



Bath & North East Somerset Retail Study 2018

Bath & North East Somerset Council

November 2018

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1. Introduction

Scope and Purpose

1.1 This report has been prepared by GVA for Bath & North East Somerset Council ('B&NES') to provide an update to the contents of the Bath & North East Somerset Retail Study 2014 ('the 2014 retail study'). The 2014 retail study acts as part of the evidence base library for the B&NES Placemaking Plan and has also been used to support B&NES's development management function. The 2014 retail study was published in two parts, in November 2014 (Part 1) and July 2015 (Part 2), and provided the following information and analysis:

- Town centre health check issues;
- A quantitative assessment of the need for retail floorspace across the main settlements in B&NES administrative area;
- An assessment of the capacity for cinema screens in the B&NES area;
- An assessment of the potential for various sites to accommodate the assessed level of retail needs; and
- Advice on the content of retail and town centre policies in the Placemaking Plan and various town centre boundary/frontage designations.

1.2 B&NES is now preparing a new Local Plan for their administrative area and intends to refresh its evidence base library. It should also be noted that the new Local Plan is being prepared alongside a Joint Spatial Plan for the West of England area and an updated version of the National Planning Policy Framework was published in July 2018. As such, there is a need for the above matters to be re-visited. Bearing in mind the age of the 2014 retail study documents and the need to ensure that the new evidence is as up to date as possible, it has been agreed with B&NES officers that the new evidence base within the 2018 Update will comprise:

- A commentary on the findings and recommendations of the 2014 GVA retail study reports, including the content/outcome of the recent Examination of the Placemaking Plan.
- A review of the new NPPF and how its contents may change to the approach to planning for retail and main town centre uses in development plans going forwards.
- A commentary on the changes in economic forecasts since the completion of the 2014 retail study reports, including changes in the UK economic, changes in the forecast level of future retail spending and local changes in retail commitments in B&NES.

- An updated survey of the land use profile of the four main 'town centre's in Bath and North East Somerset.
- An updated assessment of the shopping patterns associated with each of the four main centres, via a new survey of household shopping patterns.
- An updated assessment of the quantitative and qualitative need for convenience and comparison retail floorspace in each of the four main settlements.
- An updated survey of retailer demand for floorspace in Bath, expanded to include retailer demand in Midsomer Norton and Keynsham.
- Advice on the content of retail floorspace provision in the two strategic development locations being proposed for the B&NES administrative area in the Joint Spatial Plan.

1.3 In addition, the brief issued by B&NES for this 2018 Update study has asked that includes an assessment of the contribution that the local independent retail sector makes to the health and attractiveness of Bath city centre and how this role might be managed in the new Local Plan. As a consequence, this assessment takes into account the retailer profile of the city centre, a survey of local independent traders and research into how other local planning authorities have sought to manage the presence of local independent traders in their 'town centres'.

Content of Report

1.4 The remainder of this report is structured in the following manner:

- In Section 2 we provide a commentary on the findings and recommendations of the 2014 Retail Study, the content and outcome of the recent Examination process for the Placemaking Plan, plus a review of the contents of the new NPPF insofar as retail and town centre planning policies are concerned.
- Section 3 provides an update on general economic conditions and retail expenditure forecasts since the 2014 retail study.
- Section 4 provides updated town centre health checks for the four main town centres in B&NES, along with an updated retailer demand assessment.
- Our assessment of the assessment of need for convenience and comparison goods floorspace across the four main settlements is contained in Section 5.
- In Section 6 we undertake our assessment of the contribution of the local independent retail sector to Bath city centre and the potential policy responses which could be available to B&NES.

- We assess the contribution that the planned strategic development locations in the Joint Spatial Plan can make towards retail provision in Section 7.
- A summary of the contents of this report can be found in Section 8.

1.5 All plans, statistical information and other documentation referred to in the main text of this report can be found in appendices at the rear of this document.

2. Commentary of the Findings & Recommendations in the 2014 Retail Study, Outcome from Recent B&NES Placemaking Plan Examination and the New National Planning Policy Framework

The 2014 Retail Study

2.1 As a starting point for this section of the retail study update, we consider it useful to summarise the findings of the 2014 retail study. As noted in Section 1 of this report, the 2014 study was published in two parts and reached the following conclusions and recommendations:

- In relation to convenience goods floorspace:
 - There is limited short to medium term quantitative need in Bath, which indicates that there is no immediate/urgent need to identify provision for a new store
 - There is no capacity for additional convenience goods floorspace in Keynsham
 - There is capacity for additional provision in the Midsomer Norton and Radstock area and there is a need to consider the balance of new provision across both settlements
- In relation to comparison goods floorspace:
 - Due to the market share of Bath, a constant market share approach to retail floorspace capacity suggests a large amount of quantitative capacity arising in the future, including 11,000sq m at 2019, 20,000sq m at 2024 and 30,000sq m net at 2029.
 - There was no identifiable capacity for additional comparison goods floorspace in Keynsham and a modest amount of capacity across the Midsomer Norton and Radstock area.
- A number of locations within and adjacent to Bath city centre were considered in terms of their ability to accommodate the identified quantitative need for comparison goods floorspace. The largest site was the Bath Quays North area, although the study noted that if the need could not be accommodated here (or in other city centre locations) then the Green Park and Sydenham Park areas should be considered (although there is a need to ensure that improved linkages with the core city centre are provided).
- Within Midsomer Norton, the South Road car park was considered suitable for food retail use, whilst the Charlton's timber yard and library car park sites in Radstock were identified as potential locations for retail development.

The Placemaking Plan Examination

- 2.2 The B&NES Placemaking Plan was submitted to the Secretary of State in April 2016 and a series of Examination hearings took place in September and October 2016. The issue of the extent of identified retail needs, the ability to identify sites to accommodate these needs and retail/town centre policies in the Plan were topics of discussion at the hearings.
- 2.3 In relation to the issue of whether the Placemaking Plan could identify sites to accommodate the level of identified need for retail floorspace, the Inspector found that a combination of planning permissions and the Plan strategy could accommodate the level of identified need for convenience retail floorspace¹ in Bath.
- 2.4 In relation to comparison goods floorspace, the Inspector identified that only 40% of the assessed need for Bath was accounted for in completions, commitments and site allocations². B&NES recognised this situation and indicated that there was not enough land in Bath to meet all the land use demand that have been identified. B&NES indicated that it had sought to prioritise those land uses that are considered to be more important for the limited land available. A particular example of this was the need to plan for the delivery of economic and employment growth and the use of the Bath Quays North area for uses other than large scale retail development.
- 2.5 In accepting the Council's strategy, the Inspector concluded that:

"The acceptance that there will be a shortfall in meeting the retail capacity identified for the whole plan period, as set out in the PMP is therefore the most appropriate strategy, having been informed by the up-to-date retail study which demonstrates the shortfalls in comparison floorspace not arising until post 2020 and given the commencement of the CS Review. As the assessed capacity for future retail floorspace will not be fully met in the city centre, an element of retail capacity is allocated on the sequentially less preferable Sydenham Park".

- 2.6 The Inspector also accepted the Council's approach to the assessment of Class A retail proposals outside existing centres at a slightly higher level (280sq m) than recommended by the 2014 retail study (200sq m) and also welcomed an amended approach to redevelopment proposals in the Walcot Street / Cattlemarket site and surrounding area.

Implications and Issues for the New Local Plan

- 2.7 Whilst the evidence base for the new Local Plan will need to make a complete re-assessment of 'town centre' health, retail capacity and site potential issues, the matters which were discussed between the Council, the Inspector and interested third parties remain salient to the early stages of the preparation of the new Local Plan.

¹ See paragraph 32 of Inspector's final report

² Paragraph 33

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- 2.8 A key issue of debate was the lack of identified sites in the Placemaking Plan to meet the scale of identified quantitative capacity for additional comparison goods floorspace. It was influenced by a combination of issues including: the historic nature of the city and conservation needs, the lack of potential development sites and the popularity of the city as a shopping destination.
- 2.9 This issue was not considered by the 2014 retail study as it was focused upon retail land use matters and was not informed by the assessment of need for different main town centre uses. Instead, it concentrated upon the need for retail floorspace/uses and whether potential redevelopment sites were suitable and available. It identified the Bath Quays North area as the best city centre location to accommodate a large proportion of the identified quantitative capacity for comparison goods floorspace.
- 2.10 This led to a situation where, whilst there was an acknowledgement that the sites covered by the assessment could be suitable for other land uses, there was not detailed evidence on the potential short-fall in capacity to accommodate all assessed needs. The process of bringing the various strands of evidence base work together was subsequently undertaken by B&NES officers and ultimately ended up with priority given to economic development and employment uses, particularly in the Bath Quays North area.
- 2.11 The debate at the Local Plan Examination focused upon three particular areas:
1. Whether 'competing' main town centre land uses can/should be ordered in terms of their priority;
 2. Whether the need for new retail floorspace across the B&NES administrative area should focus solely upon the quantitative need forecasts, or a wider range of factors; and
 3. How the contents of paragraph 23 of the 2012 version of the NPPF, which asks for needs to be met in full, should be treated when preparing retail and town centre strategies in Local Plans.
- 2.12 Issue No.1 is likely to a relatively common factor for Bath over each plan-making cycle given the characteristics of the city. Therefore, it will be important for the characteristic of need for each main centre use to be assessed separately and a number of factors considered in relation to each exercise, including for the retail assessment:
- The scale and urgency of the need in any particular area, for both convenience and comparison goods floorspace;
 - A clear indication of which sites are the most suitable for the type and scale of need which has been identified;

- Whether meeting needs on different identified potential sites will have different impacts on issues of acknowledged interest, such as the health of town centres, choice and competition in town centres and sustainability issues.
- 2.13 The above factors will inform a situation where, if a choice needs to be made between different main town centre uses on a sequentially preferable site(s), it can be done so via a series of informed considerations for retail land uses. Similar assessments can, no doubt, be developed for other main town centre land uses.
- 2.14 Bearing in mind the conclusions of the Inspector that a shortfall in comparison goods floorspace capacity will not arise in the short term and the preparation of the new Local Plan will occur within this period, issues 2 and 3 above will also need to be a consideration alongside issue 1.
- 2.15 Assessments of retail need have traditionally taken the approach whereby the scale of allocations has been based on the scale of quantitative need and influenced by qualitative factors. This has not been the case in all instances, as qualitative factors have been used in some instances to plan for a different level of floorspace in order to meet particular objectives³.
- 2.16 In the case of the recent Examination, particular focus was placed upon the quantitative forecasts. This assessment is particularly influenced by the growth in the resident population, (in the case of comparison goods) growth in per capita retail expenditure and also, in the case of Bath, a high market share in the catchment. When combined, these inevitably led to a large growth in comparison goods retail expenditure available to Bath.
- 2.17 However, paragraph 161 of the 2012 version of the NPPF asked for qualitative factors to also be considered. There is not any specific national guidance on assessing qualitative need although traditionally factors which have been considered are: the quality of existing floorspace, whether there are any deficiencies/gaps in provision, choice and competition issues, over/under-trading, location-specific needs and business requirements. A number of these issues have been covered in recent retail and town centre evidence base studies prepared for the Council although, given the issues encountered at the recent Examination, it may well be appropriate for them to be covered more prominently in the overall assessment of need, particularly in relation to Bath.

³ This may be instances such as where there is a need to claw-back convenience and/or comparison expenditure to a settlement, and which is currently being lost to surrounding settlements.

2.18 Whilst a full re-assessment will be required at the same time as assessing the level of quantitative need, we consider that, based upon the work undertaken for this report and in the 2014 retail study, the following factors are relevant:

- Levels of choice and competition in terms of retail floorspace provision in Bath are considered to be good. There is a good range of foodstores/supermarket and more specialist convenience goods floorspace across the city, with the city centre benefitting from a Waitrose supermarket, a wide range of smaller convenience goods and an edge-of-centre Sainsburys supermarket. There is also a wide range of comparison goods shopping facilities across non-bulky comparison goods sectors, which has been reinforced in recent years by the Southgate development.
- The area where there has been a long-standing perceived deficiency is in relation to bulky comparison goods, as evidenced by the leakage of shopping trips to Bristol. It has long been felt that qualitative improvements can be made in this sector and that locations outside of the city centre are required to make provision for these types of facility.
- The retailer demand exercise which was undertaken for the 2014 retail study showed an overall potential level of demand for comparison goods floorspace which was in excess of the forecast quantitative capacity up to 2029. However, when the retail responses were organised into definite and possible demand, the level of demand fell to circa 14,000-16,000sq m gross which was under half the level of identified quantitative need for comparison goods floorspace over the plan period. Therefore, whilst the retailer demand information should be seen as a snap-shot in time, it shows that the level of demand from businesses can vary from the expenditure capacity exercise.

2.19 The above issues indicate that qualitative factors have the potential to influence the overall assessment of need. For example, whilst the success of Bath would suggest that it could gain a significant increase in retail expenditure over a particular plan period, and this could turn itself into a significant increase in floorspace, this is simply due to a rise in expenditure and other factors suggest that the actual need for an increase in space is less significant. This is due to the excellent level of provision at the present time although with a more modest level of retailer demand.

2.20 Issue No.3 above refers to the 2012 NPPF (paragraph 23) policy which suggests that needs (for main town centre uses) to be met in full. That policy had a clear influence on the Examination although the recently published new NPPF now promotes a slightly different approach. Rather than meeting needs in full, paragraph 85(d) of the new NPPF asks development plan policies to allocate suitable sites to meet the scale and type of development likely to be needed, looking at least ten years ahead. This change is likely to be beneficial to the issues facing

Bath as it allows the Council to avoid the need to allocate sites based upon longer term projections which are based upon less reliable forecasts (see below) and which could be influenced by unforeseen changes over the next 5-10 years.

- 2.21 In addition, in relation to the scale of forecast need, it is relevant to note the following guidance in the NPPG:

"It may not be possible to accommodate all forecast needs in a town centre: there may be physical or other constraints which make it inappropriate to do so. In those circumstances, planning authorities should plan positively to identify the most appropriate alternative strategy for meeting the need for these main town centre uses, having regard to the sequential and impact tests. This should ensure that any proposed main town centre uses which are not in an existing town centre are in the best locations to support the vitality and vibrancy of town centres, and that no likely significant adverse impacts on existing town centres arise, as set out in paragraph 26 of the National Planning Policy Framework".

- 2.22 Here, the NPPG is clearly contemplating a situation where part of the forecast need cannot be accommodated in an existing centre and outlines the issues which should be taken into account when planning for an appropriate 'alternative strategy'. One of those issues is the impact test. Therefore, it would appear that the appropriateness of an alternative strategy could be informed by retail impact issues, as there may be, for example, a situation where part of the identified need can only be placed outside of a town centre and that location have a detrimental impact upon the health of the centre.

- 2.23 In such circumstances it would appear to us that a balanced judgement would need to be made between the implications of meeting the identified need in full against the harm that it may do to the health of, and investment within, a particular town centre. As a consequence, in a situation where greater weight is placed upon impact issues, this could lead to a situation where the amount of forecast need which is planned for is reduced. Indeed, this would be an entirely logical approach on the basis of:

- Whilst quantitative and qualitative need assessments may produce a gross need figure, in order to plan appropriately for retail provision consideration needs to be given to the effect of providing for the gross level of need.
- If planning for part of the gross level of need requires a location/proposal which is harmful to the health of town centres (and/or any other elements of acknowledged importance), then a revised 'actual' level of need for retail floorspace will be used.
- To do anything else would appear to us to be counter-productive to national planning policy objective of seeking to support the role of town centres.

2.24 A further issue which relates to how needs can be planned for is in relation to timescales. Many retail need studies are designed to cover the same timeframe as the Local Plan which they support. Thus it is not unusual for such studies to calculate quantitative needs on the basis of a 15-20 timeframe. Whilst it is, on face value, eminently sensible to try to show the scale of needs of the life of the Local Plan, a number of factors need to be taken into account:

- All evidence base documents which seek to predict future demand rely, to a certain extent, on forecasts. Experience dictates that forecasts are based upon a combination of past trends, current economic circumstances and expectations regarding future events. Shorter terms forecasts are the most reliable, with most forecasters indicating that medium to longer term predictions should be treated with caution. Therefore, given the lifespan of Local Plan documents, allocating sites based upon medium to long term economic forecasts should also be treated with caution and, as a result, the latter part of quantitative need assessments could be treated as indicative only.
- Local Plan documents do not exist in a vacuum and during the life of a Plan it will be common for further retail floorspace to be granted planning permission. Such floorspace may not have been foreseen in the original quantitative and qualitative need assessment for the Plan and would effectively have an influence on the level of assessed need. As a consequence, it would seem appropriate that regular reviews of the need assessment are undertaken in order to take into account these 'extra/windfall' developments. This would also need to take into account external influences from surrounding administrative areas. An example of this could be major retail development proposals in Bristol/South Gloucestershire.
- Also on the issue of regular reviews, whilst a Local Plan period may last 15-20 years, the NPPG advises that:

"To be effective plans need to be kept up-to-date. Policies will age at different rates depending on local circumstances, and the local planning authority should review the relevance of the Local Plan at regular intervals to assess whether some or all of it may need updating. Most Local Plans are likely to require updating in whole or in part at least every 5 years. Reviews should be proportionate to the issues in hand. Local Plans may be found sound conditional upon a review in whole or in part within 5 years of the date of adoption".

2.25 For all of the above reasons, it would appear that, in our opinion, the requirement to allocate sites to accommodate the identified need should focus upon the short to medium term, with an indicative guide as to the longer term strategy for meeting longer term needs. This is now confirmed as being an appropriate course of action following the publication of the new NPPF in July 2018 which allows allocations to look at least ten years ahead. This would ensure that the Plan is effective and positive in terms of the allocation of specific sites for short term

needs but does not pre-empt a future strategy which could be affected by unforeseen changes in economic circumstances and planning permissions for retail development which occur in the interim.

The New NPPF

2.26 In addition to the change in policy in relation to the timeframe for allocations to meet identified needs, the new NPPF has introduced some other changes in relation to retail and town centre planning policy. These changes are not significant, but are as follows:

- Section 7 of the new NPPF replaces Section 2 in terms of national policy on town centres and retailing.
- The plan-making policies in paragraph 85 now acknowledge the need to allow town centres to diversify to respond to rapid changes in the retail and leisure industries.
- The requirement to define town centre and primary shopping area boundaries remains although the requirement to define primary and secondary retail frontages has been dropped. This has led to a consequential change in the Glossary (Annex 2) with references to primary and secondary frontage definitions helping to defined primary shopping areas being removed.
- In terms of development management policies, the basic framework of the sequential and impact tests remains the same. The only notable differences are the introduction of a reference to 'sites becoming available within a reasonable period' in terms of the assessment of 'availability' in the sequential test. There is also an increased emphasis on demonstrating flexibility in scale and format "so that opportunities to utilise suitable town centre or edge of centre sites are fully explored".
- In relation to the development management impact test, the two limbs – 'impact on investment' and 'impact on town centre vitality and viability' – remain, although references to the timeframes for the impact assessment have been removed⁴. The default national impact assessment threshold of 2,500sq m has been confirmed as being related to gross floorspace, whilst the requirement to undertake impact assessments for office proposals has been removed.

2.27 The content of the new NPPF, including any changes since the 2012 version, are taken into account in the remainder of this document.

⁴ Paragraph 26 of the NPPF set the standard timeframe for impact assessments at five years and ten years for major schemes.

3. Updated Economic Forecasts

Introduction

- 3.1 In order to set the context for the evidence base for the new Local Plan, we consider that it is useful to provide an update on general economic conditions since the completion of the 2014 retail study and also an update to the retail expenditure forecasts which were used to calculate the levels of quantitative need for convenience and comparison goods floorspace in the 2014 assessment work.

General economic conditions

- 3.2 Over the last year, the UK has shifted from being one of the fastest growing G7 economies to among the slowest. The economic recovery has lost momentum due to a weaker performance from consumer spending and investment. Household incomes have suffered from the combination of higher inflation and sluggish wage growth. Alongside this, companies continued to hold back on investment decisions due to uncertainty over Brexit negotiations. These factors are set to keep the economy on a slower growth trajectory although inflation should begin to unwind and allow for some recovery in household incomes and spending over the second half of 2018. Meanwhile Brexit negotiations will enter their second year and Experian's baseline retail expenditure projections assume a transition arrangement will eventually be agreed. However, with so much still to be decided, uncertainty will persist over the final agreement for some time and investment decisions set to remain cautious. Given this, Experian project GDP growth to be around 1.5% in 2017 and 2018, down from close to 2% in 2016 and 2015.
- 3.3 Household spending growth has slowed since mid-2016 and is estimated to be 1.9% in 2017, down from 2.5% in 2016. This has been driven by a squeeze on household incomes, which are estimated to have declined by 0.5% in 2017, following three consecutive years of gains. The combination of higher inflation, triggered by the weakness in sterling's exchange rate since the EU referendum, and sluggish wages have meant that real wages have been in decline since April 2017. Looking ahead, while consumer spending is set to remain weak in the near term, conditions should improve from mid-2018 as inflation unwinds, enabling incomes to gradually recover. Despite the recent hike in interest rates, the Bank of England is expected to proceed very cautiously with further increases so monetary policy should remain supportive. However, welfare reforms will remain a key drag on incomes. Given this, real incomes are projected to expand by a modest 1% over the next two years and consumer spending will hover in the 1-1.5% range. Consumer credit conditions have been very supportive, but there are signs that credit availability is beginning to tighten which could also weigh on spending in the short term.

- 3.4 The aforementioned factors have also weighed on retail sales. Volume growth slowed to an estimated 2.2% in 2017, the weakest reading in 5 years, and will remain subdued in 2018. However, a recovery should emerge over the second half of the year as inflation unwinds and real household incomes return to growth. Retail sales growth is expected to average 1% in 2018 and 1.9% in 2019.
- 3.5 The backdrop of on-going uncertainty over the UK's future relationship with the EU will leave the economy vulnerable. GDP growth will be subdued as business investment remains restrained and consumer spending recovers only gradually. While there has been a modest loosening in the government's fiscal stance, public spending is unlikely to provide a significant boost to the economy. Alongside this, monetary policy should remain supportive with the Bank of England signalling only a very gradual rise in interest rates over the coming years. The export sector should provide some support, aided by a still weak sterling and a strengthening in global economic conditions. However, GDP growth will struggle to rise much above the 1.5% mark during 2018-19 given the lacklustre outlook for the domestic economy. Amid this backdrop, retail sales volumes will remain relatively sluggish, with growth sub-2% over much of this period.

Retail expenditure forecasts

- 3.6 Table 3.1 below outlines the levels of annual change in convenience and comparison goods expenditure which were used to forecast quantitative capacity levels. These forecasts were taken from the Retail Planner Briefing Note 12.1, published by Experian in October 2014. Alongside these figures we provide the latest available retail expenditure forecasts, provided by Experian in their Retail Planner Briefing Note 14, published in November 2016.

Table 3.1: 2014 and 2016 retail expenditure forecasts between 2014-2027 for convenience and comparison goods spending

Year	Convenience		Comparison	
	2014 forecasts	2016 forecasts	2014 forecasts	2016 forecasts
2014	-0.5%	-1.7%	+5.6%	+7.2%
2015	+0.5%	-1.1%	+3.5%	+4.6%
2016	+0.5%	-0.1%	+3.5%	+3.3%
2017	+0.5%	-0.1%	+3.5%	+1.5%
2018	+0.6%	-0.9%	+3.1%	+0.9%
2019	+0.6%	-0.1%	+3.1%	+2.1%
2020	+0.6%	0.0%	+3.1%	+2.9%
2021	+0.6%	+0.2%	+3.1%	+3.3%
2022	+0.6%	-0.1%	+3.1%	+3.4%
2023	+0.7%	-0.1%	+3.3%	+3.4%
2024	+0.7%	0.0%	+3.3%	+3.3%
2025	+0.7%	0.0%	+3.3%	+3.1%
2026	+0.7%	0.0%	+3.3%	+3.1%
2027	+0.7%	+0.1%	+3.3%	+3.1%
Total	+7.5%	-3.9%	+48.1%	+45.3%

3.7 Table 2.1 above indicates that there have been some movement in the level of forecast change in spending on convenience and comparison goods over the period 2014-2027. Convenience good spending has changed from a small increase (+7.5%) over the period 2014-2027 to a small decrease (-3.9%). This will have a small effect upon future levels of quantitative capacity, however the following points are relevant:

- There is still likely to be growth in convenience goods expenditure capacity, driven by the growth in the resident population in different parts of the study area adopted by the 2014 retail study.
- The assessment of need is not just about an assessment of quantitative expenditure capacity. Consideration also needs to be given to qualitative factors and consideration should therefore be given to the level of choice and competition within a particular.

3.8 There has also been a small decrease in the aggregate level of forecast increase in comparison goods spending levels, from circa +48% previously to +45% now. As a consequence, the quantitative capacity levels outlined in the 2014 retail study may now be seen as maximums. However, we consider that despite this decrease in forecast expenditure growth there will remain a need for a net increase in provision due to the levels of population and expenditure growth.

4. Updated Assessment of Town Centre Health Issues (including Retailer Demand Assessment)

Introduction

- 4.1 In order to update the town centre health checks in the 2014 study, we have concentrated upon a number of key aspects of town centre performance, including an updated land use survey, the market share of each centre for convenience and comparison goods shopping, an updated assessment of retailer demand in Bath and a review of the latest retail centre rankings in the sub-region. In addition, we have also conducted an assessment of retailer demand in the Midsomer Norton and Keynsham areas.
- 4.2 This section starts with a review of the latest retail centre rankings, followed by a review of the key information for each town centre in turn.

Retail Centre Rankings

- 4.3 Within Part 1 of the 2014 retail study, we outlined the place of B&NES 'town centres' in the sub-regional retail centre hierarchy and also the key health check indicators for each of the four B&NES 'town centres'. This section of the interim update provides up-to-date information on the ranking of the B&NES centres and also the latest land use information for each of the four main centres.
- 4.4 Table 4.1 below provides the latest centre rankings for the main centres in the sub-region and compares them against the rankings outlined in the 2014 retail study.

Table 4.1 – sub-regional centre rankings

Centre	VenueScore Ranking 2011	VenueScore Ranking 2014	VenueScore Ranking 2017
Bristol	11	15	13
Bath	22	19	19
Keynsham	856	1061	968
Midsomer Norton	1373	1207	1325
Radstock	-	-	-
Chippenham	389	367	382
Moorland Road, Bath	1724	2775	-
Swindon	64	72	65
Gloucester	121	98	101
Cheltenham	26	32	32
Weston-super-Mare	210	209	217
Trowbridge	270	329	292
Frome	737	935	879
Warminster	649	494	451
Wells	701	824	847
Bridgwater	331	307	355
Taunton	80	106	90
Yeovil	169	165	160
Cribbs Causeway	146	130	125

Source: VenueScore 2011 & 2014 and Experian GOAD

4.5 The above table indicates that, since 2014:

- There has been no change for Bath, remaining as the 19th highest placed centre in the country;
- Keynsham has improved its ranking and is now the 968th;
- Midsomer Norton's ranking has dropped slightly to 1,325th;
- Bristol city centre and The Mall (Cribbs Causeway) have both improved their rankings since 2014 and the city centre remains above Bath.

Town Centre Health and Performance Issues

- 4.6 As part of the 'town centre' health check assessments in the 2014 retail study, we undertook land use surveys of the four main centres, comparing the findings against the national averages for the various categories and also a time-series comparison. For the purposes of this retail study update, we have obtained the most recent land use data for Bath, Radstock, Keynsham and Midsomer Norton and updated it to a summer 2017 base.
- 4.7 The new household survey, commissioned for this report, also allows us to establish the current market share and overall attractiveness of each centre for different types of convenience and comparison goods shopping and to assess whether there has been any change in these indicators since the completion of the 2014 study.
- 4.8 Finally, we have also updated our retailer demand survey for Bath to establish current market interest in retail premises in the city, along with a new survey to also establish interest from retail businesses in the Keynsham and Midsomer Norton areas.

Bath city centre

- 4.9 A copy of the latest GOAD plan for Bath is attached at Appendix I. The contents of the plan reflect GVA's latest survey of the centre in Summer 2017. Outlined in Tables 4.2 and 4.3 below is the land use data from Experian's latest survey in January 2017 and the GVA survey in July 2017.

Table 4.2: Bath city centre land use profile – January 2017

	No. of Units	% of Units	UK Average %	Total Floorspace (sq ft)	% Floorspace	UK Average %
Convenience	61	7.8%	9.4%	172,500	12.5%	18.3%
Comparison	387	49.4%	39.0%	725,800	52.8%	44.1%
Services	247	31.6%	38.3%	356,500	25.9%	25.9%
Miscellaneous	6	0.8%	1.2%	12,300	0.9%	0.9%
Vacant	82	10.5%	12.1%	108,300	7.9%	10.8%
Total	783	100%	100%	1,375,400	100%	100%

Table 4.3: Bath city centre land use profile – July 2017

	No. of Units	% of Units	UK Average %	Total Floorspace (sq ft)	% Floorspace	UK Average %
Convenience	61	7.8%	9.4%	172,500	12.5%	18.3%
Comparison	388	49.6%	39.0%	725,100	52.7%	44.1%
Services	256	32.7%	38.3%	360,700	26.2%	25.9%
Miscellaneous	6	0.8%	1.2%	12,300	0.9%	0.9%
Vacant	72	9.2%	12.1%	104,800	7.6%	10.8%
Total	783	100%	100%	1,375,400	100%	100%

- 4.10 Tables 4.2 and 4.3 above indicate that, during the first seven months of 2017, there has been little change in the number of convenience and comparison goods retail units in the city centre. Convenience goods retailers remain below the national average whilst the proportion of comparison goods retailers remains ten percentage points above the national average. Since 2014⁵, the proportion of convenience goods retailers in the city centre has risen from 56 to 61, whilst the number of comparison goods retailers fell from 423 to 388. These changes mirror the national trend for growing convenience goods retailers and falling comparison goods retailers.
- 4.11 The areas where change has occurred in 2017 have been a growth in the number and proportion of service units and a consequential drop in the number of vacancies. This growth in service uses in the city centre follows a longer term trend which saw 201 service units in 2007 growing to 251 in 2014 and now 256 units in July 2017. The proportion of vacancies and service uses remain below the national average, although it is notable that the proportion of vacancies has grown from 7% in 2014 to 9% in 2017. We have also reviewed the land use surveys of the city centre for the 2014 studies and this current study in order to ascertain whether there are any pockets of long term vacancies across the centre. This exercise has revealed that the vacant units identified by the 2014 and 2017 surveys occur in different locations, suggesting that units do not remain vacant for extended periods. The areas where there are consistent vacant units between 2014 and 2017 are a small number of units on Union Street, Manvers Street, Stall Street and Henry Street.

⁵ See Table 3.2 (page 13) of 2014 retail study.

- 4.12 The 2018 household survey commissioned for this study allows us to compare how attractive the city centre is for different types of shopping and to compare its current market share against the equivalent data in the 2014 study. Table 4.4 compares the city centre's main and top-up food shopping market shares in 2014 and 2018⁶:

Table 4.4: market share of Bath city centre for main and top-up food shopping in 2014 and 2018 household surveys⁷

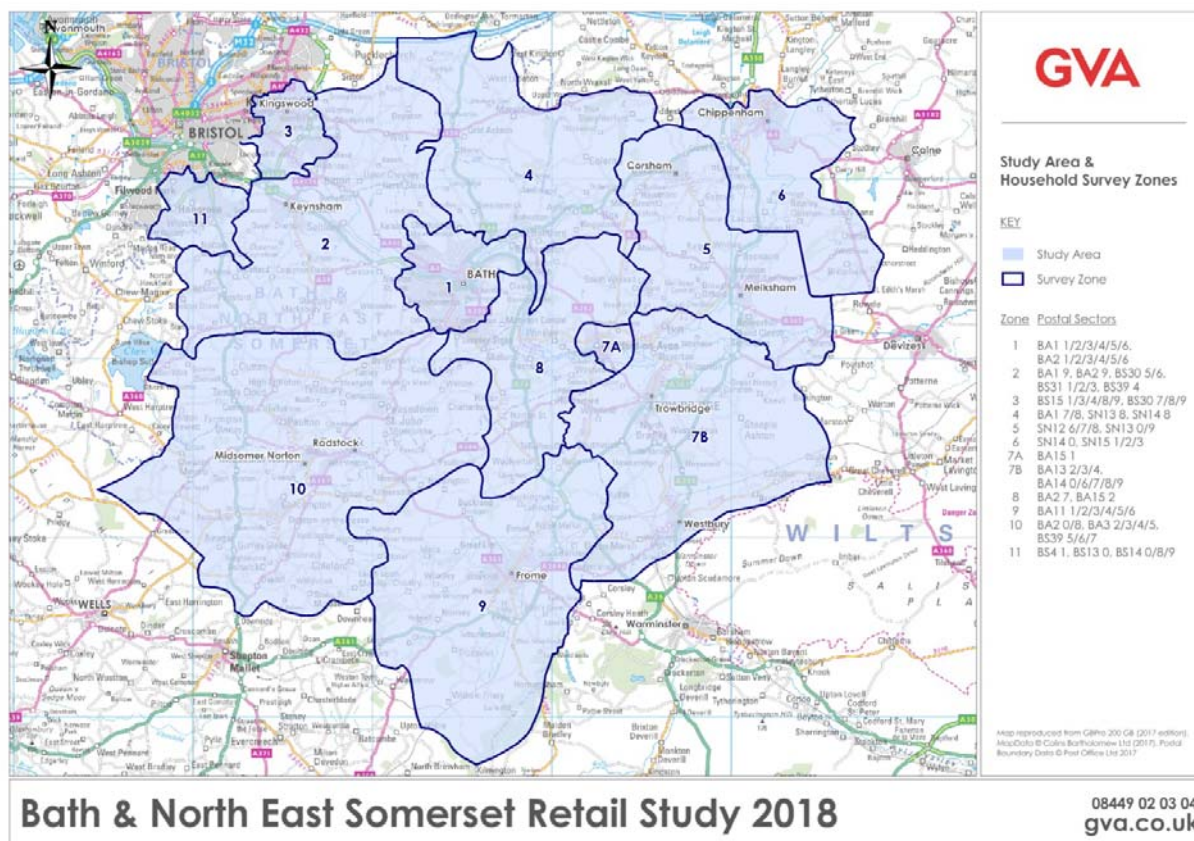
	Zone												
	1	2	3	4	5	6	7a	7b	8	9	10a	10b	11
2014 Survey													
Main	17.88%	2.06%	0.56%	7.87%	0.00%	0.00%	3.88%	0.00%	9.38%	1.03%	0.00%	0.00%	-
Top-up	26.29%	1.03%	0.86%	12.96%	0.00%	1.21%	3.37%	0.00%	7.25%	0.00%	3.57%	1.05%	-
2018 Survey													
Main	10.0%	0.5%	0.0%	13.0%	4.9%	0.0%	1.3%	0.0%	3.5%	2.6%	2.9%	1.6%	0.0%
Other Main	14.6%	0.0%	0.0%	13.7%	0.0%	0.0%	3.7%	0.0%	8.4%	0.0%	3.5%	0.0%	0.0%
Top-up	17.0%	0.8%	0.0%	16.8%	0.0%	0.0%	2.8%	0.0%	2.9%	0.0%	0.8%	1.5%	0.0%
Other top-up	22.8%	2.0%	0.0%	8.3%	1.0%	0.0%	11.1%	0.0%	7.3%	0.0%	3.0%	6.4%	0.0%

- 4.13 Figure 4.1 below (and reproduced at Appendix III) shows the extent of the zones in the survey area.

⁶ The 2014 survey included two questions on convenience goods shopping, asking respondents to provide the store where they did most of their main food shopping and then most of their top-up food shopping. The 2018 survey asked these same questions but also asked respondents to identify where they also undertook main and top-up food shopping in any other locations.

⁷ For ease of reference in reading the tables in this section of the report which summarise the main and top-up food shopping market shares, the main food data is in red text and the top-up food data is in green text.

Figure 4.1: 2018 Household Survey Area



4.14 Table 4.4 indicates that the city centre may have lost market share in both main and top-up food shopping from residents of Zone 1 (Bath). Its share of main food shopping has decreased from 18% to 10%-15% and top-up food shopping has decreased from 26% to 17%-23%. Many factors may be behind this change although it is useful to note that the main supermarkets outside of the city centre (including the Sainsburys at Green Park) having grown their collective market share over the past four years. This growth appears to have been focused in three areas: an increase in the market share of the Sainburys at Odd Down⁸, along with the impact of the Lidl and Marks & Spencer stores on Lower Bristol Road. This has had the dual result of a reduced market share in the city centre plus a slightly larger level of trade retention in Zone 1 (84% in 2014, rising to 90% in 2018).

4.15 In relation to the other zones in the study area, the city centre’s market share in main and top-up food shopping has generally been maintained, with some modest increases in main food shopping from Zone 4 and Zone 8 residents.

⁸ 9% of Zone 1 residents indicated that they did most of their main food shopping at the Odd Down store in the 2014 survey, which has risen to 18% in the 2018 survey.

4.16 Turning to comparison goods shopping, Table 4.5 below shows the market shares for the various categories between the 2014 and 2018 surveys:

Table 4.5: market share of Bath city centre for comparison goods shopping in 2014 and 2018 household surveys (excluding internet / special forms of trading market shares)

	Zone												
	1	2	3	4	5	6	7a	7b	8	9	10a	10b	11
2014 Survey													
Clothes / footwear	85%	39%	10%	76%	53%	48%	76%	51%	82%	57%	63%	59%	-
Furniture / floorcoverings	53%	13%	3%	51%	17%	8%	18%	14%	43%	9%	18%	9%	-
Household textiles	68%	24%	5%	48%	23%	9%	31%	24%	51%	16%	32%	22%	-
Domestic appliances	43%	9%	0%	26%	3%	1%	8%	3%	29%	6%	33%	22%	-
Smaller electrical goods	53%	10%	1%	33%	7%	6%	13%	4%	31%	10%	33%	26%	-
DIY goods	29%	4%	0%	8%	1%	0%	3%	0%	18%	0%	6%	5%	-
Health and beauty goods	66%	7%	3%	33%	7%	3%	13%	3%	37%	6%	20%	8%	-
Luxury and recreational goods	76%	36%	8%	61%	30%	19%	36%	21%	70%	22%	43%	39%	-
2018 Survey													
Clothes / footwear	85%	44%	6%	63%	58%	46%	58%	43%	61%	46%	47%	55%	4%
Furniture / floorcoverings	37%	13%	1%	22%	8%	9%	13%	13%	41%	5%	1%	7%	0%
Household textiles	53%	20%	2%	42%	9%	11%	28%	18%	34%	29%	8%	18%	1%
Domestic appliances	22%	9%	0%	13%	3%	1%	8%	1%	10%	0%	6%	13%	0%
Smaller electrical goods	29%	9%	0%	19%	5%	5%	6%	4%	21%	18%	10%	19%	0%
DIY goods	20%	1%	0%	6%	0%	0%	2%	0%	7%	1%	8%	2%	0%
Health and beauty goods	51%	11%	0%	48%	7%	9%	16%	1%	38%	3%	11%	17%	0%
Luxury and recreational goods	66%	45%	4%	65%	36%	35%	26%	22%	67%	18%	47%	40%	3%

4.17 The content of Table 4.5 above shows that Bath city centre remains a very popular comparison goods shopping destination for many types of comparison goods across a large part of the study area. It continues to attract a large market share for clothing, footwear and fashion shopping and its market share in Zone 1 has remained at 85%. There has been a small reduction in market share in some other zones although generally there is a degree in consistency between the 2014 and 2018 survey results.

4.18 In relation to the other comparison goods sectors, the surveys show a fall in market share in some of the more bulky comparison goods sectors such as furniture, floorcoverings, domestic/electrical goods and DIY goods. The city centre has historically not been able to command a high market share in these sectors and it would appear that, based upon a comparison between the 2014 and 2018 surveys, it has become slightly less attractive in these bulkier goods sectors.

- 4.19 For the other non-bulky comparison goods sectors there have been both slight positive and negative changes in some zones between the 2014 and 2018 surveys although there is no particular trend suggesting a material change in attractiveness in the city centre.
- 4.20 Changes in the financial performance of the city centre's convenience and comparison good sectors are discussed in the next section of this report.
- 4.21 Part 1 of the 2014 retail study undertook a survey of retailer demand for floorspace in Bath which helped inform the overall assessment of need and site suitability. We have updated this survey, including contact with those businesses who indicated that they were interested in occupying space in the city. The results of the updated survey, which took place in 2017, are contained in Appendix II to this report.
- 4.22 The results have been colour coded by use class and the definitive interest is shown in bold text. The data shows that:
- There is a total demand for between 41,700-48,600sq m (gross) of comparison goods floorspace, which can be broken down between a maximum of 23,000sq m of definite demand and 25,600sq m of possible demand.
 - Half of the total comparison goods demand is made up of two department store retailers: Fenwicks and John Lewis. Since the completion of our survey in 2017 there has been some well-publicised troubles in this sector of the market including the announcement by House of Fraser that it intends to close half of its stores. In addition, Marks & Spencer has also announced a number of store closures. Therefore, it appears sensible to provide the floorspace demand figures without these two stores and, on this basis, the total comparison goods floorspace demand falls to 18,500-24,500sq m gross. If Fenwicks is removed from the definite demand total, this falls to 11,900sq m gross.
 - There is demand for circa 6,700-11,700sq m (gross) of Class A3/4/5 food and beverage floorspace, split between a maximum of 7,700sq m of definite demand and 4,000sq m of possible demand.
 - The total amount of demand for Class D leisure floorspace is circa 7,200-10,600sq m (gross). This primarily comprises cinema and gym operators.
 - There is also a substantial amount of demand for hotel floorspace. Our survey indicates that this totals circa 12,600-22,600sq m and comprises four hotel operators.
- 4.23 Within the 2014 retail study, the total scale of definite demand from Class A1 and Class A3/4/5 businesses was circa 16,300sq m. Based upon the information at Appendix V (and as summarised above), definite demand have risen to circa 30,000sq m gross. As noted above,

a large part of this scale of demand relates to Fenwicks, who had only a possible interest in 2014, and if this is excluded then the total scale of definite demand is still higher at circa 19,600sq m gross.

Keynsham

- 4.24 A copy of the updated GOAD plan for Keynsham town centre can be found at Appendix I to this report. This is based upon a survey undertaken by GVA in July 2017 and updates the most recent Experian GOAD survey of December 2016. The land use data for these two survey dates is contained in Tables 4.6 and 4.7 below.

Table 4.6: Keynsham town centre land use profile – December 2016

	No. of Units	% of Units	UK Average %	Total Floorspace (sq ft)	% Floorspace	UK Average %
Convenience	13	11.5%	9.4%	60,100	25.8%	18.3%
Comparison	45	39.8%	39.0%	78,500	33.7%	44.1%
Services	42	37.2%	38.3%	65,100	28.0%	25.9%
Miscellaneous	2	1.8%	1.2%	10,300	4.4%	0.9%
Vacant	11	9.7%	12.1%	18,700	8.0%	10.8%
Total	113	100%	100	232,700	100%	100%

Table 4.7: Keynsham town centre land use profile – July 2017

	No. of Units	% of Units	UK Average %	Total Floorspace (sq ft)	% Floorspace	UK Average %
Convenience	13	11.5%	9.4%	60,100	25.8%	18.3%
Comparison	43	38.1%	39.0%	75,600	32.5%	44.1%
Services	41	36.3%	38.3%	63,000	27.1%	25.9%
Miscellaneous	2	1.8%	1.2%	10,300	4.4%	0.9%
Vacant	14	12.4%	12.1%	23,700	10.2%	10.8%
Total	113	100%	100	232,700	100%	100%

- 4.25 Between December 2016 and July 2017 there has been a decrease of two comparison goods retailers and a loss of one service occupier. The loss of these three businesses has resulted in a rise in the number of vacancies in the town centre from 11 to 14. Across each of the categories, the proportion of occupied and vacant units is very similar to the respective national averages.
- 4.26 Since 2014⁹, there has been a growth in the number of convenience goods retailers in the town centre and a fall in the number of service uses. Vacancies have also risen from 8 in 2014 to 14 in 2017.
- 4.27 Table 4.8 below outlines the market share of Keynsham town centre for main and top-up food shopping between the 2014 and 2018 household surveys:

Table 4.8: market share of Keynsham centre for main and top-up food shopping in 2014 and 2018 household surveys

	Zone												
	1	2	3	4	5	6	7a	7b	8	9	10a	10b	11
2014 Survey													
Main	0.61%	22.60%	1.11%	1.12%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.72%	-
Top-up	1.41%	32.99%	3.42%	0.00%	1.67%	2.41%	0.00%	0.00%	0.00%	0.00%	0.00%	1.05%	-
2018 Survey													
Main	0.0%	9.7%	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other Main	3.6%	16.3%	1.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.9%	0.0%
Top-up	0.3%	14.6%	1.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.7%	0.0%	0.0%
Other top-up	0.6%	15.3%	4.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.9%

- 4.28 Table 4.8 indicates that the general influence of stores in Keynsham town centre remains generally focused upon Zone 2, which is the zone in which the town lies. Some main and top-up food shopping trips are attracted from outside of this zone although they are generally minimal in nature. The main message in Table 4.7 is that it appears that the convenience goods sector in the town centre has lost market share between the 2014 and 2018 household surveys. In 2014, 23% of Zone 2 residents indicated that they did most of their main food shopping in Keynsham town centre. By 2018, this had dropped to 10%, with 17% of Zone 2 respondents indicating that it was now a 'second choice' main food shopping destination. There was also a fall in top-up food shopping market share, from 33% in 2014 to 15% in 2018. These falls are despite the opening of a new Sainsburys Local store in the town centre and suggests that the centre is finding it increasingly hard to compete for food shopping trips against stores in Bath and the eastern part of Bristol.

⁹ See Table 3.3 (page 21) of 2014 retail study

4.29 In terms of how these main and top-up food shopping trips have changed, a comparison between the two sets of survey results indicates that the market share of the out-of-centre Waitrose store has remained generally the same and the main changes, insofar as trips by Zone 2 residents are concerned, relate to a greater level of 'leakage to stores in Bath and stores outside of the B&NES administrative area (including stores on the eastern side of Bristol). For example, the amount of 'first choice' main food shopping to stores in Bath has double from 8% to 16% in the last four years, whilst leakage to stores outside of B&NES (primarily in Bristol) has increased from 48% to 57%.

4.30 Table 4.9 provides a summary of the 2014 and 2018 market share

Table 4.9: market share of Keynsham centre for comparison goods shopping in 2014 and 2018 household surveys (excluding internet / special forms of trading market shares)

	Zone												
	1	2	3	4	5	6	7a	7b	8	9	10a	10b	11
2014 Survey													
Clothes / footwear	0%	2%	1%	0%	0%	0%	0%	0%	0%	0%	0%	1%	-
Furniture / floorcoverings	2%	11%	2%	0%	0%	0%	2%	0%	0%	0%	0%	0%	-
Household textiles	0%	1%	2%	0%	0%	0%	0%	1%	0%	2%	0%	0%	-
Domestic appliances	0%	2%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	-
Smaller electrical goods	0%	4%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	-
DIY goods	0%	4%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	-
Health and beauty goods	0%	46%	1%	0%	0%	0%	0%	0%	0%	0%	1%	0%	-
Luxury and recreational goods	0%	14%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	-
2018 Survey													
Clothes / footwear	1%	5%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Furniture / floorcoverings	1%	11%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%
Household textiles	0%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Domestic appliances	0%	2%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Smaller electrical goods	0%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
DIY goods	0%	2%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%
Health and beauty goods	0%	24%	0%	0%	0%	0%	0%	0%	0%	0%	1%	0%	2%
Luxury and recreational goods	0%	12%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	4%

4.31 Table 4.9 indicates that, like convenience goods, the comparison goods catchment of Keynsham town centre is generally confined to Zone 2 of the study area. Within Zone 2, the market share across the various comparison goods categories has altered slightly, with small reductions in DIY, small electrical goods and luxury/recreational goods. There has also been a small rise in the clothing/fashion market share amongst Zone 2 residents (from 2% to 5%), although the largest fall is in relation to health and beauty goods, with a drop from 46% in 2014 to 24% in 2018.

4.32 As part of our review of Keynsham we have undertaken a review of retailer demand for floorspace in the town. We have identified 15 interested retailers and these are shown at Appendix II. Of particular note is the interest for new foodstores by ALDI, Co-op and Lidl and from food and beverage operators such as Marstons, JD Weatherspoons, Burger King and Boston Tea Party. There is also interest from Superdrug, Travelodge and health and fitness operators.

Midsomer Norton

4.33 The updated July 2017 GOAD plan for Midsomer Norton can be found at Appendix I to this report. It updates the latest Experian GOAD land use survey for the town centre of June 2016. The land use data for each of these survey dates can be found in Tables 4.10 and 4.11 below.

Table 4.10: Midsomer Norton town centre land use profile – June 2016

	No. of Units	% of Units	UK Average %	Total Floorspace (sq ft)	% Floorspace	UK Average %
Convenience	11	8.0%	9.4%	43,900	21.9%	18.3%
Comparison	51	37.2%	39.0%	76,100	38.0%	44.1%
Services	60	43.8%	38.3%	58,700	29.3%	25.9%
Miscellaneous	1	0.7%	1.2%	1,000	0.5%	0.9%
Vacant	14	10.2%	12.1%	20,400	10.2%	10.8%
Total	137	100%	100%	200,100	100%	100%

Table 4.11: Midsomer Norton town centre land use profile – July 2017

	No. of Units	% of Units	UK Average %	Total Floorspace (sq ft)	% Floorspace	UK Average %
Convenience	11	8.0%	9.4%	43,900	21.9%	18.3%
Comparison	52	38.0%	39.0%	76,600	38.3%	44.1%
Services	59	43.1%	38.3%	58,300	29.1%	25.9%
Miscellaneous	1	0.7%	1.2%	1,000	0.5%	0.9%
Vacant	14	10.2%	12.1%	20,300	10.1%	10.8%
Total	137	100%	100%	200,100	100%	100%

- 4.34 Between the survey dates of June 2016 and July 2017 there has been only one change, with a unit previously occupied by a service use being re-occupied by a comparison goods retailer. This has meant that the proportion of comparison goods retailers remains slightly below the national average and the proportion of service uses is now around five percentage points above the national average. The proportion of convenience goods retailers remains slightly below the national average.
- 4.35 Since the 2014 retail study¹⁰, the notable changes in land use composition include increases in the amount of convenience goods retailers and service uses and a decrease in the amount of vacancies. In 2014, the proportion of vacant units in the centre was commensurate with the national average although by the time of the 2017 survey, the proportion of vacancies was two percentage points below the national average.
- 4.36 A comparison between the market share levels for convenience goods stores for main and top-up food shopping across the study area can be found in Table 4.12 below. It indicates that the catchment of the town centre is generally restricted to Zone 10 of the study area and is able to attract main and top-up food shopping trips from both Midsomer Norton and Radstock residents.

Table 4.12: market share of Midsomer Norton centre for main and top-up food shopping in 2014 and 2018 household surveys

	Zone												
	1	2	3	4	5	6	7a	7b	8	9	10a	10b	11
2014 Survey													
Main	0.91%	0.69%	0.00%	0.00%	0.80%	0.00%	0.00%	0.00%	0.00%	2.06%	14.13%	27.34%	-
Top-up	0.47%	0.00%	0.86%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	17.86%	33.68%	-
2018 Survey													
Main	0.0%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	17.2%	19.3%	0.0%
Other Main	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	21.8%	37.7%	0.0%
Top-up	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	16.6%	31.7%	0.0%
Other top-up	0.0%	2.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	16.0%	28.9%	0.0%

- 4.37 In terms of a location which residents to most of their main food shopping, Midsomer Norton town centre has seen an increase in popularity amongst Radstock residents and a fall (from 27% to 19%) amongst Midsomer Norton residents. The 2018 survey does show, however, that whilst 19% of local residents used the town centre for most of their main food shopping, 38% also visited the centre for other 'second choice' main food shopping needs. In terms of top-up food shopping trips, the popularity of the town centre has not altered significantly.

¹⁰ See Table 3.4 (page 25) of the 2014 retail study

Table 4.13: market share of Midsomer Norton centre for comparison goods shopping in 2014 and 2018 household surveys (excluding internet / special forms of trading market shares)

	Zone												
	1	2	3	4	5	6	7a	7b	8	9	10a	10b	11
2014 Survey													
Clothes / footwear	0%	1%	0%	0%	0%	0%	0%	0%	0%	0%	5%	3%	-
Furniture / floorcoverings	0%	0%	0%	0%	0%	1%	0%	0%	0%	0%	18%	22%	-
Household textiles	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	7%	24%	-
Domestic appliances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	17%	22%	-
Smaller electrical goods	0%	1%	0%	0%	0%	0%	0%	0%	0%	0%	18%	18%	-
DIY goods	0%	1%	0%	0%	0%	0%	0%	0%	0%	0%	6%	19%	-
Health and beauty goods	0%	1%	0%	0%	0%	0%	0%	0%	0%	0%	40%	59%	-
Luxury and recreational goods	1%	2%	0%	0%	0%	0%	0%	0%	0%	0%	21%	37%	-
2018 Survey													
Clothes / footwear	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	8%	0%
Furniture / floorcoverings	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	29%	0%
Household textiles	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	11%	15%	0%
Domestic appliances	0%	2%	0%	0%	0%	0%	0%	0%	0%	1%	6%	30%	0%
Smaller electrical goods	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	4%	14%	0%
DIY goods	0%	1%	0%	0%	0%	0%	0%	0%	0%	1%	20%	47%	0%
Health and beauty goods	0%	1%	0%	0%	0%	0%	0%	0%	0%	0%	26%	58%	0%
Luxury and recreational goods	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	21%	25%	0%

4.38 Table 4.13 above shows how Midsomer Norton attracts different types of comparison goods shopping trips and how this has changed over the period 2014-2018. It shows a higher market share within Zone 10b (Midsomer Norton) than 10a (Radstock) and a mixed picture of how the centre attracts its comparison goods trade. For example, there is an increasing market share for clothing/fashion, furniture/floorcovering, domestic appliances and DIY goods from Zone 10b residents. There has been, however, fall in market share in luxury/recreation and household textile goods.

4.39 Alongside our review of retailer demand in Bath and Keynsham, we have undertaken a review of demand in Midsomer Norton. The details of those businesses who have an interest are shown in Appendix III. Interest includes ALDI and a potential relocation for Lidl, public houses for M&B and Marstons and a 60 bed hotel for Travelodge.

Radstock

4.40 The final town centre subject to our land use surveys is **Radstock**. Tables 4.14 and 4.15 below show the land use profile of the town centre in Experian's June 2016 survey and also our July 2017 update. The 2017 survey is shown in the GOAD plan attached at Appendix I to this report.

Table 4.14: Radstock town centre land use profile – June 2016

	No. of Units	% of Units	UK Average %	Total Floorspace (sq ft)	% Floorspace	UK Average %
Convenience	6	14.0%	9.4%	48,800	52.4%	18.3%
Comparison	14	32.6%	39.0%	19,200	20.6%	44.1%
Services	14	32.6%	38.3%	11,600	12.5%	25.9%
Miscellaneous	1	2.3%	1.2%	1,300	1.4%	0.9%
Vacant	8	18.6%	12.1%	12,300	13.2%	10.8%
Total	43	100%	100%	93,200	100%	100%

Table 4.15: Radstock town centre land use profile – July 2017

	No. of Units	% of Units	UK Average %	Total Floorspace (sq ft)	% Floorspace	UK Average %
Convenience	6	14.0%	9.4%	48,800	52.4%	18.3%
Comparison	12	27.8%	39.0%	17,500	18.8%	44.1%
Services	17	39.5%	38.3%	14,000	15.0%	25.9%
Miscellaneous	1	2.3%	1.2%	1,300	1.4%	0.9%
Vacant	7	16.7%	12.1%	11,600	12.4%	10.8%
Total	43	100%	100%	93,200	100%	100%

4.41 The above tables indicate that there has been a decrease in the amount of comparison goods retailers and an increase in the number of service uses. This continues a longer term trend of falling comparison goods retail provision and rising services over the period 2007-2017. The proportion of service uses is now commensurate with the national average, whilst the

proportion of comparison goods retailers is eleven percentage points below the national average.

- 4.42 Since 2014¹¹, the number of vacant units has remained at 7, which is equivalent to circa 17% of all surveyed units in the town centre. This is higher than the national average of vacancies of 12%.
- 4.43 Table 4.16 below shows the market share of Radstock town centre for convenience goods shopping in 2014 and 2018. It shows the following:
- The 2014 survey suggested that, for local Radstock residents (Zone 10a), the centre, particularly the Radco store, was not used for the majority of main food shopping trips. The 2018 survey indicates that 1% of local residents now use the centre for this purpose, although the share of such trips is only 1%.
 - The centre has become significantly less popular as a main food shopping destination amongst Zone 10b residents. In 2014, 9% of Zone 10b residents indicates that they visited Radstock for most of their main food shopping. This has now dropped to 2%.
 - There has also been an erosion of the top-up food shopping market share of Radstock town centre, falling from 30% in 2014 to 8% in 2018.

Table 4.16: market share of Radstock town centre for main and top-up food shopping in 2014 and 2018 household surveys

	Zone												
	1	2	3	4	5	6	7a	7b	8	9	10a	10b	11
2014 Survey													
Main	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	9.4%	-
Top-up	0.0%	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	7.1%	30.5%	-
2018 Survey													
Main	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.3%	1.7%	0.0%
Other Main	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.0%	0.0%
Top-up	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	8.4%	0.0%
Other top-up	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.5%	2.5%	0.0%

- 4.44 Table 4.17 summarises the market share of Radstock town centre in terms of different types of comparison goods shopping between the 2014 and 2018 household surveys. It indicates that the centre draws trade from both Zones 10a and 10b although the market share in Zone 10b is generally higher. The survey data indicates that the town centre has generally lost market

¹¹ See Table 3.5 (page 29) of the 2014 retail study

share is a number of the comparison goods categories suggesting a reducing influence of the town centre on local shopping patterns.

Table 4.17: market share of Radstock town centre for comparison goods shopping in 2014 and 2018 household surveys (excluding internet / special forms of trading market shares)

	Zone												
	1	2	3	4	5	6	7a	7b	8	9	10a	10b	11
2014 Survey													
Clothes / footwear	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	4%	-
Furniture floorcoverings /	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	10%	-
Household textiles	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	2%	12%	-
Domestic appliances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	8%	26%	-
Smaller electrical goods	0%	1%	0%	0%	0%	0%	0%	0%	0%	0%	2%	13%	-
DIY goods	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	9%	-
Health and beauty goods	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	7%	21%	-
Luxury and recreational goods	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	6%	-
2018 Survey													
Clothes / footwear	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.6%	0.0%
Furniture floorcoverings /	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.7%	3.3%	0.0%	8.5%	3.7%	0.0%
Household textiles	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.3%	6.4%	0.0%
Domestic appliances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.8%	11.0%	0.0%
Smaller electrical goods	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.6%	3.3%	0.0%
DIY goods	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.3%	12.4%	0.0%
Health and beauty goods	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.3%	10.9%	0.0%
Luxury and recreational goods	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.0%	1.0%	0.0%

5. Updated Assessment of Quantitative and Qualitative Retail Floorspace Need

Introduction

- 5.1 The latest available assessment of the need for retail floorspace in each of the four settlements in the B&NES administrative area is contained in the 2014 study. The 2014 assessment provided quantitative need forecasts for convenience and comparison goods retail floorspace in the Stage 1 report in November 2014 and then updated in the Stage 2 report in July 2015 to take into account the latest population growth forecasts in B&NES. Since that time, new economic forecasts have been published and there have been some (limited) changes in retail floorspace provision, including the opening of the Lidl and Marks & Spencer foodstores on Lower Bristol Road in Bath. In addition, the household survey commissioned to support the 2014 study is now four years old and therefore, in order to provide up-to-date evidence for the new Local Plan it has been agreed that a new survey of household shopping patterns should be commissioned.
- 5.2 Alongside an updated assessment of quantitative need, it is also important that qualitative factors are also considered. This is raised and discussed in some length in Section 2 of this report where it is noted that national policy does not prioritise quantitative need factors over qualitative ones. Both factors are to be treated equally and we discuss qualitative issues later in this section.

Quantitative need

Principal data inputs and assumptions used

- 5.3 The quantitative need assessment table informing this study are contained in Appendix IV at the rear of this report. They are structured as follows:
- Table 1 – population forecasts
 - Table 2 – per capita expenditure forecasts
 - Table 3 – total available retail expenditure forecasts
 - Table 4 – market share of convenience shopping facilities
 - Tables 5a-5de – study area derived turnover of convenience facilities
 - Table 6 – market share of comparison shopping facilities
 - Tables 7a-7de – study area derived turnover of comparison facilities
 - Table 8 – benchmark turnover of convenience goods facilities in B&NES

- Tables 9a-9e – quantitative need/capacity forecasts for convenience retailing in B&NES
- Tables 10a-10c – quantitative need/capacity forecasts for comparison retailing in B&NES

Study Area

- 5.4 In order to provide consistency with the 2011 and 2014 retail studies, we have retained the same 12 zones used in the previous assessments. These zones cover the different parts of B&NES District and surrounding administrative areas. However, for the purposes of this latest assessment, we have added a further zone (Zone 11) which lies across the Whitchurch area, which straddles the B&NES and Bristol City Council ('BCC') administrative areas. This area has been included in response to the identification of Whitchurch as an area for significant residential development in the JSP Submission document and, as a consequence, it is considered prudent to gain a better understanding of the shopping patterns associated with residents of this area.
- 5.5 A plan showing the expanded study area is contained at Appendix III to this report.

Forecasting Dates

- 5.6 The start date for this quantitative assessment is 2018 (the current year) and which also matches the date of the latest survey of household shopping patterns. For the future, we have prepared forecasts for 2023, 2028, 2033 and 2036, in order to cover the period for the new Local Plan.

Catchment Population

- 5.7 In line with the approach adopted in the 2014 retail study, population data for the quantitative assessment has been provided by Experian and the Council. Experian data has been adopted for the start date of the assessment (2018) and, apart from the four zones which cover the four main settlements in B&NES (Zones 1, 2, 10a and 10b), Experian forecasts for the future assessment years of 2023, 2028, 2033 and 2036 have been adopted.
- 5.8 For Zones 1 (Bath), 2 (Keynsham), 10a (Midsomer Norton) and 10b (Radstock) we have been provided with population growth forecasts by the Council. These forecasts are based upon the overall level of population growth which is being used by the Council in the preparation of the new Local Plan and distributed amongst the four main settlements (and surrounding rural areas) on the basis of planned house-building.
- 5.9 For the purposes of this main assessment, we have adopted a population growth scenario for the four B&NES zones which excludes the growth associated with increasing resident students. This principle of separating the student growth from the general population was established in

the adopted B&NES Core Strategy. The University of Bath and Bath Spa University have both expanded significantly over the last 20 years and student population now exceeds over a quarter of population in Bath. The high growth experienced in the last 20 years is not considered sustainable and the level of growth must be more realistic. Therefore the SHMA has identified the OAN for general and student population separately. The new Local Plan will take into account the realistic growth level in discussion with the universities.

- 5.10 On this basis, we provide a core quantitative capacity assessment which includes existing students but, as noted above, excludes student population growth. We have also undertaken an alternate capacity scenario which includes short term student growth based by the Council's latest available forecasts.

Price Basis

- 5.11 All monetary values in this report are in constant 2016 prices, unless otherwise stated, so as to exclude the effects of price inflation.

Per Capita Expenditure

- 5.12 For this updated assessment, we have obtained up-to-date estimates of per capita retail expenditure on convenience and comparison goods from Experian, for each of the study area zones. The data which has been obtained is for a base year of 2016, expressed in 2016 prices. In order to bring the per capita spending levels up to the base year for the assessment (2018) and then across the assessment period (2018-2036) we have adopted the latest economic forecasts within Experian's Retail Planner Briefing Note 15 (2017). The forecasts which have been adopted exclude the influence of special forms of trading (i.e. internet shopping) (see below).
- 5.13 Per capita expenditure data for convenience goods shopping and the eight different categories of comparison goods shopping are contained in Table 2 at Appendix IV.

Special Forms of Trading (including internet shopping)

- 5.14 Given that this assessment of quantitative need for retail floorspace is designed to concentrate upon physical retail floorspace across B&NES District, it is appropriate to remove retail expenditure not made in retail shops. This element of expenditure is commonly known as 'special forms of trading' and includes mail order, internet shopping and temporary market stalls. This area of retailing can be complex as some internet orders are picked and processed via local (physical) stores (i.e. grocery orders are picked in store and delivered to the customer's home), whereas others are processed via warehouses and sent to customers either via post/courier or 'click and collect' (goods paid for on-line and sent from the warehouse for pick up in store).

- 5.15 Therefore, we have taken the approach to exclude spending via special forms of trading which has no association with fulfilling orders via stores and adopted future expenditure forecasts which adopt the same basis. In other words, the expenditure data in Table 2 deals with spending in 'bricks and mortar' stores from residents across the study area.
- 5.16 Tables 3a -3i at Appendix IV show total available expenditure within each of the 12 study area zones, totals which are calculated by multiplying the resident population data in Table 1 with the per capita expenditure data within Tables 2a-2i.

Shopping Patterns in the Study Area

- 5.17 As noted above, a new survey of household shopping patterns has been commissioned to inform this study. The survey covers the same 11 zones as the 2014 retail study survey and also includes an additional survey zone covering the Whitchurch area. A copy of the survey results tabulations is contained at Appendix VI and the study area plan is contained at Appendix III.
- 5.18 In the interests of consistency, the 2018 survey follows a very similar format as the previous survey and contains the same structure of questions in relation to different types of comparison goods shopping¹² and also separate questions in relation to main and top-up food shopping. In order to obtain additional data on convenience goods shopping destinations, the 2018 survey has included additional questions in order to ascertain where survey respondents do most of their main food and top-up food shopping and then whether there are any additional locations used for each type of shopping.
- 5.19 The 'raw' shopping patterns information from the household survey (contained at Appendix VI) has been summarised and arranged into the four main settlements in B&NES District. This 'summarised' information is contained within Table 4 at Appendix IV for convenience goods shopping and Table 6 at Appendix IV for comparison goods shopping. In order to match the per capita expenditure data in Tables 2 and 3, the market share levels of existing stores and centres for both convenience and comparison goods shopping have been re-based in order to exclude the influence of special forms of trading (i.e. internet shopping) from the analysis.
- 5.20 Within Table 4 (Appendix IV) the market shares for stores in each of the four main settlements have been grouped together, with main food and top-up food shopping market shares within each of the 12 study area zones shown separately. Tables 5a to 5e turn the market share levels into study area derived turnover estimates by applying the market shares in Table 4 to the total available expenditure estimates in Table 3 (Appendix IV for each zone. In order to take account of the split between main food and top-up food expenditure, we have applied a split of 75%/25% which matches the split adopted in the 2011 and 2014 studies.

¹² clothes/shoes, furniture/floorcoverings, DIY, textiles, Domestic appliances, smaller electrical goods, chemist/medical/beauty goods, and books/jewellery/recreation/luxury goods

- 5.21 2018 study area derived turnover levels are shown in Table 5a, with 2023, 2028, 2033 and 2036 turnover levels shown in Tables 5b-5e. For the avoidance of doubt, it should be noted that the study area derived turnover levels in Tables 5b-5e for 2023-2036 are based on constant market shares although in reality some of these levels may change when committed retail floorspace begins trading. Therefore, Tables 5b-5e should only be seen as the starting point for the quantitative assessment.
- 5.22 A similar approach is taken in relation to comparison goods shopping, with Table 6 showing the market shares of the four main settlements in B&NES District, along with other smaller settlements in B&NES and the market share of centres outside of the B&NES administrative area. For Keynsham, Midsomer Norton and Radstock a single town-wide market share is provided, whilst Bath has separate market shares for the city centre, retail warehouses, local centres and other stores. Table 6 is arranged to show the market share for each settlement for each comparison goods category in each of the eleven study area zones.
- 5.23 Using a similar approach to the convenience goods assessment, Tables 7a-7e translate the market shares in Table 6 into study area derived turnover levels for each settlement, broken down into the eight comparison goods categories.

Visitor Expenditure from outside the Catchment Area

- 5.24 In line with the approach taken in the 2011 and 2014 retail studies, an allowance has been made for spending at retail facilities in Bath by visitors travelling from outside of the study area. In our view, this is a reasonable approach to take given the attractiveness of the city centre to residents across the West of England and also UK / international tourists. We continue with the assumption that expenditure inflow is, overall, equivalent to 10% of study area derived expenditure.
- 5.25 Beyond Bath, we have adopted a 3% expenditure inflow allowance for Keynsham and a 1% expenditure inflow allowance for Midsomer Norton and Radstock. These allowances are reflective of a number of factors: (A) first, there is no up-to-date evidence base on visitor spending in these three towns. Therefore, judgement has to be employed in order to consider how much additional expenditure could be attracted from beyond the study area; (B) second, we have taken into account the location of these settlements and their potential to attract trade from outside of the study area.

Sales Densities & Benchmark Turnover Levels

- 5.26 A key component of the quantitative assessment of retail floorspace is the need to set benchmark turnover levels. For our quantitative assessment of convenience goods floorspace, we have applied the latest estimates of company average performance levels

(£/sq m) provided by Verdict and Mintel for existing foodstores and supermarkets. These estimates are based on the average performance level of each retailer's convenience goods floorspace stock, rather than its overall retail floorspace offer. For other convenience floorspace across Bath's local centres, we have applied company average performance levels where national multiple foodstores are present, our own estimated densities for other convenience goods floorspace (where existing floorspace is known), or, where there is no available floorspace information, assumed that existing turnover levels are equivalent to 2018 benchmark turnover levels.

- 5.27 For our comparison goods assessment, we have selected an approach which aims for consistency with the previous 2011 and 2014 assessments, which itself was consistent with the earlier retail study undertaken for B&NES by DTZ in 2008. Therefore, we have taken the 2014 and 2019 benchmark turnover levels for city centre comparison floorspace in Bath and assessed on a pro-rata basis a figure for 2018.

Quantitative need assessment

- 5.28 Our assessment of the quantitative need for convenience goods floorspace across the four main settlements in B&NES is contained in Tables 9a-9e at Appendix IV, whilst the comparison goods floorspace assessments are contained in Tables 10a-10c.
- 5.29 The assessment for convenience goods floorspace in **Bath** is contained in Table 9a. It indicates that across the city convenience goods stores are attracting £204m of convenience goods expenditure which is equivalent to a 21.3% market share across the study area. Whilst a precise comparison with the 2014 study cannot be made due to the additional of a new zone, the city's market share has increased from 20.5% in 2014 and turnover has increased from £187.6m.
- 5.30 When an allowance for expenditure inflow is taken into account, Table 9a indicates that there is a surplus of £20.1m at 2018. Using an indicative sales density of £12,000/sq m for new convenience goods floorspace, this is equivalent to a potential capacity for circa 1,600sq m of additional net sales floorspace. Given the lack of expected growth in convenience goods expenditure over the assessment period, the level of 'surplus' convenience goods expenditure¹³ does not increase significantly and the small amount of growth is driven by increases in resident population levels. By the end of the assessment period, the level of 'surplus' convenience goods expenditure is forecast to be £27.7m, which is equivalent to circa 2,300sq m of additional net sales floorspace.

¹³ i.e. a level of actual available expenditure which is higher than the benchmark turnover of existing floorspace and commitments.

- 5.31 When compared with the forecasts in the 2014 study, the latest forecasts start at a higher level but end lower. This is due to two main factors. First, the previous assessment included a commitment to extend the Sainsburys supermarket at Green Park. This commitment has now lapsed and has allowed additional convenience goods expenditure to be re-introduced into the capacity assessment. Second, the lower level of 'surplus' expenditure towards the end of the assessment period is due to the elimination of any forecast growth in per capita convenience goods expenditure between 2018-2036.
- 5.32 As a consequence, the level of quantitative capacity for convenience goods floorspace in Bath is relatively modest and is not forecast to change to any significant extent. It is notable that the latest household survey information does not pick up upon a small number of local centres across the city which contain a modest amount of convenience floorspace. If this was taken into account in the assessment then the amount of 'surplus' expenditure would reduce slightly and reinforce the conclusion that there is not a significant quantitative need for additional convenience goods floorspace. Indeed, if the total amount of 'surplus' expenditure was allocated for one purpose/project, then it could support a modest sized foodstore, although two further factors are important here. First, when judging the overall need for convenience goods floorspace in Bath qualitative factors will also need to be taken into account and these are outlined later in this chapter. Second, changes in the amount of convenience goods floorspace in Bath can occur naturally and via the development management system, and this can have an effect on the level of 'surplus' convenience goods expenditure. Given the modest level of 'surplus' expenditure, such changes could lead to the material reduction in available expenditure. In addition, part of the surplus capacity in Bath is being created by leakage of convenience goods expenditure from Keynsham and, as other parts of this study will suggest, clawing back some of this expenditure will benefit Keynsham and would also lead to the lowering of the quantitative capacity in Bath.
- 5.33 Table 9b at Appendix IV outlines the quantitative capacity for convenience goods floorspace in **Keynsham**. The content of Table 9b follows a similar pattern to the 2014 study whereby there is a projected over-supply between 2018-2036. This is caused by the modest level of trading performance of existing stores, including the Tesco and Waitrose supermarkets. The level of over-supply, or negative capacity, is higher in the current assessment due to the lower market share of Keynsham stores. The market share of stores in Keynsham has dropped from 3.8% in 2014 to 2.7% in 2018, suggesting that stores in Keynsham are facing increased competition from surrounding settlements and the level of leakage of expenditure has increased.
- 5.34 The quantitative assessments for convenience goods floorspace in Midsomer Norton and Radstock are contained in Tables 9c, 9d and 9e at Appendix IV. In line with the structure of the 2014 study, separate assessments are provided for Midsomer Norton (Table 9c) and

Radstock (Table 9d) and, also due to the close proximity and inter-relationship of the two settlements, a combined assessment (Table 9e). The latest assessment indicates a similar (but not identical) picture to the 2014 study whereby there is 'surplus' convenience goods expenditure within Midsomer Norton (due to a good level of performance in Midsomer Norton) and a 'deficit' in Radstock (due to the forecast poor performance of the Radstock store). There are some differences between the 2014 and 2018 assessments, which are as follows:

- The amount of 'surplus' convenience goods expenditure, and the indicative floorspace equivalent, in Midsomer Norton has fallen. In 2014, the indicative quantitative capacity was circa 2,000sq m net. In the current assessment, the 2018 'surplus' was circa 1,200sq m net. Due to the removal of any growth in per capita convenience goods expenditure over the assessment period, the current assessment predicts a capacity for an additional 1,250sq m by 2036, whereas the 2014 assessment predicted capacity for additional 2,900sq m net by 2029.
- The level of 'negative capacity' in Radstock has increased, from -121sq m net (at 2014) in the 2014 study to -863sq m net (at 2018) in the current assessment. The latest assessment indicates that the market share of convenience goods stores in Radstock has fallen by two-thirds.
- The overall result of the above is that there is no longer a large combined quantitative need for additional convenience goods floorspace across the Midsomer Norton and Radstock area. Previously, there was a forecast quantitative need of between 2,000sq m and 3,000sq m net, however this has dropped to 300sq m – 400sq m net in the latest assessment.

5.35 Turning to the quantitative assessment of comparison goods floorspace, Table 10a at Appendix IV provides the latest assessment for Bath. Table 10a shows that Bath continues to command a high market share of comparison goods shopping trips across the study area, with a 35% share of all spending. This allows comparison goods stores across the city to attract £559m of comparison goods expenditure at 2018.

5.36 When compared with the 2014 study, it would appear that Bath has lost a small amount of its market share, from 38% in 2014 to 35% in 2018. Care needs to be taken here as the study area has grown to include a new zone around Whitchurch / South East Bristol, whose residents will naturally look towards stores in Bristol for their comparison goods shopping, leading to a consequential reduction in Bath's market share within this enlarged study area.

5.37 In addition to the change in market share, it is also useful to look at the study area derived comparison goods turnover of Bath. The 2014 study forecast a 2014 study area derived

turnover level of £572.3m and the latest assessment forecasts the turnover to be £558.9m. In order to make a proper and consistent comparison there is a need to change the 2014 forecast to 2016 prices. When this is done, the 2014 turnover level is £563.7m suggesting that the comparison goods turnover of the city has been relatively flat over the last four years. A number of factors are likely to have influenced this trend, including continued competition from Bristol / Cribbs Causeway, competition from shopping via the internet, lower levels of growth in per capita comparison good spending and changes in the occupation of existing Class A1 floorspace.

- 5.38 As noted earlier in this chapter, our assessment of quantitative capacity for comparison goods floorspace uses a benchmark turnover level which links to the levels used in the 2014 study. On this basis, Table 10a indicates that there will not be any 'surplus' floorspace / expenditure capacity at 2018 and only a minimal level (circa 1,300sq m net) at 2023. In the medium to longer term 'surplus' floorspace / expenditure capacity does grow significantly, to 8,900sq m net at 2028, 17,600sq m net at 2033 and 23,200sq m net at 2036. These longer term trends should be treated with some caution given the time periods involved and the potential for unexpected events to affect the UK economy and we recommend that, as has been B&NES's approach in recent times, the quantitative capacity levels should be revised every five years.
- 5.39 When compared with the 2014 study, the main difference are that: (A) there is no immediate quantitative capacity; and (B) whilst the longer term quantitative capacity is still significant, it is materially lower than the 2014 forecasts.
- 5.40 In relation to the other main settlements, Table 10b indicates that, in line with the 2014, there is no forecast quantitative capacity for additional comparison goods floorspace in Keynsham. When compared with the 2014 study forecasts, it remains the case that the over-supply of floorspace is around 3,000sq m (i.e. a negative capacity of -3,000sq m net) and this will reduce only slightly over the assessment period up to 2036. The latest assessment shows that the comparison goods market share of Keynsham may have reduced very slightly from 1.1% in 2014 to 0.9%, leading to a consequential fall in turnover levels.
- 5.41 The latest assessment shows a changing picture in relation to comparison goods floorspace capacity in the combined Midsomer Norton and Radstock area. Within the 2014 study, it was forecast that balance between actual turnover and benchmark turnover was broadly similar, with a modest level of expenditure growth leading to a quantitative need of up to 3,500sq m net by 2029. However, within the latest assessment, Table 10c at Appendix IV indicates a material fall in the market share and comparison goods turnover of stores across Midsomer Norton and Radstock, meaning that the starting point for the latest assessment is a negative capacity of circa -£13m (or -3,300sq m net at 2018). Whilst growth in expenditure also occurs in the latest assessment, it is not sufficient to eliminate the negative capacity up to 2036.

Alternative Capacity Assessment – including short term student population growth

- 5.42 As noted earlier in this section, the future growth in the student population in Bath has been excluded from our main quantitative capacity analysis. However, we have undertaken an alternative analysis which considers what additional contribution to available retail expenditure and floorspace capacity the short term growth students at the University of Bath and Bath Spa University.
- 5.43 Our analysis is contained at Table 11 at Appendix IV and is based upon the following data sources and assumptions:
- The growth in student population has been taken from the Council's 'Student Accommodation Background Paper' document, published in November 2017 alongside the Local Plan Issues and Options consultation. This document estimates the growth in student numbers up to the 2020/21 academic year and therefore our alternative capacity assessment concentrates on the first five years of our main capacity assessment (i.e. 2018-2023).
 - Data on the forecast growth in student numbers is taken from Table 8 on page 14 of the background paper and we have utilised the total growth in housing need figures.
 - We have assumed that all of the growth in student population will occur in Zone 1 of the study area and therefore we have utilised the per capita retail expenditure figures for convenience and comparison goods shopping from Table 2 at Appendix IV.
 - We have made an allowance for the fact that students are not present for the whole year in Bath. We have instead assumed that they are present for a maximum of three quarters (75%) of the year.
 - We have also made an allowance for the amount of expenditure (by students) is retained by stores in Bath. For convenience goods shopping we have assumed a 100% retention and based retention of comparison goods shopping on the results of the 2018 household survey (76% retention). However, it should be noted that this level of retention is an average which includes all types of comparison goods shopping and associated expenditure. Therefore, with students likely to spend less money on some types of comparison goods, the attached analysis should be seen as being at the top end of likely capacity.
 - In order to translate retail expenditure into floorspace capacity, we have adopted the same sales densities as the other part of our quantitative need assessment.
- 5.44 The attached analysis at Table 11 indicates that, based upon the above parameters and assumptions, the forecast short term growth in the student population of Bath is likely to

support an additional 231sq m of net sales convenience goods floorspace and up to 587sq m of net sales comparison goods floorspace within the period 2018-2023. This would be a modest increase on the convenience and comparison goods floorspace capacity forecasts in our main assessment – i.e. from 1,710sq m to 1,940sq m and from 1,346sq m to 1,933sq m respectively. This level of increase does not materially change the quantitative floorspace capacity forecasts in our main assessment but it should be noted that further increases, beyond 2021, will be able to support additional floorspace in the medium to longer term and this should be kept under review.

Qualitative need

- 5.45 Alongside the assessment of quantitative need, the consideration of qualitative factors is equally as important. Paragraph 161 of the current version of the NPPF applies equal weighting to quantitative and qualitative needs in relation to the evidence base for economic activity. There is no specific guidance within the NPPF or NPPG on how a local authority should assess qualitative needs although assessments for retail land uses have considered factors such as the quality, type and distribution of provision, evidence of over-trading and location-specific needs. We take into account these factors when considering convenience and comparison goods retail provision across the four main settlements below.

Bath

- 5.46 As noted in Section 2 of this report, we consider the level of choice and competition in terms of retail floorspace provision in Bath are considered to be good. There is a good range of foodstores/supermarket and more specialist convenience goods floorspace across the city, with the city centre benefitting from a Waitrose supermarket, a wide range of smaller convenience goods and an edge-of-centre Sainsburys supermarket. In recent years, the Sainsburys supermarket at Odd Down has added to the spatial distribution of provision across the city and the 2018 household survey shows that the new Lidl store on Lower Bristol Road has proven to be a very popular grocery shopping destination.
- 5.47 Moreover, whilst there have been changes in the market share of some of the main grocery stores in the city, the 2018 household survey has shown an increase in the overall retention of convenience goods shopping trips in the city. The level of retention shown in the 2014 study was already good and the recent further improvement suggests that Bath is able to offer a good level of choice for local residents, indicating no particular qualitative deficiency.
- 5.48 In relation to comparison goods shopping, Bath has traditionally provided a wide range of stores, primarily with the city centre. The heritage based attributes of the city, including the large volume of visitors, has enabled the city centre to support a good selection of comparison goods retailers and the Southgate development has, in recent years, been able

to offer retail businesses large modern retail premises which have been lacking in other parts of the city centre.

- 5.49 The area where there has been a long-standing perceived deficiency is in relation to bulky comparison goods, as evidenced by the leakage of shopping trips to Bristol. It has long been felt that qualitative improvements can be made in this sector and that locations outside of the city centre are required to make provision for these types of facility. The Lower Bristol Road area has been seen as a key location for the provision of retail premises to meet this need and the conversion of the former Herman Miller building has provided the opportunity for retailers such as Pets at Home and Hobbycraft to open new store in the city.
- 5.50 The above factors suggest that there is no urgent or significant qualitative need for new net additional comparison goods floorspace in Bath. Quantitative need forecasts have, in recent years, tended to suggest an alternative picture in terms of the opportunity to support new net additional floorspace, although we consider that such an assessment needs to be balanced against the qualitative review and also retailer demand.
- 5.51 The retailer demand exercise which was undertaken for the 2014 retail study showed an overall potential level of demand for comparison goods floorspace which was in excess of the forecast quantitative capacity up to 2029. However, when the retail responses were organised into definite and possible interest, the level of demand fell to circa 14,000-16,000sq m gross which was under half the level of identified quantitative need for comparison goods floorspace over the plan period. The retailer demand exercise has been updated for this study and shows that the scale of definite interest is of a broadly similar scale to the total quantitative retail expenditure need. However, this level is influenced by interest from one department store which, if removed, leads to a fall in demand to circa 12,000sq m gross. As a consequence, in line with the 2014 study, it remains the case that actual operator demand could be lower than the expenditure growth / capacity forecasts suggest, although the gap between the two has narrowed.

Keynsham

- 5.52 Within Keynsham, the town centre benefits from Tesco, Iceland and Sainsburys Local stores, along with local independent provision, whilst the out of centre Waitrose store adds to the type and choice of facilities. The quality of these stores is not in doubt and the leakage of convenience goods trips from the Keynsham area is, instead, influenced by the close proximity of Bristol and Bath and the opportunities for combing grocery shopping with commuting and other shopping trips. As consequence, whilst the shopping patterns survey results may suggest a qualitative deficiency, it is not due to the specific attributes of existing stores. We therefore conclude that there is no qualitative case for significant change in convenience goods floorspace provision.

5.53 For comparison goods provision, Keynsham has a modest range of comparison goods retailers and a number of businesses who sell niche/specialist goods. Bearing in mind the proximity of Bristol and Bath, the range of provision is considered to be good and it is unlikely, in our opinion, that significant qualitative gains can be made based upon these circumstances. Keynsham, like Midsomer Norton and Radstock (see below), is facing pressure on its comparison goods market share, as evidenced by the 2018 household survey results, and a key task will be to retain existing retailers particularly at a time when national multiple retailers are generally reducing the number of outlets and concentrating upon large settlements.

Midsomer Norton & Radstock

5.54 In relation to the Radstock and Midsomer Norton area, the qualitative issues are reasonably similar. For convenience goods retail provision, the combined Midsomer Norton / Radstock area are well provided for in terms of the range of stores and scale of floorspace, albeit it is heavily orientated towards Midsomer Norton, with the Lidl, Tesco and Sainsburys stores. These stores, along with other stores in the town centre, allow Midsomer Norton to retain the majority of grocery shopping trips generated by local residents. They also attract a large proportion of grocery shopping trips from Radstock residents. The general trend in terms of food shopping provision in Radstock (dominated by the Radco store) is for a falling market share with retained trips generally concentrating upon top-up food shopping. This therefore reinforces the conclusions of previous studies that there is a particular qualitative need for improvement within Radstock in order to rebalance provision.

5.55 However, it is also likely that the grocery market could push for qualitative improvement in Midsomer Norton, with interest from ALDI (new store) and Lidl (replacement store). Whilst the quantitative assessment suggests a potentially lower level of surplus baseline capacity in the area, further provision can still be justified on the basis that it can help to reinforce the health and attractiveness of the town centre. A suitable candidate here is the South Road car park which has currently been identified for a foodstore development. Whilst issues such as car parking capacity/provision will need to be dealt with, we consider that there is a qualitative case for provision of a new store so long as it is on South Road car park in order that it can reinforce the health of the town centre.

5.56 For comparison goods shopping, Midsomer Norton is the second largest centre (behind Bath) in terms of annual turnover, followed by Keynsham and then Radstock. Midsomer Norton benefits from a mix of national multiple and local independent traders and the larger distance to Bristol and Bath (when compared with Keynsham) is likely to be positive factor in encouraging a larger proportion of the local population to remain within the town to support the current level of provision. The level of provision in Radstock is much smaller and is

dominated by part of the Radco store which provides a particular benefit to the centre in terms of attracting certain types of comparison goods trips (as outlined in Section 4).

5.57 In terms of bulky goods shopping, the household survey indicates a significant level of leakage from Midsomer Norton and Radstock. The survey indicates that:

- Furniture and floorcoverings: the local area retains 32% of trips, with 10% of trips flowing to Bath and 58% leaking to stores and centres outside of the B&NES administrative area. The main beneficiary of this leakage is Bristol, including the city centre, IKEA, retail warehouses at Longwell Green, Cribbs Causeway and Avonmeads Retail Park.
- Household appliances: the local area retains circa 40% of trips, with 34% flowing to Bath and a much smaller level of leakage outside of B&NES (22%). The beneficiaries are again stores in Bristol, including the city centre, Cribbs Causeway and Longwell Green.
- DIY goods: the best level of retention of the three bulky goods categories with 60% of expenditure retained within the local area. 17% of the 35% of leaked expenditure outside of B&NES flows to the B&Q store at Longwell Green.

5.58 However, the size of these settlements means that there is likely to be limited scope for significant qualitative improvement and retailer demand in both in-centre and out-of-centre locations. In particular, our retailer demand assessment has not identified any specific large format / bulky goods retailer demand beyond the two interested foodstores (ALDI and Lidl) in either in-centre or out of centre locations. We consider that if demand for large format retailers is to emerge then it is likely to be driven by the need to be next to other retail provision. In relation to town centre environments this co-location is immediately available and therefore there would not be a particular requirement to accommodate more than one large retail use/unit on a particular site as they would immediately sit next to other retail and main town centre uses. However, in out of centre locations this would not be available and therefore demand would need to be reinforced by combining mixed goods retailers and possibly a food/beverage operator (such as a fast food or family pub/restaurant use). Food retail in an out of centre location would not be justified on either quantitative or qualitative grounds (see section above). In considering large format/bulky goods retail uses in an out of centre location the Council would need to carefully examine negative impact upon the health of the two town centres.

5.59 Overall, we consider that any qualitative improvements which can be made to either of the two town centres are likely to be around the niche goods sectors (i.e. providing something different to larger centres) and also, like Keynsham, revolving around retention rather than expansion, which will be linked to the wider attractiveness of each town centre.

6. The Local Independent Retail Sector in Bath City Centre

6.1 As part of the brief for this study, there is a requirement to assess the role of the local independent retail sector in Bath city centre and how it may be protected/managed by the local development plan system going forwards. This requirement arises out of a body of local opinion which suggests that the local independent sector makes an important contribution to the health and attractiveness of the city centre. In order to consider the role and contribution of the local independent retail sector, along with the potential for management/protection going forwards, this chapter considers the following issues:

- The number/proportion of local independent traders currently in the city centre and how this compares with other major cities.
- An analysis of the results of a survey, commissioned by the Council, of local independent traders in the city centre.
- A literature review of how other local authorities have approach the issue of small shops and local independent traders in their administrative areas.

6.2 Each issue is considered in turn below.

The number / proportion of local independent traders in Bath city centre

6.3 Given the difficulty in sub-dividing the forecast turnover of Bath city centre between multiple and local independent retailers, one alternative method of assessing the contribution of local independent businesses is to examine how many are present in the city centre and expressing this as a proportion of the total number of retail units.

6.4 Definitions vary as to what should constitute an independent retail business, with Experian GOAD defining an independent traders as one with nine units or less. The same definition has been adopted by the Greater London Authority ('GLA'). The Local Data Company has, in the past, defined local independents as having five units or less. There is not one single correct definition, although for the purposes of our analysis we have adopted the Experian GOAD definition as it allows us to use their database of land use data for all major town and city centres across the country.

6.5 Attached at Appendix V is a schedule of the different types of retail uses surveyed by Experian GOAD in Bath city centre. In line with our town centre health check review, the retail uses are organised into convenience and comparison retail uses and service uses. The data shows the

total amount of uses (and equivalent floorspace¹⁴) for each category, which is then broken down into multiple and independent traders. The analysis takes this data and uses it to calculate what proportion of all units per category are occupied by independent traders.

6.6 The data for Bath provides the following information¹⁵:

- 65% of convenience goods retailers in the city centre are independent traders. This proportion is influenced by a high number of butchers, bakers, greengrocers and off-licences. The majority of convenience stores are occupied by multiple retailers, including the Sainsburys Local, Tesco Express and Co-op convenience stores in the centre.
- Of the three main retail sectors, the comparison goods retail sector has the lowest proportion of independent traders, at 54%. The data at Appendix V indicates that there is a comparatively low proportion of independent clothing, charity shop, electrical goods and health/beauty retailers. Much higher proportions of independent traders can be found in the furniture, furnishings, books and gifts categories.
- Two thirds (68%) of service uses are run by independent traders. This is the highest proportion of the three categories and is influenced, to a significant extent, by the high number of independent food and beverage and health/beauty service traders. The only reason why the proportion of independent service uses is not higher is due to the number of national multiple banks, building societies and estate agents.
- Overall, 60% of all retail units in Bath city centre are occupied by independent traders. These traders occupy 39% of ground floor area in the centre indicating that independent traders tend to occupy smaller than average units. Overall, 484,000sq ft of ground floor retail and retail service space in the city centre is occupied by independent traders.
- The floorspace data reveals that independent traders are more likely to occupy much smaller units within the convenience and comparison goods Class A1 retail categories than equivalent national multiple businesses. However, the difference within the retail service sector is much less pronounced.

6.7 Based upon the number of units and floorspace occupied, it is clear that independent traders make an important contribution to the retail and retail service offer of Bath city centre. However, in order to understand whether these proportions are, or are not, the norm for large city centres we have gone on to undertake a similar exercise for a number of comparable city centres. York, Exeter, Oxford, Chester and Cambridge are commonly used as benchmarking locations for Bath¹⁶ and we have gathered land use data for these locations from Experian

¹⁴ Measured as gross ground floor area

¹⁵ For the avoidance of doubt, the Experian GOAD data contained in Appendix V concentrates upon retail and retail service land uses rather than all land uses in the city centre.

¹⁶ See, for example, the recent Bath hotel study

GOAD. We have also included Bristol city centre within our analysis, given its close proximity to Bath. The data for these other city centres is also contained at Appendix V. The data has been presented in a similar manner to Bath and we also include a summary table which compares the proportion of units and floorspace in each centre which is occupied by independent traders.

- 6.8 The data at Appendix V shows that all centres have a sizeable proportion of independent traders. In terms of the proportion of units, Oxford is the lowest with 45% occupied by independents, rising to 49% in Cambridge, 51% in Chester, 54% in Bristol and 57% in Exeter. York has a slightly higher proportion of units occupied by independents (62%) than Bath (60%) and also has a higher proportion of floorspace (46%, as opposed to 39% in Bath). Of the centres surveyed, Bath has similar characteristics to York in terms of the proportion of independent traders / floorspace occupied and there appears to be a noticeable gap between these two centres and the benchmarking centres of Exeter, Oxford, Cambridge, Chester and Bristol.
- 6.9 Therefore, based upon land use data alone, there is some support for the suggestion that the independent retail sector does indeed make a significant contribution to the overall retail offer and attractiveness of Bath city centre.

Survey

- 6.10 In order to gain a better understanding of the characteristics of the local independent retail sector in Bath, the Council undertook a survey between May and June 2017. The survey obtained information on the following:
- Business type and location
 - Turnover for year ending March 2018
 - Turnover trends for the past three years (2015-2018)
 - Proportion of sales achieved online
 - Origin of customers
 - Factors influencing visits to individual stores.
- 6.11 The result can be summarised as follows:
- In total, 51 local independent traders in the city centre responded to the survey.
 - Three quarters (75%) of retailers have up to 10 staff and 59% have up to 5 staff.

- Half (49%) of all retailers responding to the survey have been trading for at least 10 years. 10% have been trading up to 10 years, 27% have been trading for up to 5 years and 51 have been trading for up to 10 years.
- In relation to turnover, 71% of retailers had a turnover in the last year of up to £500,000, 10% had a turnover of between £500,000 and £1m and 16% had a turnover between £1m and £2.5m.
- In terms of performance over the past three years, respondents were evenly split between increases and decreased in performance, at 41% and 35% respectively. 16% of respondents reported no change in performance.
- Retailers were also asked about the proportion of trade gained from local residents and across much wider areas. The average destination of customers is as follows:
 - 33% of trade from local Bath residents
 - 19% from residents across the West of England area
 - 13% from the South West of England
 - 18% from the UK
 - 18% from international visitors
- In terms of the main reason why shoppers were attracted to local independent stores, the majority (58%) were due to particular products and services on offer.

6.12 The results from the survey provide an indication of the characteristics of local independent traders in Bath city centre, including a relatively small size of annual turnover (which could reflect the smaller than average size of premises occupied by these retailers), a very healthy level of long term resident businesses and a large proportion of trade (48%) from outside of the West of England area (indicating the popularity of these businesses to visitors/tourists).

The approach to small / independent shops in other areas

6.13 Whilst the issues associated with the viability of small independent shops are commonplace across the country and are regularly highlighted as part of town centre health issues, there are few examples of planning guidance, research and policy on this issue. London appears to be the most common area for such work, and has included the 'London Small Shops Study 2010'¹⁷, the GLA's Town Centres Supplementary Planning Guidance (2014), the London Assembly's Planning and Housing Committee report 'Cornered Shops: London's Small Shops and the Planning System' (2010), and supplementary planning guidance such as Camden's 'Town Centres, Retail and Employment SPD'.

¹⁷ Roger Tym & Partners

6.14 The work undertaken in London has generally associated independent retailers with small shops, with the work focused on the decline in the number of small shops and local independent traders in recent years (alongside the trends for larger retail units for national multiple operators, and the trend towards fewer shops in larger centres). As a consequence of this research, the general outcome in some areas of London is for the development management system to require the inclusion of small and affordable retail units within new developments over a certain size threshold.

6.15 Policy 4.9 of the Town Centres SPG is as follows:

“Planning decisions

A In considering proposals for large retail developments, the Mayor will, and Boroughs should, consider imposing conditions or seeking contributions through planning obligations where appropriate, feasible and viable, to provide or support affordable shop units suitable for small or independent retailers and service outlets and/or to strengthen and promote the retail offer, attractiveness and competitiveness of centres.

LDF preparation

B In LDFs, Boroughs should develop local policies where appropriate to support the provision of small shop units”.

6.16 The policy applies to large retail development proposals over 2,500sq m gross.

6.17 Paragraph 3.4.3 of the supporting text suggests that the potential effects of large retail development on small shops and/or town centres may include the direct loss of small shops, the failure to meet an identified need¹⁸ for small shops in a centre, and adverse impacts of trade diversion that could lead to the loss of small shops. As a consequence, the supporting text to the policy suggests some mitigation measures, including:

- Provision of affordable small shop units, either on-site in redevelopment schemes or off-site where on-site provision is not possible.
- Contribution to support affordable small shops. This may include investing in measures to improve environmental quality which support existing small shops and the attractiveness/competitiveness of ‘town centres’. This option may be more suitable where small shop units are over-provided, vacant or under-used.

6.18 When implementing Policy 4.9, local authorities are encouraged to take into account a range of factors, including: the size of units, affordability, the length of time for mitigation measures, ownership, and eligible uses and occupiers for small shop units to be provided via mitigation.

¹⁸ Identifying needs for affordable small shops may include the consideration of the following factors: unit sizes, overall average unit size, prime Zone A rental values, proportion of multiple retailers, analysis of vacant units, provision of local/community services, yields.

- 6.19 However, there is no evidence in the various London examples of any particular development management policies which protect the role and function of certain types / sizes of retail unit/business in defined 'town centres' via policies relating to change of use proposals or 'traditional' retail impact assessments for edge or out of centre retail development proposals.

Permitted development rights

- 6.20 One final area of note which could also have an effect on local independent traders is the current permitted development rights regime. In recent years changes have been made to national legislation in order to provide more flexibility in permitted development between Use Class A and D, particularly Class A. The current regime has the potential to affect both local independents and national multiple retailers, although it will be noted that permitted development from A1 to A3 concentrates upon smaller units under 150sq m. Whilst changes from A1 to A3 are subject to a number of prior approval conditions being met, this potentially more relaxed regime could have a disproportionately higher effect local independent businesses (on the basis of the working assumption that local independent businesses that more likely to occupy smaller premises).
- 6.21 The conditional element of the current regulations indicates that changes from A1 to A3 should give consideration to the following:

"(f) whether it is undesirable for the building to change to a use falling within Class A3 (restaurants and cafes) of the Schedule to the Use Classes Order because of the impact of the change of use—

(i) on adequate provision of services of the sort that may be provided by a building falling within Class A1 (shops) or, as the case may be, Class A2 (financial and professional services) of that Schedule, but only where there is a reasonable prospect of the building being used to provide such services, or

(ii) where the building is located in a key shopping area, on the sustainability of that shopping area"

- 6.22 This has a number of similarities to a 'traditional' development management policy for changes of use in defined 'town centre' areas.

Recommendations

- 6.23 In our opinion, the available data suggests that local independent businesses provide an important contribution to the overall health and attractiveness of Bath city centre. In particular, Bath city centre has a higher proportion of units and floorspace occupied by local independent traders than comparable historic city centres across the country and, in any event, such businesses occupy a sizable amount of space in the centre. In addition, the recent traders survey shows that traders are serving a wide catchment and appear to play a particularly important part in serving the shopping needs of tourists/visitors from across the country and abroad.

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- 6.24 Alongside this conclusion it is unclear, however, whether local independent businesses are facing significant pressures in obtaining and / or retaining premises in the city centre. This issue was a particularly important factor in the development of small shops policies across London and would be a very important reason for the introduction of protectionist development management policies in the B&NES development plan.
- 6.25 Therefore, we would recommend that further analysis is undertaken which adopts the template suggested by London's Town Centres SPG. This would build upon content of this analysis undertaken by this study and consider the following factors:
- An analysis of unit sizes, plus proportions of multiples and local independents
 - An analysis of Zone A rental levels across the different parts of the city centre
 - Taking into account the surveys of vacancies in the city centre, an analysis of the reasons behind vacancy levels including surveys of local agents and local independent businesses to understand whether (A) independent retailers are struggling to pay rental levels, (B) independent retailers are being 'pushed out' of premises that they occupy; and (C) independent retailers wishing to open a new store in the city centre are unable to do so due to financial reasons or the size of available units.
 - Consider whether planning permissions are affecting any of the above factors.
- 6.26 If the findings of this additional research reveal pressures upon independent retailers then the Council has the opportunity to consider the introduction of the following in future development plan and supplementary planning documents:
- For redevelopment proposals in the city centre, which either propose redevelopment of existing retail space and/or propose the introduction of new retail space, introduce a policy regime which requires the provision of either (where applicable) small affordable shop units or contributions to support affordable small shops.
 - Where the evidence base suggests an issue, introduce a policy which controls the size of retail and other commercial units in the city centre.
 - The above will need to be supported an evidence base which (A) identifies actual pressures facing the independent sector, (B) identifies the locations where these pressures exist, (C) identifies mitigation measures which meet the tests of part 122 of the Community Infrastructure Levy Regulations.

7. The Potential for New Defined Centres within the Strategic Allocations

7.1 A key element of the housing delivery strategy in the draft West of England Joint Spatial Plan is the identification of several strategic development locations. Two of these locations fall within the B&NES administrative area, at North Keynsham and Whitchurch. The submitted version of the draft Joint Spatial Plan indicates that both of locations should accommodate retail / local centre provision and the scope for this study requires that consideration is given to the content and location of this provision. To do so, we have considered the following:

- The scale of residential development in each location;
- Local shopping patterns; and
- The scale and location of retail provision in the surrounding area.

7.2 For the purposes of this assessment we have concentrated upon the provision of convenience goods floorspace as a key element of any new centres/retail provision. This is based upon food stores providing necessary day-to-day retail provision for local communities, although we also consider the wider scale and content of any new centres/provision.

Whitchurch

7.3 Policy 7.2 of the submitted draft Joint Spatial plan allocates 2,500 new homes (including 1,600 in the plan period) to the Whitchurch area, along with retail, healthcare, education and community facilities and new significant infrastructure provision. The draft plan does not specifically mention local centre provision within this area although the Strategic Development Location Templates includes a concept diagram which shows the location of two local centres. The draft Policy 7.2 allocation also proposes environmental improvements to Whitchurch village and its local centre.

7.4 The Strategic Development Location Templates concept diagram shows development occurring to the east of the A37 and to the south-east of Whitchurch village. Within the surrounding area there is the following existing retail provision:

- There is a large ASDA store at Oatlands Avenue to the north-west, which is part of a defined 'town centre' in the Bristol retail hierarchy. In addition to the ASDA there are a small number of other uses, including a health centre and pharmacy.

- Whitchurch village has a small collection of shops and services on either side of Bristol Road around its junction with Staunton Lane. The village centre is defined as a local centre by Policy CP12 of the B&NES Core Strategy.
- The other closest defined centre is at Stockwood to the north. This is a purpose-built centre, containing a range of shops and services, including a Co-op foodstore. The centre is part of the formal Bristol retail centre hierarchy.
- It should be noted that there is a requirement as part of the proposed development to construct a link road between the A37 and Hicks Gate roundabout on the A4. This will improve vehicular accessibility to Waitrose at Keynsham, as well as the Sainsburys and ASDA stores at Longwell Green

7.5 A new zone, Zone 11, has been specifically added to the 2018 household survey for the purposes of assessing retail land use issues in the Whitchurch area. In terms of main food shopping the survey results show that the most popular stores are the ASDA at Oatlands Avenue, the Tesco Extra on Callington Road in Brislington and the Lidl on Bath Road, Brislington. These stores are also popular for top-up food shopping, along with the Co-op store in Stockwood local centre, the Lidl in Bishopsworth and the Morrisons supermarket at Symes Avenue.

7.6 In terms of the convenience goods spending power of the new residents to be generated by this strategic development location, we have assumed that, on average, each new home has an average of two persons and spending is based upon 2018 levels for Zone 11¹⁹. This provides for a total level of convenience goods spending of circa £8.9m and could support²⁰ 900sq m of convenience goods net sales floorspace. Clearly not all of this expenditure could be retained within the strategic development area due to the influence of the large supermarkets/foodstores in south-east Bristol, but retention of around one fifth could support a small convenience store of 200sq m net / 300sq m gross.

7.7 In terms of the location of new provision, we would agree that placement within the development area is appropriate for two particular reasons. First, the development area is separated from the village centre in Whitchurch, with the main route between the two (the A37) heavily trafficked and not conducive to encouraging a walking neighbourhood. Second, expansion of the existing village centre is likely to prove difficult due to the existing structure and building form.

7.8 In terms of the number of centres with the development location, we consider that one single centre is sufficient. The scale of development is unlikely to support or warrant two centres, as

¹⁹ £1,774 per capita

²⁰ Based upon an indicative sales density of £10,000/sq m

shown in Strategic Development Location Templates document and we consider that one centrally located centre will be sufficient to cater for the day-to-day needs of the new residential community.

- 7.9 We consider that the new local centre should be anchored by a modest sized convenience store and the centre should contain between 5-10 units of generally no more than 150sq m gross in size. There should also be a diverse mix of units across Classes A1, A2, A3, A4, A5 and Class D.
- 7.10 The centre should be centrally located within the development location in order that it is in easy walking distance of different parts of the new community. A location close to the A37 would clearly be commercially attractive and would help the viability of centre due to passing trade although the centre's primary focus should be serving the local population and not having a wider catchment (which would be unnecessary in the context of the distribution of existing stores and centres elsewhere in south-east Bristol).

North Keynsham

- 7.11 Policy 7.1 of the submitted draft Joint Spatial Plan allocates 1,500 new homes (1,400 to be delivered in the plan period), along with 50,000sq m of employment floorspace, a new local centre, education uses and supporting infrastructure at North Keynsham. The concept diagram within the Strategic Development Location Templates document shows the area of potential development to the north of the Bristol to Bath railway line and to the east of Pixash Lane. The concept diagram shows the indicative position of a new local centre within the northern part of the proposed development area.
- 7.12 This area is separated from the main part of Keynsham by the main railway line, with limited crossing points in a north-south direction. The draft Joint Spatial Plan is clear that accessibility and transport infrastructure needs to improve as part of large scale development in this location, although the current level of separation does suggest that, on face value, new retail and main town centre use provision within the strategic development location could be appropriate. In terms of the location of existing food retail provision, the closest supermarket is the Waitrose on Broadmead Lane. As noted earlier in this report, the Waitrose store attracts both main and top-up food shopping trips and is likely, with accessibility improvements, to be attractive to residents of the new community. As a consequence, the presence of this store is likely to influence the scale of food retail provision which can be provided within the new community.
- 7.13 In terms of current shopping patterns, it has been noted earlier in this report that Keynsham is struggling to retain a large proportion of main food and top-up food shopping trips, with circa 15% of main food trips flowing to stores in Bath and a large proportion of trips flowing to stores

on the eastern side of Bristol (including the Sainsburys at Emersons Green and the ASDA at Longwell Green). There is therefore an opportunity to improve the retention of food shopping trips in Keynsham and the results of the 2018 household survey indicates the same to be true for comparison goods shopping.

- 7.14 However, we do not consider that the North Keynsham potential development area is a suitable opportunity to influence the level of retention and efforts should be concentrated upon the town centre whose health can be improved by a higher level of retention. Instead, the new centre within the development area should be limited to providing for the day-to-day needs of this new community. This should include a modest sized convenience store and between 5-10 units of generally no more than 150sq m gross in size. There should also be a diverse mix of units across Classes A1, A2, A3, A4, A5 and Class D. It is likely that the nearby Waitrose store will be a popular food shopping destination for residents of the new community and this is likely to constrain the level of food shopping provision within the new local centre. It will also be important that no other retail floorspace is provided around the Waitrose store (i.e. between the A4 and the railway line, in order to provide the best possible conditions for the new local centre to be delivered as part of the early to mid phases of the new community construction programme. We consider that the proposed location of the new centre, as shown in the Strategic Development Location Templates document, is an appropriate location which is within the heart of the new community.

8. Summary and Conclusions

Scope and purpose

- 8.1 This report has been prepared by GVA for Bath & North East Somerset Council to provide an update to the contents of the Bath & North East Somerset Retail Study 2014. This report contains updated town centre health check information for Bath city centre and the town centres of Radstock, Keynsham and Midsomer Norton. It is also informed by a new survey of household shopping patterns and which has contributed to an updated assessment of quantitative need for convenience and comparison goods floorspace in the four main settlements. This study also provides an updated assessment of retailer demand in Bath, Midsomer Norton and Keynsham, reviews the contribution of local independent traders to the health and attractiveness of Bath city centre and provides advice on the content of new local centres within two proposed strategic development locations (in the West of England Joint Spatial Plan) in Bath and North East Somerset.

Updated town centre health checks

- 8.2 Our review of the health of Bath city centre has identified falling vacancies in 2017, which continue to be below national average, whilst the centre has also gained an improved ranking in the UK's main town and city centres. The new household survey commissioned for this study has shown that the city centre continues to command a very good market share for comparison goods shopping across a large part of the West of England area and into north and west Wiltshire. However, the new survey suggests that the city centre has lost convenience goods market share due to new space being opened up in out of centre locations (Lidl and Marks Spencer). An updated assessment of retailer demand in Bath indicates that there remains a good level of demand from retail and food/beverage operators. Excluding department store operator interest (which can disproportionately affect the level of space required, there is definite demand for circa 11,900sq m gross comparison goods floorspace. There is also demand for 7,700sq m of food and beverage floorspace and up to 10,600sq m of floorspace for Class D leisure use operators. There is also interest from commercial operators for between 12,600sq m and 22,600sq m for new hotel accommodation.
- 8.3 The land use composition of Keynsham town centre has not altered significantly since the completion of the 2014 retail study although a comparison between the 2014 and 2018 surveys reveals that the town centre appears to have lost a significant part of its market share in main and top-up food shopping trips from local residents. There has been less of a change in relation to the town centre's comparison goods market share apart from shopping for health/beauty goods which has seen a decline. The loss of market share in convenience goods shopping trips appears to be related to an increased level of leakage to stores outside

of Keynsham, including Bath, Longwell Green and Emersons Green. Keynsham is also subject to interest from around 15 retailers, including from three grocery operators, a hotel and a number of food/beverage operators.

- 8.4 Since the 2014 retail study, Midsomer Norton town centre has seen a fall in vacancies and an increase in the number of convenience goods and service uses. In terms of the town centre's catchment, the latest household survey reveals that the core catchment remains as Midsomer Norton and Radstock, with a higher number of Radstock residents using Midsomer Norton than Radstock itself. The town centre is a popular destination for both main and top-up food shopping trips although the out-of-centre Tesco supermarket remains the most popular store in the local area. In terms of retailer demand, Midsomer Norton has interest for new convenience goods floorspace, including potential interest for a replacement Lidl store, along with demand from two public house operators and a 60 bed hotel.
- 8.5 Our latest update to key health check data for Radstock reveals that the centre has reduced its vacancy level although it remains above the national average. In terms of occupied units, the number of service uses has risen, continuing the trend observed in the 2014 study. As noted above, a greater proportion of Radstock residents travel to Midsomer Norton for their convenience goods shopping, which is also the case for some categories of comparison goods. However, no doubt heavily influenced by the goods range in the Radco store, Radstock has a reasonably good market share in domestics appliances, household and DIY goods. However, the market share of Radstock town centre for convenience goods continues to fall.

Assessment of need for convenience and comparison goods retail floorspace

- 8.6 Utilising up-to-date population and per capita retail expenditure data, this study has provided an updated assessment of the quantitative need for convenience and comparison goods floorspace in Bath, Keynsham, Midsomer Norton and Radstock.
- 8.7 The assessment's findings are as follows (and summarised in Tables 8.1 :
- Bath. There is a modest quantitative need for additional convenience goods floorspace capacity in Bath. The level of surplus capacity has risen from the previous assessment due to lapsing of the Sainsburys (Green Park) extension permission and the increased market share of stores in the city. However, the level is not sufficient in our opinion to warrant an allocation for a new store in the city due to (A) part of the capacity being created by leakage of food shopping trips from Keynsham to Bath, and (B) additional convenience goods floorspace in Bath not being picked up by the latest household survey. Comparison goods capacity levels in Bath have fallen since the 2014 retail study. This is due to (A) a

relatively flat turnover level for the city since 2014, (B) a slightly lower market share for the city in the study area, and (C) lower forecast expenditure growth in the latest assessment.

- **Keynsham.** In line with the 2014 retail study, it remains the case that there is no quantitative need for additional convenience and comparison goods floorspace in Keynsham, which is influenced by a falling market share for the town and modest trading performance of the main foodstores.
- **Midsomer Norton and Radstock.** Our latest assessment shows that there is no longer any quantitative need for additional comparison goods floorspace across the combined Midsomer Norton / Radstock area which is a change from the 2014 retail study where a modest level of surplus capacity was identified. There is also a reduction in the combined quantitative capacity for convenience goods floorspace. Previously, the surplus capacity was between 2,000-3,000sq m net which has now dropped to 300-400sq m net. However, TBC.

Table A: summary of convenience goods floorspace capacity, 2018-2036

Centre	2018	2023	2028	2036
Bath	1,676sq m net	1,710sq m net	1,851sq m net	2,286sq m net
Keynsham	No surplus quantitative capacity for additional convenience goods floorspace unless Keynsham's convenience market share can be raised.			
Midsomer Norton & Radstock	333sq m net	301sq m net	304sq m net	390sq m net

Notes: conversion of surplus expenditure into floorspace capacity based on £12,000/sq m in 2018 and held constant over the assessment period

Table B: summary of comparison goods floorspace capacity, 2018-2036

Centre	2018	2023	2028	2036
Bath	-	1,346sq m net	8,901sq m net	23,227sq m net
Keynsham	No surplus quantitative capacity for additional comparison goods floorspace unless the comparison market share of these towns can be raised.			
Midsomer Norton & Radstock				

Notes: conversion of surplus expenditure into floorspace capacity based on £6,000/sq m and increasing in line with floorspace efficiency increases over the period 2018-2036

8.8 We have also undertaken a qualitative review of convenience and comparison goods shopping provision in each of the four main settlements. It has found that there are no significant qualitative deficiencies in convenience and comparison goods retail provision in Bath and no deficiencies in provision of convenience goods floorspace in Midsomer Norton and Keynsham. There continues to be an opportunity for a qualitative improvement in Radstock due to the falling market share of existing facilities and the leakage of convenience goods expenditure and it remains the case that the qualitative indicators can still be used to justify the provision of new or replacement floorspace in Midsomer Norton so long as the new/replacement provision is on the South Road car park in order to improve the qualitative aspects of provision in the town centre. In relation to comparison goods shopping, the qualitative needs surrounding the comparison goods sectors in Midsomer Norton, Radstock and Keynsham revolve around retention, rather than expansion, of comparison goods floorspace and existing key retailers.

Local independent traders review

8.9 Following an assessment of the number of independent businesses in Bath (and when compared with other comparable cities) and a survey of city centre independent traders we have concluded that the available data suggests that local independent businesses provide an important contribution to the overall health and attractiveness of Bath city centre. In particular, Bath city centre has a higher proportion of units and floorspace occupied by local independent traders than comparable historic city centres across the country and, in any event, such businesses occupy a sizable amount of space in the centre. In addition, the recent traders survey shows that traders are serving a wide catchment and appear to play a particularly important part in serving the shopping needs of tourists/visitors from across the country and abroad.

8.10 However, there is a lack of available information on whether local independent businesses are facing significant pressures in obtaining and / or retaining premises in the city centre. Therefore, we would recommend that further analysis is undertaken which considers the following factors:

- An analysis of unit sizes, plus proportions of multiples and local independents
- An analysis of Zone A rental levels across the different parts of the city centre
- Taking into account the surveys of vacancies in the city centre, an analysis of the reasons behind vacancy levels including surveys of local agents and local independent businesses to understand whether (A) independent retailers are struggling to pay rental levels, (B) independent retailers are being 'pushed out' of premises that they occupy; and (C) independent retailers wishing to open a new store in the city centre are unable to do so due to financial reasons or the size of available units.

- Consider whether planning permissions are affecting any of the above factors.

8.11 If the findings of this additional research reveal pressures upon independent retailers then the Council has the opportunity to consider the introduction of a combined of the following in future development plan and supplementary planning documents:

- For redevelopment proposals in the city centre, which either propose redevelopment of existing retail space and/or propose the introduction of new retail space, introduce a policy regime which requires the provision of either (where applicable) small affordable shop units or contributions to support affordable small shops.
- Where the evidence base suggests an issue, introduce a policy which controls the size of retail and other commercial units in the city centre.
- The above will need to be supported an evidence base which (A) identifies actual pressures facing the independent sector, (B) identifies the locations where these pressures exist, (C) identifies mitigation measures which meet the tests of part 122 of the Community Infrastructure Levy Regulations.
- Development management policies to retain small retail units in the city centre and robust application of permitted development rights where changes of use do not require formal planning permission.

New strategic development locations

8.12 Following a review of the proposed strategic development location allocations in Bath and North East Somerset in the Joint Spatial Plan, we agree with the proposed strategy of requiring a new local centre to be provided in each location. This is required in order to provide easily accessible day-to-day retail and service uses for these new communities. However, the scale of the new centres should be modest as there is no particular requirement for large supermarket provision and we strongly recommend that the Joint Spatial Plan and the new B&NES Local Plan provides specific guidance on the scale and type of retail and service uses to be provided.