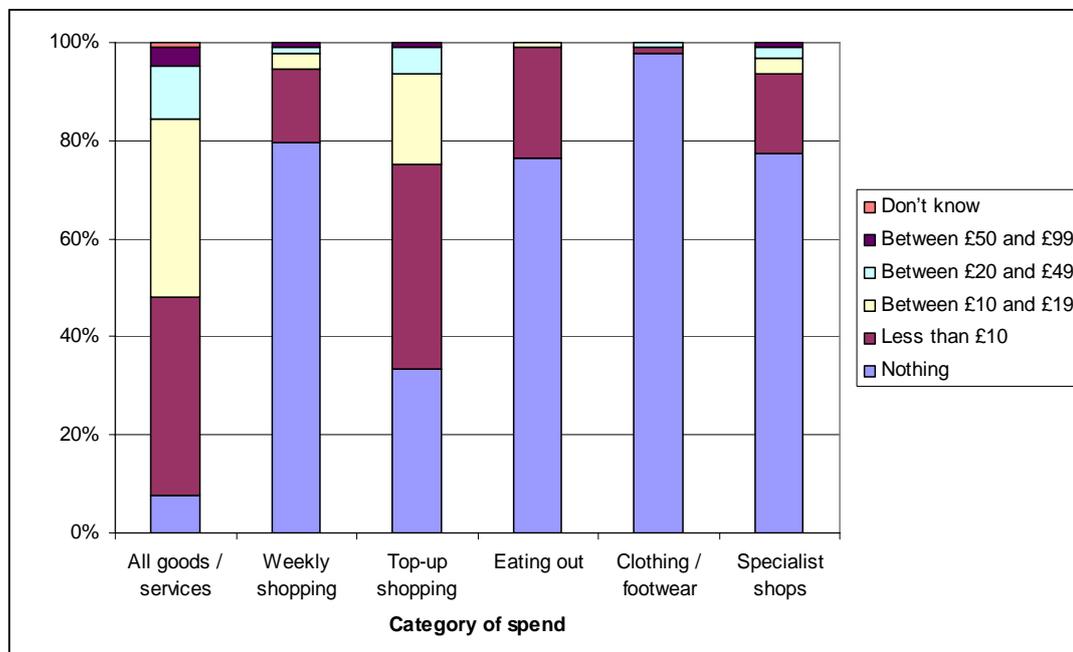
3.6 Overall spend in Madeley DC is low: three quarters of respondents had spent, or planned to spend, less than £20 on their visit to the DC, of which 40% were spending less than £10. Respondents spent the most on top-up shopping (an average of £7.40), and the least on clothing and footwear (Table 3-1).

Table 3-1 Mean expenditure of shoppers in Madeley DC

Spend type	Mean spend
Weekly shopping - groceries etc	£2.39
Top - up shopping	£7.40
Eating out / drinking	£1.28
Clothing / footwear	£0.42
Specialist shops	£2.82

3.7 Figure 3-3 confirms the finding that Madeley DC is primarily used for top-up shopping. At least three quarters of all respondents are likely to spend nothing on weekly shopping, eating out, clothing / footwear or specialist items.

Figure 3-3 Respondent spend, by category



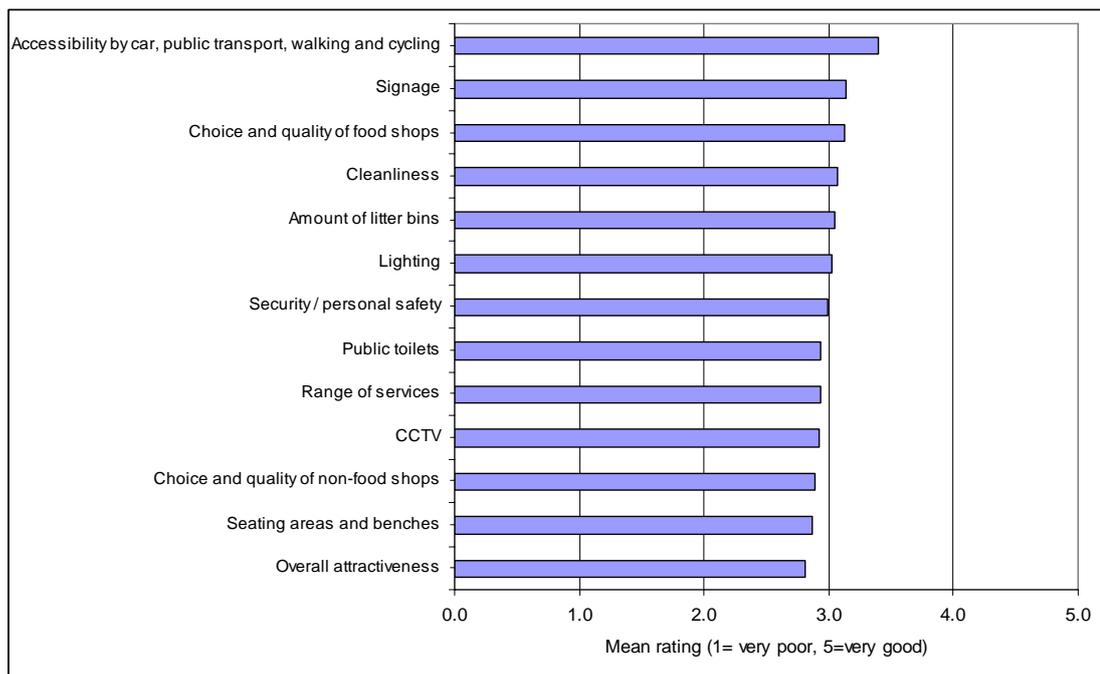
### A small night time economy

3.8 Usage of Madeley DC at night is the lowest of any DC. Only 13.7% of the sample used the DC at night, mainly to go for a drink (64.3%) or to eat out (35.7%). The primary reason for respondents *not* using the DC at night was the lack of interesting activities taking place (83% of responses), followed by concern over personal safety (13.6%). In general, 64.3% of respondents felt fairly or very safe in Madeley DC at night, compared to 35.7% who feel unsafe. Groups of youths causing a nuisance are the primary cause of people feeling unsafe (60%), followed by fear of street robbery (40%).

## Low satisfaction ratings

- 3.9 Compared to other DCs, shoppers in Madeley were more critical of what the centre currently had to offer. Figure 3-4 illustrates how various factors were rated by the shopper survey respondents. Over half the factors have scored a mean rating below average, with almost 40% of respondents rating the overall attractiveness of Madeley DC as poor.

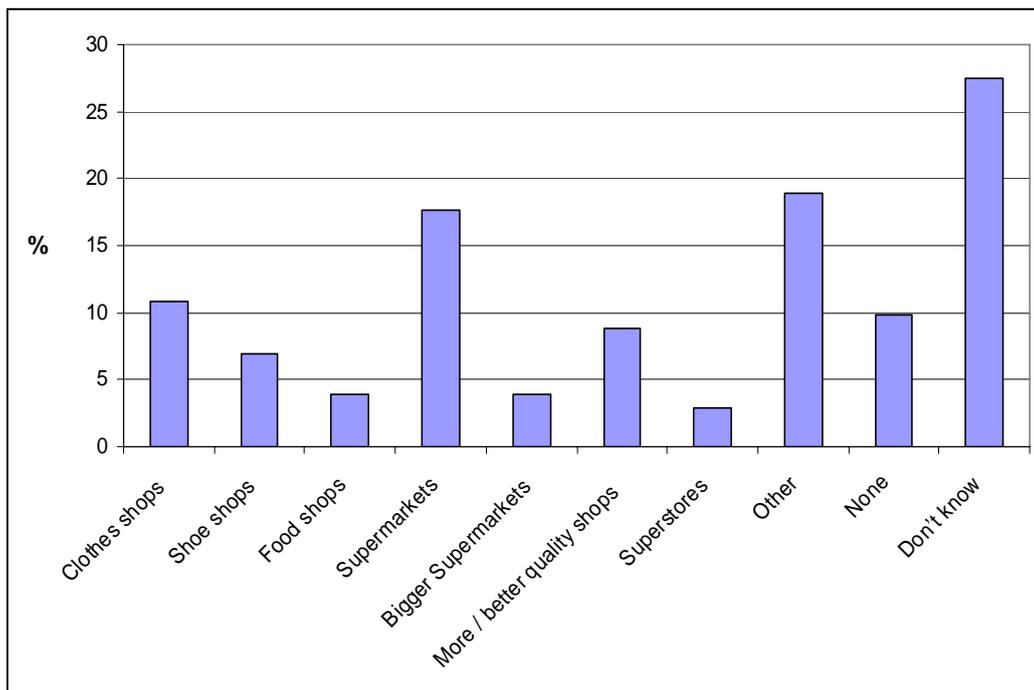
Figure 3-4 Mean rating of Madeley DC by shopper survey respondents



## Suggestions for the future

- 3.10 Figure 3-5 illustrates the most common suggestions made by respondents for future improvements in Madeley DC. The 'other' category encapsulates ideas that only captured 1-2% of the respondents' votes. It is interesting to note that the overriding demand is for a wider, better quality provision of shopping, rather than improved facilities such as parking, toilets, security and police. Over one fifth of respondents would like to see more and / or larger supermarkets in Madeley DC, which ties in with the tendency of Madeley survey respondents to travel to other DCs for their main weekly grocery shopping.

Figure 3-5 Additional shops and services respondents would like to see in the future



## 4 Retail activity

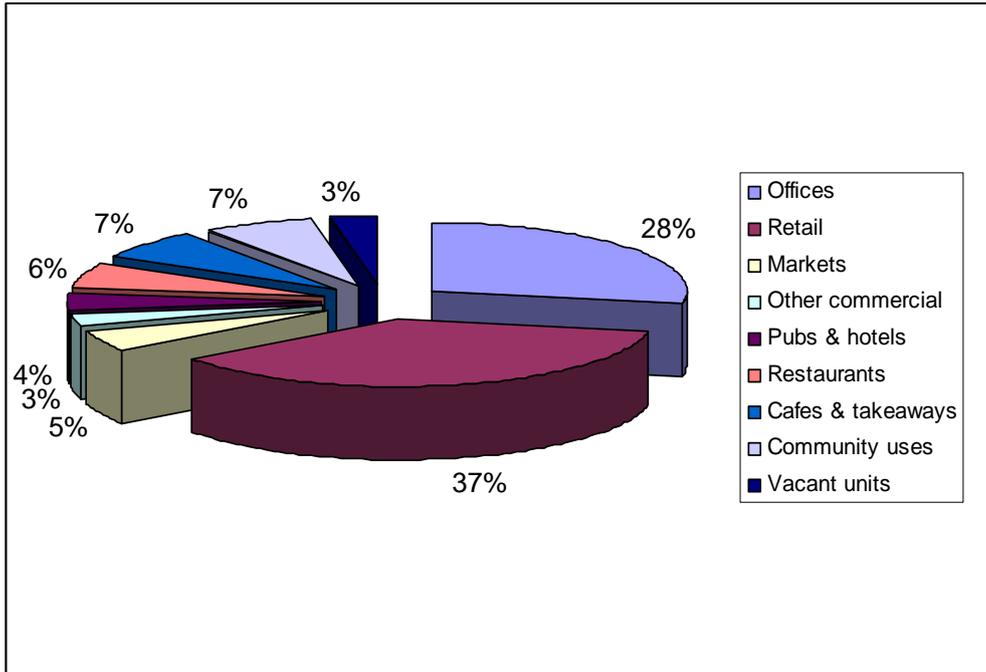
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### Retail space

4.1

4.2 Figure 4-1 shows the current breakdown of commercial property space in Madeley DC. It highlights that 37% of space is devoted to retail, which is dominated by Somerfield (some 25% of the total retail space). Just 14% of the commercial property units were judged to be of good condition, 56% average, and 31% poor. The poorest area in terms of unit quality was Anstice Square, where 10 of the 13 units were assessed to be poor. The High Street contained the highest number of good quality units.

Figure 4-1 Commercial space usage in Madeley



## Local Property Market

- 4.3 Madeley is recognised as a predominantly local retailing centre, with most activity occurring on market days (Tuesdays and Saturdays); there is very little office or leisure activity. Core data on the local property market is set out in Figure 4-2

Figure 4-2: Property market data

Madeley Property Market	Key issues
Retail rents	£10 ZA
Retail use – supply and demand	The retail market is currently inactive due to the Tesco proposals. We understand that a planning application is due to be submitted shortly for the redevelopment of a 30,000 sq ft foodstore with 17 new retail units and approximately 20 residential units on the upper floors. It is anticipated that on-site development will commence in 2005 / 2006
Office rents	£5 psf
Office use – supply and demand	There is little supply or demand for office space
Leisure rents	N/a
Leisure use – supply and demand	There is very little supply or demand for leisure space
Residential values	Terraced houses (2 bed) - £95,000 Semi-detached houses (2 bed) - £120,000 Detached houses (4 bed) - £200,000

## Retailers' comments

4.4 Retail interviews confirm that convenience shopping is the main reason for visiting the DC. It was not felt that development of Telford Town Centre would have a negative impact on Madeley. However, there was concern about the impact on usage of the DC should proposed car parking charges be implemented, although Somerfield would refund car parking charges to its customers. Retail responses also highlighted problems including:

- anti-social behaviour in the DC in the evenings
- shoplifting (a major problem for Somerfield)
- the uninviting present state of the shopping centre
- uncertainty over the status and impact of the possible Tesco development in particular, and other future redevelopment plans for the centre as a whole.

## 5 Projections

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### Assessment of low, mid and high turnover / floorspace projections

- 5.1 In order to establish retail turnover and the amount of floorspace dedicated to retail and other uses through to 2011, the study's approach follows the generic methodology set out in Annex A (to be included in final report). The initial step was to calculate the current 'retained' retail spend within the DC. This involved estimating the total spending power of the catchment area's population, and the level of retail spend from catchment area residents made in Madeley DC itself. These are set out in Figure 5-1 and Figure 5-2.

Figure 5-1: Annual spend by Madeley population (2003 figures)

	Total estimated annual turnover
Total composite spend	£88.78m
<i>of which</i>	
Retail spend	£62.49m
Leisure spend	£26.28m

Figure 5-2: Total Madeley DC turnover

	Total estimated turnover	Proportion of total turnover
Total turnover	£12.93m	100%
Comparison goods	£1.84m	14%
Convenience goods	£8.46m	65%
Leisure spend	£2.62m	20%

- 5.2 It will be seen that convenience retention is considered high within Madeley, given the nature of the surrounding residential areas, the relatively isolated location of the DC and the profile of the local customer base, which tends to visit the centre on foot. In addition, the local Somerfield supermarket is trading at very high levels. Comparison goods, on the other hand, show poor retention, due to the very limited nature of the offer. Similarly, leisure outlets (particularly food and drink) are poorly represented, resulting in a low retention rate.
- 5.3 Externally generated spend within Madeley is also very low given the limited consumer offer outlined above. As a consequence, there has been no allocation of spend under this category in terms of normal retail spend or indeed leisure spend. The total current turnover for the Madeley centre therefore remains as set out in Figure 5-2 above.

5.4 As set out in Annex A, 'check' calculations have been undertaken to confirm that turnover figures adopted for Madeley are broadly representative of the businesses operating from that location. This calculation takes account of any known turnover figures (as a result of occupier interviews, etc.) together with a comparison of floorspace / rental levels against the turnover of the businesses in occupation. The total turnover estimate arising from this calculation is £11.19m (compared with £12.93m above). This is considered to represent a good match. In order to provide a single working assessment of turnover for the purposes of the projections in the next part of this exercise, the £12.93m value has been adopted.

### Trend analysis – demographics / floorspace

5.5 In order to understand the likely performance of the Centre in the period to 2011, consideration has been given to critical trends over the last 10 years which are likely to continue to influence the nature of the Madeley population base, disposable income levels, the composition of households etc. (Figure 5-3).

Figure 5-3: Population and income data – trends 1991-2001

<b>Population</b>	<b>1991</b>	<b>2001</b>	<b>Change</b>	<b>% Change</b>
Total	17,909	17,988	79	0%
<b>Split for Age</b>				
under 16	4,461	4,461	0	0%
16-29	4,379	3,261	-1,118	-26%
30-64	7,330	8,240	910	12%
65+	1,737	2,026	289	17%
<b>Split by economically active</b>				
Total active	8,824	8,187	-637	-7%
Full-time	5,589	5,337	-252	-5%
Part-time	1,237	1,339	102	8%
<b>Split by housing tenure</b>				
Total households	6,559	7,317	758	12%
Total owner-occupier	4,042	4,313	271	7%
Total private sector rental	253	607	354	140%
Total public sector rental	2,270	2,172	-98	-4%
<b>Income</b>				
Total gross weekly pay	£302	£311	£9	3%

5.6 There are some important trends demonstrated by this table which will influence the future performance of the DC. For example, population figures overall have been static over the ten years to 2001. However, within the population base there has been a significant decrease within the 16-29 working age group, alongside increases in the working age group from 30 - 64 and the retired population. There have also been significant moves within the housing stock. Although total households have increased slightly there have been increases

within the owner-occupied stock and significant increases within the total private rented sector. Conversely the numbers of property rented by the public sector have declined. Finally, income levels have increased marginally over a one year period.

- 5.7 Projecting these trends through until 2011 produces the results set out in Figure 5-4. The impacts which the projections will have on the DC can be primarily categorised through the increased disposable income levels resulting from the change in privately rented and owner occupied stock. Estimates have been made of the increase in retail expenditure likely to flow from these increased number of households and these have been utilized to increase the overall expenditure levels anticipated within Madeley District over the next five years.

Figure 5-4: Population and income data – projections to 2011

<b>Population</b>	<b>2001</b>	<b>2011</b>	<b>Change</b>	<b>% Change</b>
Total				
<b><i>Split for age</i></b>				
under 16	4,461	4,461	0	0%
16-29	3,261	2,428	-833	-26%
30-64	8,240	9,263	1,023	12%
65+	2,026	2,363	337	17%
<b><i>Split by economically active</i></b>				
Total active	8,187	7,596	-591	-7%
Full-time	5,337	5,096	-241	-5%
Part-time	1,339	1,449	110	8%
<b><i>Split by housing tenure</i></b>				
Total households	7,317	8,163	846	12%
Total owner-occupied	4,313	4,602	289	7%
Total private sector rental	607	1,456	849	140%
Total public sector rental	2,172	2,078	-94	-4%
<b>Income</b>	<b>2002</b>	<b>2003</b>	<b>Change</b>	<b>% Change</b>
Total gross weekly pay	£302	£311	£9	3%
Increase in retail expenditure for households				
Owner - occupied		£7,417		£2.14m
Market rent		£12,379		£10.51m
Total increased expenditure				£12.65m

- 5.8 The calculations to apply retention levels of spend within the DC and to take account of any incoming expenditure from the residents outside the district (nil in the case of Madeley) have been re-run to take account of the above increases. This has resulted in a revised level of total turnover for Madeley Centre as set out in Figure 5-5, the figure as before being sub-divided between convenience, comparison and leisure expenditure. The conversion factor for this expenditure into floor space has also been re-run and the revised floor space calculations for the Centre provided to reflect the medium position at 2011.

Figure 5-5: Medium projections to 2011

	Total Estimated Turnover	Proportion of total turnover	Total Floorspace Estimates (sq ft)
Total Madeley Turnover	£14.77m		37,000
Comparison Goods	£2.10m	14%	16,000
Convenience Goods	£9.67m	65%	11,000
Leisure Spend	£3.00m	20%	10,500

## Low Projections

- 5.9 In order to assess the potential for low projections within the DC the 'medium' performance characteristics have been re-assessed in the light of the continuing decline within the retailing provision in this part of Telford. In particular, it has been assumed that there is no re-investment within the Madeley Centre itself and the general deterioration of the physical appearance of the premises, the public realm and the mix of retail outlets continues to decline. Consequently, there will be a continuing reduction in the number of retailing units and it is assumed that, in particular, comparison outlets and leisure outlets continue to decline.
- 5.10 The reductions in retail and leisure accommodation were resolved in properties coming back on the market for alternative uses. Having considered the alternative uses within Madeley the Centre should be considered from two perspectives: premises within the High Street, and premises within the shopping precinct. The nature of any premises becoming vacant within the High Street would in all probability lead to a number of alternative possible uses including residential and office space. Given the existing nature of the High Street neither of these uses would be inappropriate and there would certainly appear to be demand for residential use. Within the 'modern' shopping precinct, alternative uses would be more difficult and would primarily be restricted to office / storage purposes. In view of the configuration of the precinct, it would also be difficult to consider re-development opportunities and empty premises in this vicinity would be likely to remain vacant for longer.
- 5.11 These projections have been re-cast and result in the turnover and floorspace levels for the Centre as outlined in Figure 5-6.

Figure 5-6: Low projections to 2011

	Total Estimated Turnover	Proportion of total turnover	Total Floorspace Estimates (sq ft)
Total Madeley Turnover	£10.26m		9,500
Comparison Goods	£0.92m	9%	3,000
Convenience Goods	£8.46m	82%	7,000
Leisure Spend	£0.87m	9%	19,500

## High Projections

- 5.12 Compared with the 'low' scenario there are a number of proposals currently being discussed within the area which could significantly affect the performance of Madeley Centre and the general hinterland. These include proposals to construct a new Tesco supermarket with associated retailing units together with the redevelopment / refurbishment of the Woodside Housing Estate which will introduce new premises onto the market consistently over the next few years.
- 5.13 In this scenario it is understood that the existing shopping precinct would be demolished and a new Tesco supermarket, together with some 17 units, would be constructed on this site, the adjacent car park and adjoining vacant factory site. This would create a significant new focus for the area and clearly introduce a major retailer that would act as a catalyst, not only for drawing existing residents into the Centre, but also residents from further afield. Evidence already suggests that the existing Somerfield Supermarket is trading exceptionally well and has a turnover far exceeding the normally anticipated available floorspace for a unit of that nature. Clearly this market can be capitalised upon as a result of the proposed Tesco outlet and this would no doubt increase the customer base to the Centre which is at present primarily pedestrian-based.
- 5.14 The availability of development land in the immediate vicinity of the current Centre is an advantage and will clearly enable a high growth scenario to be implemented - subject to negotiations and approvals.
- 5.15 Assumptions with regard to the Tesco supermarket (understood to be a unit of some 30,000 sq ft) and the levels of re-development within the Woodside Estate (assumed to provide between 100 / 150 new households per annum) have been factored into the projections for the Centre until 2011. The resulting figures with regard to estimated turnover and required floor space within the Centre are set out in Figure 5-7.

Figure 5-7: High projections to 2011

	Total Estimated Turnover	Proportion of total turnover	Total Floorspace Estimates (sq ft)
Total Madeley Turnover	£17.56m		58,000
Comparison Goods	£2.19m	13%	16,500
Convenience Goods	£12.23m	70%	30,500
Leisure Spend	£3.13m	18%	11,000

- 5.16 It can be seen that these have a significant impact upon the requirements for the Centre - almost doubling the size of retail accommodation required and particularly increasing the retention of convenience goods spend within the DC.

#### **Prognosis for Madeley DC**

- ❑ Opportunities exist to introduce major new operators to act as a draw for a broader customer base and a more varied retail offer
- ❑ Negotiations with Tesco should proceed with a view to securing an early commitment to development in the area
- ❑ The opportunities created by the refurbishment / redevelopment of the Woodside Residential area will enhance the prospects for the Madeley District Centre subject to any retailing proposals in the new development
- ❑ Development land opportunities and redevelopment opportunities of the existing Centre could create the space for a major refocusing of the Madeley Centre
- ❑ The opportunity to create a critical mass of uses within the Centre – focused around the proposed Tesco development – will provide new market opportunities