England & Lyle
Chartered Town Planners

Eden District Council

EDEN DISTRICT LOCAL PLAN

RETAIL EVIDENCE UPDATE

Final Report

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England & Lyle
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1. INTRODUCTION

1.1 England & Lyle have been commissioned by Eden District Council to update the retail evidence base for the emerging Local Plan. England & Lyle carried out the Eden District Retail Study for the Council in 2008. The current report updates the study information and extends the forecasting period to 2031.

1.2 The Update takes account of the requirements of the National Planning Policy Framework (NPPF) in terms of Local Plan policies on retail and other main town centre uses. It is concerned with assessments of the four main centres in Eden District – Penrith, Alston, Appleby and Kirkby Stephen. It reviews existing shopping and service provision in these centres and assesses the vitality and viability of the centres through updated health checks. An analysis is made of shopping patterns in Eden District based on a household survey. The household survey enables catchment areas of centres to be defined.

1.3 The market shares of centres shown in the household survey are combined with expenditure data to estimate the turnovers of centres. A detailed assessment is made of retail expenditure and need in the Local Plan period, taking account of spending by residents and visitors. Future retail potential is assessed in terms of expenditure and floorspace capacity in each centre. The capacity analysis is carried out for each centre for convenience and comparison goods.

1.4 Policy advice is given on the hierarchy of centres in Eden District, the boundaries of town centres and primary shopping areas, development opportunities, policies for town centre uses and floorspace thresholds for impact assessments.

2. REVIEW OF EXISTING SHOPPING PROVISION

2.1 Information on existing shopping and service provision in Penrith town centre has been obtained from a Goad Centre Report for April 2013. Details are available on the number of retail and commercial properties in different categories and gross floorspace. Detailed surveys were carried out by England & Lyle in Alston, Appleby and Kirkby Stephen town centres in October and November 2013. The surveys covered the uses of all retail and commercial properties in the centres. Gross shopping floorspace has been measured using the Promap OS computer mapping system. This Section gives a brief profile of each centre. Further details are presented in the health checks in Section 3.

Penrith

	no. of units	percent	UK percent
Convenience goods	28	10%	(9%)
Comparison goods	129	48%	(41%)
All Retail	157	58%	(50%)
Service	87	32%	(37%)
Vacant	24	9%	(13%)
Total	268	100%	(100%)

2.2 Penrith is the largest centre in Eden District with more than 150 shops. This is a slight reduction on the number recorded in 2008. The latest data includes Sainsbury's and the New Squares development. Since 2008 Morrisons' extension and the new Booths supermarket have also opened and the former Woolworths store has been re-occupied by B&M Bargains. Penrith has a relatively high proportion of comparison goods shops compared to the UK average for town centres but a lower proportion of service uses. The vacancy rate in Penrith is 9% of all retail and commercial uses, lower than the national average of 13%. The vacancy rate has increased from 7% in 2008, compared to the national average of 9% at that time. Gross shopping floorspace in Penrith is 29,673 sq.m. of which

15,375 sq.m. is in convenience goods (including Sainsbury's) and 14,298 sq.m. is in comparison goods.

Alston

	no. of units	percent	UK percent
Convenience goods	5	12%	(9%)
Comparison goods	18	44%	(41%)
All Retail	23	56%	(50%)
Service	14	34%	(37%)
Vacant	4	10%	(13%)
Total	41	100%	(100%)

2.3 Alston is the smallest of the town centres in Eden District. It has 23 shops, which is an increase from 19 in 2008. Alston has a relatively high proportion of both convenience and comparison goods shops compared to the UK average for town centres but a lower proportion of service uses. The vacancy rate in Alston is 10% of all retail and commercial uses, lower than the national average of 13%. The vacancy rate has decreased significantly from 24% in 2008, compared to the national average of 9% at that time. Gross shopping floorspace in Alston is 1,227 sq.m. of which 398 sq.m. is in convenience goods and 829 sq.m. is in comparison goods.

Appleby

	no. of units	percent	UK percent
Convenience goods	7	9%	(9%)
Comparison goods	25	34%	(41%)
All Retail	32	43%	(50%)
Service	35	47%	(37%)
Vacant	7	9%	(13%)
Total	74	100%	(100%)

2.4 Appleby is the second largest centre in Eden District but is much smaller than Penrith. It has 32 shops, about the same as in 2008. Appleby has a relatively low proportion of comparison goods shops compared to the UK average for town centres but a higher proportion of service uses. The vacancy rate in Appleby is 9% of all retail and commercial uses, lower than the national average of 13%. The vacancy rate has increased from 5% in 2008, compared to the national average of 9% at that time. Gross shopping floorspace in Appleby is 3,293 sq.m. of which 1,010 sq.m. is in convenience goods and 2,283 sq.m. is in comparison goods.

Kirkby Stephen

	no. of units	percent	UK percent
Convenience goods	8	13%	(9%)
Comparison goods	19	32%	(41%)
All Retail	27	44%	(50%)
Service	30	49%	(37%)
Vacant	4	7%	(13%)
Total	61	100%	(100%)

2.5 Kirkby Stephen is only slightly smaller than Appleby, with 27 shops, a decrease from 31 in 2008. Kirkby Stephen has a relatively high proportion of convenience goods shops but a low proportion of comparison goods shops compared to the UK average for town centres. There is also a high proportion of service uses. The vacancy rate in Kirkby Stephen is 7% of all retail and commercial uses, lower than the national average of 13%. The vacancy rate has increased from 3% in 2008, compared to the national average of 9% at that time. Gross shopping floorspace in Kirkby Stephen is 3,144 sq.m. of which 1,676 sq.m. is in convenience goods and 1,468 sq.m. is in comparison goods. The edge-of-centre Co-op supermarket is included in the floorspace figures as it is the main supermarket in the town.

Out-of-Centre Shopping

2.6 There are several retail outlets in Penrith outside the town centre. The Morrisons superstore and Fergusons Bathrooms & Furniture on Brunswick Road are outside the existing town centre boundary. On the opposite (western) side of Brunswick Road are the new Booths supermarket, Mountain Warehouse and WCF Pet and Equestrian. The existing B&Q retail warehouse is located on Bridge Lane but this store will shortly relocate to a new site on Ullswater Road.

2.7 Ullswater Road is the location for several out-of-centre retail units. At the northern end are Wickes, Halfords and Aldi. The adjacent Castle Retail Park which has recently opened contains the new B&Q store, Pets at Home, Carpetright and two vacant units. At the southern end of Ullswater Road is the Cranstons Cumbrian Food Hall and Topps Tiles.

3. HEALTH CHECKS

Health Check Appraisals

3.1 The NPPF emphasises that LPAs should recognise town centres as the heart of their communities and pursue policies to support their vitality and viability. The vitality and viability of individual centres is measured through performing health checks. England & Lyle carried out health checks of Penrith, Alston, Appleby and Kirkby Stephen town centres in October and November 2013 to assess their vitality and viability. The detailed health checks are included in Appendix 1 and they are summarised in this Section.

3.2 Our approach to undertaking health checks is based on a systematic appraisal based on the indicators listed in the former PPS4 and in the new National Planning Practice Guidance. These indicators are sub-divided into a total of 36 individual factors which are scored and an overall vitality and viability index is calculated. This approach has been developed by England & Lyle over a period of years and has been used in numerous retail studies and assessments for local authorities and developers. We used the same approach in the March 2008 Retail Study and we compare the current health of the centres with the findings in 2008.

3.3 In preparing the health checks we have used the results of the detailed surveys of centres, national comparisons from the Goad Centre Report for Penrith, general observation of each centre and local information from the District Council and other sources. We have also made use of the Benchmarking reports prepared for each centre in November 2012 by Action for Market Towns. The Goad Centre Report for Penrith is included in Appendix 2.

3.4 Experience of health checks in a wide variety of centres over recent years shows that the vitality and viability index will tend to range from about 2.5 for a centre that is performing poorly with a low level of vitality and viability to 4.0 or more for a centre which is performing well with a high level of vitality and viability. In Eden District the current vitality and viability index for the main centres is as follows, compared with the scores in 2008.

Centre	2013	2008
Penrith	3.6	3.3
Alston	3.1	3.0
Appleby	3.5	3.4
Kirkby Stephen	3.5	3.5

Penrith

3.5 Penrith town centre has a relatively high level of vitality and viability of 3.6. This is an increase from the score of 3.3 in 2008. Penrith has a generally good diversity of uses and retail representation, particularly in specialist/independent shops and the availability of food shopping which has improved since the opening of the Sainsbury's and Booths supermarkets. The centre has a relatively low vacancy rate. It is an accessible centre, but there are some concerns about the availability of car parking.

3.6 The benchmarking survey by Action for Market Towns highlights a number of positive factors about the health of Penrith town centre – the strength of its independent shops, the relatively low vacancy rate, loyalty of its local residents and the benefits of its tourist trade. The negative results of the benchmarking survey are poor business confidence, dissatisfaction with car parking among businesses and residents, and residents' perception that there is a poor variety of shops. However, our assessment is that Penrith has a good level of vitality and viability which has improved since our previous health check in 2008.

Alston

3.7 Alston has an average level of vitality and viability of 3.1 which has increased slightly from 3.0 in the 2008 health check. Alston It is a small centre with a moderate diversity of uses and retailer representation, reasonable accessibility, and good environmental quality. The benchmarking survey shows that Alston benefits from a loyal customer base, an attractive shopping environment and good access to services but it has a low footfall, a poor variety of shops and relatively poor leisure and cultural facilities. Overall it is a centre which adequately meets the needs of local residents and has improved in the last few years.

Appleby

3.8 Appleby has a better than average level of vitality and viability of 3.5 which has increased slightly from 3.4 in 2008. Appleby has a generally good diversity of uses, a moderate level of retailer representation, low vacancy rate and good environmental quality. The benchmarking survey highlights the positive aspects of Appleby's low vacancy rate, good physical appearance and the potential from tourist trade, but negative aspects are the lack of comparison shopping, low footfall and lack of leisure/cultural activities. Overall we regard Appleby as having a good level of vitality and viability which has improved slightly in recent years.

Kirkby Stephen

3.9 Kirkby Stephen also has a better than average level of vitality and viability index of 3.5 which is the same as in the 2008 health check. It has a moderate level of diversity of town centre uses, retailer representation, a low vacancy rate, and good accessibility and environmental quality. The benchmarking survey shows that Kirkby Stephen has a loyal customer base, a good variety of shops, good physical appearance of properties and cleanliness, but negative aspects are the market, low footfall and poor leisure and cultural provision. Overall we regard Kirkby Stephen as having a good level of vitality and viability which has improved slightly in recent years.

4. SHOPPING PATTERNS

4.1 A telephone household survey across Eden District was carried out by NEMS Market Research in February 2013. The survey was conducted among a representative sample of residents living in the study area. The study area is shown on the map in Figure 1. It includes the whole of Eden District but also extends beyond the District boundary in the Alston area to take in villages along the A689 north of Alston which are within the hinterland of the town. A total of 500 interviews was carried out to provide a robust and reliable sample, taking account of the number of households in the survey area. The survey area was sub-divided into 5 zones defined by postcodes to enable a geographical analysis of shopping patterns. These zones are also shown in Figure 1. They are based on the 7 zones used in the 2008 Retail Study but some zones have been amalgamated. The zones are:

1 – Penrith
2 – Alston area
3 – Appleby/Brough/Kirkby Stephen
4 – the rural south including Shap and Tebay, and
5 – the rural west including Greystoke and Glenridding/Patterdale.

4.2 The household survey enables shopping patterns to be assessed for food and non-food shopping. It asked where residents shop for main food and top-up food shopping, and various categories of non-food shopping. The survey also asked questions on linked trips and Internet shopping. Full details of the telephone household survey results are included in Appendix 3. This Section summarises the results.

Main Food Shopping

4.3 The survey indicates which store residents normally use for their main food and grocery shopping. Respondents were asked to name one shop only. The responses include a number of 'don't knows' or 'varies' and those using the Internet/home delivery. The data in Appendix 3 have been filtered to exclude these 'non-store' shoppers to enable the geographical pattern of main food shopping to be analysed. In the study area as a whole the stores most used for main food shopping are as follows.

Morrisons, Penrith	44.6%
Sainsbury's, Penrith	14.6%
Aldi, Penrith	8.5%
Booths, Penrith	3.8%
Co-op, Burrowgate, Penrith	3.6%
Co-op, King Street, Penrith	3.6%
Co-op, Kirkby Stephen	3.0%
Other shops, Eden District	3.2%
Eden District total	84.9%

4.4 Outside the study area the stores most used for main food shopping are:

Morrisons, Kendal	3.4%
Asda, Kendal	2.7%
Asda, Carlisle	2.3%
Tesco, Carlisle	2.3%
Other leakage	4.4%
Total leakage	15.1%

4.5 Morrisons in Penrith has by far the largest market share for main food shopping. It is the store most used for main food shopping in all the zones. The main reasons for visiting the stores that are most used for main food shopping are:

Near to home	23.4%
Always use it	13.8%
Lower prices	10.0%
Value for money	8.5%
Choice of goods	7.8%
Good car parking	6.0%
Quality of goods	5.4%

4.6 Most respondents (71.4%) do main food shopping at least once a week. Most travel for main food shopping by car/van (89.0%). 8.6% walk and only 0.9% travel by bus.

4.7 Respondents were asked if they carried out other activities on their last main food and grocery shopping trip. 47% said they make linked trips. The activities carried out are as follows.

Non-food shopping	23.2%
Leisure activities	11.8%
Using services (bank, post office, etc)	8.6%
Visiting friends/relatives	3.2%
Buying petrol	2.4%
Going for food/drinks	2.2%
Other food shopping	2.1%

4.8 69% of linked trips are to Penrith town centre. 4.5% of respondents said they use Internet shopping/home delivery for their main food shop.

Top-up Food Shopping

4.9 Overall respondents said they spend 70% of their food and grocery shopping on main food shopping and 30% on top-up food shopping. The shops most used for top-up food shopping are listed below. The figures have again been adjusted to exclude 'don't knows' and those who don't do top-up food shopping.

Morrisons, Penrith	13.5%
Sainsbury's, Penrith	8.6%
Aldi, Penrith	3.2%
Booths, Penrith	5.5%
Co-op, Burrowgate, Penrith	4.9%
Co-op, King Street, Penrith	7.8%
Other shops, Penrith	11.6%
Kirkby Stephen	9.9%
Appleby	12.7%
Alston	3.9%
Other shops, Eden District	14.0%
Shops outside Eden District	4.4%

Non-Food Shopping

4.10 Respondents were asked a series of questions about their patterns of non-food shopping. They were asked which shopping centre or other location they normally use to buy different types of non-food goods. We have aggregated the responses across all the non-food categories and expressed the combined results as percentage market shares.

Percent	Non-Food Market Share
Penrith town centre	39.7%
Sainsbury's, Penrith	1.9%
Morrisons, Penrith	3.6%
Penrith out-of-centre	3.1%
Appleby	3.3%
Kirkby Stephen	1.8%
Alston	0.4%
Study Area Total	53.8%
Carlisle	27.3%
Kendal	5.4%
Newcastle	0.9%
Metro Centre	0.8%
Hexham	0.5%
Other centres outside study area	11.3%

4.11 Penrith town centre is the dominant centre for non-food shopping in the study area. Including shopping in Sainsbury's and Morrisons and out-of-centre stores Penrith is the centre most used by 48% of residents. Carlisle is also well used for non-food shopping. Appleby has a small market share but Kirkby Stephen and Alston are not used to a great extent for non-food shopping. 39% of respondents said they do some form of Internet or electronic shopping.

5. CATCHMENT AREAS

Analysis of Market Shares

5.1 The household survey data on main food shopping and shopping for clothes/footwear provides an appropriate basis for defining the catchment areas of the town centres in Eden District. The data are summarised in the following tables.

Main food shopping	Zone 1 Penrith %	Zone 2 Alston %	Zone 3 Appleby/ K. Stephen %	Zone 4 Rural south %	Zone 5 Rural West %
Morrisons, Penrith	52.0	40.4	24.2	36.4	63.3
Sainsbury's, Penrith	15.8	14.0	12.9	21.8	9.0
Aldi, Penrith	5.0	6.8	6.5	14.3	10.8
Booths, Penrith	6.2	4.0	1.1	3.4	3.7
Co-op, Appleby	0	0	4.8	0	0
Co-op, Kirkby Stephen	0	0	13.5	0	0
Co-op, Alston	0	2.5	0	0	0
elsewhere	21.0	32.3	37.0	24.1	13.2

Clothes and footwear	Zone 1 Penrith %	Zone 2 Alston %	Zone 3 Appleby/ K. Stephen %	Zone 4 Rural south %	Zone 5Rural West %
Penrith town centre	13.4	11.7	10.9	25.3	20.4
Appleby town centre	0	0	1.7	0	0
Carlisle	64.2	55.6	44.3	42.1	46.5
Kendal	1.5	0	19.4	18.1	0.8
elsewhere	20.9	32.7	23.7	14.5	32.3

5.2 The main food shopping patterns show that the stores in Penrith draw trade from all the zones and have the dominant market share in all the zones. The stores in Appleby and Kirkby Stephen draw their trade only from the Appleby/Kirkby Stephen zone, and in Alston all the trade is from the Alston zone.

5.3 In clothes and footwear shopping Carlisle is the centre most used in all the zones but Penrith town centre also has a large market share. Other than Carlisle, Penrith is the centre most used in all the zones except the Kirkby Stephen zone where Kendal is more popular.

Penrith has a relatively high market share among residents of the rural south and west zones. Appleby draws trade only from the Appleby/Kirkby Stephen zone.

Definition of Catchment Areas

5.4 On the basis of the household survey shopping patterns we conclude that the catchment area of Penrith should comprise all five zones in the study area. For the purposes of the capacity analysis Penrith's market share should be the total of its trade from all the zones. Alston only draws trade from the local area and its catchment area should be defined as Zone 2. Appleby draws all of its trade from Zone 3 and its catchment area should be defined as that portion of Zone 3 that surrounds Appleby (and excludes Kirkby Stephen). That area corresponds with postcode sector CA16 6. Kirkby Stephen also draws all of its trade from Zone 3 and its catchment area should be defined as that portion of Zone 3 that surrounds Kirkby Stephen (and excludes Appleby). That area corresponds with postcode sector CA17 4.

5.5 The catchment areas are shown on the map in Figure 2. Alston, Appleby and Kirkby Stephen have discrete catchments that do not overlap. Each of these catchment areas falls within the wider catchment of Penrith which has a wider role in the retail hierarchy.

6. EXPENDITURE ANALYSIS

Existing Population and Expenditure

6.1 England & Lyle have obtained a Pitney Bowes AnySite Report on retail expenditure within the study area. The latest AnySite Reports use a 2011 expenditure base in 2011 prices. The report shows usually resident population and retail expenditure per head in each zone in convenience and comparison goods in 2011. The zones are combinations of postcode sectors. The 2011 base data are shown in Appendix 4 for convenience and comparison goods separately. Average expenditure for each zone is calculated using data for postcode sectors. The total population in the study area in 2011 was 48,971. This is a projected figure. It is lower than the recorded total of usual residents in Eden District the 2011 Census of 52,564. The Pitney Bowes expenditure data is based on postcodes and there is no reliable method of breaking down the Census data by postcode. Therefore, in Appendix 4 we have scaled up the population estimates for zones to the 2011 Census total.

6.2 The table below shows the adjusted populations in 2011 for the study area, which is also the catchment area population for Penrith, and populations of the other catchment areas (rounded).

Catchment Area Populations	2011
Penrith	52,560
Alston	8,880
Appleby	6,740
Kirkby Stephen	5,240

6.3 Average expenditure per person in the study area as a whole on convenience goods in 2011 was £1,919 per annum which is 1.3% higher than the UK average. Convenience spending is relatively high in the Penrith, Rural South and Rural West zones, and relatively low in the Alston zone. Average expenditure per person in the study area as a whole on comparison goods in 2011 was £2,824 per annum which is 5.6% lower than the UK average.

Comparison spending is relatively high in the Rural South and Rural West zones, and again relatively low in the Alston zone.

6.4 Expenditure per person by zone has to be adjusted to exclude spending on non-store retail sales such as Internet shopping. Data is available on existing and projected non-store retail sales in Pitney Bowes Retail Expenditure Guide 2013/2014 (August 2013). In convenience goods the proportion of non-store retail sales in 2011 was 2.5% of all spending. This is an adjusted figure that excludes Internet shopping for goods that are sourced from supermarkets and represent part of the turnover of those supermarkets. In comparison goods the proportion of non-store retail sales was 13.1%.

6.5 Total expenditure in 2011 excluding non-store retail sales is shown below.

Catchment Area Expenditure, 2011	Convenience	Comparison
Penrith	£98.4m	£129.0m
Alston	£15.4m	£21.3m
Appleby	£12.7m	£16.5m
Kirkby Stephen	£9.7m	£13.3m

Population and Expenditure Forecasts

6.6 Population forecasts for the study area are based on the ONS 2010-based sub-national population projections for Eden District. The forecast years are 2013, 2018, 2023 and 2031. The population of Eden District is forecast to increase as follows.

2011	52,564
2013	53,000
2018	54,000
2023	55,000
2031	56,000

6.7 The catchment area populations are projected to increase pro rata to the total population of the study area. The detailed figures are shown in Appendix 5A.

Catchment Area	2011	2013	2018	2023	2031

Populations					
Penrith	52,560	53,000	54,000	55,000	56,000
Alston	8,880	8,950	9,120	9,300	9,460
Appleby	6,740	6,790	6,920	7,050	7,180
Kirkby Stephen	5,240	5,290	5,390	5,490	5,590

6.8 Expenditure has been projected forward to 2031 using forecasts in the Pitney Bowes Retail Expenditure Guide, August 2013. The retail expenditure growth rates are based on forecasts made by Oxford Economics. The Retail Expenditure Guide states:
"Oxford Economics' forecasts from the UK consumer spending model are forecasts consistent with past trends, but are also based upon expected changes in other economic variables of interest according to historic relationships."
They are to be preferred to purely trend-based forecasts.

6.9 The average annual forecast growth rates are as follows:

Expenditure Growth	Convenience goods	Comparison goods
2011-18	0.6%	3.6%
2018-23	0.8%	3.7%

6.10 The forecasts indicate a significantly greater growth in expenditure in comparison goods than in convenience goods. They also suggest that in comparison goods the rate of growth will be slightly higher in the longer term. For the purposes of the expenditure forecasts in this study, taking the time period of the Local Plan, we assume that the growth rates to 2023 in convenience and comparison goods will continue to 2031.

6.11 The expenditure forecasts have to be adjusted to exclude non-store retail sales. Nationally it is forecast that non-store retail sales will increase during the next ten years than stabilise. The forecasts are shown below.

Proportion of Spending on Non-Store Retail Sales	2011	2013	2018	2023	2031
Convenience Goods (adjusted)	2.5%	2.7%	2.9%	3.0%	3.0%
Comparison Goods	13.1%	15.1%	17.1%	17.6%	17.6%

6.12 The population forecasts for each catchment area have been combined with retail expenditure per person by zone (adjusted to exclude non-store retail sales) in future years to forecast total expenditure in the study area. Details are shown in Appendix 5B for convenience goods and Appendix 5C for comparison goods.

6.13 The expenditure forecasts for each catchment area are summarised below.

Penrith catchment Area (£ million)	2011	2013	2018	2023	2031
Convenience Goods	98.35	100.15	104.92	111.10	120.56
Comparison Goods	128.99	136.39	161.93	196.59	267.68

Alston catchment Area (£ million)	2011	2013	2018	2023	2031
Convenience Goods	15.40	15.68	16.42	17.40	18.88
Comparison Goods	21.29	22.50	26.72	32.45	44.18

Appleby catchment Area (£ million)	2011	2013	2018	2023	2031
Convenience Goods	12.73	12.96	13.58	14.39	15.61
Comparison Goods	16.52	17.46	20.74	25.19	34.29

Kirkby Stephen Catchment Area (£ million)	2011	2013	2018	2023	2031
Convenience Goods	9.67	9.85	10.32	10.93	11.86
Comparison Goods	12.60	13.32	15.81	19.21	26.15

Survey-based Turnover Estimates

6.14 The household survey results have been analysed to show where people mostly shop for convenience and comparison goods in 2013. The tables in Appendix 6 give details of market shares of centres and stores which are combined with the expenditure estimates for

2013 to estimate the turnovers of centres. In the case of convenience goods turnover is estimated for main food shopping and top-up food shopping in Appendix 6A and an overall convenience turnover is calculated for each store/centre. Estimates are made of survey-based comparison goods expenditure in Appendix 6B.

Visitor Spending

6.15 The turnover estimates in Appendix 6 are for spending by Eden residents only. To obtain the total turnover of centres and stores it is necessary to add spending by visitors. An analysis has been made of visitor expenditure in centres in Eden District based on the Council's STEAM model, a tool that has been specially developed to analyse tourism data including spending by those visiting an area. Data is available on spending on shopping in Eden District in 2012 for day visitors and staying visitors. A breakdown is not given between convenience and comparison goods spending but we use the same assumptions as in the 2008 Retail Study, as follows:

- Spending by day visitors will be predominantly on comparison goods, say 90%, with just 10% on convenience goods.
- Spending by staying visitors will be mostly on comparison goods (75%) but with some spending on convenience goods by those self-catering (25%).

6.16 The estimates of visitor spending are shown in Appendix 6C. In Appendix 6D the figures of turnover from residents and spending by visitors are added to derive estimates of total turnover in centres and stores. It is assumed that the visitor spending will be distributed between centres and stores directly in proportion to the turnover from residents.

6.17 The estimated overall turnovers of centres and stores are shown below.

Total Turnover 2013 (£m)	Convenience goods	Comparison goods
Penrith town centre	12.90	68.04
Morrisons, Penrith	36.89	6.17

Sainsbury's, Penrith	13.39	3.26
Aldi, Penrith	7.23	-
Booths, Penrith	4.51	-
Penrith out-of-centre	-	5.32
Appleby	3.99	5.66
Kirkby Stephen	5.31	3.08
Alston	1.22	0.69
Other shops, Eden District	6.74	-
Eden District Total	92.15	92.21

Trading Performance of Centres

6.18 It is possible to compare the estimated actual turnovers of the supermarkets in Penrith with their company average or benchmark turnovers to assess the extent to which stores are 'over-trading'. The benchmark turnovers are from Verdict 2012 in 2011 prices.

	Net floorspace Sq.m.	Sales density £ per sq.m.	Benchmark turnover	Survey-based turnover
Morrisons	2,458	£12,737	£31.3m	£43.1m
Sainsbury's	2,590	£11,818	£30.6m	£16.7m
Aldi	710	£6,892	£4.9m	£7.2m
Booths	1,858	£9,100	£16.9m	£4.6m

6.19 The household survey data suggests that Morrisons is over-trading at more than a third above its benchmark level. This is very similar to the position we found in the 2008 Retail Study and it shows that Morrisons has maintained its strong trading position despite the opening of Sainsbury's in Penrith. Aldi also appears to be over-trading. The Sainsbury's and Booths stores appear to be performing well below their company average level.

7. RETAIL CAPACITY

Leakage and Trade Retention

7.1 Comparing the estimates of expenditure and turnover drawn from residents in each catchment area enables an assessment to be made of leakage from each area.

CONVENIENCE GOODS 2013 (by catchment)	Expenditure from residents (£m)	Turnover from residents (£m)	Leakage (£m)	Leakage (% of spending)
Penrith	100.15	71.73	28.42	28%
Alston	15.68	1.17	14.51	93%
Appleby	12.96	3.82	9.14	71%
Kirkby Stephen	9.85	5.08	4.77	48%

COMPARISON GOODS 2013 (by catchment)	Expenditure from residents (£m)	Turnover from residents (£m)	Leakage (£m)	Leakage (% of spending)
Penrith	136.39	65.87	70.52	52%
Alston	22.50	0.55	21.95	98%
Appleby	17.46	4.50	12.96	74%
Kirkby Stephen	13.32	2.45	10.87	82%

7.2 The Penrith catchment area has the lowest level of leakage in relative terms in both convenience and comparison goods but in absolute terms there are significant amounts of leakage of expenditure from the Penrith area as shown by the household survey data, particularly in comparison goods. The Alston catchment area has the highest levels of leakage in relative terms, in both convenience and comparison goods. Appleby and Kirkby Stephen catchment areas also have relatively high levels of leakage.

7.3 The extent to which expenditure is retained in each catchment area represents its market share or retention level or market share. These retention levels are used in the capacity analysis. In assessing future shopping need it is necessary to consider whether existing retention levels could change in the future. In the capacity analysis below an assessment is made of the potential for the retention levels to increase in the Penrith catchment area and for changes in retention levels in the other catchment areas.

Capacity Analysis

7.4 Quantitative need is assessed based on the expenditure forecasts and the extent of trade retention within each catchment area. We have adopted a market-share approach to the capacity analysis for each centre. Expenditure in the base year 2013 in the catchment area is compared with the survey-based turnover in the centre. Capacity is assessed for the forecast years 2018 and 2023 and in the Local Plan period to 2031. The capacity analysis is carried out for convenience and comparison goods. The scope for new retail floorspace in each centre depends on expenditure growth and on the extent to which the retention level may increase in the future. Any potential for clawback of leakage will increase the retention level.

7.5 After assessing the potential for an increase in retention levels and the amount of expenditure retained, it is then necessary to allow for an increase in turnover in existing shops to reflect the trend towards improvement in sales productivity over time. This trend is particularly evident in comparison goods. The latest advice on these improvements from Pitney Bowes is that sales efficiency will increase by 0.4% per annum in convenience goods and 1.8% per annum in comparison goods.

7.6 Using the market share approach, future capacity must include the turnover of centres that comes from visitor spending in each catchment area. The retention level only takes account of residents spending but the future potential for retail development also needs to allow for trade that is drawn from outside the catchment area.

7.7 Subtracting the future turnover of existing shops from the amount of expenditure retained and adding spending from visitors gives the surplus capacity in each forecast year. An allowance would then normally be made for communities for new retail development but there are no committed retail developments to take into account in Penrith or elsewhere following the completion of the Penrith New Squares development. Therefore the surplus capacity also represents the residual capacity in each catchment area.

7.8 The capacity analysis is shown in Appendix 7A for convenience goods and Appendix 7B for comparison goods.

Penrith

Convenience Goods

7.9 In the Penrith catchment area the retention level for convenience goods is assumed to remain at 72% following the development of the New Squares scheme and other recent developments such as the Booths supermarket. This retention level is applied to the expenditure forecasts to obtain the amount of expenditure retained. An allowance is then made for the future turnover of existing shops and turnover from visitor spending to derive surplus capacity. The surplus capacity is £5.7m in 2018, rising to £8.9m in 2023 and £13.6m in 2031.

Comparison Goods

7.10 In the Penrith catchment area the retention level for comparison goods is assumed to remain at its current level of 48% following the development of the New Squares scheme. This retention level is applied to the expenditure forecasts to obtain the amount of expenditure retained. An allowance is then made for the future turnover of existing shops and turnover from visitor spending to derive surplus capacity. The surplus capacity is £9.5m in 2018, rising to £20.2m in 2023 and £43.9m in 2031.

Alston

Convenience Goods

7.11 In the Alston catchment area the retention level for convenience goods is just 7% and it is assumed to remain at this level in future years. This retention level is applied to the expenditure forecasts to obtain the amount of expenditure retained. An allowance is then made for the future turnover of existing shops and turnover from visitor spending to derive surplus capacity. There is no surplus capacity throughout the period to 2031.

Comparison Goods

7.12 In the Alston catchment area the retention level for comparison goods is just 2% and it is assumed to remain at this level in future years. This retention level is applied to the expenditure forecasts to obtain the amount of expenditure retained. An allowance is then made for the future turnover of existing shops and turnover from visitor spending to derive surplus capacity. There is a very small surplus capacity rising to £0.4m by 2031.

Appleby

Convenience Goods

7.13 In the Appleby catchment area the retention level for convenience goods is 29% and it is assumed to remain at 29% in future years. This retention level is applied to the expenditure forecasts to obtain the amount of expenditure retained. An allowance is then made for the future turnover of existing shops and turnover from visitor spending to derive surplus capacity. There is a small surplus capacity rising to £0.6m by 2031.

Comparison Goods

7.14 In the Appleby catchment area the retention level for comparison goods is 26% and it is assumed to remain at 26% in future years. This retention level is applied to the expenditure forecasts to obtain the amount of expenditure retained. An allowance is then made for the future turnover of existing shops and turnover from visitor spending to derive surplus capacity. There is a surplus capacity of £1.9m in 2018, rising to £2.8m by 2023 and £4.0m by 2031.

Kirkby Stephen

Convenience Goods

7.15 In the Kirkby Stephen catchment area the retention level for convenience goods is 29% and it is assumed to remain at 29% in future years. This retention level is applied to the expenditure forecasts to obtain the amount of expenditure retained. An allowance is then made for the future turnover of existing shops and turnover from visitor spending to derive surplus capacity. There is a small surplus capacity rising to £0.6m by 2031.

Comparison Goods

7.16 In the Kirkby Stephen catchment area the retention level for comparison goods is 18% and it is assumed to remain at 18% in future years. This retention level is applied to the expenditure forecasts to obtain the amount of expenditure retained. An allowance is then made for the future turnover of existing shops and turnover from visitor spending to derive surplus capacity. There is a surplus capacity of £0.9m in 2018, rising to £1.4m by 2023 and £2.6m by 2031.

Floorspace Capacity

7.17 In the capacity analysis tables the surplus capacity for each centre is used to forecast floorspace capacity using average sales densities that are typical of new retail developments. The sales densities are £10,000 per sq.m. net for convenience goods and £5,000 per sq.m. net for comparison goods. The net floorspace capacity is converted to gross floorspace using a typical net/gross floorspace ratio of 70%. The gross floorspace capacities in sq. metres are summarised below (rounded).

CONVENIENCE GOODS	2018	2023	2031
Penrith	820	1,270	1,940
Alston	-	-	-
Appleby	30	60	90
Kirkby Stephen	30	60	90

COMPARISON GOODS	2018	2023	2031
Penrith	2,710	5,780	12,550
Alston	30	60	110
Appleby	530	810	1,150
Kirkby Stephen	260	410	730

7.18 There is potential for a small amount of additional convenience shopping floorspace in Penrith, equivalent to a small supermarket. This does not necessarily have to be in the town centre. It could be on the edge of the town centre or even out-of-centre if a proposal satisfies the NPPF sequential and impact tests. There is no potential for new convenience floorspace in Alston and very little in Appleby and Kirkby Stephen.

7.19 There is significantly greater potential to support new shopping development in comparison goods, particularly in Penrith, during the Local Plan period. In the short term the demand for new comparison floorspace is likely to be satisfied by the new retail units in the New Squares scheme but in the longer term the amount of floorspace capacity could justify a site allocation in or on the edge of Penrith town centre if a suitable site is available. The potential for new comparison floorspace in Alston is very limited. In Kirkby Stephen there is a moderate scope for new comparison floorspace but the townscape of the town centre would make it difficult to accommodate new development. Future demand is likely to be met through the more efficient use of existing properties in the primary shopping area.

7.20 Appleby offers greater potential for new comparison shopping development but again there are townscape constraints in the primary shopping area of Boroughgate. The development opportunities that do exist are within that part of the town centre to the east of the River Eden in The Sands. The Appleby Ford Garage next to the Co-op supermarket appears to be a site that could be redeveloped for retail uses in the future.

8. POLICY ADVICE

8.1 The advice on Local Plan policy in this report is given in the context of the NPPF advice on plan-making policies in relation to town centre and retail uses. This Section makes recommendations on town centre strategy, policy wording and allocations for town centre uses for the new Local Plan for Eden District.

'Town Centres First'

8.2 The NPPF states that through Local Plans local authorities should recognise town centres as the heart of their communities and pursue policies to support their vitality and viability. In Eden District health checks have been carried out of the main town centres but it

8.3 Our review of the capacity for retail development over the Local Plan period to 2031 indicates that:

- In convenience goods there is some capacity for new floorspace during the Local Plan period in Penrith, sufficient to support another supermarket of up to 2,000 sq.m. gross floorspace. There is no capacity in Alston and very little in Appleby and Kirkby Stephen.
- In comparison goods there is a significant capacity for new floorspace in Penrith in the longer term of around 12,000 sq.m. gross floorspace which may justify the allocation of new sites in or on the edge of the town centre. There is no potential for further comparison shopping in Alston and only a small amount in Kirkby Stephen. There is greater potential in Appleby which could be met through redevelopment of land in The Sands.

Network and Hierarchy of Centres

8.4 The NPPF requires that Local Plans should define a network and hierarchy of centres that is resilient to anticipated future economic changes. In Eden District the hierarchy of centres should be defined as in the Core Strategy, March 2010:

Town Centre – Penrith
District Centres – Alston, Appleby and Kirkby Stephen

Town Centre and Primary Shopping Area Boundaries

8.5 The NPPF states that Local Plans should define the extent of town centres and primary shopping areas, based on a clear definition of primary and secondary frontages in designated centres, and set policies that make clear which uses will be permitted in such locations.

8.6 The boundary of Penrith town centre and the district centre boundaries of Alston, Appleby and Kirkby Stephen are shown on the maps in Figure 3. The proposed town centre boundaries include all main town centre uses. In Penrith the proposed town centre boundary also includes major community uses such as local authority offices and churches, and the bus station. The maps also show proposed primary shopping areas which comprise primary shopping frontages and secondary frontages which are contiguous.

8.7 Local Plans should promote competitive town centres that provide customer choice and a diverse retail offer and which reflect the individuality of town centres. In Penrith convenience shopping is dominated by several large supermarkets but these are well related to the town centre. Comparison shopping is concentrated mostly in the town centre, with a limited amount of out-of-centre retail warehouses. Penrith town centre offers a good level of consumer choice and competition, supported by stores outside the town centre.

8.8 The limited potential for new convenience shopping floorspace in Penrith should if possible be accommodated within or on the edge of the town centre to maximise the centre's accessibility and its role as the town's community focus.

8.9 Although demand for comparison goods shopping is likely to be met by shops in the New Squares scheme in the short term, Penrith town centre has the potential to accommodate further comparison goods shopping in the longer term. To ensure that future investment in the town centre is not harmed by further out-of-centre retail warehouse developments, all proposals for new retail development outside Penrith town centre and the district centres should be expected to satisfy the sequential test and should be subject to a locally defined floorspace threshold for impact assessments (see below).

8.10 Within the primary shopping frontages in the primary shopping area of the town centre the Council should expect that not less than 75% of uses will fall within Use Class A1 (Shops) as defined by the length of frontage in retail and non-retail uses. Within the secondary shopping frontages in the primary shopping area of the town centre the Council should expect that not less than 50% of uses will fall within Use Class A1 (Shops) as defined by the length of frontage in retail and non-retail uses.

Markets

8.11 The NPPF states that local authorities should retain and enhance existing markets and, where appropriate, re-introduce or create new ones, ensuring that markets remain attractive and competitive. In Penrith town centre the outdoor street market should be protected and enhanced.

Allocation of Sites

8.12 The NPPF requires that Local Plans should allocate a range of suitable sites to meet the scale and type of retail, leisure, commercial, office, tourism, cultural, community and residential development needed in town centres. It is important that needs for retail, leisure, office and other main town centre uses are met in full and are not compromised by limited site availability. Local planning authorities should therefore undertake an assessment of the need to expand town centres to ensure a sufficient supply of suitable sites.

8.13 Local Plans should allocate appropriate edge-of-centre sites for main town centre uses that are well connected to the town centre where suitable and viable town centre sites are not available. If sufficient edge of centre sites cannot be identified, set policies for meeting the identified needs in other accessible locations that are well connected to the town centre.

8.14 Penrith town centre is the most accessible and most sustainable location for retail development. It is also the location which best satisfies the sequential approach to site selection, giving preference to sites within centres. Allocating sites for retail development within the town centre has further benefits in terms of developing on previously-developed sites and maximising investment in a location that offers the greatest spin-off benefits for all town centre uses. If it is not possible to find suitable sites within the town centre, edge-of-centre sites may be suitable for main town centre uses. In Appleby the need for additional retail floorspace could be met through the redevelopment of land in The Sands.

Proposals for Development outside Centres

8.15 Local Plans should set policies for the consideration of proposals for main town centre uses which cannot be accommodated in or adjacent to town centres. There is no identified need for large-scale retail development in Penrith and we do not consider it necessary or appropriate to identify sites to accommodate larger format developments outside the town centre.

8.16 The NPPF advises that floorspace thresholds could be adopted by local planning authorities for impact assessment purposes. In considering appropriate floorspace thresholds it is particularly relevant to take account of the scale of proposals relative to the town and district centres, the vitality and viability of centres and the likely effects of new development on the town centre strategy, especially further out-of-centre retail developments.

8.17 An appropriate floorspace threshold forPenrith town centre should be sufficiently low to protect the town centre from new development outside the centre that could damage the health of the centre. In the context of experience in other local authorities, a floorspace threshold of 500 sq.m.gross would be appropriate for Penrith town centre. Because Penrith's catchment area is the whole of Eden District, the application of this threshold would apply throughout the District. Therefore all proposed retail developments of more than 500 sq.m. gross should be subject to an impact assessment.

8.18 The district centres of Alston, Appleby and Kirkby Stephen are heavily reliant on the presence of supermarkets as the anchor stores in the centres. The unrestricted development of a convenience store outside these centres of more than 250 sq.m. gross could have a significant adverse impact. It is proposed that a threshold of 250 sq.m. gross would be appropriate for the district centres. The application of this threshold of 250 sq.m. gross should apply to proposals within walking distance (400 metres) of the boundary of a district centre.

8.19 In the Local Plan we would recommend that the following floorspace thresholds are agreed for impact assessments.

	Area for Application of Floorspace Thresholds	Assessment Required
Penrith Town Centre	Eden District, outside the town centre primary shopping area of Penrith (unless within 400 metres of the boundary of a district centre)	over 500 sq. metres gross
District Centres of Alston, Appleby and Kirkby Stephen	Within 400 metres of the boundary of a District Centre	over 250 sq. metres gross