

TELFORD & WREKIN LOCAL PLAN 2011-2031

**Addendum to Telford & Wrekin Retail & Leisure Capacity Study and Health
Check 2014 – Final Report C1f-i**

Evidence Document update submitted by Telford & Wrekin Council

Telford & Wrekin Council has reviewed its Local Plan Submission evidence base documents and wishes to submit this Addendum document for publication

9th June 2017



Telford & Wrekin Council

Retail Capacity Study – Revised Population
Projections Update

Final Report

June 2017

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Appendix 1: Quantitative Retail Capacity Tables



1.0 Introduction

Instruction

- 1.01 WYG Planning has been instructed by Telford & Wrekin Council (hereafter referred to as 'the Council') to undertake a further Update of the principal findings of the Telford & Wrekin Retail and Leisure Capacity Study of February 2014 in respect of the future need for additional retail floorspace in the Borough.
- 1.02 The Retail and Leisure Capacity Study forms part of the Council's evidence base for the emerging Telford & Wrekin Local Plan, and the requirement for a further Update arises as a consequence of the Inspector's Note to Telford & Wrekin Council of 30 March 2017. The Note follows the Examination hearings which took place in January and February 2017. Paragraph 6 of the Inspector's Note recommends that the Council revisits its conclusions in respect of the future supply of labour in the Borough, which has implications in respect of the identified objectively assessed housing need. Paragraph 6 of the Inspector's Note also identifies that any revision of the Plan's housing requirement may also be of relevance to other policies within the Plan.
- 1.03 In this context, we have been informed by the Council¹ that it requires WYG to advise on the implications for the Local Plan retail strategy arising from an increase in the Borough's population to 202,500 persons at 2031 (the future population at 2031 was previously estimated to be 198,000 persons).
- 1.04 Accordingly, the purpose of this Update is to consider the additional retail requirements which would likely arise as a consequence of additional population growth. The scope of this report is relatively narrow and, as such, we seek to focus on the matters which have changed since we previously reported. Accordingly, the report should be read in conjunction with our original Retail and Leisure Capacity Study of February 2014 (which provides additional information including in relation to shopping patterns across the Study Area and the health of defined centres in the Borough) and the previous Update of January 2017.

¹ By email from Darren Oakley, Principal Planning Officer on 9 May 2017



1.05 This Update once again utilises the market research which informed the 2014 Study, namely the shopping survey of 800 households which was undertaken by NEMS Market Research Limited in March 2013. The Study Area for the survey comprises eight separate zones and is considered to be broadly reflective of the area where residents look to facilities within the Telford & Wrekin administrative area to help meet their retail needs.

Structure of Report

1.06 Our report first considers the up-to-date position in respect of future population and the overall expenditure generated in Study Area, before providing an updated assessment of quantitative need.

1.07 Accordingly, our report is structured as follows:

- Section 2 sets out current and future population and expenditure levels within the defined Study Area; and
- Section 3 sets out our updated assessment of the quantitative need for further convenience and comparison goods floorspace over the period to 2031.



2.0 Population and Expenditure

Study Area Population

- 2.01 The population within each Study Area zone at 2015 has been calculated using Experian Micromarketer G3 data (2015 estimate, which was issued in October 2016). Experian also models projected future increases in population data, utilising Government population projections. Experian is a widely accepted source of population and expenditure data and is regularly used by WYG in calculating retail capacity.
- 2.02 Experian data provides 2015 base year population estimates which accord with the findings of the 2011 Census release. Experian's methodology is based on a 'demographic component model' which takes into consideration its current age and gender estimates and the Government's population projections. Experian's future population projections reflect assumed birth and death rates, and net migration.
- 2.03 We have applied Experian's own population projections to Study Area Zones 7 and 8, which fall largely outside the Telford & Wrekin area. The small part of these zones which does fall within the Borough is not residential in character and it has therefore been assumed that future population growth in Zones 7 and 8 will not be impacted by the level of housing growth being planned for by the Council. Accordingly, for Zones 7 and 8, we have calculated the population within each postal code sector within each of the zones using Experian Micromarketer G3 data. Future population growth in these two zones has then been calculated using Experian's estimate across the reporting periods utilised in the previous Study, i.e. at 2018, 2023, 2028 and 2031.
- 2.04 To estimate the future population of Zones 1, 2, 3, 4, 5 and 6, we have assumed that Experian's population estimates at 2016 are accurate. Thereafter, we have applied population increases which are consistent with the level of growth which is now being planned for by the Council as a consequence of the issues raised in the Inspector's Note of March 2017. As set out below at Table 2.1, our approach is to identify the level of population growth which will be achieved over the plan period and then calculate (on a pro rata basis) the growth which remains to be delivered in the 15 years from 2016. As identified below, we believe that a population of 202,500 at 2031 will result in a population increase of around 26,752 in the period from 2016.



Table 2.1: Assumed Population Growth

Population at 2011	Assumed Population at 2031	Population Change 2011 to 2031	Annual Pop Change	Population Change 2016 to 2031
166,831	202,500	35,669	1,783	26,752

Source: Telford and Wrekin Submission Draft Local Plan and email of 9 May 2017 from Darren Oakley, Principal Planning Officer at Telford & Wrekin Council

- 2.05 We have adopted a staged process in order to estimate the distribution of the above population across Telford & Wrekin Borough and the Study Area zones.
- 2.06 We have firstly assumed that future housing growth will still accord with the Spatial Strategy set out in the Local Plan Submission Draft. This suggests that around 86% of future housing in the Borough should be delivered in the Telford Urban Area, around 8% in Newport and around 6% in the rural area.
- 2.07 We have therefore distributed the identified potential housing growth in Telford to the zones which comprise the urbanised Telford area (Zones 3, 4, 5 and 6); the identified growth in the Newport area to the zone which accommodates Newport (Zone 2); and the growth in rural areas to the two zones which incorporate the majority of the Borough's rural area (Zones 1 and 2). We have assumed that the growth which is attributed to multiple zones (i.e. future growth which occurs in Telford and in rural areas) is divided between the zones which comprise that particular area on a pro rata basis reflecting each zone's current population.
- 2.08 The first stage in this process is set out below at Table 2.2, which indicates the distribution of identified population growth to 2031 across the Telford, Newport and rural areas.

Table 2.2: Assumed Distribution of Growth Between 2013 and 2031 in Accordance with Submission Draft Local Plan Spatial Strategy

Population Change 2016 to 2031	Proportion to Telford	Proportion to Newport	Proportion to Rural	Pop Growth in Telford	Pop Growth in Newport	Pop Growth in Rural
26,752	86%	8%	6%	23,127	2,071	1,553

Source: Derived from proposed patterns of population growth as identified by the Spatial Strategy set out within the Submission Draft Local Plan

- 2.09 Table 2.3 then identifies how this growth has been split between relevant zones on a pro rata basis in accordance with the methodology set out above. For Zones 1 and 2, an additional



allowance has been made for population growth which occurs in that part of the zone which lies outside Telford & Wrekin Borough.

Table 2.3: Study Area Population by Survey Zone (2016 to 2031)

Zone	2016	2018	2023	2028	2031
1	11,361	11,452	11,681	11,910	12,047
2	26,018	26,410	27,389	28,369	28,957
3	34,999	35,716	37,508	39,299	40,375
4	49,429	50,441	52,972	55,503	57,021
5	44,803	45,721	48,014	50,308	51,684
6	21,344	21,781	22,874	23,967	24,622
7	17,128	17,206	17,536	17,812	17,968
8	12,980	13,104	13,436	13,660	13,772
Total	218,062	221,831	231,410	240,827	246,446

Source: Base data derived from Experian Micromarketer G3 report

2.10 Accordingly, it is evident that our approach accounts for an increase in the population of the Study Area of 28,384 persons between 2016 and 2031.

Retail Expenditure

2.11 In order to calculate per capita convenience and comparison goods expenditure, we have once again utilised Experian Micromarketer G3 data, which provides detailed information on local consumer expenditure which takes into consideration the socio-economic characteristics of the local population. Experian is a widely accepted source of expenditure and population data and is regularly used by retail planning consultants in calculating retail capacity.

2.12 The base year for the Experian expenditure data is 2015. Per capita annual expenditure growth forecasts are derived from Experian Retail Planner Briefing Note 14 (published in November 2016). Figure 6 of Appendix 3 of the Retail Planner Briefing Note identifies the following annual growth forecasts for convenience and comparison goods which inform our assessment.



Table 2.4: Annual Per Capita Expenditure Growth Forecasts

Year	Convenience (%)	Comparison (%)
2016	-0.1	3.3
2017	-0.1	1.5
2018	-0.9	0.9
2019	-0.1	2.1
2020	0.0	2.9
2021	0.2	3.3
2022	-0.1	3.4
2023	-0.1	3.4
2024	0.0	3.3
2025	0.0	3.1
2026	0.0	3.1
2027	0.1	3.1
2028	0.1	3.0
2029	0.0	3.1
2030	0.1	3.2
2031	0.2	3.4

Source: Figure 6 of Appendix 3, Retail Planner Briefing Note 14 (November 2016)

- 2.13 The latest growth forecasts suggest that Brexit will likely influence per capita expenditure growth in 2017 and 2018, but that retail sales should recover somewhat over the medium term as confidence in the economy returns. However, the outlook is considerably more positive for comparison goods than it is for convenience goods sales.
- 2.14 For convenience goods, Experian forecasts negative or static per capita expenditure growth between 2016 and 2020 (in the range -0.9% to 0.0%). Very modest growth of 0.2% is forecast at 2021 and the forecast position thereafter suggests that sales will generally remain relatively static over the longer term.
- 2.15 In contrast, whilst Experian forecasts that Brexit will result in per capita comparison goods expenditure growth decreasing from 3.3% at 2016, to 1.5% at 2017, and then to 0.9% at 2018, the position in the medium to long term is significantly more positive. Per capita comparison goods expenditure growth is forecast to increase to 2.1% at 2019, to 2.9% at 2020, and then to 3.3% at 2021. Experian forecasts that the annual growth rate will remain at or above 3.0% in the period to 2031.



- 2.16 However, it should be noted that growth in expenditure forecasting in the longer term (beyond the next ten years) should be treated with caution given the inherent uncertainties in predicting the economy's performance over time. Assessments of this nature should therefore be reviewed on a regular basis in order to ensure that forecasts over the medium and long are reflective of any changes to relevant available data.
- 2.17 Experian Retail Planner Briefing Note 14 also provides forecasts in respect of the proportion of expenditure which will be committed through special forms of trading (comprising 'non-store retailing', such as internet sales, TV shopping and so on) over the reporting period. We have 'stripped out' any expenditure which survey respondents indicated was committed via special forms of trading and instead have made an allowance derived from Experian's recommendation (which we consider forms the most appropriate means by which to account for such expenditure).
- 2.18 In considering special forms of trading, it should be noted that many products which are ordered online are actually sourced from a physical store's shelves or stockroom (particularly in the case of convenience goods). As such, expenditure committed in this manner acts to support stores and should be considered 'available' to tangible retail destinations.
- 2.19 Accordingly, in order not to overstate the influence of expenditure committed via special forms of trading, our methodology uses Experian's 'adjusted' figure for special forms of trading (provided at Figure 5 of Appendix 3 of its Retail Planner Briefing Note 14) which makes an allowance for internet sales which are sourced from stores. The proportion of expenditure committed through special forms of trading cited below at Table 2.5 is 'stripped out' of the identified expenditure as it is not available to stores within the Study Area.

Table 2.5: Special Forms of Trading Forecasts

Year	Convenience (%)	Comparison (%)
2016	3.0	13.2
2018	3.4	14.4
2023	4.2	15.9
2028	4.8	16.2
2031	5.0	16.3

Source: Figure 5 of Appendix 3, Experian Retail Planner Briefing Note 14 (November 2016)



2.20 Based on the above growth rates and special forms of trading allowances, it is possible to produce expenditure estimates for each survey zone at 2016, 2018, 2023, 2028 and 2031. In doing so, our assessment takes into account both per capita retail expenditure growth and population change.

Convenience Goods Expenditure

2.21 Taking into consideration the above changes in population and per capita expenditure, it is estimated that, at 2016, the resident population of the Study Area generates £429.0m of convenience goods expenditure². The below Table 2.6 indicates that available convenience goods expenditure is then forecast to increase to £470.5m at 2031. Table 2.7 indicates that this represents a relatively modest (but increased, as a consequence of the revised housing need) uplift of £41.4m (or 9.7%) across the Study Area between 2016 and 2031.

Table 2.6: Total Available Study Area Convenience Goods Expenditure

2016 (£m)	2018 (£m)	2023 (£m)	2028 (£m)	2031 (£m)
429.0	430.1	444.0	459.6	470.5

Source: Table 2a of Appendix 1
In 2015 prices

Table 2.7: Growth in Available Study Area Convenience Goods Expenditure

Growth 2016-2018 (£m)	Growth 2016-2023 (£m)	Growth 2016-2028 (£m)	Growth 2016-2031 (£m)
1.1	15.0	30.6	41.4

Source: Table 2a of Appendix 1
In 2015 prices

2.22 It has been assumed that the proportion of convenience goods expenditure directed to each respondent's main food shopping destination equates to 80% of their overall convenience shopping expenditure. The remaining 20% of expenditure (which will typically be spent on regular purchases such as milk, bread and so on) is therefore attributed to the respondents' 'top-up' convenience shopping destination. This ratio reflects the respective expenditure committed during main food and top-up shopping trips by Study Area residents as identified by Questions 5 and 15 of the 2013 household survey.

² Expressed in 2015 prices, as is every subsequent monetary value



2.23 By applying these estimates to the identified resident population of the Study Area, convenience goods expenditure at 2016 committed through ‘main food’ shopping trips is estimated to be £343.2m and expenditure through ‘top up’ shopping trips is estimated to be £85.8m.

Comparison Goods Expenditure

2.24 For comparison goods, Table 2.8 sets out our estimation that the resident population of the Study Area will generate £557.9m of comparison goods expenditure at 2016. Available comparison goods expenditure is then forecast to increase to £922.1m at 2031. As identified by Table 2.9, this represents an increase of £364.2m (or 65.3%) between 2016 and 2031. The large majority of this growth is forecast to occur in the medium to long term (i.e. in the period between 2023 and 2031).

Table 2.8: Total Available Study Area Comparison Goods Expenditure

2016 (£m)	2018 (£m)	2023 (£m)	2028 (£m)	2031 (£m)
557.9	572.8	680.0	820.9	922.1

Source: Table 8 of Appendix 1
In 2015 prices

Table 2.9: Growth in Available Study Area Comparison Goods Expenditure

Growth 2016-2018 (£m)	Growth 2016-2023 (£m)	Growth 2016-2028 (£m)	Growth 2016-2031 (£m)
14.9	122.1	262.9	364.2

Source: Table 8 of Appendix 1
In 2015 prices

2.25 For the purpose of this Study, comparison goods expenditure has been divided into eight sub-categories: ‘DIY’, ‘Electrical’ and ‘Furniture’ (these three categories collectively being referred to as bulky goods); and, ‘Clothing & Footwear’, ‘CDs, DVDs and Books’, ‘Health and Beauty/Chemist Goods’, ‘Small Household Goods’ and ‘Toys, Games, Bicycles and Recreational Goods’ (collectively referred to as non-bulky goods). The proportion of expenditure directed to each sub-category is estimated by Experian on a zonal basis.



2.26 In considering the above, it should be noted that if additional expenditure is apparent within the Study Area, this does not necessarily translate directly into a requirement for additional floorspace. In assessing quantitative need, it is also relevant to take account of:

- existing development proposals;
- expected changes in shopping patterns; and
- the future efficiency of retail floorspace.



3.0 Updated Assessment of Quantitative Need

3.01 A complete series of quantitative capacity tables are provided at Appendix 1, which act to provide full details of the step-by-step application of our methodology in calculating quantitative need. A summary of our approach and our findings in respect of the capacity for additional retail floorspace is set out below.

Capacity Formula

3.02 For all types of capacity assessment, the conceptual approach is identical, although the data sources and assumptions may differ. The key relationship is Expenditure (£m) (allowing for population change and retail growth) *less* Turnover (£m) (allowing for improved 'productivity') *equals* Surplus or Deficit (£m).

3.03 **Expenditure (£m)** – The expenditure element of the above equation is calculated by taking the population within the defined catchment and then multiplying this figure by the average annual expenditure levels for various forms of retail spending per annum. The expenditure is estimated with reference to a number of factors, namely:

- growth in population;
- growth in expenditure per person per annum; and
- special forms of trading (e.g. internet shopping, catalogue shopping and so on).

3.04 **Turnover (£m)** – The turnover figure relates to the annual turnover generated by existing retail facilities within the Study Area. The expected 'benchmark' turnover of existing convenience goods facilities is calculated using Mintel Retail Rankings and Verdict UK Grocery Retailers reports – independent analysis which provides sales densities for major multiple retailers.

3.05 **Surplus / Deficit (£m)** – This represents the difference between the expenditure and turnover figures outlined above. A surplus figure represents an effective under provision of retail facilities within the Study Area (which, all things being equal, would suggest that additional floorspace could be supported), whereas a deficit would suggest a quantitative overprovision of retail facilities.



- 3.06 Although a surplus figure is presented in monetary terms, it is possible to convert this figure to provide an indication of the quantum of floorspace which may be required. The level of floorspace will vary dependent on the type of retailer proposed and the type of goods traded. For example, in the case of comparison goods, non-bulky goods retailers tend to achieve higher sales densities than bulky goods retailers. However, within the bulky goods sector there is significant variation, with electrical retailers tending to have a much higher sales density than those selling DIY or furniture goods.
- 3.07 The likely turnover of any future retail provision will largely be determined by its net retail sales area. As a consequence, any floorspace figure identified in respect of future needs and capacity in this report relates to a net retail sales area. This is particularly important, as future planning proposals should also be assessed with reference to the net retail sales area which will be provided through development.
- 3.08 For both convenience and comparison goods, we first identify capacity at Borough-wide level, before then considering capacity on a settlement basis.

Capacity for Future Convenience Goods Floorspace

- 3.09 In order to ascertain the likely need for additional convenience goods floorspace in Telford & Wrekin Borough, it is first necessary to consider the current level of provision. Given that the Borough is already relatively well provided for with a variety of foodstore operators, it is assumed that the future convenience goods expenditure available to facilities within Telford & Wrekin will be commensurate with its current market share of 88.5%, which is determined with reference to the 2013 survey. For both settlements (the Telford Urban Area and Newport), it is also assumed that the future available convenience goods expenditure will be based on existing market share, although it is accepted that significant retail development may have the potential to change the future market share by 'clawing back' expenditure which the survey identified was spent elsewhere.
- 3.10 When considering the below commentary, it should be noted that, as the survey only takes account of retail venues that were trading at 2013, convenience goods floorspace that has been implemented subsequent to the survey is considered in a similar manner to retail commitments (i.e. account needs to taken of it as it will partly extinguish any identified future need for additional convenience goods floorspace).



Convenience Goods Capacity in Telford & Wrekin Borough

- 3.11 Analysis of the market share of facilities in Telford & Wrekin Borough indicates that the current level of trade at 2016 passing through food facilities originating from inside the Study Area is £379.9m. For each identified convenience goods destination, we have made a judgement as to whether any additional expenditure is likely to be attracted from outside the Study Area. We have considered this 'inflow' on a case by case basis, having regard to the size of the store, its operator and its position within the Study Area.
- 3.12 We estimate that, taken as a whole, approximately £26.5m from outside the Study Area will be attracted to the Borough's convenience goods retail facilities at 2016, taking the total turnover of such facilities to £406.3m. Estimated inflow equates to 6.5% of overall convenience goods turnover derived from the Study Area.
- 3.13 For each convenience goods retail destination, the survey-derived turnover is compared to a 'benchmark' turnover that indicates the level of turnover that the store would generally be expected to attract, based on company average trading levels. A judgement can then be made on the trading performance of existing facilities based on the comparison of the survey-derived turnover with the expected turnover of existing provision (based on nationally published trading information from Mintel and Verdict).
- 3.14 Table 3.1 below indicates the current trading position compared against the 'benchmark' (or anticipated) turnover of existing convenience goods floorspace and projects this forward to 2031. The 'benchmark' turnover differs for each operator based on its average turnover per square metre of retail floorspace (or 'sales density') across the country. Although robust up to date information is available in terms of the convenience goods floorspace provided by large foodstores, it can be more difficult to quantify the extent of local convenience provision as there is no single comprehensive database to rely upon. Where we have been unable to verify the exact quantum of floorspace provided by existing smaller-scale convenience stores, we have assumed that stores are trading 'at equilibrium' (i.e. the survey-derived turnover equates to the expected level of turnover).
- 3.15 As this assessment is based upon a 'goods based' approach which disaggregates expenditure by category type, it is important to recognise that major foodstore operators generally sell an element of non-food goods such as books, compact discs, clothing and household goods. To account for this, the typical ratio between convenience/comparison goods provision for each



operator³ has been applied to the estimated net floorspace of each foodstore. This provides an indication of the likely sales area dedicated to the sale of convenience goods at each store.

- 3.16 Whilst survey results are commonly accepted as a means by which to identify existing shopping patterns, their findings should be treated with a 'note of caution' as they tend to have a bias towards larger stores and understate the role of smaller stores and independent retailers.
- 3.17 Our assessment identifies that the 2016 estimated 'benchmark' turnover of convenience goods floorspace (which was trading at 2013) is £371.2m. This is below the survey-derived turnover of £406.3m. This suggests that, cumulatively, convenience goods floorspace is 'overtrading' by £35.1m when compared to its expected turnover at 2016.
- 3.18 In order to appraise the future need for additional convenience goods retail floorspace, it is necessary to consider how the performance of stores will be affected by forecast expenditure growth. Accordingly, Table 3.1 also sets out the anticipated increases in expenditure which will be available to the Borough's convenience goods retail facilities, assuming that its current market share is maintained. It is also assumed that the turnover of existing floorspace will improve in accordance with improvements in floorspace efficiency set out in Experian Retail Planner Briefing Note 14.
- 3.19 Table 3.1 sets out our estimate that, by 2031, after increases in population and expenditure are considered against changes in floorspace productivity⁴, the identified comparison goods expenditure surplus will grow to £75.1m.

³ Sourced, where available, from the most up to date Verdict and Mintel retailer data

⁴ Account has been made for the turnover efficiency of existing convenience goods floorspace to change (on the basis that operators have historically been able to make their existing floorspace more productive over time) in accordance with the projections set out in Table 4a of Experian Retail Planner Briefing Note 14 (these being -0.1% at 2017, -0.4% at 2018, -0.1% per annum between 2019 and 2023, and 0.1% between 2024 and 2031)



Table 3.1: Quantitative Need for Convenience Goods Floorspace in Telford & Wrekin Borough

Year	Benchmark Turnover (£m) ¹	Available Expenditure (£m) ²	Surplus Expenditure (£m)
2016	371.2	406.3	35.1
2018	369.4	407.3	37.9
2023	367.5	420.5	53.0
2028	369.4	435.3	65.9
2031	370.5	445.6	75.1

Source: Table 6a of Appendix 1

¹ Benchmark turnover to increase in line with improvements in turnover efficiency set out in Table 4a of Experian Retail Planner 14 (November 2016)

² Assumes constant market share of Study Area expenditure (88.5%) claimed by facilities in Telford & Wrekin In 2015 Prices

3.20 However, it is important to note that the above assessment fails to account for both extant commitments and convenience goods floorspace which has been implemented subsequent to 2013.

3.21 We estimate that extant retail planning permissions and implemented floorspace⁵ together provide an estimated 13,656 sq.m of convenience goods sales floorspace across the Borough (including all of the floorspace associated with the new Asda store at Telford). This is clearly a very substantial figure and, as set out below at Table 3.2, we estimate that this floorspace would have a combined benchmark turnover of £119.3m (drawn from the Study Area) if it were all operational at 2016. Notable convenience goods floorspace is provided through the replacement Asda at Telford, the Telford shopping centre redevelopment, the new Aldi and Lidl stores at Madeley, and the Audley Avenue foodstore in Newport.

⁵ As reported by the Council in its email to WYG of January 2017



Table 3.2: Extant Convenience Commitments in Telford & Wrekin Borough

Area	Location	Planning Application Reference	Proposal	Net Conv Sales (sq.m)	Conv Sales Density (£ per sq.m)	Estimate Turnover from SA at 2016 (£m)	Status
Telford Urban Area	Malinsee House	W2009/0915	Replacement Asda store	2,500	13,897	9.7	Completed
	Gladstone House, Hadley	TWC/2011/0953	Tesco Express	260	13,466	3.5	Completed
	Land at Burford, Brookside	TWC/2012/0866	Retail units below flats	278	5,000	1.4	Completed
	Aldi, Parkway, Madeley	TWC/2013/0102	New foodstore	842	12,845	9.7	Completed
	Greenfields Farm Shop	TWC/2013/0277	Replacement farm shop	230	3,000	0.6	Completed
	Telford Shopping Centre	TWC/2013/0612	Retail redevelopment	3,150	13,042	37.0	Elements of p.p. under construction
	Unit 7, Merrythought Village	TWC/2014/0556	Change of use to Co-op	228	8,525	1.6	Completed
	Hortonwood, Telford	TWC/2014/0746	New local centre	280	5,000	1.4	Commitment
	Former British Sugar site	TWC/2014/0113	New local centre	140	5,000	0.7	Commitment
	Land at Castle Farm	TWC/2014/0980	New local centre	126	5,000	0.6	Commitment
	Wrekin View PH	TWC/2015/0039	Retail unit for Co-op	195	8,525	1.7	Completed
	Unit A5, Stafford Park	TWC/2015/0735	Retail unit	104	5,000	0.5	Completed
	Former Madeley Court	TWC/2016/0387	Proposed Lidl store	1,135	4,245	4.8	Commitment
	Former Madeley Court	TWC/2016/0387	Proposed Poundland store	146	4,041	0.6	Commitment
	Aldi, Wellington	TWC/2016/0694	Demolition and rebuild of Aldi store	395	12,845	5.1	Commitment
Newport	Audley Avenue	TWC/2011/0916	Erection of Morrisons	2,644	12,112	28.8	Commitment
	Former Focus DIY, Newport	TWC/2013/0887	Aldi store	1,003	12,845	11.6	Completed
Total				13,656		119.3	

Source: Table 6d of Appendix 1
In 2015 Prices

3.22 Full details of the assumptions made in estimating the turnover of commitments are provided in the notes which accompany Table 6d of Appendix 1.



3.23 The turnover which would be claimed by convenience goods commitments and implemented development acts to completely extinguish all quantitative need for additional convenience floorspace across the Borough as a whole in the period to 2031. As the below Table 3.3 demonstrates, there is still a very significant expenditure deficit at 2031, which suggests that, should all committed convenience goods floorspace be implemented, facilities would collectively undertrade. As such, there is no quantitative need for additional convenience goods floorspace across the Borough as a whole.

Table 3.3: Quantitative Need for Convenience Goods Floorspace in Telford & Wrekin Borough

Year	Convenience Goods			Floorspace Requirement (sq.m net)	
	£m			Min ^{1*}	Max ^{2*}
	Surplus (£m)	Commitments (£m)	Residual (£m)		
2016	35.1	119.3	-84.2	-6,500	-16,800
2018	37.9	118.7	-80.8	-6,200	-16,200
2023	53.0	118.1	-65.1	-5,000	-13,000
2028	65.9	118.7	-52.8	-4,000	-10,600
2031	75.1	119.1	-44.0	-3,400	-8,800

Source: Table 6c of Appendix 1

¹ Average sales density assumed to be £13,042 per sq.m at 2016 (based on the average sales density of the leading four supermarket operators as identified by Verdict 2015)

² Average sales density assumed to be £5,000 per sq.m at 2016 (based on the average sales density of small format/discount food retailers)

In 2015 Prices

Convenience Goods Capacity in Telford Urban Area

3.24 In order to update the quantitative need for additional convenience goods retail floorspace in the main urban area around Telford, we have considered the trading performance of existing facilities in Zones 3, 4, 5 and 6 (which form the main urban area around Telford). The area includes facilities that are located in and around Telford town centre, the six district centres (Dawley, Donnington, Hadley, Madeley, Oakengates and Wellington), as well as other undefined locations (including 'standalone' edge and out of centre stores and local parades). Our assessment indicates that existing facilities in these four zones claim 81.0% of the available convenience goods expenditure generated within the Study Area.

3.25 It is evident that, considered together, convenience goods facilities within Zones 3, 4, 5 and 6 have an expected benchmark turnover of £339.0m at 2016, which compares to a survey-derived turnover of £369.2m. The survey-derived figure allows for inflow (at 5.8% of Telford's overall identified turnover) in accordance with our assumption for each store. Given



the size of the Telford Urban Area, the results are broadly similar to those identified for the Borough as a whole, and, as such, an expenditure surplus of £30.3m is apparent at 2016.

- 3.26 The identified surplus arises as a consequence of the strong trading performance of facilities in Zone 4 and, in particular, the overtrading experienced at the Asda store at Donnington Wood, which has an estimated convenience goods benchmark turnover of £38.9m but a survey-derived turnover of £88.1m (and is therefore overtrading by an estimated £49.2m). If this store is excluded from the survey-derived figures, then it is evident that the remaining stores in Zone 4 are trading below their expected benchmark turnovers, due in part to the undertrading of facilities in Donnington and Oakengates district centres. The results also indicate that the trading performance of convenience goods facilities in Telford town centre (in Zone 5) is well below expected benchmark level.
- 3.27 Table 3.4 identifies the surplus expenditure which could support additional convenience goods floorspace in the Telford Urban Area at each reporting year. Assuming a constant market share, we estimate that there will be an expenditure surplus of £30.3m at 2016, which would grow to £66.6m at 2031 after account is taken of expenditure growth and changes in floorspace productivity.

Table 3.4: Quantitative Need for Convenience Goods Floorspace in Telford Urban Area

Year	Benchmark Turnover (£m) ¹	Available Expenditure (£m) ²	Surplus Expenditure (£m)
2016	339.0	369.2	30.3
2018	337.3	370.1	32.9
2023	335.6	382.1	46.5
2028	337.3	395.5	58.3
2031	338.3	404.9	66.6

Source: Table 6e of Appendix 1

¹ Benchmark turnover to increase in line with improvements in turnover efficiency set out in Table 4a of Experian Retail Planner 14 (November 2016)

² Assumes constant market share of Study Area expenditure (81.0%) claimed by facilities in Telford Urban Area In 2015 Prices

- 3.28 We estimate that circa 10,008 sq.m of convenience goods sales floorspace has been implemented, or could be built out through extant planning permissions, in the Telford Urban Area. We estimate that this floorspace would have a turnover of £78.9m at 2016 drawn from the Study Area. We have made appropriate provision for the likely increase in turnover which results from the replacement Asda superstore which has now been brought forward in



Telford. As shown below in Table 3.5, after account is made for commitments and implemented floorspace, there is no identifiable quantitative need for further convenience goods development across the whole of the reporting period to 2031.

Table 3.5: Quantitative Need for Convenience Goods Floorspace in Telford Urban Area

Year	Convenience Goods				
	£m			Floorspace Requirement (sq.m net)	
	Surplus (£m)	Commitments (£m)	Residual (£m)	Min ^{1*}	Max ^{2*}
2016	30.3	78.9	-48.6	-3,700	-9,700
2018	32.9	78.5	-45.6	-3,500	-9,100
2023	46.5	78.1	-31.6	-2,400	-6,300
2028	58.3	78.5	-20.2	-1,600	-4,000
2031	66.6	78.7	-12.1	-900	-2,400

Source: Table 6g of Appendix 1

¹ Average sales density assumed to be £13,042 per sq.m at 2016 (based on the average sales density of the leading four supermarket operators as identified by Verdict 2015)

² Average sales density assumed to be £5,000 per sq.m at 2016 (based on the average sales density of small format/discount food retailers)
In 2015 Prices

Convenience Goods Capacity in Newport

- 3.29 Table 3.6 sets out the identified quantitative need for additional convenience goods retail floorspace in the Newport area, which is derived from the trading performance of retail facilities in Zone 2. Our assessment indicates that existing facilities in Zone 2 retain 7.4% of the available convenience goods expenditure generated within the Study Area.
- 3.30 Convenience goods floorspace in Zone 2 has a combined benchmark turnover of £31.7m at 2016, which compares to a survey-derived turnover of £36.5m. The survey-derived figure again allows for inflow (at 13.4%, which reflects Newport's position within the Study Area and its ability to draw some trade from outlying rural areas) in accordance with our assumption for each store. As such, an expenditure surplus of £4.8m is apparent at 2016.
- 3.31 The identified surplus arises as a consequence of performance of the Waitrose store, which we estimate overtrades by around £5.0m (before account is taken of the Aldi at Audley Avenue, which commenced trading subsequent to the undertaking of the household survey).
- 3.32 Table 3.6 identifies that the expenditure surplus will increase to an estimated £8.4m at 2031 after account is taken of expenditure growth and changes in floorspace productivity.



Table 3.6: Quantitative Need for Convenience Goods Floorspace in Newport

Year	Benchmark Turnover (£m) ¹	Available Expenditure (£m) ²	Surplus Expenditure (£m)
2016	31.7	36.5	4.8
2018	31.5	36.6	5.1
2023	31.3	37.8	6.4
2028	31.5	39.1	7.6
2031	31.6	40.0	8.4

Source: Table 6h of Appendix 1

¹ Benchmark turnover to increase in line with improvements in turnover efficiency set out in Table 4a of Experian Retail Planner 14 (November 2016)

² Assumes constant market share of Study Area expenditure (7.4%) claimed by facilities in Telford Urban Area In 2015 Prices

- 3.33 We estimate that circa 3,647 sq.m of convenience goods sales floorspace has either been implemented or remains extant in Newport. The majority of this relates to the planning permission for a food superstore at Audley Avenue (planning permission reference TWC/2011/0916), which we are informed has been part-implemented and therefore remains extant in perpetuity. Notwithstanding this, we are also aware that a further planning application (reference TWC/2016/1073) has recently been submitted to provide for a discount foodstore and additional comparison goods units at the same site, and there is therefore considerable doubt as to whether the existing permission will ever be built out. Accordingly, Table 3.7 which follows should be viewed in this context. Planning application reference TWC/2016/1073 remains under consideration by the Council at the time of reporting, but would provide for a smaller foodstore with a total sales area of 1,816 sq.m.
- 3.34 In addition, an Aldi store has been built out at an adjacent site at Audley Avenue subsequent to the undertaking of the household survey in 2013, and appropriate account has been taken of this floorspace when considering quantitative need.
- 3.35 We estimate that the committed and implemented convenience goods floorspace would have a turnover of £40.4m at 2016 drawn from the Study Area. As shown below at Table 3.7, after account is made for commitments and implemented floorspace, a large expenditure deficit is apparent across all of the reporting period to 2031.



Table 3.7: Quantitative Need for Convenience Goods Floorspace in Newport

Year	Convenience Goods			Floorspace Requirement (sq.m net)	
	£m			Min ^{1*}	Max ^{2*}
	Surplus (£m)	Commitments (£m)	Residual (£m)		
2016	4.8	40.4	-35.6	-2,700	-7,100
2018	5.1	40.2	-35.1	-2,700	-7,000
2023	6.4	40.0	-33.6	-2,600	-6,700
2028	7.6	40.2	-32.6	-2,500	-6,500
2031	8.4	40.3	-31.9	-2,400	-6,400

Source: Table 6j of Appendix 1

¹ Average sales density assumed to be £13,042 per sq.m at 2016 (based on the average sales density of the leading four supermarket operators as identified by Verdict 2015)

² Average sales density assumed to be £5,000 per sq.m at 2016 (based on the average sales density of small format/discount food retailers)
In 2015 Prices

3.36 It should again be noted that the above assessment is based on the maintenance of Newport’s existing market share. Whilst proposed and implemented development has the potential to increase this somewhat, the above expenditure deficit is so substantial that we believe it clear that there is no need to plan for any further convenience goods floorspace in Newport across the remainder of the plan period to 2031.

Capacity for Future Comparison Goods Floorspace

3.37 Turning to comparison goods capacity, it is first important to note that our methodology deviates from that which has been deployed in respect of convenience goods for two principal reasons. Firstly, it can be extremely difficult to attribute an appropriate benchmark turnover to existing comparison goods provision. Secondly, there tends to be greater disparity between the trading performance of apparently similar comparison goods provision depending on its location, the character of the area and the nature of the catchment. As a consequence, we adopt the approach with comparison goods floorspace that it is trading ‘at equilibrium’ at base year 2016 (i.e. our survey derived turnover estimate effectively acts as benchmark). In doing so, we assume that any comparison goods development which has been implemented subsequent to the undertaking of the household survey in 2013 has been sufficient to meet needs and to maintain the Borough’s current market share.

3.38 We assume that there is therefore a nil quantitative need for any additional floorspace across Telford & Wrekin Borough and in each of the two settlements at 2016. Going forward, we



again assume that the performance of comparison goods facilities will be commensurate with their current market share.

3.39 We have again made a judgement in respect of whether any additional expenditure is likely to be attracted to facilities from outside the Study Area. This 'inflow' has again been considered on a case by case basis, having regard to the role and function of the destination and its position within the Study Area. We estimate that, taken as a whole, approximately £54.7m from outside the Study Area will be attracted to the Borough's comparison goods retail facilities at 2016, taking the total turnover of such facilities to £506.7m. Inflow equates to 10.8% of overall comparison goods turnover derived from the Study Area.

Comparison Goods Capacity in Telford & Wrekin Borough

3.40 We estimate that facilities within Telford & Wrekin Borough have a combined comparison goods turnover of £506.7m at 2016. Table 3.8 indicates that, by 2031, after increases in population and expenditure are considered against changes in floorspace productivity⁶, the expenditure available to the Borough's comparison goods facilities is estimated to increase to £837.5m. Accordingly, we estimate that an expenditure surplus of £175.6m will be available at 2031 to support additional comparison goods floorspace.

Table 3.8: Quantitative Need for Comparison Goods Floorspace in Telford & Wrekin Borough

Year	Benchmark Turnover (£m) ¹	Available Expenditure (£m) ²	Surplus Expenditure (£m)
2016	506.7	506.7	0.0
2018	519.5	520.2	0.8
2023	556.1	617.6	61.5
2028	620.1	745.5	125.5
2031	661.9	837.5	175.6

Source: Table 27a of Appendix 1

¹ Benchmark turnover to increase in line with improvements in turnover efficiency set out in Table 4b of Experian Retail Planner 14 (November 2016)

² Assumes constant market share of Study Area expenditure (81.0%) claimed by facilities in Telford & Wrekin In 2015 Prices

⁶ Account has been made for the turnover efficiency of existing convenience goods floorspace to change (on the basis that operators have historically been able to make their existing floorspace more productive over time) in accordance with the projections set out in Table 4b of Experian Retail Planner Briefing Note 14 (these being 1.5% at 2017, 1.0% at 2018, 2.3% per annum between 2019 and 2023, and 2.2% between 2024 and 2031)



- 3.41 Once more, in assessing quantitative need, it is necessary to account for commitments which will have a claim on available expenditure.
- 3.42 We estimate that extant retail planning permissions would provide an estimated 22,804 sq.m of comparison goods sales floorspace across the Borough (the large majority of this is associated with the significant proposed redevelopment in Telford town centre which is provided for by planning permission reference TWC/2016/0387). As we set out below at Table 3.9, this floorspace has an estimated benchmark turnover of £101.0m (drawn from the Study Area) at 2016.
- 3.43 Full details of the assumptions made in estimating the turnover of commitments are provided in the notes which accompany Table 27d of Appendix 1.

Table 3.9: Extant Comparison Commitments in Telford & Wrekin Borough

Area	Location	Planning Application Reference	Proposal	Net Comp Sales (sq.m)	Comp Sales Density (£ per sq.m)	Estimate Turnover from SA at 2016 (£m)	Status
Telford Urban Area	Telford Shopping Centre	TWC/2013/0612	Retail redevelopment – comparison goods units	20,230	5,000	86.0	Elements of p.p. under construction
	Telford Shopping Centre	TWC/2013/0612	Retail redevelopment – comparison goods element of proposed foodstore	1,350	8,038	9.8	Elements of p.p. under construction
	Former Madeley Court	TWC/2016/0387	Proposed Lidl store	284	1,237	0.4	Commitment
	Former Madeley Court	TWC/2016/0387	Proposed Poundland	146	4,041	0.6	Commitment
	Former Madeley Court	TWC/2016/0387	Additional retail unit	133	4,000	0.5	Commitment
Newport	Audley Avenue	TWC/2011/0916	Erection of supermarket	661	6,416	3.8	Commitment
Total				22,804		101.0	

Source: Table 27d of Appendix 1
In 2015 Prices

- 3.44 As identified by the below Table 3.10, the turnover which would be claimed by comparison goods commitments acts to extinguish any quantitative need for additional comparison floorspace across the Borough until the last reporting period of 2031. The identified available residual expenditure at the final reporting year is £43.7m, which equates to a floorspace requirement of between 6,700 sq.m and 11,100 sq.m.

Table 3.10: Quantitative Need for Comparison Goods Floorspace in Telford & Wrekin Borough

Year	Comparison Goods				
	£m			Floorspace Requirement (sq.m net)	
	Surplus (£m)	Commitments (£m)	Residual (£m)	Min ^{1*}	Max ^{2*}
2016	0.0	101.0	-101.0	-20,200	-33,700
2018	0.8	103.6	-102.8	-20,100	-33,400
2023	61.5	110.9	-49.4	-9,000	-15,000
2028	125.5	123.6	1.8	300	500
2031	175.6	132.0	43.7	6,700	11,100

Source: Table 27c of Appendix 1

¹ Average sales density assumed to be £5,000 per sq.m at 2016

² Average sales density assumed to be £3,000 per sq.m at 2016
In 2015 Prices

Comparison Goods Capacity in Telford Urban Area

- 3.45 The below Table 3.11 indicates that comparison goods floorspace in the Telford Urban Area has an estimated turnover of £480.4m at 2016 (10.8% of which is inflow drawn from outside the defined Study Area). After increases in population and expenditure are balanced against changes in floorspace productivity, we estimate that a comparison goods expenditure surplus of £166.5m will be available to support additional floorspace within the Telford Urban Area at 2031.

Table 3.11: Quantitative Need for Comparison Goods Floorspace in Telford Urban Area

Year	Benchmark Turnover (£m) ¹	Available Expenditure (£m) ²	Surplus Expenditure (£m)
2016	480.4	480.4	0.0
2018	492.5	493.2	0.7
2023	527.2	585.5	58.3
2028	587.8	706.8	119.0
2031	627.5	794.0	166.5

Source: Table 27e of Appendix 1

¹ Benchmark turnover to increase in line with improvements in turnover efficiency set out in Table 4b of Experian Retail Planner 14 (November 2016)

² Assumes constant market share of Study Area expenditure (76.8%) claimed by facilities in Telford & Wrekin
In 2015 Prices

- 3.46 We estimate that extant retail planning permissions would provide an estimated 22,143 sq.m of comparison goods sales floorspace in the Telford Urban Area if all were operational at 2016. Once more, it is proposed that the large majority of this floorspace will be delivered in Telford town centre. As we set out below Table 3.12, this floorspace has an estimated



benchmark turnover of £97.2m (drawn from the Study Area) at 2016. The turnover which would be claimed by comparison goods commitments again acts to extinguish any quantitative need for additional comparison floorspace in the Telford Urban Area until the last reporting period of 2031. The identified comparison goods expenditure residual at 2031 is £39.5m, which equates to a floorspace requirement of between 6,100 sq.m and 10,100 sq.m.

Table 3.12: Quantitative Need for Comparison Goods Floorspace in Telford Urban Area

Year	Comparison Goods				
	£m			Floorspace Requirement (sq.m net)	
	Surplus (£m)	Commitments (£m)	Residual (£m)	Min ^{1*}	Max ^{2*}
2016	0.0	97.2	-97.2	-19,400	-32,400
2018	0.7	99.7	-98.9	-19,300	-32,200
2023	58.3	106.7	-48.4	-8,800	-14,700
2028	119.0	119.0	0.0	0	0
2031	166.5	127.0	39.5	6,100	10,100

Source: Table 27g of Appendix 1

¹ Average sales density assumed to be £5,000 per sq.m at 2016

² Average sales density assumed to be £3,000 per sq.m at 2016
In 2015 Prices

Comparison Goods Capacity in Newport

- 3.47 Table 3.13 identifies that comparison goods floorspace in Newport has an estimated turnover of £26.3m at 2016 (9.8% of which is drawn as inflow from outside the defined Study Area). After increases in population and expenditure are balanced against changes in floorspace productivity, we estimate that a comparison goods expenditure surplus of £9.1m will be available to support additional floorspace within Newport at 2031.

Table 3.13: Quantitative Need for Comparison Goods Floorspace in Newport

Year	Benchmark Turnover (£m) ¹	Available Expenditure (£m) ²	Surplus Expenditure (£m)
2016	26.3	26.3	0.0
2018	26.9	27.0	0.0
2023	28.8	32.0	3.2
2028	32.1	38.6	6.5
2031	34.3	43.4	9.1

Source: Table 27h of Appendix 1

¹ Benchmark turnover to increase in line with improvements in turnover efficiency set out in Table 4b of Experian Retail Planner 14 (November 2016)

² Assumes constant market share of Study Area expenditure (9.8%) claimed by facilities in Newport
In 2015 Prices



3.48 We are aware of a single commitment in Newport which would provide any substantial comparison goods floorspace, this relating to the consented food superstore at Audley Avenue. As we set out below at Table 3.14, the comparison goods floorspace associated with this commitment has an estimated benchmark turnover of £3.8m (drawn from the Study Area) at 2016. This commitment is sufficient to extinguish any further requirement for additional comparison goods floorspace until towards the end of the reporting period. At 2028, an estimated comparison goods expenditure surplus of £1.8m is evident, which equates to a comparison goods sales floorspace requirement of between 300 sq.m and 500 sq.m. By 2031, the increased expenditure surplus of £4.1m equates to a requirement for between 600 sq.m and 1,100 sq.m of sales floorspace.

Table 3.14: Quantitative Need for Comparison Goods Floorspace in Newport

Year	Comparison Goods				
	£m			Floorspace Requirement (sq.m net)	
	Surplus (£m)	Commitments (£m)	Residual (£m)	Min ^{1*}	Max ^{2*}
2016	0.0	3.8	-3.8	-800	-1,300
2018	0.0	3.9	-3.8	-800	-1,300
2023	3.2	4.2	-1.0	-200	-300
2028	6.5	4.7	1.8	300	500
2031	9.1	5.0	4.1	600	1,100

Source: Table 27j of Appendix 1

¹ Average sales density assumed to be £5,000 per sq.m at 2016

² Average sales density assumed to be £3,000 per sq.m at 2016
In 2015 Prices

Key Findings in Respect of Quantitative Capacity

3.49 The modelling of a higher level of future population growth in this Update report inevitably results in greater level of available convenience and comparison goods expenditure within the Study Area across the period to 2031. However, due to the very significant level of retail commitments in the Borough, the additional expenditure does not fundamentally alter our recommendations in respect of the Borough's future retail strategy.

3.50 In terms of convenience goods, there is still no requirement to plan for additional convenience goods floorspace as existing commitments extinguish any identified need over the entire Plan period to 2031. It should be noted that, due to structural changes in the food grocery market, some extant commitments may not be delivered (or may need to be revised in order to be viable). Accordingly, the Council should carefully monitor the position and



further applications for foodstore development should be considered against key retail planning policy tests in accordance with the evidence available at the time of the application's determination.

- 3.51 In respect of comparison goods, the identified expenditure surplus at 2031 is still relatively modest given the population of the Study Area. Across the Borough as a whole, our conclusion remains the same as that reported in our Retail Study Update of January 2017; there is no quantitative need for additional comparison goods floorspace until the final reporting period of 2031. Even then, the identified need equates to a relatively limited requirement across the Borough for between 6,700 sq.m and 11,100 sq.m of comparison goods sales floorspace. As a consequence, we recommend that the Council's priority should remain the proposed Telford town centre redevelopment and, subsequent to the delivery of this scheme, there may be a need to reconsider whether there is a requirement for any further substantial comparison goods floorspace.
- 3.52 We can confirm that we have considered the retail and town centre policies of the Submission Draft of the Local Plan in the above context and find the policies as currently drafted to be consistent with the conclusions of this further Update.