

North Tyneside Council



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North Tyneside Retail and Leisure Study 2014 Update Report

Peter Brett Associates

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1 INTRODUCTION AND SCOPE OF REPORT

Background

- 1.1 In May 2011 North Tyneside Council commissioned Roger Tym & Partners (now Peter Brett Associates) to undertake a retail and leisure study for the borough. The final report, the North Tyneside Retail and Leisure Study (NTRLS), was delivered to the Council in December 2011.
- 1.2 The NTRLS superseded the previous North Tyneside Retail Assessment, undertaken by Savills in 2007. A key component of the NTRLS was to reflect the significant changes that had occurred over the previous four years, most notably:
 - the impact of the recession on retail expenditure growth rates;
 - changes to national planning policy including the publication of PPS4, and the accompanying practice guidance in December 2009;
 - the requirement to give equal weight to the qualitative needs of town centres alongside quantitative needs, to improve town centre vitality and viability; and
 - the need to consider town centre uses beyond retail.
- 1.3 The NTRLS had three main purposes, which were to provide:
 - a comprehensive analysis to identify and establish the potential future needs and options for the distribution of convenience and comparison retail and commercial leisure floorspace across North Tyneside. The study was also to provide an objective and detailed assessment of expenditure flows to enable the Council to evaluate any potential significant impact of new town centre uses;
 - a robust evidence base to inform the preparation of the Council's Core Strategy – taking into account the test of soundness in PPS12 – and potentially other Development Plan Documents; and
 - an evidence base that could assist the Council in its determination of future retail planning applications.
- 1.4 The NTRLS was underpinned by the findings of a household telephone survey of retail and leisure spending and habits undertaken by NEMS in June 2011.

Purpose of this Update

- 1.5 This update of the NTRLS was commissioned by North Tyneside Council in May 2014. The purpose of this report is to:
 - update the retail policy guidance and general retailing trends since 2011 at the national and local levels;
 - review and update the quantitative and qualitative need for additional town centre floorspace in the context of additional work being commissioned on potential future population growth in the borough;
 - identify any significant changes in the distribution of services across the borough and assess the implications for providing choice and competition to local residents, and areas where overdevelopment may be an issue;

- review any changes to the degree that shops and centres may be overtrading;
 - identify and justify broad locations of land that would be preferential for meeting future floorspace requirements that could not be accommodated in town centre or edge of centre locations; and
 - review and critique the draft town centre policies in the emerging Local Plan, providing examples of vibrant and diverse town centres, not dominated by non-A1 retailing.
- 1.6 The findings of this report are expected to inform and develop the Council's authority-wide strategy for its centres, along with guiding the emerging Local Plan policies on issues of retail, leisure and town centres.
- 1.7 The figures in this update report supersede those published in Volume 3 of the NTRLS, specifically Appendices 3-5. The study area and household survey questionnaire employed in the original 2011 study remain unchanged. The market shares identified by the household survey undertaken in 2011 have therefore been carried forward and applied to the latest population and expenditure data from Experian.
- 1.8 New completions and commitments for additional retail floorspace have also been taken into account, leading to updated floorspace requirement figures for three periods (to 2019, 2024 and to 2032). This reflects the timeframe of the emerging Local Plan.

Structure of the Report

- 1.9 The remainder of this update report is structured as follows:
- in **Section 2** we provide an update on retail and leisure policy and trends at both the national and local levels;
 - in **Section 3** we summarise the key findings from the NTRLS in relation to retail and leisure needs across the borough;
 - in **Section 4** we describe the data inputs which have informed this update;
 - in **Section 5** we set out the updated retail and leisure capacity forecasts and a discussion of qualitative and quantitative needs;
 - in **Section 6** we look at the distribution of services with regards to competition and choice and potential issues of overtrading;
 - in **Section 7** we look at possible broad locations of land that could meet future floorspace requirements;
 - in **Section 8** we review the in house update report of elements of the Retail and Leisure Study update undertaken by North Tyneside Council;
 - in **Section 9** we review the draft Local Plan policies on town centres and provide a critique and context for their implementation; and
 - in **Section 10** we provide our summary and recommendations as a result of this work.

2 UPDATE OF POLICY AND TRENDS IN THE RETAIL AND LEISURE SECTOR

- 2.1 In this section we set out a summary of the key developments in both national and local planning policy which have taken place since the completion of the NTRLS in 2011.
- 2.2 Most significantly at the national level, Planning Policy Statement 4 (PPS4), which was the extant national planning policy guidance at the time of the NTRLS, has been replaced by the National Planning Policy Framework (NPPF), published by the Government in March 2012.
- 2.3 The NPPF is the current national planning policy context under which this update has been prepared. It sets out the Government's planning policies for England and how these are expected to be applied. The study also has full regard to the National Planning Policy Guidance (NPPG) which was published by the Government in March 2014.

The National Planning Policy Framework

- 2.4 The NPPF was published by the Government on 27 March 2012, and consolidates guidance set out in preceding Planning Policy Statements (PPS), Planning Policy Guidance (PPG), and a number of related circulars, into a single document. The NPPF now forms the statutory national planning policy guidance setting out the Government's planning policies for England and how these are expected to be applied.

Achieving Sustainable Development

- 2.5 Paragraph 6 of the NPPF confirms that *'the purpose of the planning system is to contribute to the achievement of sustainable development'*. This has three dimensions which give rise to the need for the planning system to perform a number of roles:
- **an economic role** – contributing to building a strong, responsive and competitive economy;
 - **a social role** – supporting strong, vibrant and healthy communities; and
 - **an environmental role** – contributing to protecting and enhancing our natural, built and historic environment.

Presumption in Favour of Sustainable Development

- 2.6 The NPPF makes clear that there should be a presumption in favour of sustainable development. The Ministerial Foreword to the NPPF makes this point clear from the outset, stating that *'Development that is sustainable should go ahead, without delay — a presumption in favour of sustainable development that is the basis for every plan, and every decision'*.

- 2.7 This is detailed further in the main text of the NPPF, with paragraph 14 stating that *'At the heart of the NPPF is a presumption in favour of sustainable development, which should be seen as a golden thread running through both plan-making and decision-taking'*.
- 2.8 For plan-making, this presumption in favour of sustainable development means that *'local planning authorities should positively seek opportunities to meet the development needs of their area'* and that *'Local Plans should meet objectively assessed needs, with sufficient flexibility to adapt to rapid change'* (unless the adverse impacts of doing so would significantly outweigh the benefits, or specific policies contained within the NPPF indicate that development should be restricted).
- 2.9 Paragraph 15 of the NPPF explains that *'Policies in Local Plans should follow the approach of the presumption in favour of sustainable development, so that it is clear that development which is sustainable can be approved without delay. All plans should be based upon and reflect the presumption in favour of sustainable development, with clear policies that will guide how the presumption should be applied locally'*.

Core Planning Principles

- 2.10 Paragraph 17 of the NPPF sets out a series of 12 'Core Planning Principles' which should underpin both plan-making and decision-taking. These 12 principles include a requirement that planning should be 'genuinely plan-led', with 'succinct plans' to shape the development of an area. LPAs should also support sustainable economic development, and plans should take account of market signals to set out a clear strategy for allocating sufficient land for development.

Building a Strong, Competitive Economy

- 2.11 Paragraph 18 of the NPPF confirms that the Government is committed to securing economic growth in order to create jobs and prosperity. To this end the planning system should encourage and not act as an impediment to sustainable growth. LPAs should plan proactively to meet the development needs of business and support an economy fit for the 21st century, and planning policies should recognise and seek to address potential barriers to investment.
- 2.12 To this end, local planning authorities should:
- set out a clear economic vision and strategy for their area;
 - set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs;
 - support existing business sectors and where possible identify and plan for new or emerging sectors likely to locate in their area;
 - plan positively for the location, promotion and expansion of clusters or networks of knowledge driven, creative or high technology industries;
 - identify priority areas for economic regeneration, infrastructure provision and environmental enhancement; and

- facilitate flexible working practices such as the integration of residential and commercial uses within the same unit.

Ensuring the Vitality of Town Centres

2.13 Paragraphs 23 to 27 of the NPPF are of particular relevance to town centre planning. The NPPF retains the approach set out in PPS6, PPS4 and preceding national planning guidance by advocating a ‘town centres first approach’, stating that planning policies should positively promote competitive town centre environments (paragraph 23). In drawing up Local Plans, LPAs should:

- pursue policies to support the viability and vitality of town centres;
- define a network and hierarchy of centres that is resilient to anticipated future economic changes;
- define the extent of town centres and primary shopping areas;
- promote competitive town centres that provide customer choice and a diverse retail offer;
- retain and enhance existing markets and, where appropriate, re-introduce or create new ones;
- allocate a range of suitable sites to meet the scale and type of development needed in town centres, including looking at the need to expand town centres to ensure a sufficient supply of suitable sites;
- allocate appropriate edge-of-centre sites for main town centre uses that are well connected to the town centre where suitable and viable town centre sites are not available;
- set policies for the consideration of proposals for main town centre uses which cannot be accommodated in or adjacent to town centres;
- recognise that residential development can play an important role in ensuring the vitality of centres; and
- plan positively for the future of declining centres to encourage economic activity.

2.14 Paragraphs 24 to 27 of the NPPF discuss the principal ‘tests’ which LPAs should apply to applications for retail development which fall outside defined town centre locations. Firstly, applications for ‘town centre uses’ (such as retail) outside defined centres will need to demonstrate compliance with the sequential approach i.e. they must demonstrate that the proposed scheme cannot be accommodated on an in-centre site (if the application site is in an edge-of-centre location), or either an in-centre or an edge-of-centre (if the application site is in an out-of-centre location). Both applicants and local planning authorities are expected to demonstrate flexibility on issues such as format and scale.

2.15 Applications for ‘town centre uses’ outside defined centres which are above 2,500 sq.m (or a locally-set threshold) must also submit an impact assessment, to assess the impact of the proposal on existing, committed, and planned investment in defined centres in an appropriate catchment area, as well as the impact on town centre vitality and viability, including local consumer choice and trade in the town centre and wider area. The NPPF is clear that where a planning application cannot demonstrate

compliance with either the sequential or impact 'tests', it should be refused planning permission.

Plan-Making

- 2.16 Paragraph 156 states that LPAs should set out the strategic priorities for the area in the Local Plan, including policies to deliver *'the provision of retail, leisure and other commercial development'*. Crucially, Local Plans should:
- plan positively for the development and infrastructure required in the area;
 - be drawn up over an appropriate time scale;
 - be based on co-operation with neighbouring authorities, public, voluntary and private sector organisations;
 - indicate broad locations for strategic development on a key diagram and land-use designations on a proposals map;
 - allocate sites to promote development and flexible use of land;
 - access and quantum of development where appropriate;
 - identify areas where it may be necessary to limit freedom to change the uses of buildings;
 - identify land where development would be inappropriate; and
 - contain a clear strategy for enhancing the natural, built and historic environment.

Evidence Base

- 2.17 Paragraph 158 of the NPPF explains that the Local Plan must be based on *'adequate, up-to-date and relevant evidence about the economic, social and environmental characteristics and prospects of the area'* and that LPAs should be comprehensive in their assessments, ensuring that they are *'integrated and that they take full account of relevant market and economic signals'*.
- 2.18 Paragraph 161 confirms that the evidence base should assess:
- the needs for land or floorspace for economic development, including both the quantitative and qualitative needs for all foreseeable types of economic activity over the plan period, including for retail and leisure development;
 - the existing and future supply of land available for economic development and its sufficiency and suitability to meet the identified needs;
 - the role and function of town centres and the relationship between them, including any trends in the performance of centres; and
 - the capacity of existing centres to accommodate new town centre development.

Examining Local Plans

- 2.19 The NPPF stipulates that Local Plans must undergo independent examination. In addition to showing that a Local Plan has been prepared in accordance with the Duty to Cooperate, legal and procedural requirements, the Local Plan must also be found to be 'sound'. Paragraph 182 stipulates that a 'sound' plan is one that is:

- positively prepared – based on a strategy which seeks to meet objectively assessed development and infrastructure requirements;
- justified – the plan should be the most appropriate strategy, when considered against reasonable alternatives, based on proportionate evidence base;
- effective – the plan should be deliverable over the plan period; and
- the plan should enable the delivery of sustainable development in accordance with policies in the Framework.

National Planning Practice Guidance

- 2.20 The National Planning Practice Guidance (NPPG) was launched by the Government on 6th March 2014 as an online resource to streamline and consolidate over 7,000 pages of previously complex, and often repetitive, supporting guidance to national planning policies. Formal publication of this new resource replaced over 150 circulars, guidance notes and letters, including the PPS4 Practice Guidance on Need, Impact and the Sequential Approach. Following its publication, this online resource is the formal supporting documentation to assist in implementing policies set out in the NPPF.
- 2.21 The section on ‘Ensuring the vitality of town centres’ provides further guidance on paragraphs 23 to 27 of the NPPF. The guidance is structured around three key aspects of planning for the vitality and viability of centres, namely: the strategic vision and management; the sequential test; and the impact test.

Strategic Vision and Town Centre Management

- 2.22 The NPPG sets out the need to support town centres in generating local employment, to promote beneficial competition within and between centres, and to create attractive, diverse places where people want to live, visit and work. This should be done by planning to meet the needs of main town centres uses in full, whilst adopting a ‘town centre first’ approach.
- 2.23 The NPPG seeks to answer the following questions in relation to general town centre management:
- why it is important to have a strategic vision for town centres;
 - how market signals should be addressed when planning for town centres;
 - which indicators should be used to determine the health of town centres;
 - what to do if the required development cannot be accommodated in the town centre; and
 - what local planning authorities should consider when planning for tourism.

The Sequential Test

- 2.24 The sequential test is intended to support the vitality and viability of town centres by placing centres foremost in both plan-making and decision-taking. The NPPF makes clear that the sequential test should be adopted first as this may identify whether

there are preferable town centre sites for accommodating uses and therefore avoid the need to undertake a subsequent impact test.

2.25 The NPPG provides guidance to help answer the following questions:

- what the sequential test is;
- how the sequential approach should be used in plan-making;
- how the sequential test should be used in decision-taking;
- how locational requirements should be considered in the sequential test; and
- how viability should be promoted.

The Impact Test

2.26 The purpose of the impact test is to ensure that certain out of centre and edge of centre proposals will not have a significantly adverse impact on existing town centres within the catchment area of the proposed development. The NPPG provides guidance specifically in relation to the following aspects:

- what the impact test is;
- how the impact test should be used in plan-making;
- how the impact test should be used in decision-taking;
- when the impact test should be used; and
- whether there is a checklist for applying the impact test.

2.27 The guidance on town centre issues concludes by setting out a stage-by-stage guide to undertaking an impact test.

The Local Planning Policy Context

2.28 The extant development plan for North Tyneside remains the Unitary Development Plan (UDP), adopted in March 2002. The implications of the UDP for the borough's town centres and economic development were covered in the NTRLS and are therefore not discussed further here.

2.29 Since publication of the NTRLS, however, there have been significant changes to the Council's emerging development plan. Formerly the Council was producing a collection of Development Plan Documents (DPDs) under the Local Development Framework. Work on a Core Strategy and a number of Area Action Plans (AAPs) was well underway. Following publication of the NPPF and associated guidance, and abolition of the Regional Spatial Strategy (RSS) for the North East (formally revoked on 15th April 2013), the Council re-considered its position.

2.30 Levels of housing growth across the borough, previously directed by the RSS, are now the responsibility of each local authority. The NPPF also recommends that local authorities should prepare a single local plan for its area as the Government's preferred approach. The Council's Cabinet therefore resolved to proceed with a single plan, the North Tyneside Local Plan. This will replace the Core Strategy and AAPs for North Shields, Wallsend and the Coast and, when adopted, the Local Plan will replace the North Tyneside UDP.

- 2.31 The North Tyneside Local Plan will link work undertaken on the strategic development and growth of North Tyneside (previously consulted upon in the Core Strategy) with work undertaken on targeted regeneration and investment (previously consulted through the AAPs) in a single, coherent long term plan. A North Tyneside Local Plan: Consultation Draft document was published and consulted on in November 2013.
- 2.32 The Consultation Draft offers a vision for 2030 for '*... North Tyneside to be a place of opportunity, prosperity and vibrancy; a place where people are happy, healthy, safe, able to participate in a flourishing economy and achieve their full potential.*' In particular in relation to revitalising the borough's town centres, Objective 5 states that '*the town centres of Wallsend, North Shields, Whitley Bay and Killingworth will be the focus for new retail, leisure and other main town centre uses and will be improved through a comprehensive approach to social, economic and physical regeneration, together with enhanced shopping, leisure provision, offices and homes. The Quality of the District and Local centres will be raised and appropriate new local provision made in association with new residential development.*'
- 2.33 Section 6 of the Consultation Draft sets out a variety of policies to ensure that the vision and objectives are met by the plan end period. The policies are discussed in further detail in Section 9 of this report but, in summary, they are grouped into three categories:

Strategic policies

- S/6.1: Competitive Town Centres and Retail Provision;
- S/6.2: Future Retail Demand; and
- S/6.3: Hierarchy of Centres.

Development Management policies

- DM/6.4: Town and District Centre Development;
- DM/6.10: Edge of Centre and Out of Centre Development; and
- DM/6.11: Local Facilities

Area Specific policies

- AS/6.5: North Shields Town Centre: Beacon Centre;
- AS/6.6: Coastal Evening Economy: Whitley Bay and Tynemouth;
- AS/6.7: The Forum Shopping Centre, Wallsend;
- AS/6.8: Portugal Place and High Street West, Wallsend; and
- AS/6.9: Northumberland Park District Centre Retail Development

- 2.34 Policy S/6.2 identifies a requirement for a total of 3,700 sq.m of new convenience retail sales area floorspace by 2027; it also identifies a requirement for 29,100 sq.m of comparison sales area floorspace by 2027. These figures are taken from the 2011 NTRLS and are based upon scenarios of a rising retention of expenditure within the area, and a stable population growth. These scenarios are discussed in more detail in Section 3 of this report, which sets out the key findings of the NTRLS.

Independent reviews into the future of the High Street

- 2.35 This update is being prepared in the midst of a renewed focus on the role and function of the high street, itself arising from what many have referred to as the 'perfect storm' for UK high streets; a sustained economic downturn, continued attraction of out-of-town facilities as alternative shopping destinations, and the increasing popularity of online shopping.
- 2.36 A number of independent studies have recently been published considering the future role and function of the high street, a selection of which we briefly summarise below. It is important to point out however that these studies carry no weight in policy terms.

The Portas Review (2011)

- 2.37 In May 2011, retail expert Mary Portas was appointed by the Government to lead an independent review into the future of the high street, largely in response to the stagnation and decline of town centres nationally, seen as a consequence of reduced spending on the high street. The Portas Review, published in December 2011, suggested a number of measures to tackle the further decline of the high street.
- 2.38 Amongst 27 separate recommendations in the report, there was a call to strengthen planning policy in favour of 'town centre first' following the publication of the draft NPPF. The core recommendations included:
- **run town centres like businesses:** by strengthening the management of high streets through 'Town Teams', developing the 'Business Improvements Districts' (BID) model and encouraging new markets;
 - **get the basics right:** by looking at how the business rate system could better support small businesses and independent retailers, encouraging affordable town centre car parking and looking at further opportunities to 'deregulate' the high street and relax local authority restrictions that hold local businesses back;
 - **level the playing field:** by making explicit within the NPPF a presumption in favour to town centre development, introduce Secretary of State 'exceptional sign off'; and encouraging large retailers to show their support for high streets by mentoring local businesses;
 - **define landlords' role and responsibilities:** by encouraging a 'contract of care' between landlords and their commercial tenants, looking at disincentives for landlords leaving properties vacant, and empowering local authorities where landlords are negligent and making proactive use of Compulsory Purchase Order powers; and
 - **give communities a greater say:** by including the high street in neighbourhood planning, directing more developer funding to supporting community groups, and, encouraging innovative community uses of empty high street spaces.

Government response to the Portas Review (2012)

- 2.39 The Government published its formal response to the Portas Review in March 2012, which accepted virtually all of Portas' recommendations. It announced that 24 'Portas Pilot' towns secured funding to set up Town Teams to create plans for the future of their high streets and trail some of the recommendations made in the Portas Review.
- 2.40 In addition, the Government pledged to provide investment to help BIDs access loans for their set-up costs, as well as funding for a High Street Innovation Fund (to help bring entrepreneurs back to their communities) and also a 'Future High Street X Fund' (to reward towns which are delivering innovative plans to bring their town centres back to life).
- 2.41 In addition to Portas' recommendation for a 'National Market Day', the Government announced plans to double small business rate relief – changes to the business rates¹ came into effect on in April 2014. The Government has also stated its support for greater community involvement in the redesigning of their high streets to reinvigorate areas of decline and to increase footfall and encourage people to live in their town centres.
- 2.42 The Government however did not support the call to introduce Secretary of State 'exceptional sign off' for all new out-of-town developments and require all large new developments to have an 'affordable shops' quota. In the Policy paper 'High streets at the heart of our communities: government response to the Mary Portas review', published in March 2012, it stated that LPAs are best placed to understand local needs and 'exceptional sign off is contrary to the Government's ethos of devolution. As such, the Government will continue to use its call-in powers sparingly.
- 2.43 The 'Future High Streets Forum' has since become established as the conduit through which it is hoped that the Portas Review findings and recommendations may be implemented. The Forum brings together leading businesses, academics and local leaders to address the challenges with councils that the Government's work around the Portas Review has helped to identify and start.

The Grimsey Review (2013)

- 2.44 Bill Grimsey, the former managing director of DIY chain Wickes and CEO of food retailer Iceland, published his report 'The Grimsey Review: An alternative future for the High Street' in September 2013. The Grimsey Review was developed as an 'alternative response' to the recommendations of the Portas Review. The report made a total of 31 wide-ranging recommendations, including encouraging more people to live in town centres, appointing a High Streets Minister, and freezing car parking charges for a year.

¹ Announced as part of the Government's Autumn Statement 5th December 2013

Beyond Retail: Redefining the Shape & Purpose of Town Centres (2013)

- 2.45 Arising from the key recommendations in the Portas Review, the Government supported the establishment of an industry ‘task force’ to analyse retail property issues relating to town centres. The task force included representatives from the banking, property, retail and public sectors, and the findings of the task force’s report were presented in the ‘Beyond Retail’ report published in November 2013.
- 2.46 The report outlines a ‘future vision’ of high streets, based on five key observations:
- market polarisation, resulting in three broad types of town centre offer (strong centres with a wide retail and leisure offer; convenience food and service-based centres with an element of fashion and comparison goods; and localised convenience and everyday needs-focussed centres);
 - a local authority will have a ‘clear vision’ of the role and function of their town centres, and the position of their respective retail offers in the hierarchy of centres;
 - active intervention on the part of the local authority should be encouraged by a more flexible planning environment, including reduced regulation and a mix of public and private sector funding models;
 - a ‘re-basing’ of occupational costs (in terms of rents and rates), to encourage an improved retail and leisure mix of profitable multiple and independent operators, supported by local employment and residential development in close proximity to town centres, and providing a flexible approach to car park pricing to assist in completion with out-of-town developments; and
 - technology as a critical enabler of future town centre relevance and vitality.
- 2.47 Based on this ‘vision’, the report outlines the following recommendations:
- develop strong and dynamic leadership, led at the local authority level but also including business and community involvement, to bring about long-term change in town centre functions;
 - undertake bold, strategic land assembly, to assemble redevelopment opportunities of scale and worth;
 - provide greater flexibility in the planning system to enable redundant retail premises to be converted to ‘more economically productive uses’;
 - consider the mechanisms to address funding gaps to encourage local authorities to commit to long-term planning for town centres;
 - address local authority human resourcing issues, with a greater use of shared services;
 - strengthen the ‘town centre first’ approach to planning policy, with particular focus on clarification of the key issues of ‘suitability’, ‘availability’ and ‘viability’, and requiring impact assessments to look at the effects of all retail development for ten years ahead;
 - town centres must take advantage of technology to assist in marketing, driving footfall, and assisting independents and SMEs; and

- the business rate system should be reviewed, and new retail valuation guidance should be published.

Changes to Permitted Development (PD) Rights

- 2.48 Since publication of the NTRLS the Government has implemented a significant number of changes to liberalise PD rights as part of a package of measures aimed at boosting development and growth in the economy. These have included a number of measures aimed specifically at town centres including:
- in 2013 general measures were implemented to allow office-to-residential changes without planning permission (with exemptions) in an effort to reduce the number of vacant office blocks;
 - in late 2013, an announcement was made regarding consultation on allowing A1-A3 and A1-D2 changes of use;
 - in 2014 further measures have been implemented² – these allow the change of use from A1 to A2, designed to reduce vacancies on the high street, and the change from A1 to residential subject to certain restrictions; and
 - the 2014 Budget also set out plans for further changes to PD rights including retail class restrictions, and the reclassification of a much wider retail use class to possibly exclude betting shops and payday loan premises.
- 2.49 The impact of these changes is yet to be felt however they clearly emphasise the Government's agenda to liberalise PD rights with the intention of helping ailing high streets and high vacancy levels. For North Tyneside the changes implemented in 2014 permitting A1 to A2 may have particular significance as it is likely to increase the attractiveness of smaller units such as those found within North Tyneside's centres.

Update of Retail Trends

- 2.50 Section 3 of the NTRLS covered general trends in retailing in significant detail. Updates are provided below, following the same structure as the 2011 study.

Retail Expenditure Growth

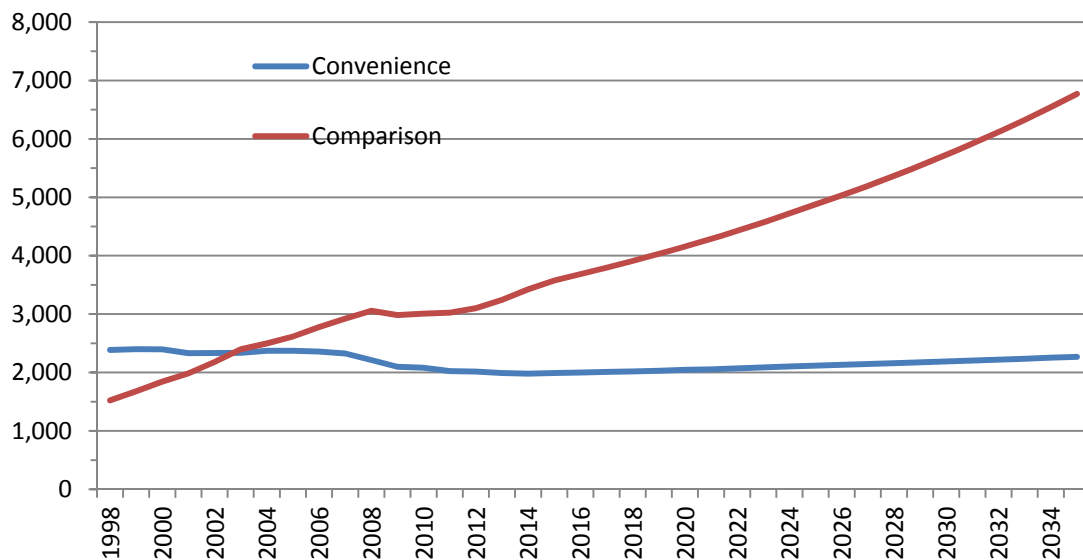
- 2.51 The latest Experian Retail Planner Briefing Note 12.1 (RPBN12.1), published in October 2014, provides a complete time-series of data on actual expenditure per head between 1998 and 2013. It then provides forecasts of changes in expenditure, per head, from 2014 to 2035.
- 2.52 The NTRLS was published during a period of economic downturn. At that time, actual data were only available for the beginnings of the recessionary period (late 2008 and 2009). With the economy now showing signs of recovery, this study update provides a more complete picture of the impacts of the recession on retail spending.
- 2.53 Figure 2.1 updates Figure 3.1 of the NTRLS with the latest confirmed expenditure data from the RPBN12.1 to 2013 for both convenience retailing and comparison

² Through the Town and Country Planning (General Permitted Development) (Amendment and Consequential Provisions) (England) Order 2014.

retailing. It further depicts the forecast levels of expenditure growth over the period to 2035. Figure 2.2 demonstrates the full impacts on spending of the economic downturn in the form of growth rates in spending per head of population, again for both retail sectors.

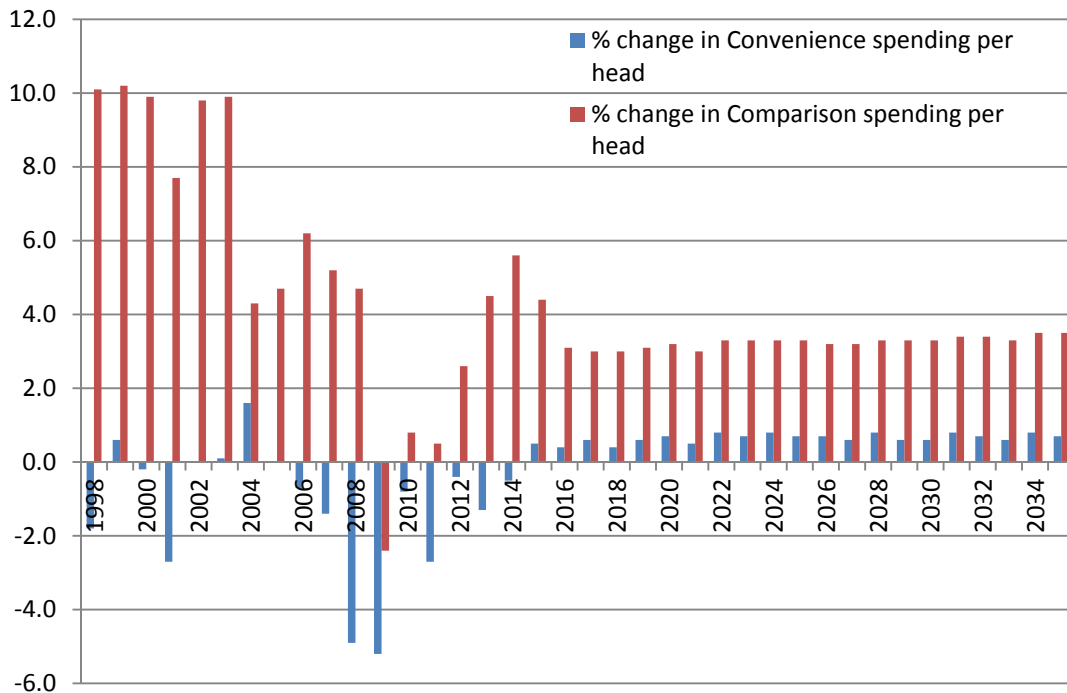
- 2.54 In the comparison retail sector, the data show the significant impact that the recession had on spending per head. Between 2009 and 2012 there was a real decline, with levels of spending only returning to (and exceeding) pre-2008 levels during 2013. Although there are indications of consumer and investor confidence beginning to return, the overall economic sentiment remains one of caution. The forecasts do not envisage a return to high levels of previous growth, remaining at between 3.0 per cent to 3.5 per cent per annum for comparison retailing.
- 2.55 The convenience retail sector saw an even more dramatic decline in spending per head during the recessionary period. Overall levels of spending on convenience retailing were also significantly more muted prior to the recession, not rising in real terms in the preceding 10 year period. Forecasts for spending on convenience goods retailing set out in RPN12.1 do predict significant growth in the sector in future years; accordingly, predicted levels of per head expenditure growth remain low at between 0.4 per cent and 0.8 per cent per annum.
- 2.56 Continuing the approach adopted in the NTRLS, all figures contained in this report relating to expenditure are figures 'per head' as opposed to 'per household', unless otherwise stated.

Figure 2.1 UK annual average retail expenditure per head (£)



Source: Experian Retail Planner Briefing Note 12.1, October 2014

Figure 2.2 Growth rates in spending per head



Source: Experian Retail Planner Briefing Note 12.1, October 2014

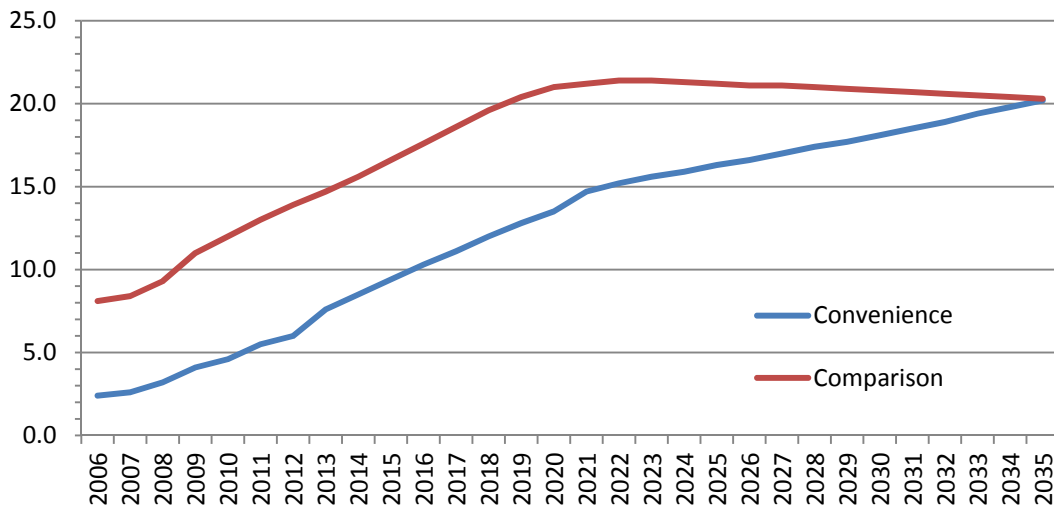
Special Forms of Trading (SFT)

- 2.57 Special Forms of Trading (SFT) represent all forms of ‘non-store retailing’ and comprise sales via a variety of channels, including the internet, mail order, stalls and markets, door-to-door and telephone sales. On-line sales contribute the majority of spend on SFT (over 80 per cent) and the majority of growth in recent years³.
- 2.58 Proportions of retail expenditure on SFT have continued to rise throughout the economic downturn; indeed rates of spending on SFT have exceeded previous growth forecasts. In 2013, the proportion of actual retail sales spent on SFT was 7.6 per cent of total convenience retail expenditure and 14.7 per cent of total comparison retail expenditure, equivalent to around £40.3bn (at 2011 prices).
- 2.59 Not all of this increased spend will impact on floorspace requirements however, and the growth in online retail does not necessarily equate to a redundant future for ‘bricks and mortar’ stores. There is a role for physical outlets to act as ‘showrooms’ for online retailers, and increasingly a proportion of SFT uses traditional floor space such as click-and-collect, home delivery services and multi-channelling.
- 2.60 Figure 2.3 shows the growth in SFT since 2006, and the predicted growth in both comparison and convenience total retail spend on SFT in the coming years. By 2032, the anticipated end of the Local Plan period, SFT is now expected to account for a total of 20.2 per cent of all retail spend (20.6 per cent comparison, 18.9 per cent convenience). Figures to take into account SFT sales from stores (such as click-and-collect) approximate to 75 per cent of total comparison and 30 per cent of total

³ Appendix 3, Experian RPN12.1

convenience SFT trading. By 2032 therefore, the proportion of retail spend on SFT that truly diverts expenditure away from the need for new retail floorspace is expected to be around 12.9 per cent of all spend (15.5 per cent of comparison, 5.7 per cent of convenience).

Figure 2.3 Forecast growth in SFT (per cent share of retail expenditure)



Source: Experian Retail Planner Briefing Note 12.1, October 2014

2.61 A physical presence on the high street continues to improve the visibility of businesses, and it is noteworthy that 12 out of the top 20 e-commerce businesses in the UK have a physical presence on the high street (Figure 2.4). However, it does mean that the role and function of high streets, particularly those outside the higher-order shopping centres, are likely to need to consider uses beyond that of traditional retail activity in order to remain vital and viable.

Figure 2.4 Top 20 e-commerce websites in the UK, 2013



Source: IMRG Experian Hitwise Hot Shops List, 2013

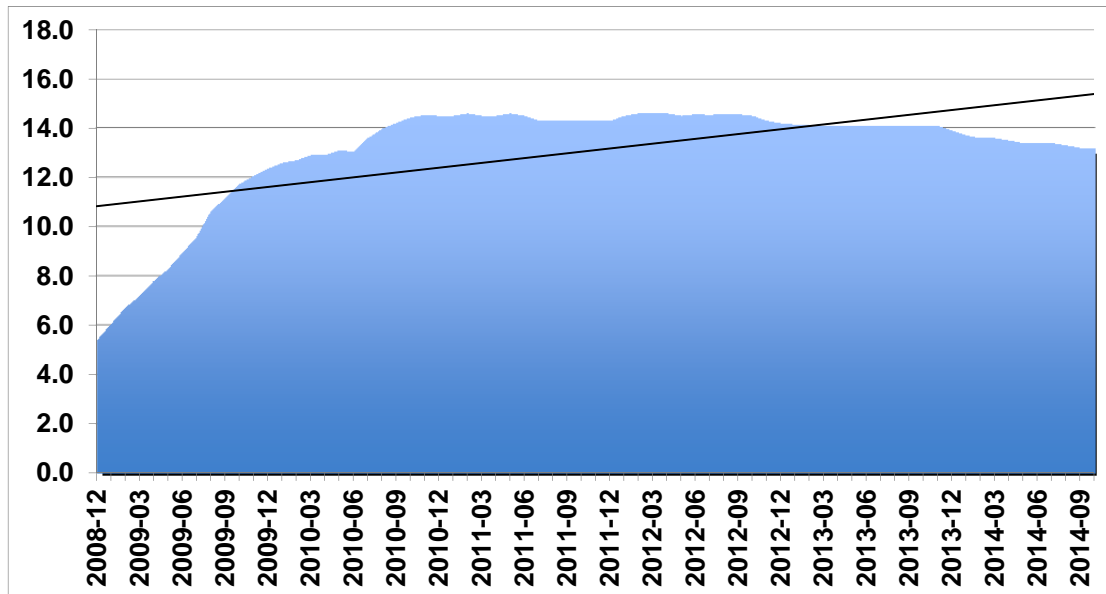
2.62 The likely impacts of SFT for North Tyneside, within the context of the latest expenditure statistics, are discussed further in Section 5 of this report.

The Effects of the Economic Downturn on Town Centres

- 2.63 Since publication of the NTRLS the effects of the economic downturn have continued to be felt in numerous town centres across the country, in terms of decreased footfalls, increased vacancy rates and the continued decline in the quality of the retail offer in many areas.
- 2.64 The year 2012 saw a record number of retailers going out of business, 54 in total according to the Centre for Retail Research. Further high profile national retail names went into administration during 2013, including Tie Rack, Barratts, Blockbuster, Past Times and Textiles Direct. However overall in 2013 there were signs of a small improvement with fewer companies failing than in 2012, 49 in total.
- 2.65 Data available to September 2014 show that a similar failure rate may be experienced in 2014 as was seen in 2013, highlighting that challenges remain for high street operators. Some 39 companies are so far known to have gone into administration during 2014. However, these have tended to be smaller companies with far fewer employees affected than over more recent years. The larger high-street names that have been affected during 2014 include the likes of Jane Norman, La Senza, Lakeland Leather and, most recently, Phones 4U.
- 2.66 The latest Mintel UK Retail Rankings report (published April 2014) is one of many sources to recognise a general upturn in consumer confidence during 2013, and the general strengthening of retail sales. It is anticipated that publication of the next Mintel report will demonstrate this trend to have continued through 2014 with unemployment falling, a strengthening housing market and the UK economy showing signs of being the strongest of the major European economies at present. These factors should have a positive impact on the health of town centres in general and demand for retail, with the only evident limiting factor being a continued squeeze on incomes due to the inflation/wage growth gap.
- 2.67 The Local Data Company monitors shop vacancy rates nationally. Latest reports show that the national vacancy picture remains stable across both retail and leisure. Latest figures showed retail vacancies in October 2014 of 13.2 per cent, with the overall vacancy rate of both retail and leisure sitting at 11.8 per cent.
- 2.68 This of course masks dramatically different conditions between the north and south of Britain. LDC findings show that the North East and the North West are still bearing the brunt of closures and are home to seven of the worst centres for vacancy rates. In general the LDC findings demonstrate that shopping centres appear to be filling up vacancies faster than the high street⁴.

⁴ British Council of Shopping Centres / Local Data Company UK Shopping Centre Vacancy Monitor

Figure 2.5 Retail vacancy rates 2008-2014 across Great Britain



Source: The Local Data Company (October 2014)

- 2.69 Retail and town centre vacancy rates for the main town centres in North Tyneside are monitored by the Town Centre Manager for North Tyneside. At the time of writing the latest available data are from November 2014. As with the national picture, vacancy rates vary across the borough but across all main centres the retail vacancy rate in November was 15.3 per cent of units, and 9.9 per cent of floorspace. In comparison, for all town centre uses the vacancy rate was 13.8 per cent of units across all main centres.
- 2.70 In terms of specific centres, Whitley Bay demonstrates the healthiest vacancy rates.. Firstly in terms of retail only, vacancy rates are below the LDC identified national average of 13.2 per cent, at 9.7 per cent of units (and 9.9 per cent of floorspace). When considering all town centre uses, Whitley Bay has experienced a significant fall in vacancy rates over the last five years, from 14.6 per cent in 2009 to 10.3 per cent in November 2014. The number of vacant units has remained steady, but the total number of units within the centre has increased significantly, leading to the fall in the percentage of units recorded as vacant.
- 2.71 In terms of retail vacancy rates, both North Shields and Wallsend demonstrate higher vacancy rates than the national average, with 16.1 per cent and 21.7 per cent of units being vacant respectively (compared to the LDC identified average of 13.2 per cent. In terms of floorspace, the figures are much lower, with 8.5 per cent and 12.7 per cent of floorspace in these centres being vacant, respectively. This suggests that in both instances a high number of the vacant units are very small retail units in comparison to the average found within each centre. When considering all town centre uses, North Shields has shown little change in vacancy rates over the last five years, from 15.0 per cent in 2009 to 15.9 per cent in November 2014. In contrast Wallsend has seen a fairly significant increase from 12.4 per cent to 16.7 per cent, over a period where the total number of units has remained consistent.

Table 2.1 Vacancy rates (all town centre uses) in North Tyneside

Town Centre	Apr 2009			Nov 2014		
	Total no. of units	No. of vacant units	% vacant	Total no. of units	No. of vacant units	% vacant
North Shields	408	61	15.0%	378	60	15.9%
Wallsend	274	34	12.4%	275	46	16.7%
Whitley Bay	362	53	14.6%	458	47	10.3%

Source: Tynetown database, North Tyneside Borough Council, November 2014

Polarisation Trend

- 2.72 Although overall the trend towards polarisation in comparison goods shopping continues, in the last couple of years there has been a significant shift in the convenience goods sector. The major convenience retailers have begun a general move away from larger, 'hypermarket'-format developments, towards smaller stores with a greater emphasis on convenience goods, as well as heavy investment in 'local' / 'express'-format stores. This is clearly affecting the overall demand for new floorspace from the operators' perspective, compared to the preceding decade.

The Growth of Discount Food Operators

- 2.73 Along with the reversal of the polarisation trend, the second significant trend in the convenience goods sector of the retail market is the dramatic growth that the limited assortment discount operators (LAD) have had. After around a decade of trading in which they seemed to make little impact on the overall market, in the last couple of years they have suddenly taken off.
- 2.74 Both Aldi and Lidl have substantial expansion plans over the next few years and it is this accelerated opening programme that is one factor in their increased market share. Crucially however, they have also made a relatively small, but significant, move towards the 'middle ground' to capture a new range of shoppers. This has occurred through range widening, stocking of additional branded goods, and extension of their premium offer, along with word of mouth. Although their overall share remains small (around 8 per cent of all food retail sales⁵), Aldi has increased its market share by a third in the last year alone.
- 2.75 The year 2014 has also seen an announcement of the planned re-emergence⁶ of Netto as a LAD rival to Aldi and Lidl. Sainsbury's has entered into a joint venture with Netto's Danish owners Dansk Supermarket, with a plan to open fifteen pilot stores across the north of England. The first six of these (Manchester, Sheffield, Leeds, Hull, Doncaster and Ormskirk) were due to commence trading on 6 November 2014.

⁵ Kantar Worldpanel 2014

⁶ Netto UK previously operated nearly 200 stores located across England and Wales, until May 2010 when Asda purchased the company to expand its small store portfolio. The rebranding of around three quarters of the stores was complete by summer 2011, with the remaining stores sold to other companies.

- 2.76 As a result of the expansion plans of the LADs we expect these retailers to continue to take market share from the 'big four' supermarket operators over the coming years.

The Development Pipeline

- 2.77 Despite the improving economic picture, the challenges set out in the NTRLS with regards to future supply largely remain. We therefore reiterate that it is crucial for the Council to remain proactive in trying to attract investment to its centres given the continuing competition from out-of-centre and higher-order centres.

Commercial Leisure Trends

- 2.78 Most commentators predict that commercial leisure, such as cafes, bars, restaurants and cinemas, will account for a growing share of town centre floorspace. This is partly a replacement activity for reduced demand for space for traditional retail, and partly driven by demand the shift to leisure expenditure as discretionary household expenditure rises.
- 2.79 When considering leisure expenditure available to households, spending on food and drink typically accounts for upwards of 50 per cent of total leisure spending, compared to around 15 per cent on 'cultural services' (e.g. going to the cinema, theatre, art galleries or live music) and under 10 per cent on hotels, 'games of chance' (such as bingo) and recreation/sporting services.
- 2.80 There is scope for town centres to capitalise on this, redefining their function as 'destinations' in their own right. This, in turn, can have wider positive implications on the performance of the town centres in question: residents and visitors spend longer in the centre, undertake 'linked trips' between retail, leisure and other uses, and increase their dwell-time in the centre.
- 2.81 The development of a strong commercial leisure offer can therefore help to increase footfall outside of retail hours, for example in the early evenings, particularly if the leisure offer also includes facilities such as cinemas.

3 KEY FINDINGS FROM THE 2011 NTRLS

- 3.1 Since completion of the NTRLS in 2011, there have been significant changes to the national policy context, and updated guidance has been published, as we explain in more detail in Section 2 of this report.
- 3.2 The NTRLS provided a comprehensive update and expansion of the preceding 2007 North Tyneside Retail Assessment. It included revised assessments on the performance of centres, a new comprehensive survey of shopping patterns, and consideration of leisure spending and provision across the borough. It also advised on the network and hierarchy of centres, town centre boundaries and shopping frontages, and made recommendations on local floorspace thresholds for retail impact assessments.
- 3.3 In this section we set out the key findings of the NTRLS and, where appropriate, justify the retention of relevant survey data and assumptions in this update report.

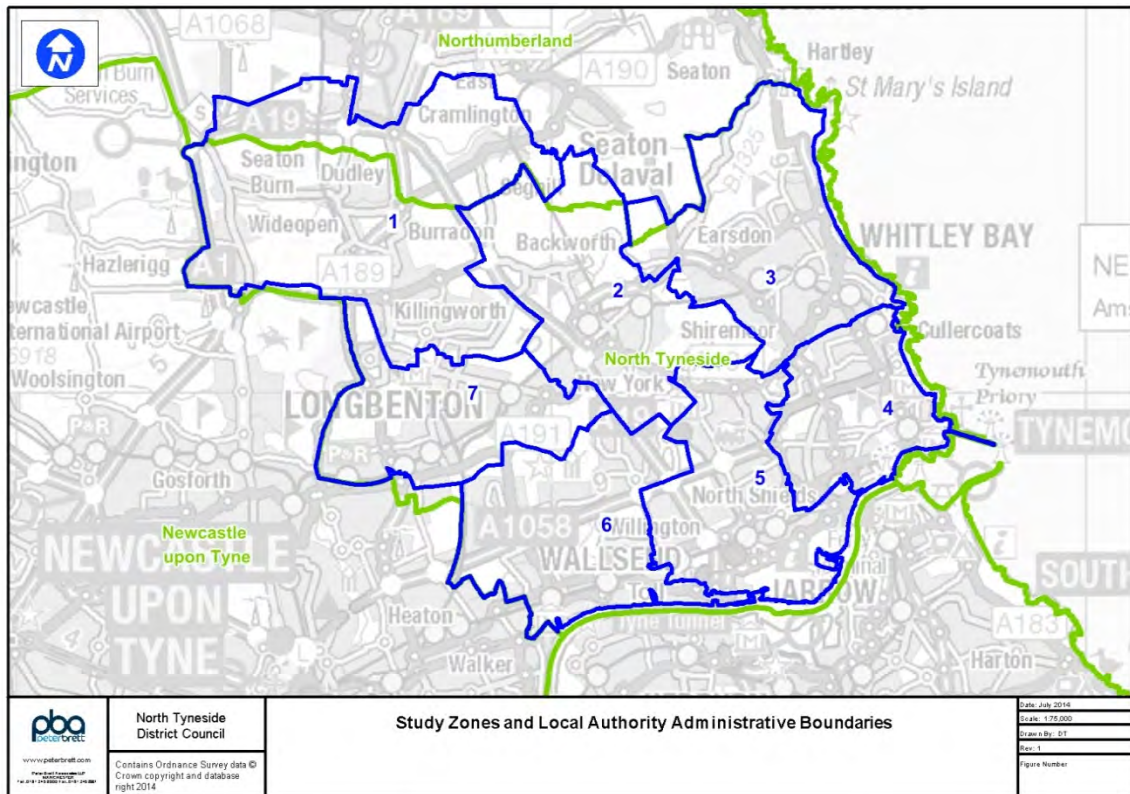
Household Survey Undertaken for the NTRLS 2011

- 3.4 The household survey for the NTRLS, upon which the key findings on shopping patterns set out below were based, was undertaken in June 2011. The intervening period between the NTRLS and this update is only three years, and over that period there have not been any significant new completions of retail floorspace of a scale with the potential to materially alter shopping patterns, either within or adjacent to the Borough. Accordingly, we consider that the household survey evidence from 2011 remains robust and so the evidence on shopping patterns has not been updated as part of this work.
- 3.5 General advice and best practice is to retain household survey data for around a five year period, taking account of other factors such as significant changes in retail/service provision in an area, or large housing growth. For the reasons set out above, we consider that the household survey undertaken in 2011 is sufficiently robust for the Council to rely on this as evidence to underpin the Local Plan under the current adoption timetable.

Study Area

- 3.6 Figure 3.1 shows the catchment area of North Tyneside's main centres, which formed the basis of the NTRLS and this update study. The seven constituent study zones are based on postcode sectors to encompass the whole of the North Tyneside administrative area, reflecting the pattern of settlements and the local catchments of the main centres. The seven study zones combined reflect the Overall Catchment Area (OCA) of the study.

Figure 3.1 Overall Catchment Area (OCA) of North Tyneside and study zones



Summary of comparison goods shopping patterns

3.7 The results of the household survey undertaken for the NTRLS indicated that the OCA achieves a comparison goods ‘retention rate’ of 53.2 per cent. Thus, £5.32 in every £10 available to residents of the OCA for spending on comparison (non-food) goods is spent at destinations within that area. The most popular destinations for comparison goods shopping trips are shown in Table 3.1 below.

Table 3.1 Main comparison shopping destinations in the OCA

Destinations for Comparison Goods spend	Proportion of total expenditure
Silverlink Shopping Park, Coast Road, Wallsend	21.0%
North Shields, Whitley Bay, Wallsend and Killingworth Town Centres	16.8%
Other destinations within the OCA	15.3%
Total Retained expenditure	53.2%
Newcastle City Centre	28.2%
Other destinations within the buffer zones	3.9%
Other more distant locations	7.2%
SFT	7.5%
Total Leakage	46.8%

3.8 Table 3.1 confirms that Newcastle City Centre is the main comparison shopping destination for residents of the study area, achieving an overall market share of 28.2

per cent. The Silverlink Shopping Park in Wallsend achieves the second-highest comparison retail turnover with a market share of 21.0 per cent.

- 3.9 The four main town centres in North Tyneside achieve a combined market share of 16.8 per cent; North Shields Town Centre (7.8 per cent), Whitley Bay Town Centre (3.8 per cent), Wallsend Town Centre (3.1 per cent) and Killingworth Town Centre (2.1 per cent). A further 15.3 per cent of market share is retained by 'Other destinations within the OCA', a combination of the borough's defined centres, retail parks and freestanding stores.
- 3.10 The main destinations for comparison goods expenditure leakage, beyond the 28.2 per cent to Newcastle City Centre, are set out in Spreadsheet 6 of Appendix A. These include 3.5 per cent to the Metrocentre Shopping Centre in Gateshead, and 2.0 per cent to the Metro Retail Park, also in Gateshead. The town centre located outside the OCA with the greatest influence on expenditure is Cramlington Town Centre which achieves a market share of 1.4 per cent.
- 3.11 Analysis of the seven categories of comparison goods shows that the retention rate is relatively modest in the important clothes and shoes sub-sector, at 46 per cent. Moreover, just under two thirds of expenditure retained in this sub-sector is spent in out-of-centre retail parks and stores within the OCA.

Summary of Convenience Goods Shopping Patterns

- 3.12 The results of the household survey indicated that North Tyneside is largely self-sufficient in terms of convenience goods shopping. Indeed 88.5 per cent of available expenditure on convenience goods is retained within the OCA. The most popular destination for food and grocery shopping within North Tyneside is the Asda store in Benton, achieving a market share of 14.6 per cent. The Morrisons store in Preston Grange is the second most popular with a market share of 14 per cent. Other main destinations within the OCA include Morrisons in Killingworth (11.1 per cent), Tesco Extra in North Shields (8.9 per cent) and the Sainsbury's and Morrisons stores in Whitley Bay (8.5 per cent and 7.2 per cent respectively). These six stores account for approximately two-thirds of all spend within the OCA. Expenditure retention rates vary considerably across the seven study zones.

Summary of Spending on Other Town Centre Uses

- 3.13 The results of the household survey provided detail on the patterns of visits and spend to various leisure and cultural services. Across the OCA as a whole, Newcastle was the primary destination for residents' visiting Restaurants/Cafes (26 per cent of all spend), Bars/Clubs and Pubs (15 per cent of all spend), Theatre & Concerts (45 per cent of all spend) and Museums and Art Galleries (38 per cent of all spend).
- 3.14 Destinations within North Tyneside proved to be the most popular destination for visits and spend in the following categories:
- Cinemas – Silverlink Shopping Park (40 per cent of all spend);
 - Family Entertainment – Royal Quays (North Shields) (7 per cent of all spend);
 - Bingo, Casino & Bookmakers – Wallsend (3 per cent of all spend); and

- Health & Fitness – Whitley Bay / North Shields / Killingworth (all 4 per cent of spend).

Qualitative Needs for additional floorspace

3.15 Taking into account the findings of the household survey, performance analyses of the Town and District Centres, and the five indicators of qualitative need listed in the then-extant PPS4 Practice Guidance, the NTRLS identified a particular qualitative need for:

- a new supermarket or food superstore in Wallsend to widen consumer choice and provide more sustainable shopping patterns;
- the provision of additional modern retail units in Wallsend and North Shields Town Centres to meet the requirements of ‘high street’ comparison retailers. The lack of choice in certain key categories of comparison goods, such as clothing and footwear, is a major deficiency in the town centre retail offer across North Tyneside, which is resulting in a high level of expenditure in out-of-centre locations;
- the provision of some further national retailers within Whitley Bay Town Centre, with a priority being to fill larger vacant units; and
- the provision of a wider and more appealing choice of restaurants, cafes and pubs/bars in Wallsend, which would support the growth of an evening economy in the centre and enhance access to such facilities for the town’s residents.

Quantitative Need for Additional Floorspace

Comparison retail sector

3.16 Using results from the household survey on shopping patterns, the NTRLS provided four forecast scenarios of the quantitative need for additional comparison goods floorspace. Two retention rate scenarios were tested, one of ‘*constant retention*’ whereby current shopping patterns remain unchanged over the course of the period to 2027 (i.e. the current retention rate remains at 53.2 per cent), the other of ‘*rising retention*’ whereby a modest increase in the retention rate from 53.2 per cent to 58 per cent by 2016 is achieved.

3.17 In addition both expenditure retention scenarios were tested against two housing and population growth scenarios presented in the Council’s Core Strategy Preferred Options report: Further Consultation on Growth Options (published in October 2011). Growth ‘*Option 1*’ represented the Council’s increased growth option of 12.1 per cent in population between 2011 and 2027. ‘*Option 2*’ represented a stable growth option of 7.3 per cent increase in population over the same period.

3.18 For ease of reference, Table 3.2 summarises the findings for the requirements of new comparison retail floorspace under each of the four scenarios:

- Scenario 1: Constant retention and Option 1 (Increased) Population Growth;
- Scenario 2: Rising retention and Option 1 (Increased) Population Growth;

- Scenario 3: Constant retention and Option 2 (Stable) Population Growth; and
- Scenario 4: Rising retention and Option 2 (Stable) Population Growth

Table 3.2 Summary of comparison goods floorspace requirements, NTRLS

Period	Comparison Floorspace requirements (sq.m sales area)			
	Scenario 1	Scenario 2	Scenario 3	Scenario 4
2011 – 2016	6,034	12,058	4,724	10,629
2011 – 2021	14,138	21,057	11,648	18,340
2011 – 2027	25,069	33,172	21,261	29,018

3.19 The NTRLS considered that there is clear scope to claw-back some of the expenditure that currently leaks outside of the OCA. Furthermore, analysis of the current shopping patterns in North Tyneside confirmed that the out-of-centre Silverlink Shopping Park attracts more comparison expenditure than all four town centres combined. The recommended key policy aspiration for the Council was therefore to seek to improve the overall retention of expenditure in the OCA, in particular to attract additional expenditure to town centre locations. As a result of this the NTRLS recommended planning for either Scenario 2 or Scenario 4, dependent upon the Council's planned level of population growth over the plan period.

Convenience Retail Sector

3.20 In terms of convenience goods retailing, the NTRLS also presented our findings under two expenditure retention scenarios, again a '*constant retention*' and a '*rising retention*' scenario. The '*rising retention*' scenario related to increasing the aggregate retention rate from the existing 88.5 per cent to 92.5 per cent by 2016 and remaining at that rate thereafter.

3.21 Again, as with the comparison retailing approach, the Council's two housing and population growth scenarios were also tested. Table 3.3 summarises the findings for the requirements for new convenience floorspace under each of the four scenarios:

- Scenario 1: Constant retention and Option 1 (Increased) Population Growth;
- Scenario 2: Rising retention and Option 1 (Increased) Population Growth;
- Scenario 3: Constant retention and Option 2 (Stable) Population Growth; and
- Scenario 4: Rising retention and Option 2 (Stable) Population Growth

Table 3.3 Summary of convenience goods floorspace requirements, NTRLS

Period	Convenience Floorspace requirements (sq.m sales area)			
	Scenario 1	Scenario 2	Scenario 3	Scenario 4
2011 – 2016	436	1,642	78	1,267
2011 – 2021	1,926	3,201	1,106	2,344
2011 – 2027	3,630	4,984	2,371	3,669

3.22 The NTRLS considered there to be scope for a modest improvement in convenience expenditure retention in the OCA. In particular the study concluded that a new foodstore implemented in Wallsend Town Centre would improve the overall retention

rate. This would form a sound policy aspiration to plan for due to the need to undertake food shopping on as localised a basis as possible. As a result the NTRLS recommended planning for either Scenario 2 or Scenario 4, dependent upon the Council's planned population growth over the plan period.

- 3.23 Although the NTRLS concluded that there is no part of the OCA with an acute localised deficiency in convenience goods provision, on the basis of the figures summarised in Table 3.3, and on qualitative grounds, we concluded that it should be a priority for the Council to enhance the convenience retail provision in Wallsend Town Centre.

Leisure and Culture sector

- 3.24 As with both the comparison and convenience retail sectors, expenditure available to residents within the OCA for leisure and cultural spending is predicted to grow. On the basis of current spending levels, around 63 per cent of spending growth will be expected to go to eating and drinking establishments. A further 11 per cent will go on cultural services, around 6 per cent on recreational and sporting services, and some 5 per cent on games of chance.
- 3.25 The NTRLS concluded that how this growth might be expended locally will very much depend on the opportunities that the market supplies. The future health of North Tyneside's town centres will be very much dependent upon capturing a sizeable proportion of this growth, as well as clawing back expenditure currently leaking outside of the OCA.
- 3.26 A broad assessment of the scope for additional commercial and leisure facilities in North Tyneside identified significant scope for the development of a mix of restaurants, pubs and bars across North Tyneside.

4 2014 UPDATE DATA INPUTS

4.1 In this section, we describe the data inputs that have been used to inform our update of the retail and leisure capacity forecasts set out in the 2011 NTRLS, summarised in the previous section. The key data inputs are as follows:

- population forecasts;
- per head expenditure data;
- expenditure growth rates;
- special forms of trading (such as online shopping);
- turnover efficiency gain in existing retailers; and
- retail and leisure planning commitments.

4.2 We discuss each of these inputs in turn below. This section should be read alongside the quantitative data tables set out in the appendices to this report.

Population Forecasts

4.3 This update makes use of new baseline (2012-based) population forecasts for each of the seven survey zones. We have used Experian MMG3⁷ population base data, together with population multipliers for North Tyneside derived from two growth scenarios which form part of the evidence base for the North Tyneside Local Plan.

4.4 The two forecast growth scenarios employed in this update are based on work by Edge Analytics using POPGROUP (v.4) and jobs growth forecasts supplied by Arup. Arup is currently undertaking the Employment Land Review (ELR) for North Tyneside.

4.5 We refer to the first of the two population forecasts as '**Option 1**', relating to a 'Medium Jobs' growth scenario. This scenario uses an average of separate population forecasts: firstly, the official sub-national population projection for North Tyneside published by the ONS; and secondly, a jobs-led sensitivity scenario published in the ELR, linked to a 'medium' level of change in the number of jobs in the borough⁸ across the plan period.

4.6 The second population forecast we refer to as '**Option 2**'. This relates to a 'High Jobs' growth scenario. This scenario is based on a single forecast, a jobs-led sensitivity scenario published in the ELR, linked to a 'high' level of change in the number of jobs in the borough⁹ across the plan period.

4.7 Updated population forecasts, adjusted to cover the study zones (as opposed to the North Tyneside Borough boundary only), are set out in Appendix A. They forecast the total population of the study area under Option 1 (Spreadsheet 2a) and Option 2 (Spreadsheet 2b), for the Base Year 2014, and Forecast Years 2019, 2024 and 2032.

⁷ MMG3 is Experian's Micromarketer Generation3 demographic analysis tool

⁸ 'Jobs-led (Medium) SENS3' scenario which is based around a 'medium' number of jobs created over the plan period and a net reduction in out commuting from the borough from 1.15 to 1.05 between 2014 and 2023

⁹ 'Jobs-led (High) SENS3' scenario which is based around a 'high' number of jobs created over the plan period and a net reduction in out commuting, incrementally reduced between 2014 and 2023.

- 4.8 The total population of the study area is expected to increase from 206,957 in 2014 to 227,367 by 2032 under population Option 1, and to 235,671 under population Option 2. This is an increase of either 20,410 (9.9 per cent) or 28,713 (13.9 per cent) respectively over the 18-year period, depending upon which population option is taken forward. Average annual rates of increase are 0.55 per cent per annum under population Option 1, or 0.77 per cent per annum under population Options 2.
- 4.9 These updated rates of population growth predicted for North Tyneside are broadly in line with previous forecasts set out in the NTRLS. In that report the two population growth options referred to an increase in population of either 7.3 per cent or 12.1 per cent over the 16-year period 2011-2027, or equivalent to 0.45 per cent per annum or 0.76 per cent per annum respectively.

Expenditure Growth Rates

- 4.10 This update makes use of new baseline (2012-based) expenditure forecasts for each of the seven survey zones. We have used Experian MMG expenditure data, and projected these forward using appropriate multipliers in line with the latest expenditure forecasts published in October 2014 in the Experian Retail Planner Briefing Note 12.1 (RPBN12.1).
- 4.11 In the NTRLS we set our justification for using mid-point forecasts of the two principal data providers Pitney Bowes Business Insight (PBBI) (Retail Expenditure Guide), and Experian RPBN to inform expenditure growth rates over the course of the Local Plan period. However, for the purposes of this update, we rely solely on Experian forecasts. This is due to:
- the element of long-term scenario testing built into the latest RPBN, and the use of a central case forecast built into the growth figures; and
 - the need to ensure consistency with the Experian population forecasts adopted in this update.
- 4.12 Spreadsheets 3 and 10 of Appendix A set out the updated expenditure figures for comparison and convenience retailing respectively, together with the forecasts of how expenditure is predicted to increase each year to 2032. Given the inherent uncertainty over expenditure growth rates in the longer term however, forecasts for the latter timeframes should be treated with caution and be subject to regular review.
- 4.13 The new expenditure growth rates under the 'central case' scenario, set out in RPBN12.1, are detailed in Table 4.1 below for the Base Year and Forecast Years. As with previous forecasts (set out in RPBN8.1 and covered in the 2011 NTRLS) the expenditure growth in the long-term is expected to remain relatively muted compared to historical growth rates.
- 4.14 In the short-term however (i.e. 2014), the anticipated growth in comparison goods spend per head has increased by 1.4 percentage points over that predicted in 2011. Conversely, anticipated spend on convenience goods spending per head is 1.5 percentage points lower in the short-term than previously predicted, with little net change over the subsequent key forecast years.

Table 4.1 Expenditure growth rates per head applied in this update report

Year	Comparison Goods			Convenience Goods		
	RPBN12.1 growth rate	NTRLS growth rate	% point change from NTRLS	RPBN12.1 growth rate	NTRLS growth rate	% point change from NTRLS
2014	5.6	4.0	+1.4	-0.5	1.0	-1.5
2019	3.1	3.3	-0.2	0.6	0.7	-0.1
2024	3.3	3.3	-	0.8	0.7	+0.1
2032	3.4	3.3	+0.1	0.7	0.7	-

Source: Experian Retail Planner Briefing Note12.1

- 4.15 Spreadsheet 15 sets out the updated expenditure figures for leisure services spending, together with the forecast of how expenditure is expected to increase each year to 2032. The new expenditure growth rates for leisure spending under the 'central case' scenario set out in RPBN12.1 are detailed in in the note to Spreadsheet 15 and, as with retail forecasts, expenditure growth is expected to be overall lower than rates published in previous Retail Planner Briefing Notes (including version 8.1 used in the NTRLS).

Special Forms of Trading

- 4.16 The 2011 NTRLS applied a proportion of overall expenditure in the study area to Special Forms of Trading (SFT) based upon the findings of the household survey. For comparison goods this related to 59 per cent of national average levels of spending estimated by Experian in RPBN8.1, and for convenience goods just 15 per cent of RPBN8.1 estimates.
- 4.17 For consistency with the NTRLS, and on the basis that there is no updated household survey evidence for North Tyneside available for this update, the same proportions of national average SFT forecasts have been applied to figures in this update (i.e. 59 per cent and 15 per cent of figures published in Appendix 3 of RPBN12.1). In addition, the rates of SFT applied to each study zone are fully adjusted to reflect SFT sales from stores.
- 4.18 As a result of the significant rise in popularity of forms of SFT that do not have an impact upon retail floorspace demand (i.e. those forms of retail that still require floorspace), and the enhanced allowance for these forms of trading in this update report, the predicted market share of SFT for convenience retailing in North Tyneside has in fact fallen over that predicted in 2011. For comparison retailing however, the market share is predicted to be higher, a symptom of the significantly higher total non-store retailing market share before adjustments are made for SFT sales from stores.
- 4.19 Specific figures for SFT spending forecasts for residents of North Tyneside are therefore set out in Table 4.2. It shows that, by 2032, 9.1 per cent of comparison goods spending and 0.9 per cent of convenience goods spending will be spent through non-store retail channels. These market shares take full account of the

specific shopping habits of North Tyneside residents, and new forms of SFT from stores.

Table 4.2 Forecast market shares of SFT in North Tyneside

Year	Comparison Goods			Convenience Goods		
	RPBN12.1 adjusted non-store retail market share	NTRLS adjusted non-store retail market share	% point change from NTRLS	RPBN12.1 adjusted non-store retail market share	NTRLS adjusted non-store retail market share	% point change from NTRLS
2014	6.9%	8.1%	-1.2	0.4%	1.3%	-0.9
2019	9.0%	8.2%	+0.8	0.6%	1.4%	-0.8
2024	9.4%	8.0%	+1.4	0.7%	1.5%	-0.8
2032	9.1%	n/a	n/a	0.9%	n/a	n/a

Source: Experian Retail Planner Briefing Note12.1, adjusted to allow for North Tyneside shopping patterns

Turnover Efficiency Gain in Existing Retailers

- 4.20 It is also necessary to make an allowance for the growth in sales efficiency of existing convenience and comparison goods retailers within the study area, as stores are expected to trade at increasingly efficient levels of turnover per square metre of sales area over the course of the study period.
- 4.21 The NTRLS applied a ratio based upon the ‘underlying trend’ of floorspace improvements over the historical period 1987-1999, as a proportion of overall expenditure growth over the same period. Over this period, sales densities increased by 37.9 per cent of the proportion of overall comparison goods expenditure growth, and 46.2 per cent of overall convenience goods expenditure growth.
- 4.22 Latest figures for retail sales densities taking account of changes to retail floorspace are published in the RPBN12.1. These are compatible with assumptions on growth in per head expenditure. Table 4.3 summarises these for the Base Year and Forecast Years and compares efficiency gains with those adopted in the original NTRLS study. Efficiency of comparison retail floorspace is expected to improve throughout the plan period over previous forecast rates. Conversely, efficiency gains in convenience retailing are forecast to be comparable or less than previous estimates throughout the plan period.

Table 4.3 Turnover efficiency gains

Year	Comparison Goods			Convenience Goods		
	RPBN12.1 density growth rate	NTRLS density growth rate	% point change from NTRLS	RPBN12.1 density growth rate	NTRLS density growth rate	% point change from NTRLS
2014	6.3%	1.4%	+4.9	-1.2%	0.3%	-1.5
2019	2.6%	1.3%	+1.3	0.1%	0.3%	-0.2
2024	2.2%	1.2%	+1.0	0.3%	0.3%	-
2032	2.2%	n/a	n/a	0.3%	n/a	n/a

Source: Experian Retail Planner Briefing Note12.1

- 4.23 Inevitably, different types of floorspace have different abilities to absorb expenditure growth, with modern floorspace better equipped than older stock. However, since this study covers a variety of centres within the OCA and we are aware that the centres have both modern and older floorspace, we consider that a uniform approach is robust.

Planning Commitments and Completions

- 4.24 It is necessary to make deductions from any initial surplus of expenditure for the 'claim' of existing retail planning commitments in the borough. The NTRLS made allowance for a number of committed comparison and convenience goods developments in the OCA in this way, and we do so again in this update report.
- 4.25 As no new evidence on shopping patterns has been provided since the NTRLS it is also necessary to continue to treat extant commitments set out in the NTRLS as a 'claim' on total available expenditure. To inform this work the local authority has supplied data on the most significant additional retail planning commitments¹⁰ since publication of the NTRLS in 2011. Completions since the NTRLS are also of relevance.
- 4.26 Table 4.4 summarises the completions and extant commitments for new comparison retailing floorspace across North Tyneside as at the end of September 2014. An estimated turnover from the study area from each scheme is provided, using assumptions based on typical sales densities of comparable schemes, and the likely proportion of turnover of each scheme drawn from the study area. Table 4.5 provides the same information in relation to convenience goods floorspace.
- 4.27 We are not aware of any significant schemes in adjoining boroughs that would fundamentally alter the shopping patterns reported in the NTRLS, i.e. that would have sub-regional influence, either having been completed, or with extant planning permission. As a result the updated quantitative forecasts reported in Section 5 of this report only take into account the commitments listed in Tables 4.4 and 4.5 below.

¹⁰ Applications involving more than 100 sq.m gross of new retail floorspace

- 4.28 The largest commitment listed includes an element of both convenience and comparison retailing. A hybrid planning application (ref 12/01169/FUL) for the Forum Shopping Centre in Wallsend was granted planning permission in September 2012. The scheme involved: full planning permission for refurbishment works to the existing shopping centre, including a partial change of use of the former Co-op building; and outline planning permission for the demolition of residential properties and the erection of a new Class A1 retail unit and ancillary shop unit of 4,457 sq.m (gross floorspace) with associated service area and car parking. The provision of new sales area floorspace in relation to this application in both Tables 4.4 and 4.5 relates to the outline element of the scheme only as no new retail floorspace arose as a result of the full planning application.
- 4.29 In terms of the anticipated turnover of total comparison and convenience commitments set out in the listings, the Wallsend hybrid application contributes some 19 per cent of new comparison retail floorspace across the borough, and almost 40 per cent of additional convenience retail floorspace. Although we only consider confirmed commitments (i.e. applications formally granted planning permission) in the modelling work presented in Section 5 of this report, due to the significance of this scheme in terms of forecasting we raise here the prospect that the impacts on committed turnover of this scheme may be altered as a result of a further planning application currently under consideration by the local authority.
- 4.30 In brief, NewRiver Retail now proposes the development of a smaller 1,785 sq.m (gross floorspace) convenience foodstore in addition to a drive-thru restaurant of 150 sq.m (gross floorspace). Part of the site area covered by the previous outline application for the larger retail store (along the northern boundary with Elton Street East) is retained for future development. Therefore additional retail floorspace may also come forward on this part of the site as the future use and development is finalised. This application has been submitted to North Tyneside Council following pre-application discussions with Council officers.
- 4.31 Our reason for highlighting this new application prior to its determination is due to the fact that, should the revised proposals be granted approval, the total turnover of the scheme will be considerably lower than that modelled in this update. This highlights the need for the Council to regularly review the progress of such commitments within the context of predicted expenditure growth, in its consideration of future floorspace requirements.
- 4.32 In terms of commitments for leisure services, since publication of the NTRLS there have been three planning permissions¹¹ relating to the provision of four new restaurant facilities in the borough (totalling 1,909 sq.m gross A3), and two planning permissions¹² relating to the provision of two new gyms (totalling 2,677 sq.m gross D2). These are discussed in more detail in the 'Findings in Relation to Leisure Expenditure' in Section 5 of this report.

¹¹ 10/02604/FUL, 11/02390/OUT & 12/01777/FUL

¹² 13/01360/FUL and 14/00983/FUL

Table 4.4 Committed comparison goods floorspace (at September 2014)

Location / name of scheme	Description of proposal	Sales area floorspace (sq.m sales area)	Turnover from study area (£m - 2019)
Completions since 2011 NTRLS			
Forest Hall, Great Lime Road	12/00270/FUL – Demolition of existing buildings and erection of a food store	326	1.2
Sub-total for completions		326	1.2
New commitments (retail planning applications approved since completion of the NTRLS)			
North Shields, land at Smiths Dock, Duke St.	11/02390/OUT – Mixed use scheme comprising residential, hotel, office, A1 and A3	152	0.7
Silverlink Shopping Park, land to the east of Unit A, Mallard Way	12/00565/FUL – Erection of A1 unit	1,170	4.3
Wallsend, The Forum Shopping Centre	12/01169/FUL – Hybrid application including outline permission for demolition of residential properties and erection of new Class A1 retail unit and ancillary shop unit	1,026	3.7
Wallsend, 38 Eldon Street	12/01303/FUL – Change of use from vacant offices to 3 shop units	69	0.3
Coast Rd. Retail Park, Norham Rd	13/00843/FUL – Amalgamation of units 1 and 1a to form single unit and installation of mezzanine floors space	1,445	5.3
Benton, Bellway Industrial Estate	13/01185/FUL – Erection of garden centre	733	2.7
Killingworth, The Killingworth Centre	13/01597/FUL – Two A1 retail units	85	0.3
Silverlink Shopping Park, M&S Unit E	13/01907/FUL – Extension of existing mezzanine	231	0.8
Wallsend, 146-156 High St West	14/01053/FUL – Demolition of existing buildings and construction of retail/residential	59	0.3
Sub-total for new commitments		4,970	18.4
Total comparison goods commitments (A+B)		5,296	19.6

Table 4.5 Committed convenience goods floorspace (at September 2014)

Location / name of scheme	Description of proposal	Sales area floorspace (sq.m sales area)	Turnover from Study area (£m – 2019)
Completions since N2011 TRLS			
Cobalt business park	10/01510/FUL – Retail unit	265	1.5
Quorum business park, Benton Ln.	10/03104/FUL – Two convenience retail units	304	1.1
Forest Hall, Great Lime Road	12/00270/FUL – Demolition of existing buildings and erection of a food store	664	5.6
A. Sub-total for completions		1,233	8.2
Commitments (retail planning applications approved since completion of the NTRLS)			
North Shields, land at Dock Rd Industrial Est.	11/00127/OUT – Outline planning permission for the erection of a retail unit	260	2.5
Scaffold Hill	11/01600/FUL – Residential development comprising community hub with local shop	129	0.6
Killingworth, land at White House Farm	11/02337/FUL – Full permission for 366 dwellings, outline for 465 ancillary commercial	81	0.4
North Shields, land at Smiths Dock, Duke St.	11/02390/OUT – Mixed use scheme comprising residential, hotel, office, A1 and A3	152	1.5
Wallsend, The Forum Shopping Centre	12/01169/FUL – Hybrid application including outline permission for demolition of residential properties and erection of new Class A1 retail unit and ancillary shop unit	2,093	15.8
Wallsend, 38 Eldon Street	12/01303/FUL – Change of use from vacant offices to 3 shop units	69	0.3
Howdon, Wallsend, Police Houses, Churchill St.	12/01309/OUT – Demolition and redevelopment of site to form 3 A1 units	601	2.9
Killingworth, Killingworth Way	12/01542/FUL – Erection of single storey extension to existing farm shop	134	0.5
Killingworth, The Killingworth Centre	13/01597/FUL – Two A1 retail units	85	0.3
Whitley Bay, Earsdon Road	13/01645/FUL – Erection of a single storey retail unit	287	2.7
Gosforth, Tyneside Autoparc	13/01963/FUL – Erection of café, petrol filling station with shop	157	0.4
Wallsend, 146-156 High St West	14/01053/FUL – Demolition of existing buildings and construction of retail/residential	59	0.3
B. Sub-total for new commitments		4,107	28.2
Total convenience goods commitments (A+B)		5,340	36.4

5 UPDATED QUANTITATIVE FORECASTS

- 5.1 Having taken into account the changes to the data inputs described in the previous section, we set out in this section the updated retail capacity forecasts for the OCA. For clarity we have structured this section of the report in line with Section 6 of the NTRLS.

Methodology for Assessing Quantitative Retail Need

- 5.2 Despite the PPS4 Practice Guidance no longer being extant, in the absence of replacement advice we have maintained the eight step approach adopted in the NTRLS which we still consider to be a robust methodology. Below, we describe each stage of the assessment update and provide a summary of our findings.

Step i. Definition of the OCA

- 5.3 The OCA adopted in the NTRLS, split into seven zones, is retained in this update. The same postcode boundaries are applied and are listed in Spreadsheet 1 of Appendix A.

Step ii. Existing Level of Population and Expenditure

- 5.4 We model two options of population change in this update; Option 1 is a 'Medium Jobs' growth based population scenario, and Option 2 is a 'High Jobs' growth based population scenario. Details regarding the background of each of these population scenarios are provided in Section 4 of this report.
- 5.5 The total population of the OCA in the base year of 2014 is set out in the second row of Spreadsheets 2a and 2b. The population of the OCA is forecast to be around 207,000 under both population change scenarios.
- 5.6 The average expenditure on comparison goods in the base year of 2014 ranges from £2,492 per head in Zone 5 up to £3,898 per head in Zone 3. Average expenditure per head on convenience goods ranges from £1,666 in Zone 5 up to £2,034 in Zone 3.
- 5.7 Our assessment uses a 2012 price base and the total pot of comparison and convenience expenditure at 2014, for each of the survey zones, is set out in the top rows of Spreadsheets 4a to 4b and 11a to 11b respectively. In total, £656.6m of comparison retail expenditure and £381.0m of convenience retail expenditure is predicted to be available from residents of the OCA in 2014.

Step iii. Establish Existing Retail Spending Patterns

- 5.8 This update report has not involved an update of the household survey; therefore the patterns of expenditure set out in the 2011 NTRLS are carried forward into this update. The NTRLS set out the overall retention rate for comparison goods being 53.2 per cent, and for convenience goods, 88.5 per cent. The more detailed spending

patterns to individual facilities across North Tyneside are discussed in detail in Section 5 of the NTRLS.

Step iv. Forecast Growth in Expenditure and Forecast Growth in Retained Expenditure

- 5.9 As set out in the NTRLS, the next steps are to apply forecasts of population change and per head expenditure growth, so as to establish the overall level of forecast growth in expenditure for all residents of the OCA, and then assess growth in retained expenditure, using, initially, a constant retention assumption.

Population Growth

Population change Option 1 – Medium Jobs (Spreadsheet 2a)

- 5.10 Option 1 population growth reflects the ‘Medium Jobs’ growth scenario; a ‘medium’ number of jobs to be created over the plan period, as modelled in the Council’s ELR, and a net reduction in out commuting from the borough between 2014 and 2023. Of the two options modelled in this update it represents the lower population rise scenario.
- 5.11 Spreadsheet 2a of Appendix A demonstrates that, under this population scenario, the forecast growth in population is 9.9 per cent over the 18-year period between 2014 and 2032 (an average of 0.55 per cent per annum), equivalent to an additional 20,410 residents. This is a slightly faster rate of increase than the lower population growth option presented in the NTRLS – in that report the Council’s stable growth option was predicting a 7.3 per cent rise over the 16-year period 2011-2027 (an average of 0.46 per cent per annum).

Population change Option 2 – High Jobs (Spreadsheet 2b)

- 5.12 Option 2 population growth reflects the ‘High Jobs’ growth scenario; a ‘high’ number of jobs to be created over the plan period, as modelled in the Council’s ELR, and a net reduction in out commuting, incrementally reduced between 2014 and 2023. This represents the higher population rise scenario over the full plan period, of the two options that are modelled in this update.
- 5.13 Spreadsheet 2b of Appendix A demonstrates that, under this population scenario, the forecast growth in population is 13.9 per cent over the 18-year period between 2014 and 2032 (an average of 0.77 per cent per annum), equivalent to an additional 28,713 residents. This is a rate broadly comparable to the higher population growth option presented in the NTRLS – in that report the ONS 2008-based sub-national population projections were predicting a 12.1 per cent rise over the 16-year period 2011-2027 (an average of 0.76 per cent per annum).

Expenditure Growth

- 5.14 The expenditure growth rates that we have applied in this update are discussed in more detail in Section 4 of this report. A summary of anticipated growth rates for the key base year and forecast year periods is set out in Table 4.1. A full breakdown of anticipated growth rates for each year between 2012 and 2032 is provided in the

notes on Spreadsheet 3 of Appendix A (for comparison goods) and Spreadsheet 10 (for convenience goods).

- 5.15 The overall forecast growth in comparison goods spending over the full 18-year study period for this update is higher than that predicted in the NTRLS. Cumulative growth in comparison goods spending is predicted to be 78.3 per cent between 2014 and 2032, compared to 55.7 per cent predicted over the shorter 16-year period between 2011 and 2027 in the NTRLS.
- 5.16 In terms of convenience retailing however, overall growth is forecast to be lower than predicted in the NTRLS. Cumulative growth in convenience goods retailing is predicted to be 11.6 per cent between 2014 and 2032, compared to 12.1 per cent predicted over the shorter 16-year period between 2011 and 2027 in the NTRLS.

Total Expenditure

- 5.17 The total pot of comparison and convenience expenditure at the 2014 base year, for each of the seven survey zones, is set out in the top rows of Spreadsheets 4a-b and 11a-d, respectively. In total, £656.6m of comparison retail expenditure and £381.0m of convenience retail expenditure is predicted to be available from residents of the OCA in 2014.
- 5.18 Spreadsheet 4a then models the growth in total available comparison goods expenditure under the Option 1 population growth scenario, demonstrating an increase from £656.6m in 2014, up to £1,290.5m by 2032, a rise of £634.0m as a result of predicted population and expenditure growth. Spreadsheet 4b demonstrates that, under the Option 2 population growth scenario, a further £47.2m of expenditure by 2032 would be available as a result of the higher population arising from the 'High Jobs' scenario, bringing the total available expenditure to £1,337.7m.
- 5.19 Convenience retailing expenditure is modelled in Spreadsheets 11a and 11b. Under the Option 1 population growth scenario, the total expenditure available across all zones for convenience retailing is expected to rise from £381.0m in 2014 up to £469.4m by 2032. Under the Option 2 population growth scenario, a further £17.1m would be available as a result of the higher population, bringing the total available expenditure to £486.5m by 2032.

Step v. 'Claims' on Growth in Retained Expenditure

Growth in Floorspace Efficiency

- 5.20 We discussed the turnover efficiency gains (sales density growth) that have been applied in this update report in Section 4. The application of turnover efficiency, and the impact that this has on the existing retailers and existing floorspace, is shown in Spreadsheets 9a for comparison goods, and 14a for convenience goods. The sales density growth rates are also applied to the list of commitments and completions for each future Forecast Year period.
- 5.21 For existing comparison retail floorspace in the OCA, Row D of Spreadsheet 9a demonstrates how floorspace efficiency improvements will lead to an increase in turnover from £349.3m in 2014 to £544.0m by 2032. As a result, £194.7m of the total

predicted growth in expenditure over this period will be absorbed by the more efficient use of floorspace in existing stores in the OCA.

- 5.22 For convenience retail floorspace, anticipated floorspace efficiency gains are significantly lower, as set out in Table 4.2 of this report. As a result, Row D of Spreadsheet 14a demonstrates an increase in turnover from the existing OCA stores from £337.2m in 2014 to £349.2m by 2032. Therefore just £12.0m of the total predicted growth in expenditure over this period will be absorbed by the more efficient use of floorspace.

Allowance for Growth in Special Forms of Trading (SFT)

- 5.23 We discussed the predicted proportions of SFT that have been applied in this update report in Section 4, specifically Table 4.2. The application of increasing rates of SFT and the impact that this has on the residual expenditure, and therefore floorspace requirements, are set out in Row E of Spreadsheet 9a for comparison goods, and Row E of Spreadsheet 14a for convenience goods.
- 5.24 For comparison goods, spending on SFT over the assessment period is expected to continue to rise, reflecting the assumptions of continued spending growth and future expansion of the internet in Experian's forecasts, and ONS official figures¹³. Therefore within the OCA, an additional £25.9m of expenditure of residents is predicted to be spent through non-store based SFT channels by 2019. By 2024 this is predicted to rise to £44.3m and by 2032 to £72.3m. This expenditure is added to the 'claim' on growth through floorspace efficiencies highlighted above.
- 5.25 For convenience retailing, however, spending on non-store based SFT channels is predicted to be very low. The historically low SFT shopping habits of North Tyneside residents identified in the 2011 household survey (which we assume to continue for the purposes of this update) is a key factor in this, as is the increasing use of click-and-collect channels for convenience shopping which still rely on retail floorspace. As a result, just £2.5m of expenditure of residents within the OCA by 2032 is predicted to be 'claimed' by SFT.

Allowance for Planning Commitments

- 5.26 The final 'claim' on expenditure growth, after allowing for efficiency gains and SFT, is planning commitments. We discuss these in more detail in Section 4 of this report and have provided a full list of the main planning commitments since the 2011 NTRLS, including both completions and extant permissions, in Tables 4.4 (comparison listing) and 4.5 (convenience listing).
- 5.27 For comparison retail floorspace, as of September 2014, there is a total of 5,296 sq.m of sales area floorspace committed across North Tyneside. These permissions, if built, would have a predicted turnover derived from the study area of £19.6m in 2019. Row F of Spreadsheet 9a demonstrates that, applying anticipated floorspace

¹³ The Office for National Statistics (ONS) collects data for SFT, comprising sales via the internet, mail order, stalls and markets, door-to-door and telephone sales. On-line sales by supermarkets, department stores and catalogue companies are all included. The ONS figure for internet sales plus its estimate of mail order and market/stalls sales is therefore a comprehensive estimate of SFT in retailing.

efficiencies to these new commitments, turnover of £26.2m by 2032 would be expected.

- 5.28 For convenience retail floorspace, there is a total of 5,340 sq.m of sales area floorspace committed. If built, these commitments would have an aggregate turnover of £36.4m in 2019, rising to £37.7m by 2032 as set out in Row F of Spreadsheet 14a.

Step vi. Residual Expenditure Potentially Available for New Floorspace

- 5.29 Row G of Spreadsheets 9a and 14a summarise the 'residual expenditure' available, taking into account the total expenditure available at each year period, subtracting the turnover of existing stores, allowances for expenditure spent on SFT, and allowing for all planning commitments and completions since 2011. We discuss the findings of residual expenditure in more detail under Step viii below in the context of the sensitivity testing of alternative scenarios.

Step vii. Adjustments for Under or Over-trading in the Base Year

- 5.30 The next step, prior to calculating the floorspace requirement from residual expenditure, is to consider the current trading position of existing stores relative to their 'benchmark' level.

Comparison retailing

- 5.31 Spreadsheet 6 of Appendix A reveals an estimated comparison goods turnover in 2014 for the Silverlink Shopping Park of approximately £137.2m, excluding any inflow from those who live outside the borough. We maintain the judgement originally employed in the NTRLS that around 5 per cent of turnover is likely to be derived from beyond the OCA; that is, from people who live outside the borough, but travel to Silverlink for shopping purposes. Taking into account this level of inflow, the total comparison turnover of the Shopping Park rises to £144.4m.
- 5.32 Data on retail floorspace in out-of-centre locations, supplied by the Council, indicates that there is presently 21,266 sq.m of comparison retail sales area floorspace in the retail park, which would imply a comparison sales density of £6,790 per square metre. This remains largely unchanged from the £6,830 per square metre reported in the NTRLS, and indeed once price inflation is taken into account (this update is based on 2012 prices, the NTRLS on 2008 prices) represents a reduced sales density in real terms.
- 5.33 Spreadsheet 6 reveals updated turnover figures for North Shields, Whitley Bay, Wallsend, and Killingworth Town Centres of £48.8m, £27.1m, £18.5m and £14.1m respectively in 2014. Once the allowances for turnover derived from beyond the OCA

are applied¹⁴ these rise to £51.4m, £33.9m, £19.5m and £17.6m respectively, a combined turnover of £122.4m.

5.34 The latest estimates for comparison sales floorspace in North Shields, Whitley Bay Wallsend, and Killingworth Town Centres combined suggest around 41,486 square metres¹⁵, which would imply an average sales density of around £2,950 per square metre. This is a higher rate than previously reported in the NTRLS, however it still suggests a below average trading performance of the three main centres within the retail hierarchy.

5.35 Accordingly, and in line with conclusions made in relation to comparison retailing in the NTRLS, there is no evidence of overtrading taking place in comparison stores within the district. We therefore make no adjustments for over or under-trading at comparison stores in North Tyneside in the 2014 base year.

Convenience retailing

5.36 Spreadsheet 13 of Appendix A sets out the updated convenience goods spending patterns. As in the NTRLS, we focus on the top nine main foodstores which collectively account for around 69 per cent of the aggregate convenience goods expenditure of the OCA's residents. The update of the survey-based turnover estimates for the nine main foodstores within the OCA, along with the 'benchmark' turnover levels are shown in Table 5.1 below.

5.37 Our analysis indicates that the majority of the main foodstores in North Tyneside are now overtrading in line with benchmark turnover levels. Only the Sainsbury's stores in Newstead Drive (Whitley Bay) and Northumberland Park District Centre are trading below benchmark levels. Collectively, the aggregate trading position of the nine main foodstores is one of 'over-trading' by around £51.9m, or equivalent to 22 per cent above benchmark.

5.38 Although we have only undertaken a detailed analysis of performance against benchmark turnover for the main foodstores in the OCA, and we have not included smaller or independent traders in our analysis, we consider that this provides a good indication of the overall trading position of existing foodstores within the OCA. There are no published data on sales densities for independent foodstores against which benchmark analysis can be undertaken, and the nine largest foodstores considered here account for over two thirds of the aggregate convenience goods expenditure retained within the OCA.

5.39 Accordingly, we make an adjustment for over-trading in the convenience sector in row H of Table 14a for the first interval period to 2019 of £20.7m. Our adjustment reflects over-trading evident in out-of-centre locations only (namely Asda Benton, Tesco Extra North Shields, Sainsbury's Whitley Bay and Morrisons Whitley Bay). We do not make

¹⁴ As they were applied in the NTRLS (5 per cent to North Shields and Wallsend and 20 per cent to Whitley Bay on the basis of its tourism role and location close to the semi-rural areas outside of the OCA to the north). 20 per cent also applied to Killingworth due to its location close to the edge of the OCA.

¹⁵ Figures provided by North Tyneside Council (November 2014), included in Table 2, Section E of Appendix B to this report.

adjustments for over-trading of in-centre stores, as this would in effect penalise successfully trading town centre stores, which is contrary to the NPPF town-centre first policy. We also do not have any evidence to suggest that levels of over-trading at in-centre stores are translating to customer discomfort. We anticipate that current over-trading will be largely eliminated by the implementation of the range of committed convenience goods floorspace schemes listed in Table 14a, therefore no adjustments are carried forward beyond the 2014-2019 period.

- 5.40 The Council also requested consideration of whether there have been any significant changes in the intervening period in terms of the general distribution of services, and the impact on competition and choice in North Tyneside. We consider these aspects in more detail in Section 6.

Table 5.1 Benchmark assessment of convenience turnover at the main foodstores in North Tyneside

Main Foodstores within North Tyneside	Location of Store (in, edge or out-of-centre)	Convenience Sales Area Floorspace ¹⁶ (sq.m)	Benchmark Sales Density ¹⁷ 2014 (£ / sq.m)	Benchmark Turnover 2014 (£m)	Survey-derived Convenience Goods Turnover ¹⁸ 2014 (£m)	Level of Under / Overtrading (£m)	Survey-derived trading against benchmark (%)
Asda Whitley Road, Benton	Out	3,346	12,905	43.2	60.2	17.0	139%
Morrisons, Preston Grange District Centre	In	2,910	12,727	37.0	57.4	20.4	155%
Morrisons, Killingworth Town Centre	In	2,831	12,727	36.0	47.9	11.8	133%
Tesco Extra, Norham Road, North Shields	Out	3,062	11,520	35.3	36.4	1.1	103%
Sainsbury's, Newstead Drive, Whitley Bay	Out	3,086	13,704	42.3	37.3	-5.0	88%
Morrisons, Hillheads Road, Whitley Bay	Out	1,846	12,727	23.5	31.1	7.6	132%
Lidl, Battle Hill District Centre	In	645	3,469	2.2	6.9	4.7	313%
Sainsbury's, Northumberland Park District Centre	In	1,110	13,704	15.2	6.6	-8.6	43%
Iceland, Wallsend Town Centre	In	303	7,395	2.2	5.1	2.9	232%
Total		19,140		237.0	288.9	51.9	122%

¹⁶ Sales area floorspace figures taken from Table 6.6 of the NTRLS

¹⁷ The benchmark sales densities for Asda, Morrisons, Tesco, Sainsbury's, Lidl and Iceland are derived from Verdict's UK Grocery Retailers Report 2013, at 2012 prices

¹⁸ Survey-derived convenience goods turnover is derived from the total expenditure from residents within the OCA, set out in Spreadsheet 13 of Appendix A, and includes an allowance for expenditure inflow of 10 per cent of the total convenience goods turnover for the six largest foodstores and 5 per cent for the remaining foodstores, retaining the inflow assumptions employed in the NTRLS

Step viii. Sensitivity Test Alternative Scenarios for Calculating Growth in Residual Expenditure

Changes to the Retention Level and Population Growth

- 5.42 For consistency, we have retained the same sensitivity testing approach to that adopted in the NTRLS. We have covered in Section 4 of this report the two new population growth options, Option 1 the 'Medium Jobs' and Option 2 the 'High Jobs' based scenarios. In terms of the market share 'retention level' scenarios these are retained as the 'constant retention' and 'rising retention' scenarios.

Comparison Goods Sector

- 5.43 Spreadsheets 9a-d set out the combination of each market share retention scenario, against each population growth scenario for the comparison goods retail sector. 'Constant retention' refers to retention level kept constant at 53.2 per cent throughout the study period. 'Rising retention' refers to retention level improving to 58.0 per cent by 2019 and remaining thereafter. In summary therefore, the sensitivity testing scenarios presented in Appendix A are as follows:

- Spreadsheet 9a – 'Constant retention' and Option 1 population growth;
- Spreadsheet 9b – 'Rising retention' and Option 1 population growth;
- Spreadsheet 9c – 'Constant retention' and Option 2 population growth;
- Spreadsheet 9d – 'Rising retention' and Option 2 population growth.

Convenience Goods Sector

- 5.44 Spreadsheets 14a-d set out the combination of each market share retention scenario, against each population growth scenario for the convenience goods retail sector. 'Constant retention' refers to retention level kept constant at 88.5 per cent throughout the study period. 'Rising retention' refers to retention level improving to 92.5 per cent by 2019 and remaining thereafter. In summary therefore, the sensitivity testing scenarios presented in Appendix A are as follows:

- Spreadsheet 14a – 'Constant retention' and Option 1 population growth;
- Spreadsheet 14b – 'Rising retention' and Option 1 population growth;
- Spreadsheet 14c – 'Constant retention' and Option 2 population growth;
- Spreadsheet 14d – 'Rising retention' and Option 2 population growth.

Findings in Relation to Retail Expenditure Capacity

Comparison Goods Sector

Option 1 growth scenario 'Medium Jobs'

- 5.45 Spreadsheets 9a and 9b set out the quantitative comparison goods retail need arising under the 'constant' and 'rising' retention scenarios, respectively, for the Option 1 population growth scenario. Quantitative needs are set out in terms of residual

comparison expenditure capacity in Row G, with corresponding requirements for sales area and gross additional comparison retail floorspace in Rows H and I. Table 5.2 below summarises the sales area floorspace requirements arising under both market share retention scenarios.

Table 5.2 Quantitative need for comparison floorspace, population Option 1

Period	Floorspace requirements (sq.m sales area)	
	'Constant retention' (53.2%)	'Rising retention' (to 58.0%)
2014 - 2019	-5,931	960
2019 - 2024	2,418	3,676
2024 - 2032	8,394	10,613
Net 2014 - 2032	4,881	15,249

Source: Spreadsheet 9a and 9b of Appendix A

5.46 Table 5.2 shows that, under the 'constant retention' market share scenario, there is no capacity for additional comparison sales area floorspace up to 2019, however beyond this timeframe there is a small requirement for 2,418 sq.m by 2024 and a further 8,394 sq.m by 2032. The net requirement is therefore for just 4,881 sq.m of new sales area floorspace in the whole period to 2032.

5.47 Under the 'rising retention' market share scenario, there is a small positive residual requirement of 960 sq.m of additional comparison sales floorspace by 2019, with a further 3,676 sq.m by 2024, and a further 10,613 sq.m by 2032. In total, a net requirement for 15,249 sq.m of new sales area floorspace is required over the whole period to 2032.

Option 2 Population Growth 'High Jobs'

5.48 Spreadsheets 9c and 9d of Appendix A set out the corresponding floorspace requirements for each of the market share retention scenarios in the context of population growth Option 2. Table 5.3 below summarises the sales area floorspace requirements arising under both market share retention scenarios.

Table 5.3 Quantitative need for comparison floorspace, population Option 2

Period	Floorspace requirements (sq.m sales area)	
	'Constant retention' (53.2%)	'Rising retention' (to 58.0%)
2014 - 2019	-6,244	613
2019 - 2024	2,708	3,997
2024 - 2032	11,212	13,738
Net 2014 - 2032	7,675	18,348

Source: Spreadsheet 9c and 9d of Appendix A

5.49 Table 5.3 shows that, under the 'constant retention' market share scenario, and as with scenarios under population Option 1, there is no capacity for additional

comparison sales area floorspace until beyond 2019; the requirement is for 2,708 sq.m sales area in the period 2019-24, with a further 11,212 sq.m of sales area floorspace by 2032. The net requirement for new floorspace over the full period to 2032 on account of an over-supply in the early period is just 7,675 sq.m of new sales area floorspace 2014-32.

- 5.50 Under the 'rising retention' market share scenario, as with Option 1 there is again a small positive residual requirement of just 613 sq.m of additional comparison sales floorspace by 2019; this rises to a further 3,997 sq.m by 2024, and a further 13,738 sq.m by 2032. In total some 18,348 sq.m of new sales area floorspace is required over the whole period 2014-32.

Convenience Goods Sector

Option 1 Population Growth 'Medium Jobs'

- 5.51 Spreadsheets 14a and 14b set out the quantitative convenience goods retail need arising under the 'constant' and 'rising' retention scenarios, respectively, for population growth Option 1. Quantitative needs are set out in terms of residual convenience expenditure capacity in Row G, and corresponding requirements for sales area and gross additional convenience sales floorspace in Rows I and J (after over-trading is taken account of in Row H). Table 5.4 below summarises the sales area floorspace requirements arising under both market share retention scenarios.

Table 5.4 Quantitative need for convenience floorspace, population Option 1

Period	Floorspace requirements (sq.m sales area)	
	'Constant retention' (88.5%)	'Rising retention' (to 92.5%)
2014 - 2019	-85	1,499
2019 - 2024	1,774	1,876
2024 - 2032	2,832	3,004
Net 2014 - 2032	4,521	6,378

Source: Spreadsheet 14a and 14b of Appendix A

- 5.52 Table 5.4 shows that under the 'constant retention' market share scenario there is capacity for additional convenience sales area floorspace beyond 2019; 1,774 sq.m by 2024, and a further 2,832 sq.m by 2032. In total there is a net requirement for 4,521 sq.m of new sales area floorspace over the whole study period to 2032.
- 5.53 Under the 'rising retention' market share scenario, there is additional capacity in each period; 1,499 sq.m sales area floorspace by 2019, a further 1,876 sq.m by 2024 and a further 3,004 sq.m by 2032. In total the net requirement by 2032 is for 6,378 sq.m of new sales area floorspace.

Option 2 Population Growth 'High Jobs'

- 5.54 Spreadsheets 14c and 14d of Appendix A set out the corresponding floorspace requirements for each of the market share retention scenarios in the context of

population growth Option 2. Table 5.5 below summarises the sales area floorspace requirements arising under both market share retention scenarios.

Table 5.5 Quantitative need for convenience floorspace, population Option 2

Period	Floorspace requirements (sq.m sales area)	
	'Constant retention' (88.5%)	'Rising retention' (to 92.5%)
2014 - 2019	-257	1,319
2019 - 2024	1,950	2,059
2024 - 2032	4,268	4,505
Net 2014 - 2032	5,960	7,884

Source: Spreadsheet 14c and 14d of Appendix A

- 5.55 Table 5.5 shows that again, under the 'constant retention' market share scenario there is capacity for additional convenience sales area floorspace beyond 2019; 1,950 sq.m by 2024, and a further 4,268 sq.m by 2032. In total there is a net requirement for 5,960 sq.m of new sales area floorspace to 2032 under this scenario.
- 5.56 Under the 'rising retention' market share scenario, there is additional capacity in each period; 1,319 sq.m of sales area floorspace by 2019, a further 2,059 sq.m by 2024 and a further 4,505 sq.m by 2032. In total the net requirement by 2032 is for 7,884 sq.m of new sales area floorspace.

Conclusions on Retail Expenditure Capacity

- 5.57 The two market share retention scenarios that we have employed in this update report are the same as those modelled in the 2011 NTRLS; however the two population growth options that we have modelled are different. As a result the findings that we present on retail expenditure capacity and resultant floorspace requirements in this update are not directly comparable to previous findings published in the NTRLS.
- 5.58 Nevertheless, it is clear from the update of the various data inputs presented in Section 4 of this report that, excluding consideration of the population element, floorspace requirements have fallen over the past three years. There are a number of reasons for the significantly reduced requirements for new floorspace in North Tyneside including:
- more tempered forecasts of expenditure growth based on the continuing, extended recovery from the severe economic downturn;
 - higher rates of growth in the non-store retailing market share of SFT, particularly in the comparison goods sector;
 - higher rates of floorspace efficiency gains than previously forecast; and
 - additional planning commitments granted within North Tyneside in both the comparison and convenience retail sectors.

- 5.59 Bearing these factors in mind, we make the following observations in relation to the revised forecasts of floorspace requirements.
- 5.60 The requirement for new comparison retailing floorspace has fallen considerably since publication of the NTRLS. Of the four scenarios tested in the NTRLS, the maximum predicted requirement was for 47,338 sq.m of new sales area floorspace over a period of 16-years (2011-2027). In this update, the maximum requirement that we now forecast is for 18,348 sq.m of new sales area floorspace over an 18-year period 2014-2032.
- 5.61 In contrast, for new convenience retailing, the requirement has increased over that forecast in the NTRLS. Of the four scenarios tested in the NTRLS, the maximum predicted requirement was for 4,984 sq.m of new sales area floorspace over the 16-year period (2011-2027). In this update, the maximum requirement that we now forecast is for 7,884 sq.m of new sales area floorspace, albeit over the longer 18-year period 2014-2032.
- 5.62 The significant shift in predicted requirements for new floorspace between the NTRLS and this update report highlights the need to regularly review such evidence. The planning commitments taken account of in these forecasts¹⁹ play a significant role in 'claiming' anticipated growth of expenditure in North Tyneside. In reality it is unlikely that all these schemes will come forward. As discussed in Section 4 of this report, in the context of proposals in Wallsend, they may be subject to revision or not be built out at all. It is therefore important that the Council regularly reviews the progress of such commitments when considering the likely requirement for new floorspace in the future.
- 5.63 At present, over 28 per cent of comparison goods expenditure from the OCA leaks to Newcastle City Centre. If North Tyneside Council opts to plan for the 'rising retention' scenario set out in this report, this will almost certainly result in claw-back of some of this expenditure from the Newcastle area. We are aware that North Tyneside Council has been in discussions with Newcastle City Council (NCC) under the provisions of the Duty to Cooperate and it is imperative that it continues this dialogue to ensure that the retail strategy it decides to adopt is in conformity with the aspirations of neighbouring authorities.
- 5.64 NCC has long-term aspirations to extend the quality and range of the City Centre's retail offer, to meet the identified requirement for new comparison retail floorspace. The Newcastle and Gateshead Core Strategy and Urban Core Plan sets out a plan to provide at least 50,000 sq.m of additional retail sales area floorspace to ensure that the City retains its role as the regional retail centre²⁰. The approach that North Tyneside Council takes forward in its Local Plan must therefore be supportive of this ambition and complementary to NCC aims for the future of Newcastle.

¹⁹ Detailed in Tables 4.4 and 4.5 of this report and Spreadsheets 9a-9d and 14a-14d of Appendix A

²⁰ The requirement for new floorspace is set out in Policy UC2, and is expected to be met within the designated Primary Shopping Areas and at East Pilgrim Street northern area.

Findings in Relation to Commercial Leisure Facilities

- 5.65 As detailed in Section 8 of the NTRLS, the approach taken to assessing the quantitative need for new provision in the leisure sector is less well developed than in the retail sector. A broad assessment of the need for new floorspace in the commercial leisure sector was presented in the NTRLS.
- 5.66 We provide an update to this broad assessment using the latest Experian estimated growth rates for spending on leisure services from RPN12.1. We have modelled expenditure based on the same two population growth options set out under the retail capacity forecasts, Option 1 'Medium Jobs' population growth and Option 2 'High Jobs' population growth. Appendix A provides the following spreadsheets in relation to the update of leisure services expenditure capacity:
- Spreadsheet 15 – leisure services expenditure per head (£);
 - Spreadsheets 16a-b – total leisure services expenditure and expenditure growth;
 - Spreadsheets 18a-b – expenditure and predicted growth on different categories of leisure services;
 - Spreadsheets 19a and 19d – summary of expenditure capacity for restaurants, cafes, pubs and bars;
 - Spreadsheets 19b and 19e – summary of expenditure capacity for cinemas; and
 - Spreadsheets 19c and 19f – summary of expenditure capacity for bingo clubs.
- 5.67 For the purposes of this update we have assumed that the same proportions of expenditure are spent on each category of leisure services, as presented in Table 8.1 of the NTRLS and Spreadsheet 17 of the Volume 3 Appendices of that report. This follows the same approach adopted in this update report for retail forecasts, whereby the household survey from the original NTRLS is retained as the evidence base on shopping patterns. We also assume the same retention levels adopted in the NTRLS within the OCA for each category of leisure services considered.

Forecast growth in Expenditure and Retained Expenditure

- 5.68 The total expenditure on leisure services of residents of the is forecast to grow from £436.8m in 2014, to £479.8m by 2019, £524.3m by 2024 and £608.4m by 2032. Forecast growth in spending from 2014 therefore amounts to £43.0m in the period to 2019, rising to £87.5m and £171.6m in the longer term periods to 2024 and 2032 respectively. These figures are based on the Council's Option 1 population growth scenario and are set out in detail in Spreadsheet 16a of Appendix A.
- 5.69 Spreadsheet 16b shows that under the Council's Option 2 population growth scenario, the corresponding growth in spending from 2014 amounts to £40.6m in the period to 2019, rising to £87.6m and £193.8m in the longer terms periods to 2024 and 2032 respectively.

5.70 Spreadsheets 18a and 18b of Appendix A provide the breakdown of the forecast growth in spending by leisure services category. We provide a brief commentary on the main categories covered in the NTRLS below.

Food and drink establishments

5.71 Spreadsheets 19a and 19d of Appendix A set out the anticipated residual expenditure for restaurants, cafes, pubs and bars in North Tyneside. Employing the same assumptions as in the NTRLS, allocating 50 per cent of expenditure growth to existing facilities to enable them to grow their business, under the Council's Option 1 population growth there is anticipated to be around £5.7m of residual expenditure by 2019. By 2024 this is expected to grow to £17.1m and by 2032 by £29.1m.

5.72 The figures presented in this update exclude commitments or 'claims' on growth from planning permissions granted since publication of the NTRLS. In the food and drink establishment category, there have been four new restaurants granted planning permission (under application references 10/02604/FUL, 11/02390/OUT and 12/01777/FUL). Based upon a typical annual turnover of a new, good-quality bar/restaurant²¹, these commitments could be expected to achieve a combined turnover of between £4m and £5m. Commitments therefore currently satisfy the majority of forecast residual expenditure to 2019.

5.73 Under the Council's Option 2 population growth, the corresponding expenditure capacity is expected to be £5.4m by 2019, rising to £17.2m by 2024 and £32.3m by 2032.

5.74 The levels of expenditure capacity for restaurants, cafes, pubs and bars reported in this update report are only marginally higher than those presented in the NTRLS (once the longer timeframe has been taken into account) of between £21.8m and £24.7m over the 16-year period 2011-2027, depending upon the population growth scenario employed.

Cinemas

5.75 Spreadsheets 19b and 19e of Appendix A set out the updated, anticipated residual expenditure for cinemas in North Tyneside. Under the Council's Option 1 population growth scenario there is anticipated to be just £0.3m of residual expenditure by 2019, rising to £0.5m by 2024 and £1.0m by 2032. Corresponding figures under the Council's Option 2 population growth scenario are £0.2m, £0.5m and £1.1m respectively.

5.76 These figures are largely unchanged from those presented in the NTRLS. The NTRLS concluded that, based upon the existing provision and a new multiplex proposed at the time in Cramlington, there were no qualitative requirements for the provision of new screens. This was despite expenditure capacity potentially being sufficient to support two additional multiplex screens or an independent cinema.

²¹ Discussed in paragraph 8.21 of the NTRLS

5.77 In the intervening years since publication of the NTRLS, the Cramlington multiplex proposal has been constructed and opened and now offers a modern 9-screen multiplex facility within a 20-minute drive of the majority of North Tyneside residents. A small independent, Community Interest Company cinema in Whitley Bay, Jam Jar Cinema, has also opened its doors. Based upon the updated residual expenditure capacity and the opening of the new Cramlington and Whitley Bay facilities we therefore conclude that there remains no qualitative requirement for further cinema provision in North Tyneside.

Bingo

- 5.78 Spreadsheets 19c and 19f of Appendix A set out the updated, anticipated residual expenditure for bingo clubs in North Tyneside. Under the Council's Option 1 population growth scenario there is anticipated to be just £0.1m of residual expenditure by 2019, rising to £0.2m by 2024 and £0.4m by 2032. Corresponding figures under the Council's Option 2 population growth scenario are £0.1m, £0.2m and £0.4m respectively.
- 5.79 These figures match those presented in the NTRLS which concluded, based upon provision at the time, that there was no qualitative requirement for the provision of a new bingo club in the borough. The NTRLS concluded that based on the residual capacity figures, the borough could potentially support one additional neighbourhood club by 2021.
- 5.80 Based upon our update of residual expenditure capacity and a review of existing bingo facilities in and around the borough we conclude that there is no qualitative requirement for new facilities. The provision of an additional neighbourhood club may still be supported on the grounds of expenditure capacity, although this is now marginal even based on a typical annual net stakes of a neighbourhood club²².

Conclusions on Leisure Services Expenditure Capacity

- 5.81 The leisure services expenditure available to residents of the OCA is expected to grow by £43.0m in the period 2014 to 2019, rising to £87.5m in the period up to 2024 and to £171.6m by 2032 if the Council proceeds with the Option 1 population growth strategy. If the Council opts for the Option 2 population growth strategy, expenditure is expected to rise from a lower initial growth figure of £40.6m in the early period 2014 to 2019, rising to £87.6m up to 2024 and a higher £193.8m by 2032.
- 5.82 On the basis of spending levels adopted in the NTRLS, and consideration of planning commitments ('claims' on expenditure growth), the updated expenditure capacity forecasts for food and drink establishments set out in Spreadsheets 19a and 19d of Appendix A demonstrate that the majority of capacity to 2019 has been fulfilled. There appears to be significant scope however for the development of a further mix of restaurants, pubs and bars across the borough up to 2032.

²² Paragraph 8.33 of the North Tyneside Retail and Leisure Study

- 5.83 None of the permitted restaurants since publication of the NTRLS are located in or adjacent to Wallsend Town Centre. The recommendation made within the NTRLS for the provision of a wider, and more appealing choice of restaurants, cafes and pubs/bars in Wallsend therefore remains. This would help to support the growth of an evening economy in the centre, would enhance access to such facilities for the town's residents, and complement the renovations of the Forum Centre, recently completed, and maintain momentum of regeneration of the town centre.
- 5.84 The situation with regards to cinemas and bingo facilities in the borough remains largely unchanged from that reported at the time of the NTRLS. There is no evident qualitative requirement for either kind of facility within North Tyneside, although there is a potential quantitative basis for a small, local facility of each by 2032. Given the inherent uncertainty over expenditure growth rates in the longer term however, the latter timeframes should be treated with caution and be subject to regular review.

6 COMPETITION AND CHOICE / OVERTRADING

- 6.1 Paragraph 26 of the NPPF requires local planning authorities to consider the impact of new proposals for retail and leisure uses located outside of town centres on 'local consumer choice and trade in the town centre and wider area'.
- 6.2 We have been asked as part of this update report to identify any significant changes in the distribution of services which allow genuine choice to meet the needs of the whole community. As set out in Section 1 of this report, this update has not included an update to the household survey, on which evidence on shopping patterns and resulting information on overtrading was supplied in 2011, nor does it include updated health check assessments of the key town centres.
- 6.3 In the absence of any updated evidence on shopping patterns we therefore:
- provide a brief commentary on the issues identified in the NTRLS 2011 around competition and choice, and the conclusions reached;
 - discuss new completions since 2011, in the context of both quantitative and qualitative provision;
 - discuss information available on planning commitments;
 - identify patterns of closures and losses by centre; and
 - finally we provide our conclusions on the issues of competition and choice and overtrading in the borough.

Summary of NTRLS findings on Consumer Choice and Competition / Overtrading

- 6.4 We provide a full overview of the findings of the NTRLS in Section 3 of this report. For clarity however, we repeat the relevant findings here to provide the context for our review and discussion on competition and choice and overtrading in this section.
- 6.5 In terms of the comparison retailing sector, the NTRLS identified the need to widen consumer choice and provide new competition as being a key issue in North Tyneside. Accordingly, the study based the forecast needs for new floorspace on a scenario of increasing the borough's comparison goods market share from around 53 per cent to 58 per cent to help address deficiencies, and this strategy has been adopted in the Council's emerging Local Plan.
- 6.6 In terms of the convenience sector, the household survey identified a current retention rate of 88.5 per cent of available expenditure. Borough wide therefore, consumer choice and competition was not seen to be such a significant issue for convenience retailing. Some areas of the borough, however, were identified as being poorly served, particularly Wallsend.
- 6.7 The NTRLS concluded 'that there is a qualitative need for a new supermarket or foodstore in Wallsend to inject additional competition into the local convenience sector and thereby enhance consumer choice. We advised that this should be

delivered alongside some modern comparison retail units to attract some of the non-food retailers that are absent from the town centre²³.

- 6.8 In terms of overtrading, the NTRLS concluded that, based upon benchmark analysis and on-site observations, there were no signs of unacceptable customer discomfort in stores trading around the borough, or over-trading indicating a qualitative need for additional provision on these grounds.

Completions post NTRLS – Quantitative & Qualitative Impacts

- 6.9 We set out the details of new retail developments that have been completed in the borough between 2011 and 2014 in Section 4 of this report (Tables 4.4 and 4.5). In terms of the consideration of the overall distribution of services across North Tyneside, only the larger scale more significant schemes are discussed here.
- 6.10 Only one development that we consider to have a potentially considerable quantitative impact (the only ‘major’ application of greater than 1,000 sq.m gross or more) has been completed during this period, namely the new Aldi store at Forest Hall. We therefore discuss this in more detail below.
- 6.11 From a qualitative perspective the hybrid planning application for full planning permission for refurbishment work at The Forum Shopping Centre is also considered to be significant and is discussed in more detail below. Outline planning permission for a new foodstore, the remaining part of the hybrid application, remains extant and is discussed in the following sub-section ‘Commitments post-NTRLS’.

Quantitative

- 6.12 The new Aldi store²⁴ comprises 664 sq.m of convenience retail sales area floorspace, and is predicted to turnover around £5.7m by 2019 based on Aldi company average sales densities. The comparison element of the store is 326 sq.m sales area, predicted to turnover around £1.8m by 2019. The store will therefore have a combined turnover of around £7.5m.
- 6.13 Based upon figures of the total expenditure available within the OCA (£789.0m comparison and £398.7m convenience²⁵), the predicted convenience turnover of the new Aldi store equates to less than 1.5 per cent of all available convenience expenditure. For comparison retailing, the predicted turnover of the store equates to less than 0.3 per cent of all available expenditure.
- 6.14 Convenience goods spending patterns set out in the 2011 NTRLS²⁶ demonstrated that, at that time, the Aldi store at Wallsend attracted expenditure from residents of Zones 7 (including Forest Hall), 1 and 2. There were no deep-discount convenience operators located in any of these zones at the time of the household survey. The new store lies close to all of these zones. As a result the new Aldi at Forest Hall has no

²³ Paragraph 7.15 of the North Tyneside Retail and Leisure Study 2011

²⁴ Planning application reference 12/00270/FUL

²⁵ Set out in Tables 4a and 11a of Appendix A

²⁶ Spreadsheet 13 of Volume 3: Appendices

doubt filled a qualitative gap in provision in the north and western parts of the borough and will have improved the range and quality of the convenience retail offer to a degree in this part of North Tyneside.

- 6.15 On further analysis, and on the basis that residents previously had access to Aldi stores in both Wallsend and Howdon, we do not consider this to be a 'significant' change. The new store is also located close to an identified 'District Centre' within the local retail hierarchy and does not therefore represent a fundamentally new retailing destination forming within the borough. For the reasons set out above, the new Aldi store at Forest Hall is not considered to represent a significant change in the distribution of services.

Qualitative

- 6.16 The Forum Shopping Centre forms a key focal point for Wallsend, housing the majority of national retailers that are located within the town centre. In 2012, planning permission was granted for significant refurbishment of the shopping centre, alongside provision of a new foodstore on land to the west.
- 6.17 The Council recognised the importance of planned refurbishment works in the Local Plan Consultation Draft²⁷ to help drive improvement and modernise the overall retail environment of one of North Tyneside's main town centres. Following completion of the £4m remodelling and refurbishment exercise late in 2013, the qualitative works are now complete. A number of major improvements have been made including:
- external refurbishment of the shopping centre replacing outdated brickwork and decorative features;
 - creation of new entrances;
 - refurbishment of internal and external pedestrian spaces;
 - bringing back into use of the former Co-op building with the creation of three modern units at ground floor level, and
 - creation of a new library and Customer Contact Centre for North Tyneside Council on the first and second floors.
- 6.18 The refurbishment works have created a significantly improved shopping environment for the retail core in Wallsend. They have also consolidated key services, such as the library and Customer Contact Centre, in a central location where town centre vitality and viability, through increased linked trips, should be considerably enhanced.
- 6.19 Evidence on openings and closures within Wallsend²⁸, and evidence on vacancy rates, do not yet point to any significant improvement on the quantitative provision of retailing. However the Council also monitors footfall annually in each of the three main town centres and monitoring in 2014 indicated an 11 per cent rise in Wallsend between 2013 and 2014, compared to 4 per cent in North Shields and a 3 per cent fall in Whitley Bay. We consider that the reinstatement of a food anchor in the town is still vital to the improvement of the retail offer and the long-term health of Wallsend.

²⁷ Policy AS/6.7 and paragraphs 6.41-6.42

²⁸ Presented in Table 6.1 of this report

Figure 6.1 The Forum Shopping Centre, Wallsend (before & after refurbishment)



Commitments post NTRLs

6.20 As referenced above, hybrid planning permission²⁹ was granted at The Forum Centre in Wallsend in September 2012, with the outline element of the planning permission for construction of a major new foodstore (of around 4,500 sq.m gross floorspace) remaining extant. This planning permission is notable as one of the key findings of the NTRLs was that a new supermarket or foodstore should be provided in Wallsend to widen consumer choice and provide more sustainable shopping patterns. Clearly if the proposals were to come forward they would play a significant part in rectifying current qualitative deficiencies in provision in this part of the borough. We discuss the latest developments with regards to these proposals in more detail in Section 4 of this report.

²⁹ Planning permission reference 12/01169/FUL

- 6.21 Other 'major' planning permissions that have been granted and remain extant include a new comparison retail unit at the Silverlink Shopping Park³⁰ and the amalgamation of two previous units into a single unit with mezzanine installation at the Coast Road Retail Park³¹. Both are located in established retailing locations and are of a modest scale and are therefore not considered to significantly change the distribution of services in any way. In any case, they remain commitments only at this stage.

Closures and losses

- 6.22 The final aspect that we consider in terms of changes to the distribution of services across the borough includes key closures and losses of retail services and facilities. The Tynetown database and website, managed by the Council's Town Centre Manager, provides a comprehensive resource of properties across the borough occupied by retail and service uses.
- 6.23 Table 6.1 details all openings, closures and any net gains or losses of retail and service uses by town, between September 2011 and September 2014. Across the main centres of North Tyneside, there has been a net increase in occupied units for each of the past three years. This reflects trends seen nationally in terms of the slow improvement in town centre occupancies since the nadir of the economic downturn.
- 6.24 Whitley Bay in particular has shown the most significant net change in occupied units with a total of 44 additional properties now being occupied in the town than at the time of the NTRLS. North Shields and Wallsend have also experienced net increases (17 and 14 more occupied properties respectively), however when considered in the context of the overall unit provision of each of the main centres (final column of Table 6.1) it is clear that Whitley Bay is the only centre to show any potentially 'significant' changes.
- 6.25 The health check for Whitley Bay, published in the NTRLS, concluded that overall the centre was reasonably healthy. In terms of qualitative deficiencies, NTRLS analysis identified an opportunity to enhance the quality of the retail offer to serve the more affluent areas of North Tyneside which are found within the catchment of Whitley Bay Town Centre.

³⁰ Planning permission reference 12/00565/FUL for 1,170 sq.m of comparison sales area floorspace

³¹ Planning permission reference 13/00843/FUL for 1,445 sq.m of comparison sales area floorspace

Table 6.1 Openings (+) and closures (-) by town, Sep 2011 – Sep 2014

Town Centre (TC)	2011/12		2012/13		2013/14		Net change 2011-14	TC unit count 2014
	+	-	+	-	+	-		
Forest Hall	+1	-1	0	0	0	0	0	
Killingworth	+1	-1	+2	0	+1	0	+3	
North Shields	+83	-71	+53	-44	+61	-65	+17	378
Tynemouth	+17	-16	+17	-10	+9	-10	+7	
Wallsend	+47	-47	+42	-34	+36	-30	+14	275
Whitley Bay	+80	-64	+73	-50	+62	-57	+44	463
Total	+229	-200	+187	-138	+169	-162	+85	

Source: Tynetown database, 2014

- 6.26 The lists of operators that have located within the town since 2011³² are almost exclusively independent retailers or service providers. In 2011 the strong independent retail sector was identified as a unique appeal and one of the town centre's key strengths. This continued enhancement in the representation of independent retailers may therefore have encouraged higher rates of footfall but we do not consider that it will have contributed to a 'significant' change in terms of overall competition and choice in North Tyneside.

Summary

- 6.27 Based on the information available on new completions, commitments, closures and losses around the borough, it is clear that there are currently no 'significant' changes in the distribution of services since publication of the NTRLS. We do however consider that recent improvements to the quality of the shopping environment in Wallsend have laid the foundations for 'significant' changes in this part of the borough.
- 6.28 In terms of commitments, should the Wallsend food anchor scheme come to fruition, the effects on increase trade draw to the town, and linked trip generation with the existing retail core, will offer significant changes and regeneration prospects to the town centre. This would be a positive change in line with needs identified in the NTRLS. This need remains today, evidenced by issues of over-trading in the main food destinations around the borough, as set out in Table 5.1 of this report.

³² Obtained from the Tynetown database

7 POTENTIAL LOCATIONS FOR ACCOMMODATING IDENTIFIED NEEDS

- 7.1 Paragraph 23 of the NPPF requires local planning authorities to ‘allocate a range of suitable sites to meet the scale and type of retail [and] leisure ... development needed in town centres. It is important that needs for retail, leisure, office and other main town centre uses are met in full and are not compromised by limited site availability. Local Planning Authorities should undertake an assessment of the need to expand town centres to ensure a sufficient supply of suitable sites’.
- 7.2 We have been asked as part of this update report to identify and justify broad locations of land that would be preferential for meeting future floorspace requirements for retail or leisure development that could not be accommodated in either town centre or edge of centre locations. On the basis of paragraph 23 of the NPPF, before any such locations are used or allocated for retail or leisure uses, the Council will need to have clear evidence that all in-centre and edge-of-centre options have been adequately assessed. For the purposes of this exercise, and our subsequent recommendations, we assume that this exercise has already taken place.
- 7.3 Table 7.1 summarises the anticipated requirements for new retail floorspace (set out in Section 5 of this report), together with any identified potential for meeting the requirements in town centre or edge-of-centre locations.

Table 7.1 Summary of floorspace requirements (sales area) and potential locations

	Min (sq.m)	Max (sq.m)
A. Anticipated requirements for new comparison floorspace	4,881	18,348
B. Anticipated requirements for new convenience floorspace	4,521	7,884
C. Potential identified retail floorspace in town centres ³³	6,972	6,972
D. Net requirements for new retail floorspace (A+B-C)	2,430	19,260

- 7.4 Table 7.1 highlights that, regardless upon the population and market share retention scenarios adopted by the Council in its Local Plan, under the present identified opportunities in town centre or edge-of-centre locations, there will be a net requirement for new retail floorspace in locations in out-of-centre locations over the plan period. This is based on the Council, to date, having identified 6,972 sq.m of new net potential retailing floorspace in town centres or edge-of-centre locations.
- 7.5 In line with paragraph 24 of the NPPF, and emerging Policy DM/6.10 of the Council’s Local Plan Consultation Draft, in-centre and edge-of-centre sites are clearly preferable to out-of-centre locations. The Council will therefore need to have clear evidence that all in-centre and edge-of-centre options have been adequately assessed, prior to considering any other locations for retail development further. In

³³ Identified in paragraph 6.56 of the North Tyneside Local Plan: Consultation Draft (November 2013), 70 per cent net to gross ratio applied.

accordance with the NPPF, the Council should strive to identify further opportunities in town centre locations in the first instance before out-of-centre locations are considered. This should include maximising the use of existing vacant floorspace and considering the modernisation and/or redevelopment of vacant units, in particular those that have been vacant for a long time.

- 7.6 The sequential test has two main policy objectives, formerly detailed in the PPS4 Practice Guide³⁴, now summarised in paragraph 008 of the NPPG on ‘Ensuring the Vitality of Town Centres’:
- the first assumption underpinning the sequential test is that town centres sites (or failing that well connected edge of centre sites) are likely to be the most readily accessible locations by alternative means of transport and will be centrally placed to the catchments established centres serve, thereby reducing the need to travel; and
 - the second, related objective is to seek to accommodate main town centre uses in locations where customers are able to undertake linked trips in order to provide for improved consumer choice and competition. In this way, the benefits of the new development will serve to reinforce the vitality and viability of the existing centre.
- 7.7 Although we would not advocate that existing out-of-centre locations should be classed as ‘centres’ within a borough’s retail hierarchy, we do believe that they should be legitimately considered as an important part of the overall retail hierarchy in an area. The importance of existing out-of-centre locations will vary depending upon the role and catchment that they serve, however they all contribute to retaining expenditure within the OCA and reducing the need to travel outside of the borough.
- 7.8 Therefore, in terms of considering broad locations of land that could potentially meet future floorspace requirements if no in-centre or edge-of-centre options were available, PBA’s approach is to start by looking at the existing out-of-centre retail areas first. We then discuss in brief the feasibility of introducing new retailing areas linked to planned growth areas.
- 7.9 The policy objectives of the sequential approach can be applied in a similar way to existing out-of-centre locations, as it is to in-centre or edge-of-centre locations, by aiming to reduce the need to travel (by locating additional facilities adjacent to existing ones where trips may already be generated) and retaining expenditure in locations where there is already an established retail presence, as opposed to the creation of wholly new retail destinations.

Existing ‘out of centre’ retail provision in North Tyneside

- 7.10 In terms of market share, the key out-of-centre retail destinations in North Tyneside are listed in Table 7.2 below. The Silverlink Shopping Park on the Coast Road, Wallsend, retains over a fifth of all comparison goods expenditure in the OCA (21 per cent in total). This is by far the largest proportion of market share of any destination in

³⁴ Specifically paragraph 6.2

the borough. North Shields Town Centre is the second highest destination for comparison market share, attracting just 7.8 per cent.

Figure 7.1 Silverlink Shopping Park, Coast Road, Wallsend



7.11 For convenience goods expenditure, it is the freestanding Asda store at Whitley Road Benton that commands the highest market share of any destination in North Tyneside at 14.6 per cent. The NTRLS found that the second and third highest market share destinations were in town or district centres; namely the Morrisons stores in Preston Grange (14.0 per cent) and Killingworth (11.1 per cent).

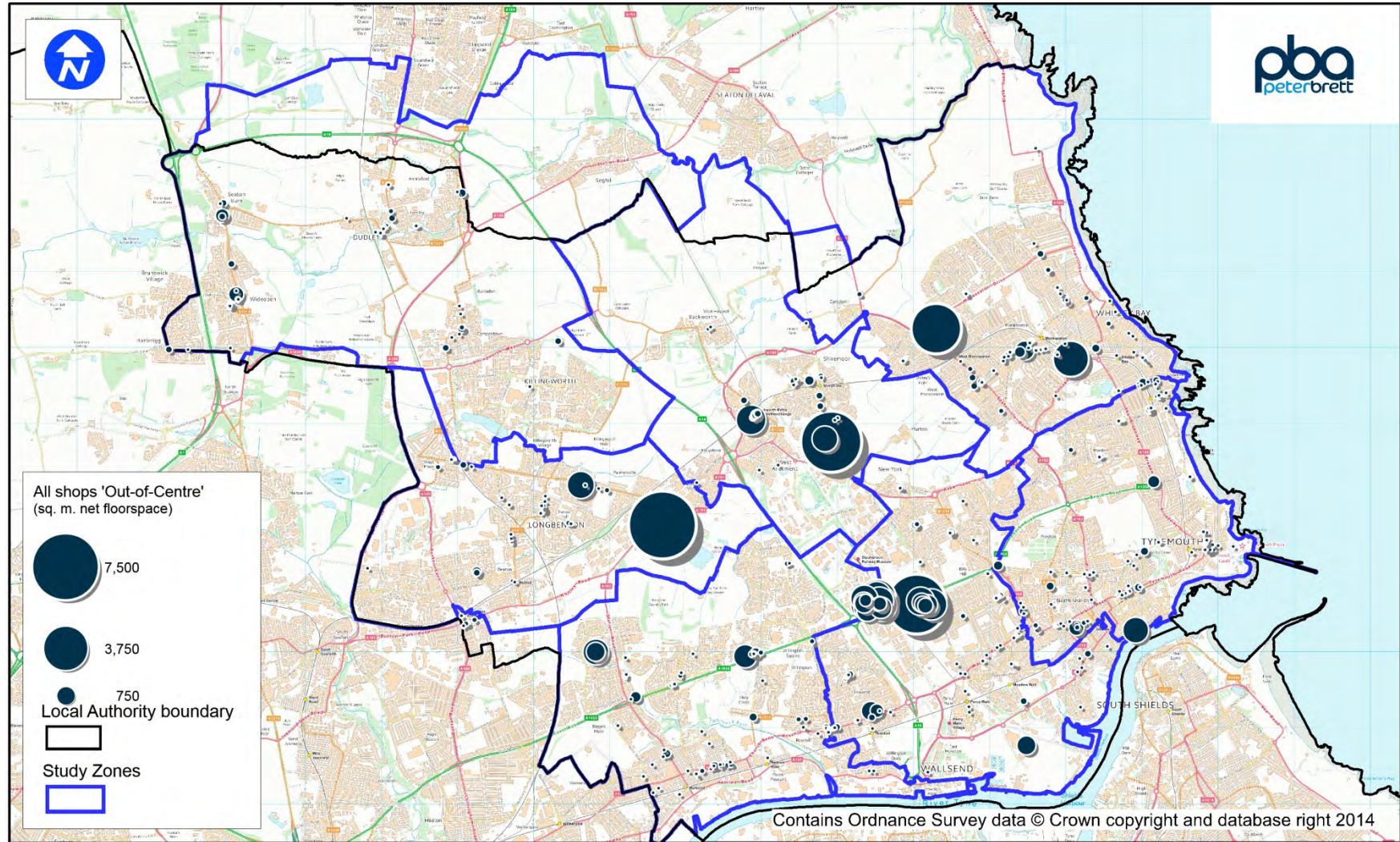
Table 7.2 Key out-of-centre retail destinations by market share of expenditure

Retail parks / freestanding store destinations	OCA expenditure (%) ³⁵
Comparison goods	
Silverlink Shopping Park, Coast Road, Wallsend	21.0
B&Q, Middle Engine Lane, Wallsend	4.4
Whitley Road Retail Park & Stores, Benton	3.0
Royal Quays Outlet Centre, North Shields	1.9
Boundary Mills, Park Lane, Shiremoor	1.5
Convenience goods	
Asda, Whitley Road, Benton	14.6
Tesco Extra, Norham Road, North Shields	8.9
Sainsbury's, Newstead Drive, Whitley Bay	8.5
Morrisons, Hillheads Road, Whitley Bay	7.2

³⁵ Market share figures taken from Tables 5.4 and 5.22 of the NTRLS 2011

- 7.12 In terms of overall floorspace, Figure 7.2 highlights the general distribution and scale of out-of-centre retail provision across the borough, by individual shop unit. The Boundary Mills store at Shiremoor and three of the four superstores listed in Table 7.2 appear to dominate the picture of out-of-centre provision; the Asda on Whitley Road, Benton; Tesco Extra on Norham Road (close to the Silverlink Shopping Park); and Sainsbury's on Newstead Drive.
- 7.13 Collectively however, the Silverlink Shopping Park represents the largest cluster of out-of-centre retailing. In total the retail park comprises around 17 units ranging in size from between 1,000 sq.m to 4,500 sq.m gross. Collectively therefore, the Silverlink Shopping Park destination amounts to around 30,000 sq.m gross retailing floorspace, highlighting the reason for its dominant role in terms of capturing the market share of expenditure.

Figure 7.2 Out of centre retail units and floorspace in North Tyneside

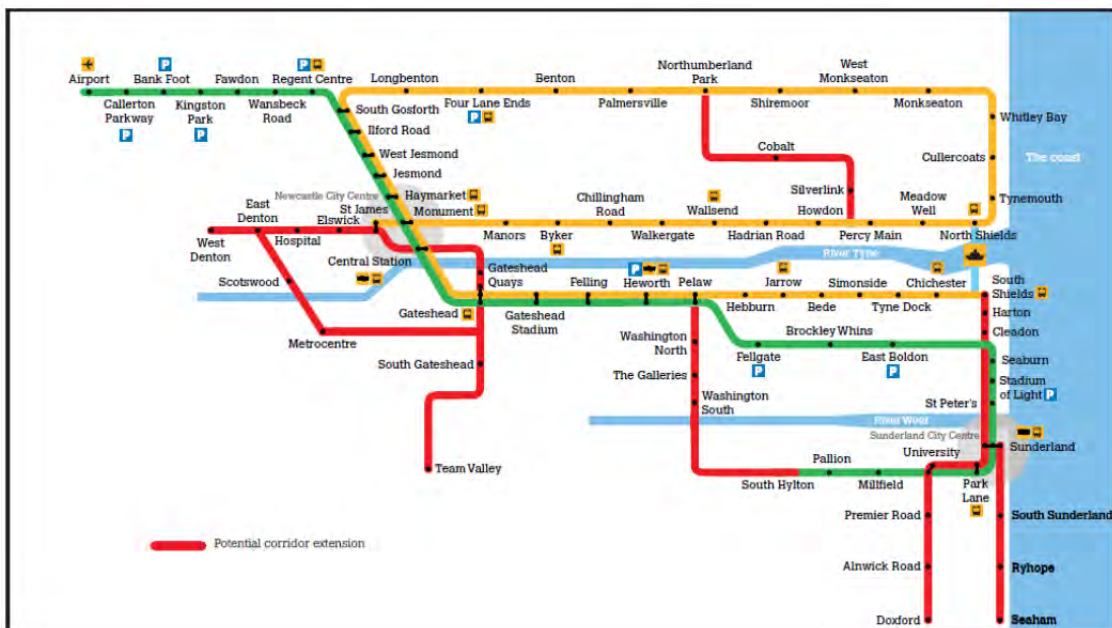


Source: North Tyneside Borough Council, 2014

Reducing the need to travel

- 7.14 Nexus is the Tyne and Wear Passenger Transport Executive and acts and administers funding for the local transport networks on behalf of the North East Combined Authority (NECA). The NECA is the legal body which brings together seven councils in the sub-region including North Tyneside. In March 2014 Nexus published a Metro Strategy 2030 consultation document, setting out aspirations and options for improvement and extension of the Metro system over the plan period.
- 7.15 Of particular significance to North Tyneside is a potential proposed extension to the Metro system, the 'Cobalt Link'. This would connect both arms of the current North Tyneside Metro loop running from Howdon/Percy Main to Northumberland Park and serving the Tyne Tunnel Trading Estate, Silverlink and Cobalt Business Park destinations on route.
- 7.16 The new extension route would therefore link this key corridor of employment, retail, leisure and housing activity in North Tyneside to other Metro destinations across Tyne and Wear, potentially through the operation of an 'inner circle' service linking the Wallsend, Cobalt and Benton areas in either direction.

Figure 7.3 Potential Metro network extensions map



Source: Metro Strategy 2030, Nexus (2014)

- 7.17 The significance of this potential network expansion to North Tyneside Borough is clear, particularly so in the context of considering preferred 'other' locations for retail development in the future. As set out in Table 7.2 above, the Silverlink Shopping Park is the destination that currently attracts the highest levels of market share of comparison goods expenditure of anywhere in the borough. The introduction of a new Metro station adjacent to Silverlink, as part of a network expansion programme, would only serve to increase the accessibility of this location by alternative means of public transport and therefore help to support its continued success and growth in the future.

- 7.18 At the northern end of the proposed Cobalt link extension is Northumberland Park, a busy district centre within the current hierarchy of centres. The Local Plan Consultation Draft also demonstrates the potential for significant levels of housing growth in the area. The combination of these factors could place significant additional demands on local retail and service provision.

Figure 7.4 Northumberland Park District Centre



- 7.19 Although opportunities to expand retail provision to integrate with the existing centre appear limited, complementary opportunities may exist in close proximity to the centre that would be supported by the proposed transport improvements, and potentially high levels of housing growth over the plan period. As a broad location therefore we would also recommend that this area warrants further investigation as part of the development of the Local Plan going forward.

Retaining expenditure in existing locations

- 7.20 One of the scenarios considered in the 2011 NTRLS was a 'rising retention' level scenario, whereby the current levels of expenditure retention across the borough are enhanced. The Council indicated in the Local Plan Consultation Draft that it is considering pursuing this scenario in the emerging Local Plan.
- 7.21 The NTRLS identified that, in order to achieve an improvement in the retention rate, a *'substantial enhancement of the quality of the comparison retail offer in town centre locations will be required to boost the overall attractiveness of the borough's retail offer vis-à-vis the competing retail locations elsewhere in the sub-region'*³⁶.
- 7.22 We have provided updated forecasts of floorspace capacity requirements in this update report based upon similar 'constant' and 'rising' retention rate scenarios. Specific requirements depend upon the population scenario employed, but to re-iterate findings set out in Section 5 of this report, the implications of this are as follows:

³⁶ Paragraph 6.48 2011 North Tyneside Retail and Leisure Study

- comparison retailing forecasts to 2032 identify a requirement for between 4,881 sq.m and 7,675 sq.m of new sales area floorspace under the 'constant retention' scenario, and between 15,249 sq.m and 18,348 sq.m of new sales area floorspace under the 'rising retention' scenario; and
- convenience retailing forecasts to 2032 identify a requirement for between 4,521 sq.m and 5,960 sq.m of new sales area floorspace under the 'constant retention' scenario, and between 6,378 sq.m and 7,884 sq.m of new sales area floorspace under the 'rising retention' scenario.

7.23 If the 'rising retention' scenario is adopted by the Council, then the existing destinations within the borough that draw high levels of trade will have an important role to play. Although they must be secondary to the borough's town centres, as previously advised in the NTRLS, the support of the existing role of these retail hubs will be vital in ensuring that overall market share is not adversely impacted.

7.24 Silverlink Shopping Park is the most popular retailing destination in the borough. If the Council aims to increase the overall retention rate of expenditure within the borough then Silverlink may clearly have a key role to play in this. The Boundary Mill store at Shiremoor also provides opportunities in conjunction with potential development sites adjacent to the site.

New Retail Locations

7.25 For the reasons set out above, in the event that further retail provision is required to be met in out-of-centre locations, we consider the enhancement of existing locations, taking into account the two key principles of the sequential test, to be the most robust approach in policy terms.

7.26 Nevertheless, the Local Plan Consultation Draft identified the prospect of potential large scale development sites coming forward to help meet the overall plan requirement. For example sites 22-28 offer a combined potential for around 2,200 new homes, while sites 35-41 offer a combined potential for over 3,000 new homes, and lie adjacent to the existing Boundary Mill store at Shiremoor.

7.27 If the Council chooses to allocate such combinations of sites, as opposed to a more dispersed and disaggregated provision of new housing around the borough, then there may be a need to provide new small-scale local retailing. This could be in the form of new local or district centres, to support the sustainable development of such large-scale new communities. Any such proposals would need to demonstrate that they would not have any significant impacts on – and indeed be designed to support and complement – the existing centres within the hierarchy.

Summary

7.28 In Table 7.1 we set out the need for a potential residual requirement of up to 19,260 sq.m of new sales area retail floorspace provision, over and above the use of currently identified sites in town centres, by 2032. We also make clear that, in accordance with the NPPF, the Council should strive to identify further opportunities

in town centre or edge-of-centre locations in the first instance before any out-of-centre locations are considered.

7.29 Should the Council be unable to find any further in-centre or edge-of-centre opportunities beyond those already identified then, when considering potential locations to meet future floorspace requirements, we consider the following issues to be of priority:

- the accessibility of locations by alternative means of transport and reducing the need to travel; and
- the retention of expenditure in existing out-of-centre locations.

7.30 For the reasons set out above, and in the context of planned growth set out in the Local Plan Consultation Draft and the Metro Strategy 2030, we would consider the Silverlink Shopping Park and areas around Northumberland Park to be of particular interest to the Council for further more detailed investigations. In conjunction with this, depending upon the housing growth strategy that the Council takes forward in its Local Plan, there may be a need to consider additional local or district centres as part of any large scale new development, including incorporation of facilities linked to the existing Boundary Mill store at Shiremoor.

7.31 This approach would continue the strategy identified in the Council's Local Plan Consultation Draft, where it listed a number of existing out-of-centre retail locations including Silverlink and Boundary Mills. The Local Plan recognised these locations as having potential for further floorspace, stating that they '*are already situated in existing 'hubs' of retail activity*' and that they '*are highly accessibly and well connected to the town centres with the A19 and junctions close by and have established public transport links*'.

8 OUR REVIEW OF THE COUNCIL'S IN-HOUSE UPDATE REPORT

- 8.1 North Tyneside Council has undertaken a partial update of selected elements of the NTRLS in-house. In summary these include review of:
- the proposed hierarchy of centres, and its resilience to future economic changes and predicted growth;
 - the proposed town centre boundaries, primary shopping areas, primary and secondary frontages; and
 - the proposed impact thresholds to be applied to any proposals for development of main town centres in edge of centre or out of centre locations.
- 8.2 On request we have reviewed the in-house reports written by the Council, included as Appendix B of this report, and we provide a summary here as to whether we consider the findings to be robust enough to guide future policies in the Local Plan.

Review of the Hierarchy of Centres

- 8.3 The Council has undertaken analysis to determine whether any changes are necessary to the hierarchy of centres set out in the NTRLS, and whether the proposed hierarchy is resilient to anticipated future economic changes and predicted growth, including future housing allocations. The report is attached as Appendix B.
- 8.4 At this relatively early stage in the preparation of the Local Plan, the total 'pool' of potential development sites remains significantly larger than the number of required sites. For this reason it is hard to identify the 'resilience' of the current hierarchy to anticipated future growth as the precise distribution of that growth remains unclear and uncertain.
- 8.5 Having said this, in order to ensure that the Council's emerging plan is a 'sustainable' plan for growth, areas of housing growth will have to be well-related to the existing and proposed hierarchy of centres. For this reason, it is essential that the proposed hierarchy continues to be monitored closely in relation to proposed areas of housing and jobs growth as the plan progresses.
- 8.6 The previous study had two categories for town centres; the 'main town centres' of North Shields, Wallsend, and Whitley Bay; and the 'town centre' category for Killingworth. The Council recommends that Killingworth should be combined with North Shields, Wallsend and Whitley Bay to create a single 'town centre' category, and it justifies this on the following basis:
- firstly, Killingworth is a '*principal area within the borough with a high comparison goods turnover and a large number of retail units and therefore [is] judged to perform a similar role as the other three centres*'; and
 - secondly, '*whilst Killingworth Town Centre does not contain some of the uses that might ordinarily be associated with a traditional town centre due to its*

physical form, it can be considered that Killingworth can be classified as a town centre and has floorplates that are a of a size that attract retailers that are not found in lower order centres.'

- 8.7 On the basis of the evidence provided by the Council in its in-house report we consider the proposal to include Killingworth alongside North Shields, Wallsend and Whitley Bay in the hierarchy of centres as robust and defensible.
- 8.8 The second significant recommendation of the Council in its review of the hierarchy of centres is a revision of the classification of the more minor centres. The Council recommends that that 'District Centres' (such as Forest Hall, Monkseaton and Tynemouth) and 'Minor District Centres' (such as Battle Hill, Longbenton and Northumberland Park amongst others) should instead be referred to as 'District Centres' and 'Local Centres', respectively, following the hierarchy of the NPPF.
- 8.9 The definition of 'Town Centre' set out in Annex 2 (Glossary) of the NPPF states that '*references to town centres or centres apply to city centres, town centre, district centres and local centres but exclude small parades of shops of purely neighbourhood significance*' (our emphasis). We therefore agree that the revised terminology would provide greater clarity and bring the North Tyneside hierarchy of centres in line with the NPPF.
- 8.10 Accordingly, we endorse the proposed three tier hierarchy of centres set out in the Council's in-house report at Appendix B; namely 'Town Centres', 'District Centres' and 'Local Centres'.
- 8.11 The Council then turns to a review of potential new designations, using the same methodology adopted in the NTRLS, namely a local provision audit. It recommends that, based on evidence regarding the number of units, the local provision audit score, and the potential expansion of a site for retail units, Howdon should be classified as a 'Local Centre'. We concur with this conclusion, based on the evidence provided in the report. No additional changes are recommended to the third tier centres.
- 8.12 Finally, the Council considers the provision of potential new floorspace within existing centres, which is linked significantly to the 'resilience' of centres to anticipated future economic changes and predicted growth. The Council has identified a combined total of 16,163 sq.m of gross vacant floorspace located in or on the edge of the main town centres.
- 8.13 As stated in Section 7 of this report, the Council should (as a priority) be looking to maximise the use of existing vacant floorspace in and on the edge of town centres in the first instance. This should include the consideration of the modernisation and/or redevelopment of vacant units, in particular where they have remained vacant over the long-term. The presence of such long-term vacancies may suggest that they are no longer suitable for modern retailer requirements in the local market context.
- 8.14 Equally, other vacant sites will play an important role in helping to secure the future role of centres and ensure that they remain resilient to future economic changes and growth. The Council highlights Unicorn House in North Shields as a potential future mixed-use development site, to possibly include an element of convenience retail.

The site is located 'edge of centre' in retail planning terms and, subject to no alternative in centre sites being available, it could provide an opportunity to enhance greater choice in the town centre through the provision of a well-designed and well integrated new convenience retail store to encourage linked trips.

Review of Boundaries and Allocations

- 8.15 The Council has undertaken a specific exercise to review the extent of the town centres, primary shopping areas, primary and secondary frontages and to see if there are any changes to the capacity of the existing centres to accommodate new development. The report is reproduced in Appendix B.
- 8.16 The Council has defined both Town Centre Boundaries and District Centre boundaries in its Consultation Draft Local Plan. The Council's review of boundaries refers back to these boundaries, along with the intended supporting policy on the composition of uses in defined frontages. We discuss this issue in the context of the review of Policy DM/6.4 in Section 9 of this report.
- 8.17 The Council's report states that *'in the case of the smaller centres the town centre may not extend beyond the primary shopping area.'* We agree with the Council's conclusion; however, we would recommend the clear definition on the Proposals Map of the Primary Shopping Area (PSA) for each of the four town centres; North Shields, Wallsend, Whitley Bay and Killingworth. In Annex 2: Glossary of the NPPF the PSA is defined as the *'area where retail development is concentrated (generally comprising the primary and those secondary frontages which are adjoining and closely related to the primary shopping frontage)'*. To provide clarity and certainty in respect of the local circumstances, we recommend that the Council should define the boundaries of the PSA rather than leave it to an 'implied' boundary based upon primary and secondary frontages where designated.

Review of Impact Thresholds

- 8.18 The Council has undertaken a separate exercise to identify if any changes are necessary to the recommendation of the 2011 NTRLs on the impact threshold that should apply for any proposed edge of centre or out of centre sites. The report is also reproduced in Appendix B
- 8.19 The original assessment of appropriate impact thresholds to employ in North Tyneside was undertaken in a pre-NPPF era, in accordance with the PPS4 Practice Guidance, taking into account a range of local factors such as:
- existing floorspace in the main town centres;
 - typical unit sizes of town centres;
 - the gross floorspace of recent planning applications for retail; and
 - the likely impact of proposals on town centre strategies and planned investment.
- 8.20 The Council has retained this approach in its review of appropriate thresholds for the borough. Although the PPS4 Practice Guidance has now been replaced by the

NPPG, the thrust of the NPPG guidance on considerations in setting thresholds remains the same. Additional considerations set out in the NPPG include:

- the existing vitality and viability of town centres; and
- recent developments and/or extant permissions, and their likely cumulative impact.

8.21 Based upon a balanced assessment of the above factors, the Council concludes that the existing thresholds of 500 sq.m gross for comparison retail floorspace, and 1,000 sq.m gross for supermarkets/superstores, are still applicable. Having reviewed the Council's evidence we consider the assessment to be justified and robust in the context of North Tyneside's town centres.

9 REVIEW OF DRAFT LOCAL PLAN POLICIES

- 9.1 As part of undertaking this update report we have been asked to review the draft town centre policies put forward by the Council in its Local Plan: Consultation Draft document published in November 2013, to consider whether criteria within the policies can be justified.
- 9.2 Paragraph 15 of the NPPF explains that '*Policies in Local Plans should follow the approach of the presumption in favour of sustainable development, so that it is clear that development which is sustainable can be approved without delay. All plans should be based upon and reflect the presumption in favour of sustainable development, with clear policies that will guide how the presumption should be applied locally*'. Within this context we provide brief commentaries below against each of the Strategic and Development Management policies.

Strategic Town Centre Policies

S/6.1: Competitive Town Centres and Retail Provision

- 9.3 Policy S/6.1 provides the broad strategy for the borough's centres, supporting their growth and regeneration over the plan period through mixed-use development. The policy sets out seven criteria against which proposals for new development will be assessed, all of which are in line with the core planning principles set out in the NPPF and are relevant to the provision of competitive town centres.
- 9.4 A key part of the policy is recognition of the important role that the full range of uses can play in the future health of North Tyneside's centres. The policy satisfies paragraph 23 of the NPPF, specifically bullet points 1, 4, 9 and 10, which states that planning authorities should:
- Recognise town centres as the heart of their communities and pursue policies to support their viability and vitality;
 - Promote competitive town centres that provide customer choice and a diverse retail offer and which reflect the individuality of town centres;
 - Recognise that residential development can play an important role in ensuring the vitality of centres and set out policies to encourage residential development on appropriate sites; and
 - Where town centres are in decline, local planning authorities should plan positively for their future to encourage economic activity.
- 9.5 On the basis of the comments above, we consider that the criteria within Policy S/6.1 of the Local Plan are justified.

S/6.2 Future Retail Demand

- 9.6 Policy S/6.2 sets out the provision for future retail floorspace that the Council intends to make in the Local Plan, for both convenience and comparison goods shopping,

over three five-year periods. It also confirms that the Council does not currently intend to provide for any further leisure floorspace in the Local Plan.

- 9.7 We note that there are no specific criteria included within the policy to consider. However, we consider that the policy itself is justified, as a key part of Local Plans is ensuring that the objectively assessed needs for new development are met. This is set out in the presumption in favour of sustainable development, and paragraph 14 of the NPPF.
- 9.8 This update of the NTRLS provides an up-to-date picture of likely requirements for new retail and leisure floorspace over the plan period, therefore Policy S/6.2 will need updating in the context of the findings of this report, prior to the next stage of the Local Plan.

S/6.3 Hierarchy of Centres

- 9.9 Policy S/6.3 sets out the proposed hierarchy of centres for North Tyneside. The policy identifies the key locations that should be considered in the sequential test for main town centre uses and developments, including the four main town centres, and eight district centres. 'Out-of-centre Retail Areas' are discussed in the justification text, however they are not treated as part of the hierarchy of centres.
- 9.10 Again, as with Policy S/6.2, we note that there are no specific criteria included within the policy to consider. The second bullet point of paragraph 23 of the NPPF sets out the need '*to define a network and hierarchy of centres that is resilient to anticipated future economic changes*', therefore Policy S/6.2 in itself is justified.
- 9.11 Although they are not centres, and so clearly do not form part of the hierarchy of centres, we consider that the out-of-centre retail areas do play their own role in the retail hierarchy of the borough. These are discussed in more detail in Section 7 of this report, in the context of broad locations of land for future development, if town centre and edge-of-centre sites are not sufficient to meet the identified need for new floorspace.

Development Management Town Centre Policies

DM/6.4: Town and District Centre Development

- 9.12 Policy DM/6.4 provides the detailed criteria against which the Council will assess proposals to help support main town centre uses in the retail core of town and district centres, and to encourage the delivery of more housing in such areas where appropriate.
- 9.13 Bullet point 3 of paragraph 23 of the NPPF sets out the need to '*define the extent of town centres and primary shopping areas, based on a clear definition of primary and secondary frontages in designated centres, and set policies that make clear which uses will be permitted in such locations*', therefore Policy DM/6.4 in itself is justified.
- 9.14 The eight detailed criteria set out in the draft policy seek to provide specific clarity for proposals in the primary shopping area and associated frontages, and in the main these appear to provide specific guidance on separate issues.

- 9.15 We do however feel the exception to this is criterion c. which states that proposals should '*maintain and improve the range and quality of retail provision*'. As the criterion refers to 'maintain and improve' as opposed to 'improve' only, then it is a given that any retail proposal will at the least maintain the range and quality of provision. The improving of the range and quality of provision will be assessed under criterion a. which states that proposals should '*enhance or complement the principal role of the location as an area of retail activity*'. We therefore conclude that, although the principal of criterion c. would justify its inclusion on its own, it is superfluous within the context of the other criteria included in the policy.
- 9.16 The final two criteria relate to setting specific thresholds below which non A1 uses would not be permitted. For primary frontages the proposal is that no less than 70 per cent of the frontage should be in A1 use, and for secondary frontages the proposal is no less than 50 per cent. Due to the difficulty in enforcing such a policy, we recommend avoiding using specific thresholds and we suggest that the policy should be reworded to ensure that a more flexible approach can be applied in assessing the relative merits of applications, particularly in secondary frontage areas.
- 9.17 A final point in relation to Policy DM/6.4 refers to areas within the town centre boundary, but outside of either the primary shopping area and/or primary and secondary frontages. The NPPF (paragraph 23, bullet point 3) requires policies to make clear which uses will be permitted in the full town centre extent, and we believe that the current Local Plan policies do not currently make this clear.

DM/6.10: Edge of Centre and Out of Centre Development

- 9.18 Policy DM/6.10 sets out the criteria against which proposals for main town centre uses on sites not within the defined town or district centres will be assessed. Inclusion of this Policy DM/6.10 is justified on the basis that bullet point 8 of paragraph 23 in the NPPF states that Local Plans should '*set policies for the consideration of proposals for main town centre uses which cannot be accommodated in or adjacent to town centres*'.
- 9.19 We have looked at the detailed criteria in Policy DM/6.10 and consider them to be justified as they take the policy beyond that presented in Paragraph 24 of the NPPF dealing with the sequential test. Local context is provided in reference in criterion a. to '*existing out-of-centre locations ... readily accessible to metro stations or key junctions of the A19(T)*' and the policy does not simply repeat what is set out in national planning policy.
- 9.20 Policy DM/6.10 goes on to set local floorspace thresholds for planning applications, above which a retail impact assessment will be required in out-of-centre or edge-of-centre locations. Justification for the floorspace thresholds arises from work originally undertaken in the NTRLS which has subsequently been updated in-house by the Council, concurrent to this update report. We review the Council's approach to this in Section 8 of this report.
- 9.21 In terms of the principle of the policy we consider the inclusion of local thresholds in the Local Plan to be perfectly justified to ensure the adequate assessment of impact

on North Tyneside centres. Due to the scale and composition of centres within the local retail hierarchy, the national threshold is not considered to be appropriate for centres in North Tyneside.

DM/6.11: Local Facilities

- 9.22 Policy DM/6.11 sets out the criteria against which small-scale local convenience and restaurant facilities will be assessed. We consider the inclusion of such a policy in the Local Plan is justified to help ensure that all residents of the borough have easy access to localised shopping/leisure facilities to meet their day to day needs, within easy walking distance of residential areas.
- 9.23 We also consider that the criteria included within the policy are appropriate to the purpose that they serve to support. We would however recommend further clarification on whether the Council intends the policy to include shops or services beyond the 'convenience stores and restaurants' specifically referenced within the policy.
- 9.24 As the purpose of Policy DM/6.11 is to ensure sustainable communities, and to support local communities, we would also recommend that the policy looks beyond just the provision of 'new' local facilities. We would suggest that clarification is provided on the Council's intended policy approach to managing the potential loss of key local facilities such as public houses, village shops and/or post offices.

Area Specific Town Centre Policies

- 9.25 The Consultation Draft document also contained a total of five area specific town centre policies:
- AS/6.5: North Shields Town Centre: Beacon Centre
 - AS/6.6: Coastal Evening Economy: Whitley Bay and Tynemouth
 - AS/6.7: The Forum Shopping Centre, Wallsend
 - AS/6.8: Portugal Place and High Street West, Wallsend
 - AS/6.9: Northumberland Park District Centre Retail Development
- 9.26 These area specific policies generally arise from previous detailed work carried out under the Council's Local Development Framework, specifically Area Action Plans for North Shields, Wallsend and the Coast. We do not therefore comment specifically on these policies here.

Local Plan Policies Summary

- 9.27 The commentary set out in this section deals specifically with the justification of the policies proposed within the emerging Local Plan. With the exception of minor modifications or points of clarity discussed above, we consider that the strategic town centre policies are justified and effective.
- 9.28 Of further importance however, is how decision makers react to development proposals. Paragraph 154 of the NPPF states that only those '*that provide a clear*

indication of how a decision maker should react to a proposal should be included in the plan. Fundamental to this is consideration of monitoring and implementation of policies which the Council covers in Section 12 of the Consultation Draft Local Plan.

- 9.29 The Local Plan Delivery and Implementation Schedule should therefore be refined as the Local Plan develops to provide greater clarity where possible as to how individual policy criteria will be assessed in relation to future planning applications and how the requirement of paragraph 154 of the NPPF will be addressed.

Examples of Vibrant and Diverse Town Centres

- 9.30 Finally we were asked as part of this update report to provide examples of vibrant and diverse town centres. There are various organisations and forums that exist to help promote the future vitality and health of our town centres who undertake excellent work in this area. It is not our intention to repeat or replicate the work that they do, rather we provide key references to the most recent reports and publications where the Council may find useful case studies and further information in this regard.
- 9.31 The [Portas Review: An independent review into the future of our high streets](#), published in 2011, contained some case studies of interest. However, more importantly it brought the debate about high street health to the fore. Since publication of the Portas Review there have been a number of further reports of interest, within which the Council will find case study references to a wide variety of town centre issues and initiatives:

2014 publications

- [Good leadership: great high streets](#) – Future High Streets Forum
- [Town Centre Investment Management](#) – Peter Brett Associates

2013 publications

- [Beyond Retail: Redefining the shape and purpose of town centres](#) – British Council Shopping Centres
- [21st Century High Streets: What next for Britain's town centres?](#) – British Retail Consortium.
- [Reinventing the role of the High Street](#) – Deloitte
- [The Future of High Streets: Progress since the Portas Review](#) – DCLG
- [Successful Town Centres – developing effective strategies](#) – Association of Town Centre Management

2012 Publications

- [Re-imagining urban spaces to help revitalise our high streets](#) – DCLG

North Tyneside Context

- 9.32 In 2009 the Council formed a North Tyneside Retail Centres Task Group, pulling together key private and public sector partners to discuss new developments and

ideas for supporting town centres, including an annual events programme and marketing campaigns. Members include the local chambers of trade, councillors, Metro firm Nexus, Northumbria Police, and council officers responsible for areas such as regeneration, economy and employment, parking and traffic management, events and marketing.

- 9.33 The Task Group has met regularly since this time, launching a number of different initiatives, focusing in particular on helping the three main historic centres in the borough (North Shields, Wallsend, Whitley Bay). The most recent initiative includes the launch of the 'Mi North Tyneside' website, providing offers and promotions for a variety of town centre retailers, services and leisure operators. The TyneTown website brings together key information in relation to businesses, news and links.
- 9.34 Appropriate governance and communication structures are therefore already in place to help drive future initiatives to support the town centres. It is vital that the Task Group continues to take a proactive and leading role in implementing new initiatives to support the borough's town centres.

10 SUMMARY AND RECOMMENDATIONS

10.1 This report provides an update of the North Tyneside Retail and Leisure Study (NTRLS) of 2011. As a central part of the work we have updated the quantitative assessment of floorspace capacity to reflect the changes to population and expenditure forecasts since 2011. We have taken account of the growing market share of special forms of trading and new retail floorspace that has been granted planning permission since the time of the previous study. We have also undertaken a number of additional tasks in line with the project brief, the findings of which are summarised below.

Update of Policy and Trends in the Retail and Leisure sector

10.2 As set out in Section 2, in the intervening years between 2011 and 2014 there have been some key changes in the policy landscape; at the national level with publication of the NPPF and the NPPG; and at the local level with the Council's emerging Local Plan. We also discussed the various independent reviews into the future of the High Street and the general update in retail trends, commenting on: retail expenditure growth; special forms of trading; the effects of the economic downturn on town centre and retail demand; the polarisation trend; the continuing growth of discount food operators; and general leisure trends.

Updated Quantitative Forecasts

10.3 In Section 5 we provided updated quantitative forecasts based upon the revised data inputs set out in Section 4. Our findings show that the overall requirement for comparison retailing floorspace has fallen since publication of the NTRLS; however the overall requirement for convenience retailing floorspace has increased.

10.4 We have provided the Council with four different scenarios and corresponding floorspace requirements for each. These are summarised in Table 10.1 below.

Table 10.1 Summary of quantitative need for new retail floorspace

Population scenario	Market Retention scenario	Cumulative floorspace requirement 2014-2032 (sq.m sales area)	
		Comparison	Convenience
Option 1 'Medium Jobs'	Constant retention	4,881	4,521
Option 1 'Medium Jobs'	Rising retention	15,249	6,378
Option 2 'High Jobs'	Constant retention	7,675	5,960
Option 2 'High Jobs'	Rising retention	18,348	7,884

Source: Tables 5.2-5.5

10.5 Our analysis of the requirement for leisure services floorspace indicates a continued need for a mix of restaurants, pubs and bars across the borough up to 2032. There is no identified requirement for new cinema or bingo facilities in the borough.

Competition and Choice / Overtrading

- 10.6 In Section 6 of this report we set out, based on the information assessed in this update, why we do not consider there to be any 'significant' changes in the distribution of services around the borough since publication of the NTRLS. We do however consider that recent improvements to the quality of the shopping environment in Wallsend have laid the foundations for 'significant' changes in this part of the borough.
- 10.7 The need identified in the NTRLS for a qualitative improvement in convenience provision in Wallsend however remains today. This need is reinforced by evidence on increased over-trading in the main food destinations around the borough set out in Table 5.1 of this update. With the recent submission of a revised planning application by NewRiver Retail (current owners of the Forum Shopping Centre) the signs are positive that this qualitative deficiency will soon be resolved. This will draw trade back into the town centre and retail core and help to provide significant improvements in competition and choice to local residents.

Potential Locations for Accommodating Need

- 10.8 In Section 7 of this report we assess potential locations of land for the Council to consider for out-of-centre retail provision, in the event that insufficient in-centre or edge-of-centre sites are identified through further investigative efforts. We recommend to the Council that the 'accessibility' of, and 'expenditure retention' in, existing out-of-centre locations are both key issues to consider in such analysis.
- 10.9 In light of proposals for expansion of the Metro network, and potential areas of growth set out in the Core Strategy Consultation Draft, we conclude that the Silverlink Shopping Park, and areas around Northumberland Park and the existing Boundary Mill store at Shiremoor should be seen as broad areas of priority in the Council's search.

Review of In-House Update Report

- 10.10 The Council has undertaken a partial update of selected elements of the NTRLS in-house. We have considered the work undertaken on the review of the hierarchy of centres, the boundaries and allocations, and impact thresholds. We consider the work undertaken by the Council to be justified and robust. The only recommendation we make in relation to the in-house update report is that the PSA boundary should be clearly identified on the Local Plan Proposals Map for the four town centres of North Shields, Wallsend, Whitley Bay and Killingworth.

Review of Draft Local Plan Policies

- 10.11 The Council has prepared a number of strategic, development management and area specific town centre policies in its Consultation Draft Local Plan. We have undertaken a brief review of the basis for these policies and we recommend that the Council should take the following actions:

- update Policy S/6.2 in the context of the findings of this update report with regards to quantitative retail needs;
- review the criteria within Policy DM/6.4 and clarify which uses will be permitted in areas of the town centre outside of the primary shopping area and/or primary and secondary frontages;
- review local floorspace thresholds in Policy DM/6.11 in the context of the in-house update work currently being undertaken; and
- clarify whether the intention of policy DM/6.11 is to include all shops and services or just convenience shops and restaurants.

APPENDIX A RETAIL AND LEISURE CAPACITY TABLES

Spreadsheet 1 - Definition of Zones

Zone	Postcode Sectors
Zone 1	NE23 7
	NE12 5
	NE12 6
	NE13 6 (Partial)
	NE13 7 (Partial)
Zone 2	NE27 0
Zone 3	NE26 1
	NE26 2
	NE26 3
	NE26 4 (Partial)
	NE25 8
	NE25 9
Zone 4	NE25 0 (Partial)
	NE29 9
	NE29 0
	NE30 1
	NE30 2
	NE30 3
Zone 5	NE30 4
	NE28 0
	NE29 6
	NE29 7
Zone 6	NE29 8
	NE28 6
	NE28 7
	NE28 8
Zone 7	NE28 8
	NE12 7
	NE12 8
	NE12 9

Spreadsheet 2a - Population Change Option 1 - 'Medium Jobs' growth scenario

	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	All Zones Total
Population 2012	28,463	12,276	36,834	33,228	33,390	36,423	24,082	204,697
Population 2014	28,778	12,411	37,241	33,594	33,758	36,825	24,348	206,957
Population 2019	29,374	12,669	38,013	34,291	34,458	37,589	24,853	211,246
Population 2024	30,210	13,029	39,095	35,267	35,439	38,659	25,560	217,259
Population 2032	31,616	13,635	40,914	36,907	37,087	40,457	26,750	227,367
Change in population 2014 - 2019								
Numeric change	596	257	772	696	700	763	505	4,289
Percentage change	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%
Change in population 2019 - 2024								
Numeric change	836	361	1,082	976	981	1,070	708	6,014
Percentage change	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%
Change in population 2024 - 2032								
Numeric change	1,405	606	1,819	1,641	1,649	1,798	1,189	10,107
Percentage change	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%
Change in population 2014 - 2032								
Numeric change	2,838	1,224	3,673	3,313	3,329	3,632	2,401	20,410
Percentage change	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%

NOTES:

(1) 2012 population data sourced from Experian MMG. The population in each zone was projected forward to the base year and forecast years in accordance with population projections from Edge Analytics based on the 'Medium Jobs' growth scenario for North Tyneside.

Spreadsheet 2b - Population Change Option 2 - 'High Jobs' growth scenario

	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	All Zones Total
Population 2012	28,463	12,276	36,834	33,228	33,390	36,423	24,082	204,697
Population 2014	28,778	12,411	37,241	33,595	33,758	36,826	24,349	206,958
Population 2019	29,229	12,606	37,826	34,122	34,288	37,403	24,730	210,205
Population 2024	30,215	13,031	39,101	35,273	35,445	38,665	25,565	217,295
Population 2032	32,771	14,133	42,408	38,255	38,442	41,935	27,727	235,671
Change in population 2014 - 2019								
Numeric change	451	195	584	527	530	578	382	3,247
Percentage change	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%	1.6%
Change in population 2019 - 2024								
Numeric change	986	425	1,276	1,151	1,157	1,262	834	7,090
Percentage change	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
Change in population 2024 - 2032								
Numeric change	2,555	1,102	3,307	2,983	2,997	3,270	2,162	18,376
Percentage change	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%
Change in population 2014 - 2032								
Numeric change	3,993	1,722	5,167	4,661	4,684	5,109	3,378	28,713
Percentage change	13.9%	13.9%	13.9%	13.9%	13.9%	13.9%	13.9%	13.9%

NOTES:

(1) 2012 population data sourced from Experian MMG. The population in each zone was projected forward to the base year and forecast years in accordance with population projections from Edge Analytics based on the 'High Jobs' growth scenario for North Tyneside.

Spreadsheet 3 - Comparison Goods Expenditure Per Capita (£)

Year	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Great Britain Average
	£ per capita	£ per capita	£ per capita	£ per capita	£ per capita	£ per capita	£ per capita	£ per capita
2012	2,878	2,789	3,533	3,153	2,258	2,541	2,886	3,102
2014	3,175	3,078	3,898	3,480	2,492	2,804	3,185	3,425
2019	3,738	3,623	4,589	4,097	2,934	3,301	3,749	4,031
2024	4,380	4,246	5,377	4,800	3,437	3,868	4,393	4,722
2032	5,681	5,507	6,974	6,226	4,458	5,016	5,698	6,124

NOTES:

(1) 2012-based per capita comparison expenditure data sourced from Experian MMG3.

(2) The 2012-based per capita comparison expenditure data is projected forward to the base year and forecast years using the central case forecasts set out by Experian in Retail Planner Briefing Note 12.1 (Appendix 4a, October 2014). The expenditure growth forecasts that we have used are as shown in the following table:

Year	Per Capita Comparison Expenditure Growth Rate
2012 - 2013	4.5%
2013 - 2014	5.6%
2014 - 2015	4.4%
2015 - 2016	3.1%
2016 - 2017	3.0%
2017 - 2018	3.0%
2018 - 2019	3.1%
2019 - 2020	3.2%
2020 - 2021	3.0%
2021 - 2022	3.3%
2022 - 2023	3.3%
2023 - 2024	3.3%
2024 - 2025	3.3%
2025 - 2026	3.2%
2026 - 2027	3.2%
2027 - 2028	3.3%
2028 - 2029	3.3%
2029 - 2030	3.3%
2030 - 2031	3.4%
2031 - 2032	3.4%

All monetary values are held constant at 2012 prices.

Spreadsheet 4a - Total Comparison Goods Expenditure and Expenditure Growth (Option 1 Population Growth) - Medium Jobs Scenario

	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	All Zones Total
	£m	£m	£m	£m	£m	£m	£m	£m
Total expenditure 2014	91.4	38.2	145.2	116.9	84.1	103.2	77.5	656.6
Spending on SFT in 2014 of average of 6.9%	6.3	2.6	10.0	8.1	5.8	7.1	5.4	45.3
Total expenditure excluding SFT 2014	85.1	35.6	135.2	108.8	78.3	96.1	72.2	611.2
Total expenditure 2019	109.8	45.9	174.5	140.5	101.1	124.1	93.2	789.0
Spending on SFT in 2019 of 9.0%	9.9	4.1	15.7	12.7	9.1	11.2	8.4	71.2
Total expenditure excluding SFT 2019	99.9	41.8	158.7	127.8	92.0	112.9	84.8	717.8
Total expenditure 2024	132.3	55.3	210.2	169.3	121.8	149.5	112.3	950.8
Spending on SFT in 2024 of 9.4%	12.5	5.2	19.8	16.0	11.5	14.1	10.6	89.6
Total expenditure excluding SFT 2024	119.9	50.1	190.4	153.3	110.3	135.4	101.7	861.2
Total expenditure 2032	179.6	75.1	285.4	229.8	165.3	202.9	152.4	1290.5
Spending on SFT in 2032 of 9.1%	16.4	6.8	26.0	20.9	15.1	18.5	13.9	117.6
Total expenditure excluding SFT 2032	163.2	68.2	259.3	208.8	150.3	184.4	138.5	1172.9
Growth in total expenditure 2014 - 2019	18.4	7.7	29.3	23.6	17.0	20.8	15.6	132.4
Growth in total expenditure 2019 - 2024	22.5	9.4	35.8	28.8	20.7	25.4	19.1	161.8
Growth in total expenditure 2024 - 2032	47.3	19.8	75.1	60.5	43.5	53.4	40.1	339.8
Growth in total expenditure 2014 - 2032	88.2	36.9	140.2	112.9	81.2	99.7	74.9	634.0

NOTES:

(1) The figures in the above table are the product of multiplying the data presented in Spreadsheet 2a by Spreadsheet 3, and are in millions of pounds (£m).

(2) The total expenditure includes a proportion of expenditure on Special Forms of Trading (SFT) (i.e. Internet shopping and outdoor markets). The proportion of expenditure spent on SFT (adjusted for SFT sales from stores) in 2014 of 6.9% is derived from the telephone survey of households and varied between the different zones, ranging from 5.2% of expenditure in Zone 1 to 9.9% of expenditure in Zone 3, well below the national average for spending in this category at the time. Rates have been increased in line with proportions of SFT trading set out in Experian Retail Planner Briefing Note 12.1 (October 2014) and relevant forecasts. For each of the forecast years, we have assumed that the proportion of expenditure spent on SFT (adjusted for SFT sales from stores) in each zone will be 59% of the national average, as set out in paragraphs 6.18 - 6.22 of the NTRLS Main Report. As a result we have assumed that the proportion of expenditure spent on SFT in each zone will be 9.0% in 2019, 9.4% in 2024 9.2% in 2030 and 9.1% thereafter).

All monetary values are held constant at 2012 prices.

Spreadsheet 4b - Total Comparison Goods Expenditure and Expenditure Growth (Option 2 Population Growth)

	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	All Zones Total
	£m	£m	£m	£m	£m	£m	£m	£m
Total expenditure 2014	91.4	38.2	145.2	116.9	84.1	103.3	77.5	656.6
Spending on SFT in 2014 of average of 6.9%	6.3	2.6	10.0	8.1	5.8	7.1	5.4	45.3
Total expenditure excluding SFT 2014	85.1	35.6	135.2	108.8	78.3	96.1	72.2	611.2
Total expenditure 2019	109.3	45.7	173.6	139.8	100.6	123.5	92.7	785.1
Spending on SFT in 2019 of 9.0%	9.9	4.1	15.7	12.6	9.1	11.1	8.4	70.9
Total expenditure excluding SFT 2019	99.4	41.6	157.9	127.2	91.5	112.3	84.4	714.2
Total expenditure 2024	132.4	55.3	210.3	169.3	121.8	149.5	112.3	950.9
Spending on SFT in 2024 of 9.4%	12.5	5.2	19.8	16.0	11.5	14.1	10.6	89.6
Total expenditure excluding SFT 2024	119.9	50.1	190.4	153.4	110.3	135.4	101.7	861.3
Total expenditure 2032	186.2	77.8	295.8	238.2	171.4	210.4	158.0	1337.7
Spending on SFT in 2032 of 9.1%	17.0	7.1	27.0	21.7	15.6	19.2	14.4	121.9
Total expenditure excluding SFT 2032	169.2	70.7	268.8	216.5	155.8	191.2	143.6	1215.7
Growth in total expenditure 2014 - 2019	17.9	7.5	28.4	22.9	16.5	20.2	15.2	128.5
Growth in total expenditure 2019 - 2024	23.1	9.6	36.7	29.5	21.2	26.1	19.6	165.8
Growth in total expenditure 2024 - 2032	53.8	22.5	85.5	68.9	49.5	60.8	45.7	386.7
Growth in total expenditure 2014 - 2032	94.8	39.6	150.6	121.3	87.3	107.1	80.4	681.1

NOTES:

(1) The figures in the above table are the product of multiplying the data presented in Spreadsheet 2b by Spreadsheet 3, and are in millions of pounds (£m).

(2) The total expenditure includes a proportion of expenditure on Special Forms of Trading (SFT) (i.e. Internet shopping and outdoor markets). The proportion of expenditure spent on SFT (adjusted for SFT sales from stores) in 2014 of 6.9% is derived from the telephone survey of households and varied between the different zones, ranging from 5.2% of expenditure in Zone 1 to 9.9% of expenditure in Zone 3, well below the national average for spending in this category at the time. Rates have been increased in line with proportions of SFT trading set out in Experian Retail Planner Briefing Note 12.1 (October 2014) and relevant forecasts. For each of the forecast years, we have assumed that the proportion of expenditure spent on SFT (adjusted for SFT sales from stores) in each zone will be 59% of the national average, as set out in paragraphs 6.18 - 6.22 of the NTRLS Main Report. As a result we have assumed that the proportion of expenditure spent on SFT in each zone will be 9.0% in 2019, 9.4% in 2024, 9.2% in 2030 and 9.1% thereafter).

All monetary values are held constant at 2012 prices.

Spreadsheet 6 - Comparison Goods Spending Patterns in 2014 Across the Catchment Area Zones

	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Total ⁽¹⁾	All Zones Market Share ⁽²⁾
	£m	£m	£m	£m	£m	£m	£m	£m	%
INSIDE CATCHMENT AREA									
Zone 1									
Killingworth Town Centre	6.9	1.1	1.0	0.5	0.8	0.5	3.3	14.1	2.2%
Other, Zone 1	1.6	0.1	0.0	0.4	0.0	0.0	0.1	2.2	0.3%
Total Zone 1	8.4	1.2	1.0	0.9	0.8	0.5	3.4	16.3	2.5%
Zone 2									
Boundary Mills, Park Lane, Shiremoor	1.1	2.1	2.1	1.6	1.0	0.7	1.5	10.1	1.5%
Northumberland Park District Centre	0.1	0.4	0.1	0.3	0.0	0.0	0.1	1.2	0.2%
Other, Zone 2	0.0	0.3	0.1	0.3	0.0	0.0	0.1	0.9	0.1%
Total Zone 2	1.2	2.8	2.4	2.1	1.1	0.7	1.8	12.2	1.9%
Zone 3									
Whitley Bay Town Centre	0.1	1.2	19.3	4.6	1.3	0.4	0.1	27.1	4.1%
Monkseaton District Centre	0.0	0.3	3.7	0.3	0.1	0.0	0.0	4.4	0.7%
Whitley Lodge District Centre	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.2	0.0%
Other, Zone 3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Total Zone 3	0.1	1.5	23.1	5.1	1.4	0.4	0.1	31.7	4.8%
Zone 4									
North Shields Town Centre	1.2	3.0	4.2	17.2	17.3	5.5	0.3	48.8	7.4%
Currys, Middle Engine Lane Retail Park, North Shields	0.2	0.4	0.6	0.6	1.0	0.6	0.4	3.7	0.6%
Tynemouth District Centre	0.0	0.1	0.8	1.7	0.2	0.1	0.1	3.0	0.5%
Preston Grange District Centre	0.1	0.2	0.2	0.7	0.2	0.0	0.0	1.3	0.2%
Other, Zone 4	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.2	0.0%
Total Zone 4	1.4	3.7	6.0	20.2	18.7	6.2	0.7	56.9	8.7%
Zone 5									
Silverlink Shopping Park, Coast Road, Wallsend	13.3	9.2	30.5	28.5	22.0	21.2	12.6	137.2	20.9%
Royal Quays Outlet Centre, Coble Dene, North Shields	1.3	0.9	2.1	4.5	1.8	1.6	0.3	12.4	1.9%
Tesco Extra/Coast Road Retail Park/Tyne Tunnel Trading Estate/Orion Business Park, North Shields	0.0	0.3	0.5	0.2	0.6	0.5	0.2	2.2	0.3%
Other, Zone 5	0.0	0.0	0.0	0.0	0.6	0.2	0.0	0.8	0.1%
Total Zone 5	14.6	10.3	33.1	33.2	25.0	23.5	13.0	152.7	23.3%
Zone 6									
B&Q, Middle Engine Lane, Wallsend	3.0	1.8	6.6	5.6	4.3	4.6	3.1	29.1	4.4%
Wallsend Town Centre	0.4	0.6	1.2	0.3	2.6	12.8	0.6	18.5	2.8%
Middle Engine Lane Retail Park, Wallsend	0.2	0.2	0.8	0.6	0.3	0.8	0.1	2.9	0.4%
Battle Hill District Centre	0.0	0.0	0.0	0.0	0.0	0.4	0.0	0.5	0.1%
Other, Zone 6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Total Zone 6	3.5	2.6	8.6	6.6	7.2	18.7	3.8	51.0	7.8%
Zone 7									
Whitley Road Retail Park and Stores, Whitley Road, Benton	2.1	2.1	2.0	1.0	1.6	6.0	4.8	19.5	3.0%
Forest Hall District Centre	0.5	0.0	0.0	0.2	0.0	0.2	3.5	4.3	0.7%
Longbenton District Centre	0.3	0.1	0.1	0.0	0.3	0.0	1.0	1.6	0.2%
Other, Zone 7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Total Zone 7	2.8	2.2	2.0	1.2	1.9	6.1	9.3	25.5	3.9%
TOTAL INSIDE CATCHMENT AREA	32.1	24.4	76.3	69.2	55.9	56.2	32.1	346.2	52.7%
OUTSIDE CATCHMENT AREA									
Buffer B1									
Cramlington Town Centre	8.2	0.4	0.0	0.3	0.0	0.3	0.4	9.5	1.5%
Other, Buffer B1	0.5	0.1	0.3	0.2	0.0	0.1	0.1	1.2	0.2%
Total Buffer B1	8.7	0.5	0.3	0.4	0.0	0.4	0.5	10.7	1.6%
Buffer B2									
Other, Buffer B2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Total Buffer B2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Buffer B3									
Gosforth Town Centre	2.1	0.1	0.2	0.1	0.2	0.1	1.1	3.9	0.6%
Kingston Park Retail Parks and Stores, Newcastle upon Tyne	1.5	0.1	0.5	0.3	0.1	0.1	0.5	3.0	0.5%
Other, Buffer B3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Total Buffer B3	3.6	0.2	0.7	0.4	0.3	0.3	1.5	6.9	1.0%
Buffer B4									
Newcastle upon Tyne City Centre	29.7	8.1	42.1	29.9	16.2	32.5	28.0	186.5	28.4%
Newcastle Shopping Park/B&Q, FossWay/Shields Road, Newcastle upon Tyne	0.3	0.0	0.4	0.4	0.6	1.2	0.4	3.3	0.5%
Byker	0.3	0.3	0.2	0.3	0.3	0.9	0.3	2.5	0.4%
Other, Buffer B4	0.1	0.0	0.5	0.3	0.0	0.1	0.8	1.8	0.3%
Total Buffer B4	30.3	8.4	43.2	30.9	17.1	34.8	29.5	194.1	29.6%
Buffer B5									
Other, Buffer B5	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.2	0.0%
Total Buffer B5	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.2	0.0%
Buffer B6									
Other, Buffer B6	0.0	0.1	0.0	0.2	0.1	0.0	0.0	0.4	0.1%
Total Buffer B6	0.0	0.1	0.0	0.2	0.1	0.0	0.0	0.4	0.1%
Outside Buffer Area									
Metrocentre Shopping Centre, Gateshead	7.0	0.9	4.1	2.2	1.5	3.2	4.2	23.2	3.5%
Metro Retail Park, Gateshead	2.6	0.7	3.2	2.1	2.0	1.6	1.1	13.3	2.0%
Other, Outside Buffer Area	2.4	0.2	3.0	2.2	1.3	0.8	1.7	11.6	1.8%
Total Outside Buffer Area	12.0	1.8	10.3	6.6	4.8	5.6	7.0	48.1	7.3%
Special Forms of Trading									
Internet/Delivered	4.0	2.0	13.3	8.4	5.0	5.4	5.7	43.7	6.7%
Home Catalogue	0.6	0.9	1.1	0.7	0.8	0.5	1.2	5.9	0.9%
TV/Interactive Shopping	0.1	0.0	0.0	0.1	0.1	0.0	0.0	0.3	0.0%
Total Special Forms of Trading	4.7	2.9	14.4	9.1	5.9	6.0	7.0	50.0	7.6%
TOTAL OUTSIDE CATCHMENT AREA	59.3	13.8	68.8	47.7	28.2	47.1	45.4	310.3	47.3%
TOTAL	91.4	38.2	145.2	116.9	84.1	103.2	77.5	656.6	100.0%

NOTES:

(1) The spending patterns are calculated by multiplying the total comparison goods expenditure in 2014 (Spreadsheet 4a) by the market share (Spreadsheet 5). The figures in the 'Total' column are the sum of the expenditure attracted to each centre/store from each zone.

(2) The 'All Zones Market Share' is calculated by dividing the total expenditure retained by each centre by the total expenditure in the catchment area.

‘Please note that there are no Comparison Spreadsheets 7 and 8. The North Tyneside Retail & Leisure Study 2011 included Comparison Spreadsheets 7 and 8a to 8i, but those particular Comparison Spreadsheets are not required for the 2014 Update. For consistency with the 2011 study, however, rather than renumbering all of the other Spreadsheets we have kept the numbering the same as in the 2011 Study. This explains why there are Comparison Spreadsheets 1 to 6 and then Comparison Spreadsheets 9a to 9d.’

Spreadsheet 9a - Summary of Capacity for Comparison Goods (Constant Retention Rate of 53.2% and Option 1 Population Growth)

	2014	2019	2024	2032	Incremental Growth			
					2014-19	2019-24	2024-32	2014-32
Overall Catchment Area (OCA) expenditure retention ⁽¹⁾								
A. Total OCA expenditure (including SFT) (£m)	656.6	789.0	950.8	1,290.5	132.4	161.8	339.8	634.0
B. Current retention level within the OCA (%)	53.2%	53.2%	53.2%	53.2%				
C. Retained expenditure (£m) (=A*B)	349.3	419.7	505.8	686.6	70.5	86.1	180.7	337.3
Turnover of stores ⁽²⁾								
D. Turnover of OCA stores derived from within the OCA (£m)	349.3	406.8	457.2	544.0	57.6	50.3	86.9	194.7
Special Forms of Trading ⁽³⁾								
E. Growth in spending on SFT (£m)	0.0	25.9	44.3	72.3	25.9	18.4	28.0	72.3
Commitments and completions ⁽⁴⁾								
Outline PP for mixed use scheme on land at Smiths Dock, N. Shields		0.7	0.8	0.9				
Foodstore, Great Lime Road, Forest Hall		1.2	1.3	1.6				
Retail unit, land to East of Unit A Mallard Way, Silverlink Retail Park		4.3	4.8	5.7				
Refurbishment of Forum Shopping Centre, Wallsend		3.7	4.2	4.9				
Change of use from office to retail, Eldon Street, Wallsend		0.3	0.3	0.4				
Amalgamation of units and construction of mezzanine, Coast Rd Retail Park		5.3	6.0	7.1				
Erection of garden centre, Bellway Industrial Estate, Benton		2.7	3.0	3.6				
Retail units, Killingworth Centre		0.3	0.3	0.4				
Extension of mezzanine, Unit E, Silverlink Retail Park		0.8	0.9	1.1				
Demolition and rebuild of 146-156 High St West, Wallsend		0.3	0.3	0.4				
F. Turnover from commitments (£m)		19.6	22.0	26.2	19.6	2.4	4.2	26.2
G. Residual expenditure (£m) ⁽⁵⁾	0.0	-32.6	-17.7	44.0	-32.6	14.9	61.7	44.0
Comparison retail assessment ⁽⁶⁾								
Assumed sales density (£/sq.m)					5,495	6,175	7,348	
H. Floorspace requirement (sales area sq.m)					-5,931	2,418	8,394	4,881
I. Floorspace requirement (gross sq.m)					-8,473	3,455	11,991	6,972

NOTES:

(1) OCA expenditure retention - this is the product of the current market share of the OCA centres (the cumulative share of the centres within the OCA) and the total OCA expenditure including SFT. The market share remains constant at 53.2% in each of the forecast years in this scenario.

(2) Turnover of stores - this is the turnover of stores within the OCA that is derived from OCA expenditure only. We have forecast this turnover to increase by 3.1% per annum between 2014 and 2019, 2.4% per annum between 2019 and 2024 and 2.2% per annum thereafter to 2032 to account for sales density growth in line with Experian RPN 12.1.

(3) Special Forms of Trading - we have made an allowance for spending on SFT (adjusted for SFT sales from stores) to increase year on year.

(4) Commitments / completions - this is the turnover of commitments for new comparison retail floorspace in the OCA that is derived from OCA expenditure only (listed in Table 4.4 of Main Report).

(5) Residual expenditure - the product of the total available expenditure minus the deductions for the existing centres turnover, growth in spending on SFT and commitments.

(6) Comparison retail assessment - the residual expenditure is converted to a comparison retail floorspace requirement using a sales density estimate of £4,718/sq.m, which is forecast to increase in line with sales density increases set out in note (2) above. 70% net to gross ratio assumed.

All monetary values are held constant at 2012 prices.

Spreadsheet 9b - Summary of Capacity for Comparison Goods (Rising Retention Rate of 58.0% by 2019 and Option 1 Population Growth)

	2014	2019	2024	2032	Incremental Growth			
					2014-19	2019-24	2024-32	2014-32
Overall Catchment Area (OCA) expenditure retention ⁽¹⁾								
A. Total OCA expenditure (including SFT) (£m)	656.6	789.0	950.8	1,290.5	132.4	161.8	339.8	634.0
B. Current retention level within the OCA (%)	53.2%	58.0%	58.0%	58.0%				
C. Retained expenditure (£m) (=A*B)	349.3	457.6	551.5	748.5	108.3	93.8	197.1	399.2
Turnover of stores ⁽²⁾								
D. Turnover of OCA stores derived from within the OCA (£m)	349.3	406.8	457.2	544.0	57.6	50.3	86.9	194.7
Special Forms of Trading ⁽³⁾								
E. Growth in spending on SFT (£m)	0.0	25.9	44.3	72.3	25.9	18.4	28.0	72.3
Commitments and completions ⁽⁴⁾								
Outline PP for mixed use scheme on land at Smiths Dock, N. Shields		0.7	0.8	0.9				
Foodstore, Great Lime Road, Forest Hall		1.2	1.3	1.6				
Retail unit, land to East of Unit A Mallard Way, Silverlink Retail Park		4.3	4.8	5.7				
Refurbishment of Forum Shopping Centre, Wallsend		3.7	4.2	4.9				
Change of use from office to retail, Eldon Street, Wallsend		0.3	0.3	0.4				
Amalgamation of units and construction of mezzanine, Coast Rd Retail Park		5.3	6.0	7.1				
Erection of garden centre, Bellway Industrial Estate, Benton		2.7	3.0	3.6				
Retail units, Killingworth Centre		0.3	0.3	0.4				
Extension of mezzanine, Unit E, Silverlink Retail Park		0.8	0.9	1.1				
Demolition and rebuild of 146-156 High St West, Wallsend		0.3	0.3	0.4				
F. Turnover from commitments (£m)		19.6	22.0	26.2	19.6	2.4	4.2	26.2
G. Residual expenditure (£m) ⁽⁵⁾	0.0	5.3	28.0	106.0	5.3	22.7	78.0	106.0
Comparison retail assessment ⁽⁶⁾								
Assumed sales density (£/sq.m)					5,495	6,175	7,348	
H. Floorspace requirement (sales area sq.m)					960	3,676	10,613	15,249
I. Floorspace requirement (gross sq.m)					1,372	5,252	15,161	21,785

NOTES:

(1) OCA expenditure retention - this is the product of the current market share of the OCA centres (the cumulative share of the centres within the OCA) and the total OCA expenditure including SFT. The market share increases to 58 per cent by 2019 in this scenario.

(2) Turnover of stores - this is the turnover of stores within the OCA that is derived from OCA expenditure only. We have forecast this turnover to increase by 3.1% per annum between 2014 and 2019, 2.4% per annum between 2019 and 2024 and 2.2% per annum thereafter to 2032 to account for sales density growth in line with Experian RPN 12.1.

(3) Special Forms of Trading - we have made an allowance for spending on SFT (adjusted for SFT sales from stores) to increase year on year.

(4) Commitments / completions - this is the turnover of commitments for new comparison retail floorspace in the OCA that is derived from OCA expenditure only (listed in Table 4.4 of Main Report).

(5) Residual expenditure - the product of the total available expenditure minus the deductions for the existing centres turnover, growth in spending on SFT and commitments.

(6) Comparison retail assessment - the residual expenditure is converted to a comparison retail floorspace requirement using a sales density estimate of £4,718/sq.m, which is forecast to increase in line with sales density increases set out in note (2) above. 70% net to gross ratio assumed.

All monetary values are held constant at 2012 prices.

Spreadsheet 9c - Summary of Capacity for Comparison Goods (Constant Retention Rate of 53.2% and Option 2 Population Growth)

	2014	2019	2024	2032	Incremental Growth			
					2014-19	2019-24	2024-32	2014-32
Overall Catchment Area (OCA) expenditure retention ⁽¹⁾								
A. Total OCA expenditure (including SFT) (£m)	656.6	785.1	950.9	1,337.7	128.5	165.8	386.7	681.1
B. Current retention level within the OCA (%)	53.2%	53.2%	53.2%	53.2%				
C. Retained expenditure (£m) (=A*B)	349.3	417.7	505.9	711.6	68.4	88.2	205.7	362.4
Turnover of stores ⁽²⁾								
D. Turnover of OCA stores derived from within the OCA (£m)	349.3	406.8	457.2	544.0	57.6	50.3	86.9	194.7
Special Forms of Trading ⁽³⁾								
E. Growth in spending on SFT (£m)	0.0	25.5	44.3	76.6	25.5	18.8	32.3	76.6
Commitments and completions ⁽⁴⁾								
Outline PP for mixed use scheme on land at Smiths Dock, N. Shields		0.7	0.8	0.9				
Foodstore, Great Lime Road, Forest Hall		1.2	1.3	1.6				
Retail unit, land to East of Unit A Mallard Way, Silverlink Retail Park		4.3	4.8	5.7				
Refurbishment of Forum Shopping Centre, Wallsend		3.7	4.2	4.9				
Change of use from office to retail, Eldon Street, Wallsend		0.3	0.3	0.4				
Amalgamation of units and construction of mezzanine, Coast Rd Retail Park		5.3	6.0	7.1				
Erection of garden centre, Bellway Industrial Estate, Benton		2.7	3.0	3.6				
Retail units, Killingworth Centre		0.3	0.3	0.4				
Extension of mezzanine, Unit E, Silverlink Retail Park		0.8	0.9	1.1				
Demolition and rebuild of 146-156 High St West, Wallsend		0.3	0.3	0.4				
F. Turnover from commitments (£m)		19.6	22.0	26.2	19.6	2.4	4.2	26.2
G. Residual expenditure (£m) ⁽⁵⁾	0.0	-34.3	-17.6	64.8	-34.3	16.7	82.4	64.8
Comparison retail assessment ⁽⁶⁾								
Assumed sales density (£/sq.m)					5,495	6,175	7,348	
H. Floorspace requirement (sales area sq.m)					-6,244	2,708	11,212	7,675
I. Floorspace requirement (gross sq.m)					-8,920	3,868	16,017	10,965

NOTES:

(1) OCA expenditure retention - this is the product of the current market share of the OCA centres (the cumulative share of the centres within the OCA) and the total OCA expenditure including SFT. The market share remains constant at 53.2% in each of the forecast years in this scenario.

(2) Turnover of stores - this is the turnover of stores within the OCA that is derived from OCA expenditure only. We have forecast this turnover to increase by 3.1% per annum between 2014 and 2019, 2.4% per annum between 2019 and 2024 and 2.2% per annum thereafter to 2032 to account for sales density growth in line with Experian RPBN 12.1.

(3) Special Forms of Trading - we have made an allowance for spending on SFT (adjusted for SFT sales from stores) to increase year on year.

(4) Commitments /completions - this is the turnover of commitments for new comparison retail floorspace in the OCA that is derived from OCA expenditure only (listed in Table 4.4 of Main Report).

(5) Residual expenditure - the product of the total available expenditure minus the deductions for the existing centres turnover, growth in spending on SFT and commitments.

(6) Comparison retail assessment - the residual expenditure is converted to a comparison retail floorspace requirement using a sales density estimate of £4,718/sq.m, which is forecast to increase in line with sales density increases set out in note (2) above. 70% net to gross ratio assumed.

All monetary values are held constant at 2012 prices.

Spreadsheet 9d - Summary of Capacity for Comparison Goods (Rising Retention Rate of 58.0% by 2019 and Option 2 Population Growth)

	2014	2019	2024	2032	Incremental Growth			
					2014-19	2019-24	2024-32	2014-32
Overall Catchment Area (OCA) expenditure retention ⁽¹⁾								
A. Total OCA expenditure (including SFT) (£m)	656.6	785.1	950.9	1,337.7	128.5	165.8	386.7	681.1
B. Current retention level within the OCA (%)	53.2%	58.0%	58.0%	58.0%				
C. Retained expenditure (£m) (=A*B)	349.3	455.4	551.5	775.9	106.1	96.2	224.3	426.6
Turnover of stores ⁽²⁾								
D. Turnover of OCA stores derived from within the OCA (£m)	349.3	406.8	457.2	544.0	57.6	50.3	86.9	194.7
Special Forms of Trading ⁽³⁾								
E. Growth in spending on SFT (£m)	0.0	25.5	44.3	76.6	25.5	18.8	32.3	76.6
Commitments and completions ⁽⁴⁾								
Outline PP for mixed use scheme on land at Smiths Dock, N. Shields		0.7	0.8	0.9				
Foodstore, Great Lime Road, Forest Hall		1.2	1.3	1.6				
Retail unit, land to East of Unit A Mallard Way, Silverlink Retail Park		4.3	4.8	5.7				
Refurbishment of Forum Shopping Centre, Wallsend		3.7	4.2	4.9				
Change of use from office to retail, Eldon Street, Wallsend		0.3	0.3	0.4				
Amalgamation of units and construction of mezzanine, Coast Rd Retail Park		5.3	6.0	7.1				
Erection of garden centre, Bellway Industrial Estate, Benton		2.7	3.0	3.6				
Retail units, Killingworth Centre		0.3	0.3	0.4				
Extension of mezzanine, Unit E, Silverlink Retail Park		0.8	0.9	1.1				
Demolition and rebuild of 146-156 High St West, Wallsend		0.3	0.3	0.4				
F. Turnover from commitments (£m)		19.6	22.0	26.2	19.6	2.4	4.2	26.2
G. Residual expenditure (£m) ⁽⁵⁾	0.0	3.4	28.1	129.0	3.4	24.7	101.0	129.0
Comparison retail assessment ⁽⁶⁾								
Assumed sales density (£/sq.m)					5,495	6,175	7,348	
H. Floorspace requirement (sales area sq.m)					613	3,997	13,738	18,348
I. Floorspace requirement (gross sq.m)					876	5,709	19,626	26,212

NOTES:

(1) OCA expenditure retention - this is the product of the current market share of the OCA centres (the cumulative share of the centres within the OCA) and the total OCA expenditure including SFT. The market share increases to 58 per cent by 2019 in this scenario.

(2) Turnover of stores - this is the turnover of stores within the OCA that is derived from OCA expenditure only. We have forecast this turnover to increase by 3.1% per annum between 2014 and 2019, 2.4% per annum between 2019 and 2024 and 2.2% per annum thereafter to 2032 to account for sales density growth in line with Experian RPBN 12.1.

(3) Special Forms of Trading - we have made an allowance for spending on SFT (adjusted for SFT sales from stores) to increase year on year.

(4) Commitments /completions - this is the turnover of commitments for new comparison retail floorspace in the OCA that is derived from OCA expenditure only (listed in Table 4.4 of Main Report).

(5) Residual expenditure - the product of the total available expenditure minus the deductions for the existing centres turnover, growth in spending on SFT and commitments.

(6) Comparison retail assessment - the residual expenditure is converted to a comparison retail floorspace requirement using a sales density estimate of £4,718/sq.m, which is forecast to increase in line with sales density increases set out in note (2) above. 70% net to gross ratio assumed.

Spreadsheet 10 - Convenience Goods Expenditure Per Capita (£)

Year	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Great Britain Average
	£ per capita	£ per capita	£ per capita	£ per capita	£ per capita	£ per capita	£ per capita	£ per capita
2012	1,897	1,811	2,071	1,957	1,696	1,768	1,875	2,100
2014	1,863	1,779	2,034	1,922	1,666	1,736	1,841	2,062
2019	1,910	1,823	2,085	1,971	1,708	1,780	1,888	2,113
2024	1,978	1,888	2,159	2,041	1,768	1,843	1,955	2,189
2032	2,090	1,995	2,280	2,156	1,868	1,947	2,065	2,278

NOTES:

(1) 2012-based per capita convenience expenditure data sourced from Experian MMG3.

(2) The 2012-based per capita convenience expenditure data is projected forward to the base year and forecast years using the central case forecasts set out by Experian in Retail Planner Briefing Note 12.1(Appendix 4a, October 2014). The expenditure growth forecasts that we have used are as shown in the following table:

Year	Per Capita Convenience Expenditure Growth Rate
2012 - 2013	-1.3%
2013 - 2014	-0.5%
2014 - 2015	0.5%
2015 - 2016	0.4%
2016 - 2017	0.6%
2017 - 2018	0.4%
2018 - 2019	0.6%
2019 - 2020	0.7%
2020 - 2021	0.5%
2021 - 2022	0.8%
2022 - 2023	0.7%
2023 - 2024	0.8%
2024 - 2025	0.7%
2025 - 2026	0.7%
2026 - 2027	0.6%
2027 - 2028	0.8%
2028 - 2029	0.6%
2029 - 2030	0.6%
2030 - 2031	0.8%
2031 - 2032	0.7%

All monetary values are held constant at 2012 prices.

Spreadsheet 11a - Total Convenience Goods Expenditure and Expenditure Growth (Option 1 Population Growth) - Medium Jobs Scenario

	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	All Zones Total
	£m	£m	£m	£m	£m	£m	£m	£m
Total expenditure 2014	53.6	22.1	75.7	64.6	56.2	63.9	44.8	381.0
Spending on SFT in 2014 of average of 0.4%	0.2	0.1	0.3	0.2	0.2	0.2	0.2	1.5
Total expenditure excluding SFT 2014	53.4	22.0	75.4	64.3	56.0	63.7	44.7	379.5
Total expenditure 2019	56.1	23.1	79.3	67.6	58.8	66.9	46.9	398.7
Spending on SFT in 2019 of 0.6%	0.3	0.1	0.5	0.4	0.3	0.4	0.3	2.3
Total expenditure excluding SFT 2019	55.8	23.0	78.8	67.2	58.5	66.5	46.6	396.4
Total expenditure 2024	59.8	24.6	84.4	72.0	62.7	71.2	50.0	424.6
Spending on SFT in 2024 of 0.7%	0.4	0.2	0.6	0.5	0.4	0.5	0.4	3.0
Total expenditure excluding SFT 2024	59.3	24.4	83.8	71.5	62.2	70.7	49.6	421.6
Total expenditure 2032	66.1	27.2	93.3	79.6	69.3	78.8	55.2	469.4
Spending on SFT in 2032 of 0.9%	0.6	0.2	0.8	0.7	0.6	0.7	0.5	4.0
Total expenditure excluding SFT 2032	65.5	27.0	92.5	78.9	68.7	78.1	54.8	372.9
Growth in total expenditure 2014 - 2019	2.5	1.0	3.5	3.0	2.6	3.0	2.1	17.7
Growth in total expenditure 2019 - 2024	3.6	1.5	5.1	4.4	3.8	4.3	3.0	25.9
Growth in total expenditure 2024 - 2032	6.3	2.6	8.9	7.6	6.6	7.5	5.3	44.8
Growth in total expenditure 2014 - 2032	12.4	5.1	17.6	15.0	13.0	14.8	10.4	88.4

NOTES:

(1) The figures in the above table are the product of multiplying the data presented in Spreadsheet 2a by Spreadsheet 10, and are in millions of pounds (£m).

(2) The total expenditure includes a proportion of expenditure on Special Forms of Trading (SFT) (i.e. Internet shopping and outdoor markets). The proportion of expenditure on SFT in 2014 of 0.4% is derived from a 15% proportion of the total SFT turnover adjusted for sales via stores in 2014 set out in Experian Retail Planner Briefing Note 12.1 (October 2014). The telephone survey of households undertaken for the NTRLS identified varying SFT expenditure by zones, all of which were considerably below the national average for spending in this category. For further details see paragraph 6.18 - 6.22 of the NTRLS Main Report. We have assumed that the proportion of expenditure spent on SFT (adjusted for sales via stores) in each zone will be 0.6% in 2019, 0.7% in 2024 and 0.9% in 2032.

All monetary values are held constant at 2012 prices.

Spreadsheet 11b - Total Convenience Goods Expenditure and Expenditure Growth (Option 2 Population Growth) - High Jobs Scenario

	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	All Zones Total
	£m	£m	£m	£m	£m	£m	£m	£m
Total expenditure 2014	53.6	22.1	75.7	64.6	56.2	63.9	44.8	381.0
Spending on SFT in 2014 of average of 0.4%	0.2	0.1	0.3	0.2	0.2	0.2	0.2	1.5
Total expenditure excluding SFT 2014	53.4	22.0	75.4	64.3	56.0	63.7	44.7	379.5
Total expenditure 2019	55.8	23.0	78.9	67.2	58.6	66.6	46.7	396.7
Spending on SFT in 2019 of 0.6%	0.3	0.1	0.5	0.4	0.3	0.4	0.3	2.3
Total expenditure excluding SFT 2019	55.5	22.9	78.4	66.9	58.2	66.2	46.4	394.4
Total expenditure 2024	59.8	24.6	84.4	72.0	62.7	71.3	50.0	424.7
Spending on SFT in 2024 of 0.7%	0.4	0.2	0.6	0.5	0.4	0.5	0.4	3.0
Total expenditure excluding SFT 2024	59.3	24.4	83.8	71.5	62.2	70.7	49.6	421.6
Total expenditure 2032	68.5	28.2	96.7	82.5	71.8	81.6	57.3	486.5
Spending on SFT in 2032 of 0.9%	0.6	0.2	0.8	0.7	0.6	0.7	0.5	4.1
Total expenditure excluding SFT 2032	67.9	27.9		81.8	71.2	80.9	56.8	386.5
Growth in total expenditure 2014 - 2019	2.2	0.9	3.1	2.7	2.3	2.6	1.9	15.7
Growth in total expenditure 2019 - 2024	3.9	1.6	5.6	4.7	4.1	4.7	3.3	27.9
Growth in total expenditure 2024 - 2032	8.7	3.6	12.3	10.5	9.1	10.4	7.3	61.9
Growth in total expenditure 2014 - 2032	14.9	6.1	21.0	17.9	15.6	17.7	12.4	105.5

NOTES:

(1) The figures in the above table are the product of multiplying the data presented in Spreadsheet 2b by Spreadsheet 10, and are in millions of pounds (£m).

(2) The total expenditure includes a proportion of expenditure on Special Forms of Trading (SFT) (i.e. Internet shopping and outdoor markets). The proportion of expenditure on SFT in 2014 of 0.4% is derived from a 15% proportion of the total SFT turnover adjusted for sales via stores in 2014 set out in Experian Retail Planner Briefing Note 12.1 (October 2014). The telephone survey of households undertaken for the NTRLS identified varying SFT expenditure by zones, all of which were considerably below the national average for spending in this category. For further details see paragraph 6.18 - 6.22 of the NTRLS Main Report. We have assumed that the proportion of expenditure spent on SFT (adjusted for sales via stores) in each zone will be 0.6% in 2019, 0.7% in 2024 and 0.9% in 2032.

All monetary values are held constant at 2012 prices.

Spreadsheet 12 - Convenience Goods Spending Patterns in 2014 as a Percentage Across the Catchment Area Zone:

	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7
	%	%	%	%	%	%	%
INSIDE CATCHMENT AREA							
Zone 1							
Morrisons, The Killingworth Centre, Killingworth Town Centre	48.0	11.9	0.0	0.7	1.2	1.4	29.2
Co-operative Food, Great North Road, Wideopen	4.1	0.0	0.0	0.1	0.0	0.0	0.0
Dudley	2.1	0.0	0.0	0.0	0.0	0.0	0.0
Other, Killingworth Town Centre	0.4	0.1	0.1	0.0	0.0	0.0	0.3
Other, Zone 1	1.9	0.9	0.0	0.0	0.0	0.0	0.1
Total Zone 1	56.6	12.9	0.1	0.8	1.2	1.4	29.6
Zone 2							
Sainsbury's, Earsdon Road, Northumberland Park District Centre	1.0	21.1	0.6	0.3	0.7	0.0	0.1
Other, Northumberland Park District Centre	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other, Zone 2	0.0	0.6	0.0	0.0	0.0	0.0	0.0
Total Zone 2	1.0	21.7	0.6	0.3	0.7	0.0	0.1
Zone 3							
Sainsbury's, Newstead Drive, Whitley Bay	0.0	5.2	34.5	7.6	2.3	0.5	0.0
Morrisons, Hillheads Road, Whitley Bay	0.0	4.1	24.5	10.7	2.0	1.2	0.0
Sainsbury's Local, Park View Shopping Centre, Whitley Bay Town Centre	0.0	0.5	2.7	2.2	0.7	0.0	0.0
Iceland, Park View Shopping Centre, Whitley Bay Town Centre	0.0	2.2	0.8	0.0	0.5	0.0	0.0
Other, Whitley Bay Town Centre	0.1	1.4	7.3	1.4	0.4	0.2	0.1
Monkseaton District Centre	0.0	0.3	1.0	0.1	0.0	0.0	0.0
Whitley Lodge District Centre	0.0	0.0	1.2	0.1	0.0	0.0	0.0
Other, Zone 3	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Total Zone 3	0.1	13.7	72.2	22.2	6.0	2.0	0.1
Zone 4							
Morrisons, Preston North Road, Preston Grange District Centre	0.5	11.0	9.1	33.5	28.0	8.1	0.0
Co-operative Food, Bedford Street, North Shields Town Centre	0.0	1.4	0.0	2.5	3.5	0.3	0.0
Iceland, Bedford Street, North Shields Town Centre	0.0	1.3	0.0	20.7	3.6	0.2	0.0
Sainsbury's Local, New Broadway, Tynemouth	0.0	0.0	0.5	3.6	0.5	0.0	0.0
Tesco Express, Beach Road, Billy Mill	0.0	0.0	0.2	1.9	2.1	0.0	0.0
Other, North Shields Town Centre	0.1	1.7	0.0	5.3	7.6	0.3	0.0
Tynemouth District Centre	0.0	0.0	0.1	2.6	0.2	0.0	0.0
Cullercoats	0.0	0.0	0.4	1.6	0.1	0.0	0.0
Other, Preston Grange District Centre	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other, Zone 4	0.0	0.0	0.0	1.1	0.0	0.0	0.0
Total Zone 4	0.6	15.4	10.3	72.9	45.5	8.9	0.0
Zone 5							
Tesco Extra, Norham Road, North Shields	0.0	5.6	5.3	12.1	23.5	8.8	2.9
Aldi, Tynemouth Road, Howdon	0.0	0.0	0.5	1.2	4.1	1.6	0.0
Marks & Spencer, Silverlink Shopping Park, Wallsend	0.5	0.5	0.6	1.5	0.7	2.4	0.7
Other, Zone 5	0.0	0.0	0.1	0.1	0.4	0.4	0.0
Total Zone 5	0.5	6.1	6.5	14.9	28.6	13.1	3.6
Zone 6							
Lidl, Battle Hill Drive, Battle Hill District Centre	0.0	0.4	0.3	0.9	1.1	7.5	0.4
Iceland, The Forum, Segedunam Way, Wallsend Town Centre	0.0	0.0	0.0	0.0	2.0	5.9	0.0
Aldi, Wiltshire Drive, Wallsend	0.4	2.0	0.1	0.3	0.1	2.2	0.6
Netto, Hadrian Road, Wallsend Town Centre	0.0	0.0	0.0	0.0	0.0	3.9	0.0
Tesco Express, Battle Hill Drive, Battle Hill District Centre	0.0	0.0	0.1	0.0	0.1	2.3	0.0
Other, Wallsend Town Centre	0.0	0.0	0.1	0.0	1.6	6.3	0.0
Other, Battle Hill District Centre	0.0	0.0	0.0	0.0	0.4	0.4	0.0
Other, Zone 6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Zone 6	0.4	2.4	0.5	1.3	5.2	28.5	1.0
Zone 7							
Asda, Whitley Road, Benton	8.0	24.5	5.0	3.2	9.3	33.8	27.6
Sainsbury's Local, Station Road North, Forest Hall District Centre	0.3	0.0	0.0	0.0	0.0	0.0	6.7
Other, Forest Hall District Centre	0.5	0.0	0.0	0.0	0.0	0.1	6.4
Longbenton District Centre	0.3	0.0	0.0	0.0	0.0	0.0	0.6
Other, Zone 7	0.0	0.0	0.0	0.0	0.0	0.1	0.6
Total Zone 7	9.1	24.5	5.0	3.2	9.3	33.9	42.0
TOTAL INSIDE CATCHMENT AREA	68.4	96.8	95.1	115.5	96.5	87.8	76.5
OUTSIDE CATCHMENT AREA							
Buffer B1							
Asda, Manor Walks Shopping Centre, Cramlington Town Centre	9.1	0.0	0.0	0.0	0.0	0.0	0.0
Sainsbury's, Manor Walks Shopping Centre, Cramlington Town Centre	2.8	0.1	0.0	0.0	0.0	0.0	0.0
Other, Cramlington Town Centre	1.4	0.0	0.0	0.0	0.0	0.0	0.0
Other, Buffer B1	1.4	0.0	0.1	0.1	0.0	0.0	0.0
Total Buffer B1	14.7	0.1	0.1	0.1	0.0	0.0	0.0
Buffer B2							
Other, Buffer B2	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Total Buffer B2	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Buffer B3							
Asda, Hollywood Avenue, Gosforth	6.8	0.0	0.0	0.3	0.0	0.0	5.7
Tesco Extra, Kingston Park, Newcastle upon Tyne	3.1	0.0	0.0	0.0	0.0	0.3	1.7
Other, Buffer B3	0.6	0.0	0.3	0.7	0.1	0.1	2.8
Total Buffer B3	10.5	0.0	0.3	0.9	0.1	0.4	10.2
Buffer B4							
Morrisons, Shields Road, Byker	0.3	0.0	0.0	0.0	0.6	4.9	0.4
Sainsbury's, Etherstone Avenue, Heaton	0.9	1.6	0.0	0.5	0.2	1.3	4.1
Marks & Spencer, Northumberland Street, Newcastle Upon Tyne City Centre	0.9	0.5	0.8	0.1	0.1	1.6	1.1
Iceland, Benton Road, Longbenton	0.0	0.2	0.0	0.0	0.0	0.0	2.1
Other, Newcastle upon Tyne City Centre	0.5	0.2	0.8	0.4	1.0	1.5	1.9
Other, Buffer B4	0.2	0.1	0.1	0.4	0.1	0.9	0.5
Total Buffer B4	2.7	2.7	1.7	1.5	2.0	10.1	10.1
Buffer B5							
Other, Buffer B5	0.0	0.0	0.0	0.0	0.3	0.8	0.0
Total Buffer B5	0.0	0.0	0.0	0.0	0.3	0.8	0.0
Buffer B6							
Other, Buffer B6	0.1	0.0	0.0	0.0	0.2	0.0	0.0
Total Buffer B6	0.1	0.0	0.0	0.0	0.2	0.0	0.0
Outside Buffer Area							
Other, Outside Buffer Area	2.7	0.0	0.5	0.3	0.9	0.4	0.3
Total Outside Buffer Area	2.7	0.0	0.5	0.3	0.9	0.4	0.3
Special Forms of Trading							
Internet/Delivered	0.8	0.4	2.3	1.1	0.0	0.4	3.0
Total Special Forms of Trading	0.8	0.4	2.3	1.1	0.0	0.4	3.0
TOTAL OUTSIDE CATCHMENT AREA	31.6	3.2	4.9	4.0	3.5	12.2	23.5
TOTAL	100.0	100.0	100.0	119.5	100.0	100.0	100.0

Spreadsheet 13 - Convenience Goods Spending Patterns in 2014 Across the Catchment Area Zones

	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Total ⁽¹⁾	All Zones Market Share ⁽²⁾
	£m	£m	£m	£m	£m	£m	£m	£m	%
INSIDE CATCHMENT AREA									
Zone 1									
Morrisons, The Killingworth Centre, Killingworth Town Centre	25.8	2.6	0.0	0.4	0.7	0.9	13.1	43.5	10.9%
Co-operative Food, Great North Road, Wideopen	2.2	0.0	0.0	0.0	0.0	0.0	0.0	2.2	0.6%
Dudley	1.2	0.0	0.0	0.0	0.0	0.0	0.0	1.2	0.3%
Other, Killingworth Town Centre	0.2	0.0	0.0	0.0	0.0	0.0	0.1	0.4	0.1%
Other, Zone 1	1.0	0.2	0.0	0.0	0.0	0.0	0.1	1.3	0.3%
Total Zone 1	30.4	2.9	0.0	0.5	0.7	0.9	13.3	48.6	12.1%
Zone 2									
Sainsbury's, Earsdon Road, Northumberland Park District Centre	0.5	4.7	0.4	0.2	0.4	0.0	0.0	6.3	1.6%
Other, Northumberland Park District Centre	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Other, Zone 2	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.1	0.0%
Total Zone 2	0.5	4.8	0.4	0.2	0.4	0.0	0.0	6.4	1.6%
Zone 3									
Sainsbury's, Newstead Drive, Whitley Bay	0.0	1.2	26.2	4.9	1.3	0.3	0.0	33.9	8.4%
Morrisons, Hillheads Road, Whitley Bay	0.0	0.9	18.6	6.9	1.1	0.8	0.0	28.3	7.1%
Sainsbury's Local, Park View Shopping Centre, Whitley Bay Town Centre	0.0	0.1	2.1	1.4	0.4	0.0	0.0	4.0	1.0%
Iceland, Park View Shopping Centre, Whitley Bay Town Centre	0.0	0.5	0.6	0.0	0.3	0.0	0.0	1.4	0.4%
Other, Whitley Bay Town Centre	0.1	0.3	5.5	0.9	0.2	0.1	0.1	7.2	1.8%
Monkseaton District Centre	0.0	0.1	0.8	0.1	0.0	0.0	0.0	0.9	0.2%
Whitley Lodge District Centre	0.0	0.0	0.9	0.0	0.0	0.0	0.0	0.9	0.2%
Other, Zone 3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Total Zone 3	0.1	3.0	54.7	14.3	3.4	1.3	0.1	76.7	19.1%
Zone 4									
Morrisons, Preston North Road, Preston Grange District Centre	0.3	2.4	6.9	21.7	15.7	5.2	0.0	52.2	13.0%
Co-operative Food, Bedford Street, North Shields Town Centre	0.0	0.3	0.0	1.6	2.0	0.2	0.0	4.1	1.0%
Iceland, Bedford Street, North Shields Town Centre	0.0	0.3	0.0	20.7	2.1	0.1	0.0	23.2	5.8%
Sainsbury's Local, New Broadway, Tynemouth	0.0	0.0	0.4	2.3	0.3	0.0	0.0	3.0	0.8%
Tesco Express, Beach Road, Billy Mill	0.0	0.0	0.2	1.2	1.2	0.0	0.0	2.6	0.6%
Other, North Shields Town Centre	0.0	0.4	0.0	3.4	4.3	0.2	0.0	8.3	2.1%
Tynemouth District Centre	0.0	0.0	0.0	1.7	0.1	0.0	0.0	1.8	0.5%
Cullercoats	0.0	0.0	0.3	1.0	0.0	0.0	0.0	1.4	0.3%
Other, Preston Grange District Centre	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Other, Zone 4	0.0	0.0	0.0	0.7	0.0	0.0	0.0	0.7	0.2%
Total Zone 4	0.3	3.4	7.8	54.4	25.6	5.7	0.0	97.2	24.3%
Zone 5									
Tesco Extra, Norham Road, North Shields	0.0	1.2	4.0	7.8	13.2	5.6	1.3	33.1	8.3%
Aldi, Tynemouth Road, Howdon	0.0	0.0	0.4	0.8	2.3	1.0	0.0	4.5	1.1%
Marks & Spencer, Silverlink Shopping Park, Wallsend	0.3	0.1	0.5	1.0	0.4	1.5	0.3	4.1	1.0%
Other, Zone 5	0.0	0.0	0.0	0.0	0.2	0.2	0.0	0.5	0.1%
Total Zone 5	0.3	1.3	4.9	9.6	16.1	8.4	1.6	42.2	10.5%
Zone 6									
Lidl, Battle Hill Drive, Battle Hill District Centre	0.0	0.1	0.2	0.6	0.6	4.8	0.2	6.5	1.6%
Iceland, The Forum, Segedunam Way, Wallsend Town Centre	0.0	0.0	0.0	0.0	1.1	3.8	0.0	4.9	1.2%
Aldi, Wiltshire Drive, Wallsend	0.2	0.4	0.0	0.2	0.0	1.4	0.3	2.6	0.7%
Netto, Hadrian Road, Wallsend Town Centre	0.0	0.0	0.0	0.0	0.0	2.5	0.0	2.5	0.6%
Tesco Express, Battle Hill Drive, Battle Hill District Centre	0.0	0.0	0.1	0.0	0.0	1.5	0.0	1.6	0.4%
Other, Wallsend Town Centre	0.0	0.0	0.0	0.0	0.9	4.1	0.0	5.0	1.2%
Other, Battle Hill District Centre	0.0	0.0	0.0	0.0	0.2	0.3	0.0	0.5	0.1%
Other, Zone 6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Total Zone 6	0.2	0.5	0.4	0.8	2.9	18.2	0.5	23.6	5.9%
Zone 7									
Asda, Whitley Road, Benton	4.3	5.4	3.8	2.1	5.2	21.6	12.4	54.7	13.7%
Sainsbury's Local, Station Road North, Forest Hill District Centre	0.2	0.0	0.0	0.0	0.0	0.0	3.0	3.2	0.8%
Other, Forest Hill District Centre	0.3	0.0	0.0	0.0	0.0	0.0	2.9	3.2	0.8%
Longbenton District Centre	0.1	0.0	0.0	0.0	0.0	0.0	0.3	0.4	0.1%
Other, Zone 7	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.3	0.1%
Total Zone 7	4.9	5.4	3.8	2.1	5.2	21.7	18.8	61.9	15.4%
TOTAL INSIDE CATCHMENT AREA	36.7	21.4	72.0	81.9	54.3	56.1	34.3	356.7	89.0%
OUTSIDE CATCHMENT AREA									
Buffer B1									
Asda, Manor Walks Shopping Centre, Cramlington Town Centre	4.9	0.0	0.0	0.0	0.0	0.0	0.0	4.9	1.2%
Sainsbury's, Manor Walks Shopping Centre, Cramlington Town Centre	1.5	0.0	0.0	0.0	0.0	0.0	0.0	1.5	0.4%
Other, Cramlington Town Centre	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.8	0.2%
Other, Buffer B1	0.8	0.0	0.1	0.1	0.0	0.0	0.0	0.9	0.2%
Total Buffer B1	7.9	0.0	0.1	0.1	0.0	0.0	0.0	8.1	2.0%
Buffer B2									
Other, Buffer B2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Total Buffer B2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Buffer B3									
Asda, Hollywood Avenue, Gosforth	3.7	0.0	0.0	0.2	0.0	0.0	2.5	6.4	1.6%
Tesco Extra, Kingson Park, Newcastle upon Tyne	1.6	0.0	0.0	0.0	0.0	0.2	0.8	2.6	0.7%
Other, Buffer B3	0.3	0.0	0.2	0.4	0.0	0.1	1.2	2.4	0.6%
Total Buffer B3	5.6	0.0	0.2	0.6	0.0	0.3	4.6	11.3	2.8%
Buffer B4									
Morrisons, Shields Road, Byker	0.1	0.0	0.0	0.0	0.4	3.1	0.2	3.8	0.9%
Sainsbury's, Etherstone Avenue, Heaton	0.5	0.4	0.0	0.3	0.1	0.8	1.8	3.9	1.0%
Marks & Spencer, Northumberland Street, Newcastle Upon Tyne City Centre	0.5	0.1	0.6	0.1	0.0	1.0	0.5	2.8	0.7%
Iceland, Benton Road, Longbenton	0.0	0.1	0.0	0.0	0.0	0.0	0.9	1.0	0.2%
Other, Newcastle upon Tyne City Centre	0.3	0.1	0.6	0.3	0.5	1.0	0.8	3.5	0.9%
Other, Buffer B4	0.1	0.0	0.0	0.3	0.1	0.6	0.2	1.3	0.3%
Total Buffer B4	1.5	0.6	1.3	1.0	1.1	6.5	4.5	16.4	4.1%
Buffer B5									
Other, Buffer B5	0.0	0.0	0.0	0.0	0.2	0.5	0.0	0.7	0.2%
Total Buffer B5	0.0	0.0	0.0	0.0	0.2	0.5	0.0	0.7	0.2%
Buffer B6									
Other, Buffer B6	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.2	0.0%
Total Buffer B6	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.2	0.0%
Outside Buffer Area									
Other, Outside Buffer Area	1.4	0.0	0.4	0.2	0.5	0.2	0.1	2.8	0.7%
Total Outside Buffer Area	1.4	0.0	0.4	0.2	0.5	0.2	0.1	2.8	0.7%
Special Forms of Trading									
Internet/Delivered	0.4	0.1	1.8	0.7	0.0	0.3	1.3	4.6	1.2%
Total Special Forms of Trading	0.4	0.1	1.8	0.7	0.0	0.3	1.3	4.6	1.2%
TOTAL OUTSIDE CATCHMENT AREA	17.0	0.7	3.7	2.6	1.9	7.8	10.5	44.2	11.0%
TOTAL	53.6	22.1	75.7	84.5	56.2	63.9	44.8	400.9	100.0%

NOTES:

(1) The spending patterns are calculated by multiplying the total convenience goods expenditure in 2014 (Spreadsheet 11a) by the market share (Spreadsheet 12). The figures in the 'Total' column are the sum of the expenditure attracted to each centre/store from each zone.

(2) The 'All Zones Market Share' is calculated by dividing the total expenditure retained by each centre by the total expenditure available in the catchment area.

All monetary values are held constant at 2012 prices.

Spreadsheet 14a - Summary of Capacity for Convenience Goods (Constant Retention Rate of 88.5% and Option 1 Population Growth)

	2014	2019	2024	2032	Incremental Growth			
					2014-19	2019-24	2024-32	2014-32
OCA expenditure retention ⁽¹⁾								
A. Total OCA expenditure (including SFT) (£m)	381.0	398.7	424.6	469.4	17.7	25.9	44.8	88.4
B. Current retention level within the OCA (%)	88.5%	88.5%	88.5%	88.5%				
C. Retained expenditure (£m) (=A*B)	337.2	352.8	375.8	415.4	15.7	22.9	39.6	78.2
Turnover of stores ⁽²⁾								
D. Turnover of OCA stores derived from within the OCA (£m)	337.2	337.2	340.9	349.2	0.0	3.7	8.3	12.0
Special Forms of Trading ⁽³⁾								
E. Growth in spending on SFT (£m)	0.0	0.8	1.6	2.5	0.8	0.7	1.0	2.5
Commitments and completions ⁽⁴⁾								
Retail unit, Cobalt Business Park		1.5	1.5	1.6				
Two convenience retail units, Quorum Business Park, Longbenton		1.1	1.1	1.1				
Retail unit (Outline) on land at Dock Road Industrial Estate, N. Shields		2.5	2.5	2.6				
Retail unit in support of residential development, Scaffold Hill		0.6	0.6	0.6				
Retail unit in support of residential development, White House Farm		0.4	0.4	0.4				
Mixed use scheme, land at Smiths Dock, North Shields		1.5	1.5	1.6				
Foodstore, Great Lime Road, Forest Hall		5.6	5.7	5.8				
Outline application for new foodstore, Forum Shopping Centre, Wallsend		15.8	16.0	16.4				
Change of use offices to retail, Eldon Street, Wallsend		0.3	0.3	0.3				
Redevelopment of Police Houses, Churchill Street, Howdon		2.9	2.9	3.0				
Extension of farm shop, Killingworth Way, Killingworth		0.5	0.5	0.5				
Two A1 units, Killingworth Centre		0.3	0.3	0.3				
New retail unit, Earsdon Road, Whitley Bay		2.7	2.7	2.8				
Café, petrol filling station and shop, Auto Park, Sandy Lane, North Gosforth		0.4	0.4	0.4				
Demolition and rebuild of 146-156 High Street West, Wallsend		0.3	0.3	0.3				
F. Turnover from commitments (£m)		36.4	36.8	37.7	36.4	0.4	0.9	37.7
G. Residual expenditure (£m) ⁽⁵⁾	0.0	-21.6	-3.5	26.0	-21.6	18.1	29.5	26.0
H. Over-trading of existing stores (£m) ⁽⁶⁾					20.7			
Convenience retail assessment ⁽⁷⁾								
Assumed sales density (£/sq.m)					10,067	10,178	10,425	
I. Floorspace requirement (sales area sq.m)					-85	1,774	2,832	4,521
J. Floorspace requirement (gross sq.m)					-132	2,729	4,357	6,955

NOTES:

(1) OCA expenditure retention - this is the product of the current market share of the OCA centres (the cumulative share of the centres within the OCA) and the total OCA expenditure including SFT. The market share remains constant at 88.5% in each of the forecast years in this scenario.

(2) Turnover of stores - this is the turnover of stores within the OCA that is derived from OCA expenditure only. We have forecast this turnover to increase by an average of 0.0% per annum between 2014 and 2019 to account for sales density growth, and 0.2% from 2019 up to 2024 and 0.3% from 2024 to 2032 in line with Experian forecasts.

(3) Special Forms of Trading - we have made an allowance for spending on SFT (adjusted for SFT sales from stores) to increase year on year.

(4) Commitments/completions - this is the turnover of commitments for new convenience retail floorspace in the OCA that is derived from OCA expenditure only (listed in Table 4.5 of Main Report).

(5) Residual expenditure - the product of the total available expenditure minus the deductions for the existing stores' turnover, growth in spending on SFT and commitments.

(6) Over-trading of existing stores - the reasoning for taking into account overtrading is set out in Section 5 and Table 5.1 of the main report.

(7) Convenience retail assessment - the residual expenditure, in addition to the over-trading of existing stores, is converted to a convenience retail floorspace requirement using a sales density estimate of £10,067/sq.m (average of Top 10 convenience retailers in the Verdict Food and Grocery Retailing report 2013). Forecast increases in sales densities from Experian Retail Planner Briefing Note 12.1 are then applied per annum between 2014 and 2032. 65% net to gross ratio assumed.

All monetary values are held constant at 2012 prices.

Spreadsheet 14b - Summary of Capacity for Convenience Goods (Rising Retention Rate of 92.5% by 2019 and Option 1 Population Growth)

	2014	2019	2024	2032	Incremental Growth			
					2014-19	2019-24	2024-32	2014-32
OCA expenditure retention ⁽¹⁾								
A. Total OCA expenditure (including SFT) (£m)	381.0	398.7	424.6	469.4	17.7	25.9	44.8	88.4
B. Current retention level within the OCA (%)	88.5%	92.5%	92.5%	92.5%				
C. Retained expenditure (£m) (=A*B)	337.2	368.8	392.8	434.2	31.6	24.0	41.4	97.0
Turnover of stores ⁽²⁾								
D. Turnover of OCA stores derived from within the OCA (£m)	337.2	337.2	340.9	349.2	0.0	3.7	8.3	12.0
Special Forms of Trading ⁽³⁾								
E. Growth in spending on SFT (£m)	0.0	0.8	1.6	2.5	0.8	0.7	1.0	2.5
Commitments and completions ⁽⁴⁾								
Retail unit, Cobalt Business Park		1.5	1.5	1.6				
Two convenience retail units, Quorum Business Park, Longbenton		1.1	1.1	1.1				
Retail unit (Outline) on land at Dock Road Industrial Estate, N. Shields		2.5	2.5	2.6				
Retail unit in support of residential development, Scaffold Hill		0.6	0.6	0.6				
Retail unit in support of residential development, White House Farm		0.4	0.4	0.4				
Mixed use scheme, land at Smiths Dock, North Shields		1.5	1.5	1.6				
Foodstore, Great Lime Road, Forest Hall		5.6	5.7	5.8				
Outline application for new foodstore, Forum Shopping Centre, Wallsend		15.8	16.0	16.4				
Change of use offices to retail, Eldon Street, Wallsend		0.3	0.3	0.3				
Redevelopment of Police Houses, Churchill Street, Howdon		2.9	2.9	3.0				
Extension of farm shop, Killingworth Way, Killingworth		0.5	0.5	0.5				
Two A1 units, Killingworth Centre		0.3	0.3	0.3				
New retail unit, Earsdon Road, Whitley Bay		2.7	2.7	2.8				
Café, petrol filling station and shop, Auto Park, Sandy Lane, North Gosforth		0.4	0.4	0.4				
Demolition and rebuild of 146-156 High Street West, Wallsend		0.3	0.3	0.3				
F. Turnover from commitments (£m)		36.4	36.8	37.7	36.4	0.4	0.9	37.7
G. Residual expenditure (£m) ⁽⁵⁾	0.0	-5.6	13.5	44.8	-5.6	19.1	31.3	44.8
H. Over-trading of existing stores (£m) ⁽⁶⁾					20.7			
Convenience retail assessment ⁽⁷⁾								
Assumed sales density (£/sq.m)					10,067	10,178	10,425	
I. Floorspace requirement (sales area sq.m)					1,499	1,876	3,004	6,378
J. Floorspace requirement (gross sq.m)					2,306	2,886	4,621	9,813

NOTES:

(1) OCA expenditure retention - this is the product of the current market share of the OCA centres (the cumulative share of the centres within the OCA) and the total OCA expenditure including SFT. The market share increases to 92.5 per cent by 2019 in this scenario.

(2) Turnover of stores - this is the turnover of stores within the OCA that is derived from OCA expenditure only. We have forecast this turnover to increase by an average of 0.0% per annum between 2014 and 2019 to account for sales density growth, and 0.2% from 2019 up to 2024 and 0.3% from 2024 to 2032 in line with Experian forecasts.

(3) Special Forms of Trading - we have made an allowance for spending on SFT (adjusted for SFT sales from stores) to increase year on year.

(4) Commitments/completions - this is the turnover of commitments for new convenience retail floorspace in the OCA that is derived from OCA expenditure only (listed in Table 4.5 of Main Report).

(5) Residual expenditure - the product of the total available expenditure minus the deductions for the existing stores' turnover, growth in spending on SFT and commitments.

(6) Over-trading of existing stores - the reasoning for taking into account overtrading is set out in Section 5 and Table 5.1 of the main report.

(7) Convenience retail assessment - the residual expenditure, in addition to the over-trading of existing stores, is converted to a convenience retail floorspace requirement using a sales density estimate of £10,067/sq.m (average of Top 10 convenience retailers in the Verdict Food and Grocery Retailing report 2013). Forecast increases in sales densities from Experian Retail Planner Briefing Note 12.1 are then applied per annum between 2014 and 2032. 65% net to gross ratio assumed.

All monetary values are held constant at 2012 prices.

Spreadsheet 14c - Summary of Capacity for Convenience Goods (Constant Retention Rate of 88.5% and Option 2 Population Growth)

	2014	2019	2024	2032	Incremental Change			2014-32
					2014-19	2019-24	2024-32	
OCA expenditure retention ⁽¹⁾								
A. Total OCA expenditure (including SFT) (£m)	381.0	396.7	424.7	486.5	15.7	27.9	61.9	105.5
B. Current retention level within the OCA (%)	88.5%	88.5%	88.5%	88.5%				
C. Retained expenditure (£m) (=A*B)	337.2	351.1	375.8	430.6	13.9	24.7	54.7	93.4
Turnover of stores ⁽²⁾								
D. Turnover of OCA stores derived from within the OCA (£m)	337.2	337.2	340.9	349.2	0.0	3.7	8.3	12.0
Special Forms of Trading ⁽³⁾								
E. Growth in spending on SFT (£m)	0.0	0.8	1.6	2.7	0.8	0.8	1.1	2.7
Commitments and completions ⁽⁴⁾								
Retail unit, Cobalt Business Park		1.5	1.5	1.6				
Two convenience retail units, Quorum Business Park, Longbenton		1.1	1.1	1.1				
Retail unit (Outline) on land at Dock Road Industrial Estate, N. Shields		2.5	2.5	2.6				
Retail unit in support of residential development, Scaffold Hill		0.6	0.6	0.6				
Retail unit in support of residential development, White House Farm		0.4	0.4	0.4				
Mixed use scheme, land at Smiths Dock, North Shields		1.5	1.5	1.6				
Foodstore, Great Lime Road, Forest Hall		5.6	5.7	5.8				
Outline application for new foodstore, Forum Shopping Centre, Wallsend		15.8	16.0	16.4				
Change of use offices to retail, Eldon Street, Wallsend		0.3	0.3	0.3				
Redevelopment of Police Houses, Churchill Street, Howdon		2.9	2.9	3.0				
Extension of farm shop, Killingworth Way, Killingworth		0.5	0.5	0.5				
Two A1 units, Killingworth Centre		0.3	0.3	0.3				
New retail unit, Earsdon Road, Whitley Bay		2.7	2.7	2.8				
Café, petrol filling station and shop, Auto Park, Sandy Lane, North Gosforth		0.4	0.4	0.4				
Demolition and rebuild of 146-156 High Street West, Wallsend		0.3	0.3	0.3				
F. Turnover from commitments (£m)		36.4	36.8	37.7	36.4	0.4	0.9	37.7
G. Residual expenditure (£m) ⁽⁵⁾								
	0.0	-23.3	-3.4	41.0	-23.3	19.8	44.5	41.0
H. Over-trading of existing stores (£m) ⁽⁶⁾								
					20.7			
Convenience retail assessment ⁽⁷⁾								
Assumed sales density (£/sq.m)					10,067	10,178	10,425	
I. Floorspace requirement (sales area sq.m)					-257	1,950	4,268	5,960
J. Floorspace requirement (gross sq.m)					-396	3,000	6,566	9,169

NOTES:

((1) OCA expenditure retention - this is the product of the current market share of the OCA centres (the cumulative share of the centres within the OCA) and the total OCA expenditure including SFT. The market share remains constant at 88.5% in each of the forecast years in this scenario.

(2) Turnover of stores - this is the turnover of stores within the OCA that is derived from OCA expenditure only. We have forecast this turnover to increase by an average of 0.0% per annum between 2014 and 2019 to account for sales density growth, and 0.2% from 2019 up to 2024 and 0.3% from 2024 to 2032, in line with Experian forecasts.

(3) Special Forms of Trading - we have made an allowance for spending on SFT (adjusted for SFT sales from stores) to increase year on year.

(4) Commitments/completions - this is the turnover of commitments for new convenience retail floorspace in the OCA that is derived from OCA expenditure only (listed in Table 4.5 of Main Report).

(5) Residual expenditure - the product of the total available expenditure minus the deductions for the existing stores' turnover, growth in spending on SFT and commitments.

(6) Over-trading of existing stores - the reasoning for taking into account overtrading is set out in Section 5 and Table 5.1 of the main report.

(7) Convenience retail assessment - the residual expenditure, in addition to the over-trading of existing stores, is converted to a convenience retail floorspace requirement using a sales density estimate of £10,067/sq.m (average of Top 10 convenience retailers in the Verdict Food and Grocery Retailing report 2013). Forecast increases in sales densities from Experian Retail Planner Briefing Note 12.1 are then applied per annum between 2014 and 2032. 65% net to gross ratio assumed.

All monetary values are held constant at 2012 prices.

Spreadsheet 14d - Summary of Capacity for Convenience Goods (Rising Retention Rate of 92.5% by 2019 and Option 2 Population Growth)

	2014	2019	2024	2032	Incremental Change			2014-32
					2014-19	2019-24	2024-32	
OCA expenditure retention ⁽¹⁾								
A. Total OCA expenditure (including SFT) (£m)	381.0	396.7	424.7	486.5	15.7	27.9	61.9	105.5
B. Current retention level within the OCA (%)	88.5%	92.5%	92.5%	92.5%				
C. Retained expenditure (£m) (=A*B)	337.2	367.0	392.8	450.0	29.8	25.8	57.2	112.9
Turnover of stores ⁽²⁾								
D. Turnover of OCA stores derived from within the OCA (£m)	337.2	337.2	340.9	349.2	0.0	3.7	8.3	12.0
Special Forms of Trading ⁽³⁾								
E. Growth in spending on SFT (£m)	0.0	0.8	1.6	2.7	0.8	0.8	1.1	2.7
Commitments and completions ⁽⁴⁾								
Retail unit, Cobalt Business Park		1.5	1.5	1.6				
Two convenience retail units, Quorum Business Park, Longbenton		1.1	1.1	1.1				
Retail unit (Outline) on land at Dock Road Industrial Estate, N. Shields		2.5	2.5	2.6				
Retail unit in support of residential development, Scaffold Hill		0.6	0.6	0.6				
Retail unit in support of residential development, White House Farm		0.4	0.4	0.4				
Mixed use scheme, land at Smiths Dock, North Shields		1.5	1.5	1.6				
Foodstore, Great Lime Road, Forest Hall		5.6	5.7	5.8				
Outline application for new foodstore, Forum Shopping Centre, Wallsend		15.8	16.0	16.4				
Change of use offices to retail, Eldon Street, Wallsend		0.3	0.3	0.3				
Redevelopment of Police Houses, Churchill Street, Howdon		2.9	2.9	3.0				
Extension of farm shop, Killingworth Way, Killingworth		0.5	0.5	0.5				
Two A1 units, Killingworth Centre		0.3	0.3	0.3				
New retail unit, Earsdon Road, Whitley Bay		2.7	2.7	2.8				
Café, petrol filling station and shop, Auto Park, Sandy Lane, North Gosforth		0.4	0.4	0.4				
Demolition and rebuild of 146-156 High Street West, Wallsend		0.3	0.3	0.3				
F. Turnover from commitments (£m)		36.4	36.8	37.7	36.4	0.4	0.9	37.7
G. Residual expenditure (£m) ⁽⁵⁾	0.0	-7.4	13.5	60.5	-7.4	21.0	47.0	60.5
H. Over-trading of existing stores (£m) ⁽⁶⁾					20.7			
Convenience retail assessment ⁽⁷⁾								
Assumed sales density (£/sq.m)					10,067	10,178	10,425	
I. Floorspace requirement (sales area sq.m)					1,319	2,059	4,505	7,884
J. Floorspace requirement (gross sq.m)					2,029	3,168	6,931	12,129

NOTES:

- (1) OCA expenditure retention - this is the product of the current market share of the OCA centres (the cumulative share of the centres within the OCA) and the total OCA expenditure including SFT. The market share increases to 92.5 per cent by 2019 in this scenario.
- (2) Turnover of stores - this is the turnover of stores within the OCA that is derived from OCA expenditure only. We have forecast this turnover to increase by an average of 0.0% per annum between 2014 and 2019 to account for sales density growth, and 0.2% from 2019 up to 2024 and 0.3% from 2024 to 2032, in line with Experian forecasts.
- (3) Special Forms of Trading - we have made an allowance for spending on SFT (adjusted for SFT sales from stores) to increase year on year.
- (4) Commitments/completions - this is the turnover of commitments for new convenience retail floorspace in the OCA that is derived from OCA expenditure only (listed in Table 4.5 of Main Report).
- (5) Residual expenditure - the product of the total available expenditure minus the deductions for the existing stores' turnover, growth in spending on SFT and commitments.
- (6) Over-trading of existing stores - the reasoning for taking into account overtrading is set out in Section 5 and Table 5.1 of the main report.
- (7) Convenience retail assessment - the residual expenditure, in addition to the over-trading of existing stores, is converted to a convenience retail floorspace requirement using a sales density estimate of £10,067/sq.m (average of Top 10 convenience retailers in the Verdict Food and Grocery Retailing report 2013). Forecast increases in sales densities from Experian Retail Planner Briefing Note 12.1 are then applied per annum between 2014 and 2032. 65% net to gross ratio assumed.
- All monetary values are held constant at 2012 prices.

Spreadsheet 15 - Leisure Services Expenditure Per Capita (£)

Year	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Great Britain Average
	£ per capita	£ per capita	£ per capita	£ per capita	£ per capita	£ per capita	£ per capita	
2012	2,049	1,987	2,569	2,339	1,588	1,802	2,053	
2014	2,092	2,029	2,623	2,388	1,621	1,840	2,096	
2019	2,251	2,183	2,823	2,570	1,745	1,980	2,256	
2024	2,392	2,320	2,999	2,731	1,854	2,104	2,397	
2032	2,652	2,572	3,325	3,028	2,056	2,333	2,658	

NOTES:

(1) 2012-based per capita leisure services expenditure data were sourced from Experian MMG3.

(2) The 2012-based per capita leisure services expenditure data is projected forward to the base year and forecast years using forecasts provided by Experian in its Retail Planner Briefing Note 12.1 (Figure 1, October 2014).

Year	Per Capita Leisure Expenditure Growth Rate
2012 - 2013	0.0%
2013 - 2014	2.1%
2014 - 2015	2.8%
2015 - 2016	1.3%
2016 - 2017	1.1%
2017 - 2018	1.1%
2018 - 2019	1.1%
2019 - 2020	1.1%
2020 - 2021	1.1%
2021 - 2022	1.3%
2022 - 2023	1.3%
2023 - 2024	1.3%
2024 - 2025	1.3%
2025 - 2026	1.3%
2026 - 2027	1.3%
2027 - 2028	1.3%
2028 - 2029	1.3%
2029 - 2030	1.3%
2030 - 2031	1.3%
2031 - 2032	1.3%

All monetary values are held constant at 2012 prices.

Spreadsheet 16a - Total Leisure Services Expenditure and Expenditure Growth

	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	All Zones Total
	£m	£m	£m	£m	£m	£m	£m	£m
Total expenditure 2014	60.2	25.2	97.7	80.2	54.7	67.8	51.0	436.8
Total expenditure 2019	66.1	27.7	107.3	88.1	60.1	74.4	56.1	479.8
Total expenditure 2024	72.3	30.2	117.2	96.3	65.7	81.3	61.3	524.3
Total expenditure 2032	83.9	35.1	136.1	111.7	76.2	94.4	71.1	608.4
Growth in total expenditure 2014 - 2019	5.9	2.5	9.6	7.9	5.4	6.7	5.0	43.0
Growth in total expenditure 2014 - 2024	12.1	5.0	19.6	16.1	11.0	13.6	10.2	87.5
Growth in total expenditure 2014 - 2032	23.7	9.9	38.4	31.5	21.5	26.6	20.1	171.6

NOTES:

(1) The figures in the above table are the product of multiplying the data presented in Spreadsheet 2a by Spreadsheet 15 , and are in millions of pounds (£m).

All monetary values are held constant at 2012 prices.

Spreadsheet 16b - Total Leisure Services Expenditure and Expenditure Growth (Option 2 Population Growth)

	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	All Zones Total
	£m	£m	£m	£m	£m	£m	£m	£m
Total expenditure 2014	60.2	25.2	97.7	80.2	54.7	67.8	51.0	436.8
Total expenditure 2019	65.8	27.5	106.8	87.7	59.8	74.1	55.8	477.4
Total expenditure 2024	72.3	30.2	117.3	96.3	65.7	81.3	61.3	524.4
Total expenditure 2032	86.9	36.4	141.0	115.8	79.0	97.8	73.7	630.6
Growth in total expenditure 2014 - 2019	5.6	2.3	9.1	7.5	5.1	6.3	4.7	40.6
Growth in total expenditure 2014 - 2024	12.1	5.0	19.6	16.1	11.0	13.6	10.2	87.6
Growth in total expenditure 2014 - 2032	26.7	11.2	43.3	35.6	24.3	30.1	22.6	193.8

NOTES:

(1) The figures in the above table are the product of multiplying the data presented in Spreadsheet 2b by Spreadsheet 15 , and are in millions of pounds (£m).

All monetary values are held constant at 2012 prices.

Spreadsheet 17 - Percentage of Total Leisure Services Expenditure on Different Categories of Leisure Services

Table A - Per Capita Expenditure on Different Categories of Leisure Services in 2008 and 2011

	Oxford Economics/MapInfo Leisure Services Expenditure Category	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7
		£ per capita	£ per capita	£ per capita	£ per capita	£ per capita	£ per capita	£ per capita
2008	Recreational & cultural services	363	353	382	390	330	355	361
	Restaurants, cafes and canteens	1,147	1,130	1,212	1,227	1,022	1,132	1,120
	Accommodation services	136	134	144	146	121	134	133
	Hairdressing & personal grooming	66	64	70	72	59	65	65
	Total Leisure Services Expenditure	1,712	1,681	1,808	1,835	1,533	1,687	1,679
2011	Recreational & cultural services	341	331	359	366	310	333	339
	Restaurants, cafes and canteens	1,075	1,060	1,137	1,150	959	1,062	1,050
	Accommodation services	128	126	135	136	114	126	125
	Hairdressing & personal grooming	62	60	65	68	55	61	61
	Total Leisure Services Expenditure	1,606	1,577	1,696	1,721	1,438	1,582	1,575

Table B - Total Expenditure on Different Categories of Leisure Services

	Oxford Economics/MapInfo Leisure Services Expenditure Category	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Total	% of Total Spend
		£m	£m	£m	£m	£m	£m	£m	£m	%
2011	Recreational & cultural services	9.5	4.2	13.3	12.4	9.9	12.0	7.5	68.8	21.3%
	Restaurants, cafes and canteens	29.9	13.4	42.2	38.9	30.8	38.4	23.4	216.8	66.9%
	Accommodation services	3.5	1.6	5.0	4.6	3.6	4.6	2.8	25.7	7.9%
	Hairdressing & personal grooming	1.7	0.8	2.4	2.3	1.8	2.2	1.4	12.5	3.9%
	Total Leisure Services Expenditure	44.6	19.9	62.9	58.1	46.1	57.2	35.1	323.9	100.0%

Table C - Composition of MapInfo Leisure Services Expenditure Categories

Oxford Economics/MapInfo Leisure Services Expenditure Category	Corresponding COICOP Class		Leisure Services Sub-Category	Composition of MapInfo Leisure Services Expenditure Category
	Code	Name		
Recreational & cultural services	09.4.1	Recreation and sporting services	Recreational and sporting services	26.6%
	09.4.2	Cultural services	Cultural services	52.2%
			<i>Cinema admissions</i>	3.3%
			<i>Other cultural services</i>	48.9%
	09.4.3	Games of chance	Games of chance	21.2%
		<i>Bingo stakes</i>	1.6%	
		<i>Other games of chance</i>	19.6%	
		Total	100.0%	
Restaurants, cafes and canteens	11.1.1	Restaurants, cafes and the like	Restaurants, cafes and the like	93.9%
			<i>Restaurant and cafe meals</i>	42.6%
			<i>Alcoholic drinks</i>	23.1%
			<i>Take-away, snack food and catering</i>	28.2%
11.1.2	Canteens	Canteens	6.1%	
		Total	100.0%	
Accommodation services	11.2.0	Accommodation services	Accommodation services	100.0%
			Total	100.0%
Hairdressing & personal grooming	12.1.1	Hairdressing and personal grooming	Hairdressing & personal grooming	100.0%
			Total	100.0%

NOTES:

(1) Table A sets out 2008-based per capita expenditure sourced from Oxford Economics 2010 via MapInfo AnySite 8.8.1. for four different categories of leisure services. The 2008-based per capita expenditure data are rolled forward to the base year (2011) using the forecasts provided by Experian in its Retail Planner Briefing Note 8.1 (Figure 1, August 2010).

(2) The figures in Table B are the products of multiplying the 2011 per capita expenditure data presented in Table A by the 2011 population data set out in Spreadsheet 2, and are in millions of pounds (£m).

(3) Table C sets out the corresponding COICOP (Classification of Individual Consumption by Purpose) class for each of the four OE/MapInfo leisure services categories, as set out in MapInfo/PBBI's 2004 Leisure Goods & Services Expenditure at Output Area Level Product Guide. The percentage composition of the four MapInfo leisure services categories for each of the leisure services sub-categories was established on the basis of data on the components of household expenditure sourced from ONS' 2010 Family Spending report on the 2009 Living Costs and Food Survey (Table A1).

All monetary values are held constant at 2008 prices.

Spreadsheet 18a - Expenditure and Growth in Expenditure on Different Categories of Leisure Services

Oxford Economics/MapInfo Leisure Services Category	COICOP Class	Leisure Services Sub-Category	% of Total Leisure Services Expenditure ⁽¹⁾	Total Expenditure				Growth in Expenditure			
				2014 £m	2019 £m	2024 £m	2032 £m	2014-2019 £m	2019-2024 £m	2024-2032 £m	
Recreational & cultural services	09.4.1	Recreational and sporting services	Total	5.7%	24.9	27.3	29.9	34.7	2.5	5.0	9.8
	09.4.2	Cultural services	Cinema admissions	0.7%	3.1	3.4	3.7	4.3	0.3	0.6	1.2
			Other in 'cultural services'	10.4%	45.4	49.9	54.5	63.3	4.5	9.1	17.8
			Total	11.1%	48.5	53.3	58.2	67.5	4.8	9.7	19.0
	09.4.3	Games of chance	Bingo stakes	0.3%	1.3	1.4	1.6	1.8	0.1	0.3	0.5
			Other in 'games of chance'	4.2%	18.3	20.2	22.0	25.6	1.8	3.7	7.2
		Total	4.5%	19.7	21.6	23.6	27.4	1.9	3.9	7.7	
		Total	21.3%	93.0	102.2	111.7	129.6	9.2	18.6	36.6	
Restaurants, cafes and canteens	11.1.1	Restaurants, cafes and the like	Restaurant and cafe meals	28.5%	124.5	136.7	149.4	173.4	12.3	24.9	48.9
			Alcoholic drinks	15.4%	67.3	73.9	80.7	93.7	6.6	13.5	26.4
			Take-away, snack food and catering	18.9%	82.6	90.7	99.1	115.0	8.1	16.5	32.4
			Total	62.9%	274.8	301.8	329.8	382.7	27.0	55.0	107.9
	11.1.2	Canteens	Total	4.1%	17.9	19.7	21.5	24.9	1.8	3.6	7.0
			Total	67.0%	292.7	321.5	351.3	407.6	28.8	58.6	115.0
Accommodation services	11.2.0	Accommodation services	Total	7.9%	34.5	37.9	41.4	48.1	3.4	6.9	13.6
		Total	7.9%	34.5	37.9	41.4	48.1	3.4	6.9	13.6	
Hairdressing & personal grooming	12.1.1	Hair & personal grooming	Total	3.9%	17.0	18.7	20.4	23.7	1.7	3.4	6.7
		Total	3.9%	17.0	18.7	20.4	23.7	1.7	3.4	6.7	
TOTAL				100.1%	436.8	479.8	524.3	608.4	43.0	87.5	171.6

NOTES:

(1) Percentage of total leisure services expenditure for each sub-category carried over from Spreadsheet 18a of the 2011 North Tyneside Retail and Leisure Study
All monetary values are held constant at 2012 prices.

Spreadsheet 18b - Expenditure and Growth in Expenditure on Different Categories of Leisure Services (Option 2 Population Growth)

Oxford Economics/MapInfo Leisure Services Category	COICOP Class	Leisure Services Sub-Category	% of Total Leisure Services Expenditure ⁽¹⁾	Total Expenditure				Growth in Expenditure		
				2014 £m	2019 £m	2024 £m	2032 £m	2014-2019 £m	2019-2024 £m	2024-2032 £m
Recreational & cultural services	09.4.1 Recreational and sporting services	Total	5.7%	24.9	27.2	29.9	35.9	2.3	5.0	11.0
		Cinema admissions	0.7%	3.1	3.3	3.7	4.4	0.3	0.6	1.4
	09.4.2 Cultural services	Other in 'cultural services'	10.4%	45.4	49.7	54.5	65.6	4.2	9.1	20.2
		Total	11.1%	48.5	53.0	58.2	70.0	4.5	9.7	21.5
	09.4.3 Games of chance	Bingo stakes	0.3%	1.3	1.4	1.6	1.9	0.1	0.3	0.6
		Other in 'games of chance'	4.2%	18.3	20.1	22.0	26.5	1.7	3.7	8.1
	Total	Total	4.5%	19.7	21.5	23.6	28.4	1.8	3.9	8.7
Total	Total	21.3%	93.0	101.7	111.7	134.3	8.7	18.7	41.3	
Restaurants, cafes and canteens	11.1.1 Restaurants, cafes and the like	Restaurant and cafe meals	28.5%	124.5	136.1	149.5	179.7	11.6	25.0	55.2
		Alcoholic drinks	15.4%	67.3	73.5	80.8	97.1	6.3	13.5	29.8
		Take-away, snack food and catering	18.9%	82.6	90.2	99.1	119.2	7.7	16.6	36.6
		Total	62.9%	274.8	300.3	329.8	396.7	25.6	55.1	121.9
	11.1.2 Canteens	Total	4.1%	17.9	19.6	21.5	25.9	1.7	3.6	7.9
Total	Total	67.0%	292.7	319.9	351.3	422.5	27.2	58.7	129.9	
Accommodation services	11.2.0 Accommodation services	Total	7.9%	34.5	37.7	41.4	49.8	3.2	6.9	15.3
Total	Total	Total	7.9%	34.5	37.7	41.4	49.8	3.2	6.9	15.3
Hairdressing & personal grooming	12.1.1 Hair & personal grooming	Total	3.9%	17.0	18.6	20.5	24.6	1.6	3.4	7.6
Total	Total	Total	3.9%	17.0	18.6	20.5	24.6	1.6	3.4	7.6
TOTAL			100.1%	436.8	477.4	524.4	630.6	40.6	87.6	193.8

NOTES:

(1) Percentage of total leisure services expenditure for each sub-category carried over from Spreadsheet 18a of the 2011 North Tyneside Retail and Leisure Study

All monetary values are held constant at 2012 prices.

Spreadsheet 19a - Summary of Expenditure Capacity for Restaurants, Cafes, Pubs and Bars (Option 1 Population Growth)

	2014	2019	2024	2032	Change		
					2014-2019	2019-2024	2024-2032
Catchment area expenditure retention ⁽¹⁾							
A. Total catchment area expenditure on restaurant and café meals and alcoholic drinks (£m)	191.8	210.6	230.2	267.1	18.9	38.4	75.3
B. Retention level within the catchment area (%)	60.1%	60.1%	65.0%	65.0%			
C. Retained expenditure on restaurant and café meals and alcoholic drinks (£m) (=A*B)	115.3	126.7	149.6	173.6	11.3	34.3	58.3
Turnover of restaurants, cafes etc. ⁽²⁾							
D. Turnover of catchment area restaurants, cafes, pubs and bars derived from catchment area (£m)	115.3	115.3	115.3	115.3	0.0	0.0	0.0
Allowance for existing restaurants, cafes etc. ⁽³⁾							
E. Allowance of 50% of the growth in retained expenditure for existing restaurants, cafes, pubs and bars (£m)	0.0	5.7	17.1	29.1	5.7	17.1	29.1
F. Residual expenditure (£m) ⁽⁴⁾	0.0	5.7	17.1	29.1	5.7	17.1	29.1

- NOTES:**
- (1) Catchment area expenditure retention - This is the product of the market share of the catchment area restaurants, cafes, pubs, bars and nightclubs and the total catchment area expenditure on restaurants and cafe meals, and alcoholic drinks. The market share of 60.1% at 2014 is derived from the results of the household survey and is forecast to increase to 65.0% by 2024 in this scenario.
- (2) Turnover of restaurants, cafes etc. - This is the expenditure on restaurant and café meals and alcoholic drinks within the catchment area that is derived from catchment area expenditure only.
- (3) Allowance for existing restaurants, cafes etc. - We have allocated 50% of the growth in retained expenditure in restuarants, cafes etc. within the catchment area to existing restuarants, cafes etc to enable them to grow their businesses.
- (4) Residual expenditure - the product of the total retained expenditure minus the deductions for the turnover of existing restaurants, cafes etc. and the allowance for existing restaurants, cafes etc. to grow their businesses.

All monetary values are held constant at 2012 prices.

Spreadsheet 19b - Summary of Expenditure Capacity for Cinemas (Option 1 Population Growth)

	2014	2019	2024	2032	Change		
					2014-2019	2019-2024	2024-2032
Catchment area expenditure retention ⁽¹⁾							
A. Total catchment area expenditure in cinemas (£m)	3.1	3.4	3.7	4.3	0.3	0.6	1.2
B. Retention level within the catchment area (%)	84.2%	84.2%	84.2%	84.2%			
C. Retained expenditure in cinemas (£m) (=A*B)	2.6	2.8	3.1	3.6	0.3	0.5	1.0
D. Residual expenditure (£m) ⁽²⁾	2.6	2.8	3.1	3.6	0.3	0.5	1.0

NOTES:

(1) Catchment area expenditure retention - This is the product of the market share of the catchment area cinemas and the total catchment area expenditure in cinemas. The market share of 84.2% at 2014 is derived from the results of the household survey and remains constant in each the forecast years in this scenario.

(2) Residual expenditure - the total retained expenditure in cinemas.

All monetary values are held constant at 2012 prices.

Spreadsheet 19c - Summary of Expenditure Capacity for Bingo Clubs (Option 1 Population Growth)

	2014	2019	2024	2032	Change		
					2014-2019	2019-2024	2024-2032
Catchment area expenditure retention ⁽¹⁾							
A. Total catchment area expenditure on bingo (£m)	1.3	1.4	1.6	1.8	0.1	0.3	0.5
B. Retention level within the catchment area (%)	70.8%	70.8%	70.8%	70.8%			
C. Retained expenditure on bingo (£m) (=A*B)	0.9	1.0	1.1	1.3	0.1	0.2	0.4
D. Residual expenditure (£m) ⁽²⁾	0.9	1.0	1.1	1.3	0.1	0.2	0.4

NOTES:

(1) Catchment area expenditure retention - This is the product of the market share of the catchment area bingo clubs, casinos and bookmakers and the total catchment area expenditure on bingo. The market share of 70.8% at 2014 is derived from the results of the household survey and remains constant in each the forecast years in this scenario.

(2) Residual expenditure - the total retained expenditure on bingo.

All monetary values are held constant at 2012 prices.

Spreadsheet 19d - Summary of Expenditure Capacity for Restaurants, Cafes, Pubs and Bars (Option 2 Population Growth)

	2014	2019	2024	2032	Change		
					2014-2019	2019-2024	2024-2032
Catchment area expenditure retention ⁽¹⁾							
A. Total catchment area expenditure on restaurant and café meals and alcoholic drinks (£m)	191.8	209.6	230.2	276.9	17.8	38.4	85.1
B. Retention level within the catchment area (%)	60.1%	60.1%	65.0%	65.0%			
C. Retained expenditure on restaurant and café meals and alcoholic drinks (£m) (=A*B)	115.3	126.1	149.6	180.0	10.7	34.3	64.6
Turnover of restaurants, cafes etc. ⁽²⁾							
D. Turnover of catchment area restaurants, cafes, pubs and bars derived from catchment area (£m)	115.3	115.3	115.3	115.3	0.0	0.0	0.0
Allowance for existing restaurants, cafes etc. ⁽³⁾							
E. Allowance of 50% of the growth in retained expenditure for existing restaurants, cafes, pubs and bars (£m)	0.0	5.4	17.2	32.3	5.4	17.2	32.3
F. Residual expenditure (£m) ⁽⁴⁾	0.0	5.4	17.2	32.3	5.4	17.2	32.3

NOTES:

- (1) Catchment area expenditure retention - This is the product of the market share of the catchment area restaurants, cafes, pubs, bars and nightclubs and the total catchment area expenditure on restaurants and cafe meals, and alcoholic drinks. The market share of 60.1% at 2014 is derived from the results of the household survey and is forecast to increase to 65.0% by 2024 in this scenario.
- (2) Turnover of restaurants, cafes etc. - This is the expenditure on restaurant and café meals and alcoholic drinks within the catchment area that is derived from catchment area expenditure only.
- (3) Allowance for existing restaurants, cafes etc. - We have allocated 50% of the growth in retained expenditure in restuarants, cafes etc. within the catchment area to existing restuarants, cafes etc to enable them to grow their businesses.
- (4) Residual expenditure - the product of the total retained expenditure minus the deductions for the turnover of existing restaurants, cafes etc. and the allowance for existing restaurants, cafes etc. to grow their businesses.

All monetary values are held constant at 2012 prices.

Spreadsheet 19e - Summary of Expenditure Capacity for Cinemas (Option 2 Population Growth)

	2014	2019	2024	2032	Change		
					2014-2019	2019-2024	2024-2032
Catchment area expenditure retention ⁽¹⁾							
A. Total catchment area expenditure in cinemas (£m)	3.1	3.3	3.7	4.4	0.3	0.6	1.4
B. Retention level within the catchment area (%)	84.2%	84.2%	84.2%	84.2%			
C. Retained expenditure in cinemas (£m) (=A*B)	2.6	2.8	3.1	3.7	0.2	0.5	1.1
D. Residual expenditure (£m) ⁽²⁾	2.6	2.8	3.1	3.7	0.2	0.5	1.1

NOTES:

(1) Catchment area expenditure retention - This is the product of the market share of the catchment area cinemas and the total catchment area expenditure in cinemas. The market share of 84.2% at 2014 is derived from the results of the household survey and remains constant in each the forecast years in this scenario.

(2) Residual expenditure - the total retained expenditure in cinemas.

All monetary values are held constant at 2012 prices.

Spreadsheet 19f - Summary of Expenditure Capacity for Bingo Clubs (Option 2 Population Growth)

	2014	2019	2024	2032	Change		
					2014-2019	2019-2024	2024-2032
Catchment area expenditure retention ⁽¹⁾							
A. Total catchment area expenditure on bingo (£m)	1.3	1.4	1.6	1.9	0.1	0.3	0.6
B. Retention level within the catchment area (%)	70.8%	70.8%	70.8%	70.8%			
C. Retained expenditure on bingo (£m) (=A*B)	0.9	1.0	1.1	1.3	0.1	0.2	0.4
D. Residual expenditure (£m) ⁽²⁾	0.9	1.0	1.1	1.3	0.1	0.2	0.4

NOTES:

(1) Catchment area expenditure retention - This is the product of the market share of the catchment area bingo clubs, casinos and bookmakers and the total catchment area expenditure on bingo. The market share of 70.8% at 2014 is derived from the results of the household survey and remains constant in each the forecast years in this scenario.

(2) Residual expenditure - the total retained expenditure on bingo.

All monetary values are held constant at 2012 prices.

APPENDIX B COUNCIL IN-HOUSE UPDATE REPORTS

C

Identify if any changes are necessary to the previous study on the hierarchy of centres and assess whether it is resilient to anticipated future economic changes and predicted growth, including future housing allocations. Assess potential new designations such as Howdon, Wideopen, Dudley, Silverlink, Whitley Road Retail Park, Boundary Mills retail park and the potential allocation of new centres associated with strategic housing allocations currently being considered.

Introduction

The borough's centres constantly have to adapt to a changing retail and leisure environment. In planning for their centres, the NPPF requires Local Planning Authorities to set out policies for the management and growth of centres and to define a network and hierarchy of centres that is resilient to anticipated future economic changes.

Town Centres

The previous Study had two categories for town centres; 'main town centres' were North Shields, Wallsend, Whitley Bay and the 'town centre' category was used for Killingworth. The two categories have been combined into one 'Town Centre' category for North Shields, Wallsend, Whitley Bay and Killingworth. This change is to reflect that all these centres provide a variety of shops, services and facilities including unique independent businesses that bring variety and vitality to a centre. Killingworth is a principal area within the borough with a high comparison goods turnover and a large number of retail units and therefore judged to perform a similar role as the other three centres.

District Centres and Local Centres

District centres provide smaller scale shopping, allowing people to do "top up" shopping, reducing the need to travel. The previous Study broke the category of 'District Centres' into 'District Centres' and 'Minor District Centres'. Updated analysis of each has classified them as 'District Centres' and 'Local Centres', this follows the hierarchy of the NPPF. This analysis enables a ranking of the centres and also takes into account leisure and commercial uses. The previous analysis has been updated and is outlined below.

Methodology

Size of the Centres

The district centres have been split into two categories of size: small (less than 40 retail and service units in total) and medium (41 to 200 units). On this basis, there are five 'small' district centres, three 'medium-sized' district centres. The number of units in each centre is set out below.

Table 1

Existing Centre	Number of Retail and Service Units
Battle Hill	18
Forest Hall	46
Longbenton	38
Monkseaton	70
Northumberland Park	12
Preston Grange	14
Tynemouth	109
Whitley Lodge	25

Local Provision Audit

In order to provide key local retail and service facilities a centre should contain most of the following uses:

- Food or convenience store;
- Bank;
- Post Office;
- Newsagent;
- Off license;
- Takeaway, cafe or restaurant;
- Public house;
- Bookmakers;
- Opticians;
- Hairdressers; and
- Chemist or pharmacy

Analysis of local provision is shown below. The frequency for which each use occurs in each of the centres is recorded and weighted according to their value in catering for local needs. The same weightings are applied as the previous study, which considers the first ten uses scoring one point; the next three uses three points; and the last two uses five points each. A centre will also score higher if there is more than one occurrence of each use, but to prevent some centres achieving disproportionately high scores as a result of the proliferation of uses such as cafes/ take-aways and hairdressers the maximum score for each of the category one uses is 10 (with the overall number shown in brackets).

Table 2

	Battle Hill	Forest Hall	Longbenton	Monkseaton	Northumberland Park	Preston Grange	Tynemouth	Whitley Lodge
Category 1								
Top-up convenience	1	4	1	1	0	1	1	1
Newsagent	1	1	0	1	0	1	2	0
Off Licence	0	0	2	0	0	0	1	0
Takeaway/Cafe/ Restaurant	4	9	4	9	3	1	10 (29)	6
Public House		1	0	3	0	0	7	1
Bookmakers	1	2	2	0	1	1	0	1
Opticians	1	1	1	0	0	0	2	0
Hairdresser/ Beauty	1	6	1	10 (11)	1	1	8	2
Other Convenience	1	1	0	10 (20)	1	0	10 (20)	0
Other Town Centre Uses	4	10 (17)	10 (23)	10 (24)	4	3	10 (35)	10 (11)
Total	14	35	21	44	10	8	51	21
Category 2								
Supermarket	2	0	2	0	1	0	1	1
Bank	0	1	0	0	0	0	1	0
Chemist/Pharmacy	1	2	1	1	1	1	1	1
Total	9	9	9	3	6	3	9	6
Category 3								
Superstore	0	0	0	0	0	1	0	0
Post Office	1	1	1	0	0	1	1	1
Total	5	5	5	0	0	10	5	5

Total Weighted Score	28	49	35	47	16	21	65	32
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There are a number of other factors that should be considered when assessing the adequacy of such facilities such as:

- the physical size of a centre, restricting the scale and nature of the shops and services which can be offered;
- the local provision index does not take into account the proximity of nearby centres or freestanding shops and services which may be located outside the centre boundary, but still within walking distance for local residents;
- the index does not take into account how a centre is perceived by residents and the overall quality of shops and services and the quality of the district centre environment; and that
- the relative accessibility of each centre to determine how people use local shops and services.

Initial Conclusions

Town Centres

North Shields, Wallsend, Whitley Bay and Killingworth justify their classification as the Town Centres within North Tyneside. These four centres contain a large number of retail and service units and they also account for the largest comparison goods market shares according to the results of the household survey. Whilst Killingworth Town Centre does not contain some of the uses that might ordinarily be associated with a traditional town centre due to its physical form, it can be considered that Killingworth can be classified as a town centre and has floorplates that are of a size that attract retailers that are not found in lower order centres.

District Centres

There are three centres in North Tyneside which can be classified as a District Centre; Forest Hall, Monkseaton and Tynemouth. These three centres have the highest number of retail and services units (Table 1) and achieve the highest three scores in the Local Provision Index (Table 2). Forest Hall and Monkseaton also have the first and second highest market shares of comparison goods spend. Whilst the comparison goods market share for Tynemouth is lower, the centre justifies its classification as a 'District Centre' on the basis of its strong performance in respect of other indicators and also consideration of its important role in the leisure sector.

Local Centres

The five centres classed as 'Local Centres' are Battle Hill, Longbenton, Northumberland Park, Preston Grange and Whitley Lodge. Northumberland Park and Longbenton have excellent access to a Metro station but the remaining three do not and with the total number of units in they perform the role of serving local need rather than a greater catchment. Lonbenton has a large number of public service facilities located in its boundary (15 units) that gives the centre a large figure in comparison to the other Local Centres. Furthermore, these centres achieve the lowest five scores in the Local Provision Index, which indicates that their offer of provision supports a local need (Table 2).

The updated hierarchy of centres below provides a summary based on the results of the analysis. In line with definitions set out in the NPPF¹, the recommended hierarchy has three

¹ **NPPF Annex 2 Glossary page 57** **Town centre:** Area defined on the local authority's proposal map, including the primary shopping area and areas predominantly occupied by main town centre uses within or adjacent to the primary shopping area. References to town centres or centres apply to city centres, town centres, district centres and local centres but exclude small parades of shops of purely neighbourhood significance. Unless they are identified as centres in Local Plans, existing out-of-centre developments, comprising or including main town centre uses, do not constitute town centres.

categories. Additionally, in line with the NPPF small parades of shops of purely neighbourhood significance have been excluded but their potential is considered below.

North Tyneside Retail Hierarchy

Existing Centre	Category of Centre
North Shields	Town Centre
Wallsend	Town Centre
Whitley Bay	Town Centre
Killingworth	Town Centre
Tynemouth	District Centre
Monkseaton	District Centre
Forest Hall	District Centre
Battle Hill	Local Centre
Northumberland Park	Local Centre
Preston Grange	Local Centre
Longbenton	Local Centre
Whitley Lodge	Local Centre

Potential New Designations

In the light of the updated analysis of the retail hierarchy, it is also important to assess whether the existing spatial distribution of centres within North Tyneside is adequate in terms of providing for local needs and considering the growth projections across the Local Plan period.

The network of centres within North Tyneside has resulted from historic patterns of development. The role and function of a centre can change over time, but this change is not necessarily in line with demographic change, and can potentially lead to a network of centres in which gaps exist.

This update has included an exercise to gather information of other potential centres in the borough. The analysis has considered existing parades of shops that serve an immediate neighbourhood to assess if they function in a similar role to the existing centres recognised in the previous Retail and Leisure Study. The sites were identified from Geographic Information System research and officer knowledge of the borough. These parades were identified and then tested by the same methodology as the existing centres through a calculation of the number of units and local provision audit.

Table 3

Code	Potential Centre Description	Number of Retail and Service Units	Local Provision Audit Score	Potential Category of Centre
A	Stalks road (Wideopen)	8	14	Shopping Parade
B	Market street (Dudley)	9	15	Shopping Parade
C	Front street/ Burradon road (Burradon)	7	9	Shopping Parade
D	Great Lime road (Killingworth)	6	6	Shopping Parade
E	Station road (Forest Hall)	9	13	Shopping Parade
F	Forrest Hall Road (Forest Hall)	13	13	Shopping Parade
G	Malton Gardens (adjacent Coast Road)	7	9	Shopping Parade
H	Earsdon Road (near Shiremoor centre)	11	11	Shopping Parade
I	Howdon	19	26	Local Centre
J	Windsor drive (Willington)	7	11	Shopping Parade
K	End of Verne road (Billy Mill)	10	12	Shopping Parade
L	Front Street (West Chirton)	9	13	Shopping Parade

M	Spence Terrace (Chirton)	13	13	Shopping Parade
N	Queen Alexandra Road (Tynemouth)	6	6	Shopping Parade
O	Tynemouth Road/ Grey Street, Linskill Terrace (North Shields)	5	5	Shopping Parade
P	Shap Road (Marden)	8	8	Shopping Parade
Q	Farringdon Drive/The Broadway (Marden)	11	13	Shopping Parade
R	St Georges Road (Cullercoats)	12	12	Shopping Parade
S	John Street (Cullercoats)	1	5	Shopping Parade

The Spatial Distribution of Shopping Facilities

The above analysis reveals a fairly even distribution of facilities throughout North Tyneside relative to the main concentrations of population. These shopping parades and small centres perform an important role in providing people with access to local facilities, but none of the areas are considered significant enough to be classified in the retail hierarchy, except for Howdon. The reason that Howdon would be classified as a Local Centre is due to the number of units, the local provision audit score and also the potential expansion of the former police station site to retail units (12/01309/OUT) that will only further strengthen this area as a local centre.

Accommodating potential new floorspace

Chapter five identifies the amount of retail and leisure growth expected in the borough during the timescale of the Local Plan. Based on the Council supporting medium level growth in the Local Plan this would lead to the Local Plan allocating 2,226sqm(net) of future comparison floorspace and 3,788sqm(net) future convenience floorspace based on the constant retention scenario. If the Council was to seek to deliver a rising retention rate of retail spend in the borough the Local Plan would need to allocate 12,037sqm(net) floorspace and 5,602sqm(net) convenience floorspace in the borough.

Currently the vacancy rates in North Shields and Wallsend are above the national average, but Whitley Bay and Killingworth are both performing well in a difficult trading environment (Table 4). Based on the current vacancies in the town centres there is 16,163sqm (gross) vacant floorspace and it would appear the town centres would be able to accommodate the medium growth outcomes for future retail provision. However, the size of retail floorspace available is predominantly small units (95% of those available have a gross floorspace less than 300sqm) and there is only one vacant unit that has a gross floorspace above 500sqm (Table 5). It is crucial for the Council to support the existing town centres to attract future investment and it is hoped through the recent investment by the Council and the owners of the Beacon Shopping Centre in North Shields and The Forum in Wallsend with brand new Customer First Centres in each will lead to greater occupancy levels.

Table 4 – Town Centre Vacancies

	North Shields	Wallsend	Whitley Bay	Killingworth
Town Centre Vacant Units %	15.9	16.7	10.3	0

Table 5 – Breakdown of Vacant units in all Town Centres by Gross Floorspace Thresholds

Gross Floorspace sqm	Number of Units	Percentage
0-100	102	68%
101-200	27	18%
201-300	13	9%
301-400	5	3%
401-500	3	2%
501-750	0	0%

751-1000	0	0%
1001-1250	0	0%
1251-2500	1	1%
2501-5000	0	0%

Due to the dominance of small units in each of the Town Centres it is considered important that there are future sites for retail development that allow growth opportunities for retailers who would usually require larger floorplates than those currently available. The one large vacant unit in the borough is in North Shields (Unicorn House). This site has been promoted through the Strategic Housing Land Availability Study for residential and is therefore considered potentially available and with it being within the Town Centre boundary it would be considered suitable. The NPPF recognises that residential development can play an important role in ensuring the vitality of centres and bringing the site forward for a mix of retail and residential would provide benefits to the Town Centre. At this stage, however, the Council's preference would be for convenience retail for this site to provide greater choice in the Town Centre. Convenience retail could either be provided in the form of a stand-alone store or as part of a wider mix of uses.

To determine the location of the remaining retail space the NPPF advocates the sequential test for main town centre uses to be located in town centres, then in edge of centre locations and only if suitable sites are not available should out of centre sites be considered. When considering edge of centre and out of centre proposals, preference should be given to accessible sites that are well connected to the town centre. Crucially it also calls on both the local authority and applicants to be flexible on issues such as format and scale.

The Local Plan Consultation Draft (2013) proposed an expansion of Northumberland Park District Centre. This District Centre is fully occupied and the residential and employment investment in the area is set to increase as the existing allocations become occupied and further development is possible through the Local Plan. Northumberland Park benefits from excellent access to the Metro Station and the expansion of the centre on adjacent land is within 300m of the existing centre (albeit having to cross the A186). Provided the pedestrian linkages can be established between the existing centre and the proposed expansion site it appears to be both suitable and available to be allocated for future retail provision in the Local Plan and could therefore be recognised in a future retail hierarchy as a District Centre rather than a Local Centre.

The proposed patterns of housing growth across North Tyneside may present an opportunity to expand the provision of Local Centres due to the size of the development proposed, in particular at Murton and Killingworth. These developments sites are the most likely to accommodate some retail and or leisure provision to meet the needs of the future population but The location of the site would still need to be determined but with access to bus and Metro services allowing good connectivity to surrounding centres.

Final Conclusions

It is important that centres are designated correctly in the retail hierarchy so as to ensure that each centre is covered by the most appropriate policy framework, and so as to help ensure the correct level of investment and funding.

There is no justification to promote any of the existing district centres to the status of town centre. However, it is recommended that district centres should be separated into 'District Centres' and 'Local Centres'. This reflects the analysis, function and performance of each of the centres.

The growth of the borough and in particular the growth in the surroundings of Northumberland Park would provide scope for strengthening the role of Northumberland Park to become a District Centre.

The scale of new housing development proposed in the Local Plan may lead to the creation of a new Local Centre to meet the needs of the new population. Thereby promoting sustainable development to reduce the need to travel and being of a scale and function not have a detrimental impact on a nearby centre.

The analysis of existing shopping parades has shown the significance of the role of Howdon and it should therefore be recognised as a Local Centre.

Table 6 Future Retail Hierarchy

Existing Centre	Category of Centre
North Shields	Town Centre
Wallsend	Town Centre
Whitley Bay	Town Centre
Killingworth	Town Centre
Tynemouth	District Centre
Monkseaton	District Centre
Forest Hall	District Centre
Northumberland Park	District Centre
Battle Hill	Local Centre
Howdon	Local Centre
Preston Grange	Local Centre
Longbenton	Local Centre
Whitley Lodge	Local Centre
Potential New Centre linked with Large Residential Development Sites	Potential New Local Centre

D

Assess if there are any changes to the extent of town centres, primary shopping areas, primary and secondary frontages and if there are any changes to the capacity of the existing centres to accommodate new development.

As part of their spatial vision and strategy for the management and growth of their centres, LPAs are required by NPPF (paragraph 23) to define the extent of the primary shopping area and the Town Centre Boundary in their proposals map whilst also distinguishing between realistically defined primary and secondary frontages.

The Town Centre Boundary should be defined on the proposals map and include the primary shopping area and areas of predominantly leisure, business and other main town centre uses within or adjacent to the primary shopping area. To ensure that main town centre uses are able to benefit from the centre's accessibility by alternative means of transport and facilitate linked trips, it is important to ensure the Town Centre Boundary is not drawn too widely.

The Local Plan defines the boundaries of its district centres in order to deliver the spatial vision and strategy for the management and growth in these centres. It is not considered necessary to separately define primary and secondary shopping frontages for each of the district centres owing to their size. The one exception to this is Tynemouth District Centre, where it is necessary to emphasise the role of Front Street as the primary retail area.

The Primary Shopping Area refers to the area where retail development is concentrated and should be defined on the proposals map. This will normally comprise the Primary Shopping Frontage and those secondary frontages which are contiguous and closely related to the Primary Shopping Frontage. The Primary Shopping Frontage will include a high proportion of retail uses such as clothing, household goods, food and drink, and large pedestrian flows. Secondary frontages provide opportunities for a greater diversity of uses such as pubs, banks, cinemas and businesses.

Where non-retail uses begin to dominate an area or street, it can begin to harm the overall role and function of the PSA. For example, a shopping street dominated by bars, restaurants and other activities that may be only open in the evening would increasingly struggle to attract daytime visitors, which could eventually result in the closure of remaining shops. The identified percentage thresholds set out within the policy reflect current evidence of the overall mix of retail and non-retail uses in shopping frontages within North Tyneside and the thresholds aim to support the vitality and vibrancy of the town centres by creating active street frontages and encourage the collocation of retail premises in a concentrated area.

In the case of smaller centres the town centre may not extend beyond the primary shopping area.

The Council seeks to strengthen the PSAs to support vibrant town centres, by focusing retail activity into the heart of the town and accepting the changing nature of more peripheral retail frontages. Since the 2011 Retail and Leisure Study the primary and secondary frontages have been monitored and slightly amended to reflect some inconsistencies, but it is not considered necessary to significantly change the primary and secondary frontages since the previous 2011 Study as there have been no significant changes in the town centres to warrant a change. The updated frontages are outlined in the Appendices..

E

Identify if any changes are necessary to the previous study on the impact threshold that should apply for any proposed edge of centre or out of centre sites that would have a significant adverse impact on centres or to proposed sites in a centre that would substantially increase the attraction of that centre with an unacceptable impact on other centres.

The NPPF requires an assessment of impacts to be undertaken under Paragraph 26 for planning applications for retail, leisure and office developments for over 2,500 sq.m gross floorspace, or any other local floorspace threshold set in the development plan process, that are not in an existing centre and not in accordance with the development plan.

The 2011 Study recommended a tight impact threshold, which is line with NPPF, to ensure that the impacts associated with any proposals for further substantial retail schemes can be fully assessed. The findings and overall conclusions of the 2011 Study recommended that the Council should adopt a local floorspace threshold in its Core Strategy (Local Plan) of 500 sq.m gross for comparison floorspace, and 1,000 sq.m gross for supermarkets/ superstores (which typically include a combination of convenience and comparison floorspace). In sum, applicants would be required to undertake an assessment of impacts for any planning applications for retail development (including extensions) that would provide either:

- 500 sq.m gross of comparison retail floorspace, or more; or
- 1,000 sq.m gross of retail floorspace for supermarkets/superstores, or more.

To determine whether these thresholds are still applicable as part of the update for the 2014 Study the same methodology has been used and although PPS4 and its practice guidance have been cancelled the Planning Practice Guidance now published online is very similar and should be considered in the production of development plan documents. The 2011 Study took account of a range of local factors advised in the Practice Guidance and assessed the scale of retail planning applications submitted to the Council over the last five years, taking into account:

- existing floorspace in North Tyneside's main town centres;
- typical unit size in the town centres;
- the gross floorspace of planning applications for retail development; and
- the frequency of proposals for different quantities of floorspace

The 2014 Study, just like the 2011 Study, further considered the likely impact of proposals on any town centre strategies and other planned investment, taking into account:

- the existing vitality and viability of North Tyneside's town centres; and
- recent developments and/or extant permissions, and their likely cumulative impact.

The gross convenience and comparison retail floorspace in North Shields, Whitley Bay, Wallsend and Killingworth Town Centres have been updated and shown in Table 1. Table 2 provides a breakdown of the Net Retail floorspace in the town centres.

Table 1.
Gross Retail Floorspace in Town Centres (sq.m)

	North Shields		Whitley Bay		Wallsend		Killingworth	
Year	2011	2014	2011	2014	2011	2014	2011	2014
Convenience	7,480	6,011	8,050	4,971	4,660	5,047	-	8,132
Comparison	22,340	25,292	14,870	16,440	12,720	14,534	-	13,382
Service	-	2,335	-	2,887	-	3,032	-	319

Other	-	40,254	-	32,011	-	18,951	-	6,307
Total Retail	29,820	79,101	22,920	58,052	17,380	44,791	-	28,139

Table 2.
Net Retail Floorspace in Town Centres (sq.m)

	North Shields	Whitley Bay	Wallsend	Killingworth
Year	2014	2014	2014	2014
Convenience	2,983	1,994	3,058	6,312
Comparison	16,770	8,440	7,767	8,509
Service	1,139	1,556	1,336	296
Other	13	40	26	0
Total Retail	23,606	12,991	14,075	15,117

Table 1 indicates that the total retail floorspace in North Shields amounts to around 79,101sq.m gross, of which some 6,011sq.m is convenience retail floorspace and 25,292sq.m is comparison retail floorspace.

Proposals for schemes comprising around 600sq.m of gross convenience floorspace, or 2,500sq.m of gross comparison floorspace, would therefore equate to around 10 per cent of the total gross convenience or comparison retail floorspace in North Shields Town Centre, respectively. Schemes of around this size or larger should therefore be considered large in the context of North Shields Town Centre. The reason the over gross retail floorspace has increased is due to the town centre assessment recording all other town centres uses that have been classified as other. This is replicated in the three other town centres. The Net floorspace figures don't show a large amount of floorspace recorded as 'other' due to the retail assessment for net floorspace not recording those premises.

Killingworth was not assessed in the previous study but the large Matalan and Morrisons stores both dominate the floorspace in Killingworth with Morrisons being the largest in centre convenience store in the borough. Proposals for schemes of 800sqm of gross convenience retail and 1,330sqm gross comparison floorspace would be considered large in the context of Killingworth.

Whitley Bay Town Centre has seen a reduction in the amount of convenience retail floorspace, which is largely due to the subdivision and conversion of the former COOP store to other town centre uses. A scheme containing around 500sq.m of gross convenience floorspace should be considered large in relation to Whitley Bay, and around 500sq.m gross convenience would be large relative to Wallsend Town Centre, on the basis that this would represent about 10 per cent of the existing convenience retail floorspace in the centres. For comparison goods floorspace, around 1,640sq.m gross would be large relative to Whitley Bay Town Centre, and 1,450sq.m gross would be large in the context of Wallsend Town Centre.

The retail property in North Tyneside's three main town centres is characterised by relatively small units. Indeed, 96 per cent or more of retail units in Whitley Bay has a gross floorspace of 500sqm or less. For North Shields the same comparison is 89 percent, Wallsend 92 percent and Killingworth has the lowest figure with 83 percent of its retail units having a gross floorspace of 500sqm or less.

Across the three centres, just twelve convenience retail operators (equating to 16 per cent of the total number of convenience retail units across North Shields, Whitley Bay, Killingworth and Wallsend Town Centres) are in units that provide over 500sq.m of gross floorspace. Of these, seven (9 per cent of the total number of convenience retail units) are in units of over 750sq.m gross, and three (4 per cent) are in units of over 1,250sq.m gross.

Of the total comparison retail units in North Shields, Whitley Bay, Killingworth and Wallsend Town Centres, twenty five (equating to 8 per cent of the total number of comparison units across the three centres) are in units providing 500sq.m of gross floorspace or more. Of these, just 15 (5 per cent) are in units of over 750sq.m gross and seven (2 per cent) are in units over 1250sq.m gross.

The figures referred to above indicate that proposals for around 500sq.m gross or more of convenience or comparison retail floorspace, should be considered large in the context of the borough's town centres.

The redevelopment of the Beacon Centre is anticipated to broaden the range and quality of the retail units on offer, as well as enhance permeability and the appearance of the centre. The mixed use development of the Spanish City site is expected to include an element of retail, but is primarily aimed at improving the attraction of Whitley Bay as a leisure destination. It is therefore anticipated that retail uses within the Spanish City development will be complementary to those in the town centre.

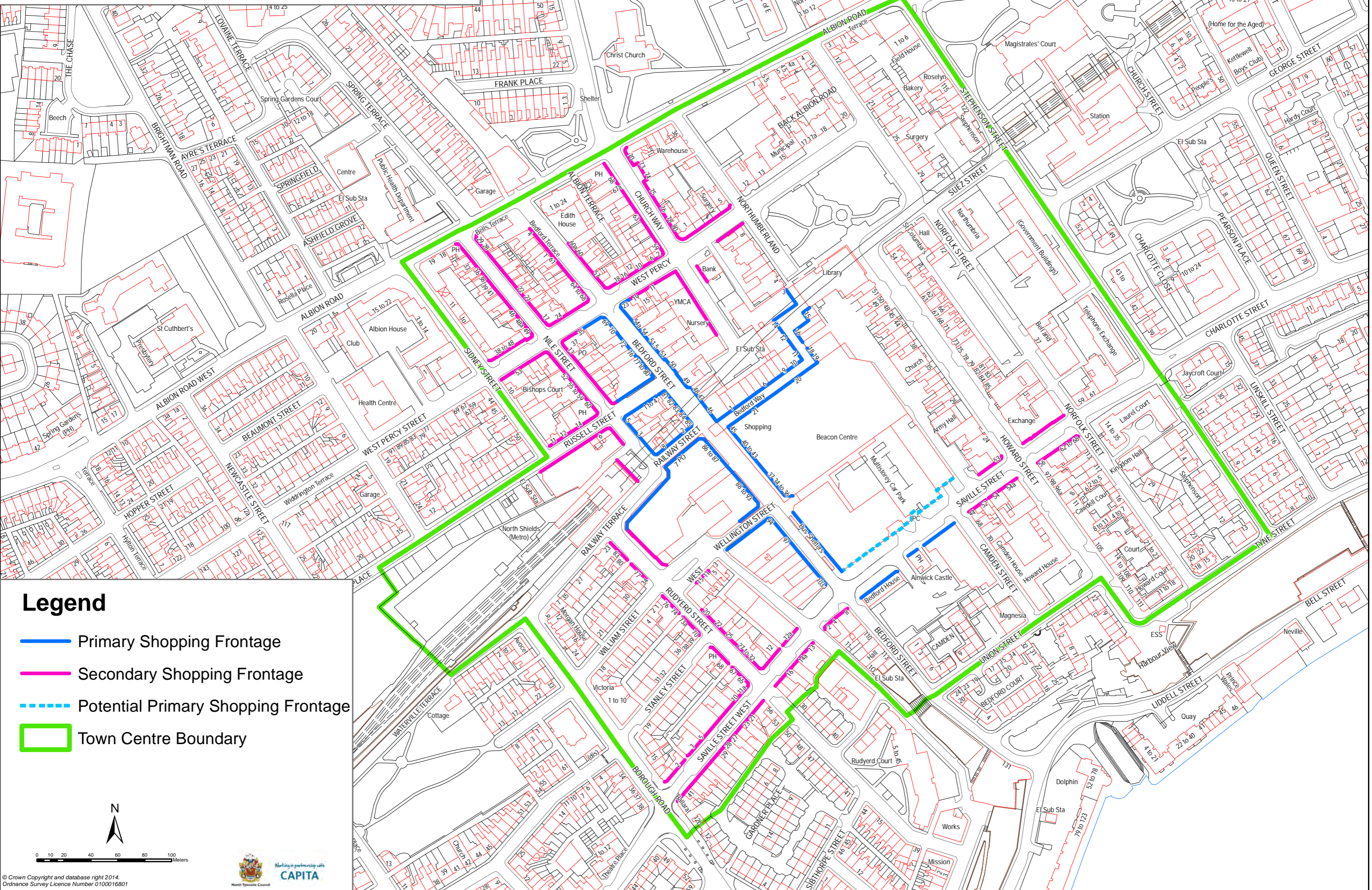
Current proposals for the redevelopment of Wallsend Town Centre include the provision of a new anchor foodstore, new large modern retail units and the refurbishment of the Forum Shopping Centre. Boosting the retail offer in North Shields, Whitley Bay and Wallsend Town Centres through the delivery of these schemes is seen as essential to achieving the Council's aspirations to enhance the vitality and viability of the centres.

Proposals for retail development in edge- or out-of-centre locations could adversely impact on the plans for redevelopment in the centres. In particular, the expenditure capacity available to support new convenience retail floorspace in North Tyneside is relatively limited. Additional edge- or out-of-centre supermarket/superstore development would further restrict capacity and could potentially jeopardise the proposals for the redevelopment of Wallsend Town Centre.

Having updated the assessment for a local impact thresholds it has been found that the existing thresholds of 500sq.m gross for comparison floorspace, and 1,000sq.m gross for supermarkets/ superstores (which typically include a combination of convenience and comparison floorspace) are still applicable for the updated study. Therefore the Local Plan will propose a policy that will require applicants to undertake an assessment of impacts for any planning applications for retail development (including extensions) that would provide either:

- 500sq.m gross of comparison retail floorspace, or more; or
- 1,000sq.m gross of retail floorspace for supermarkets/superstores, or more.

NORTH SHIELDS TOWN CENTRE



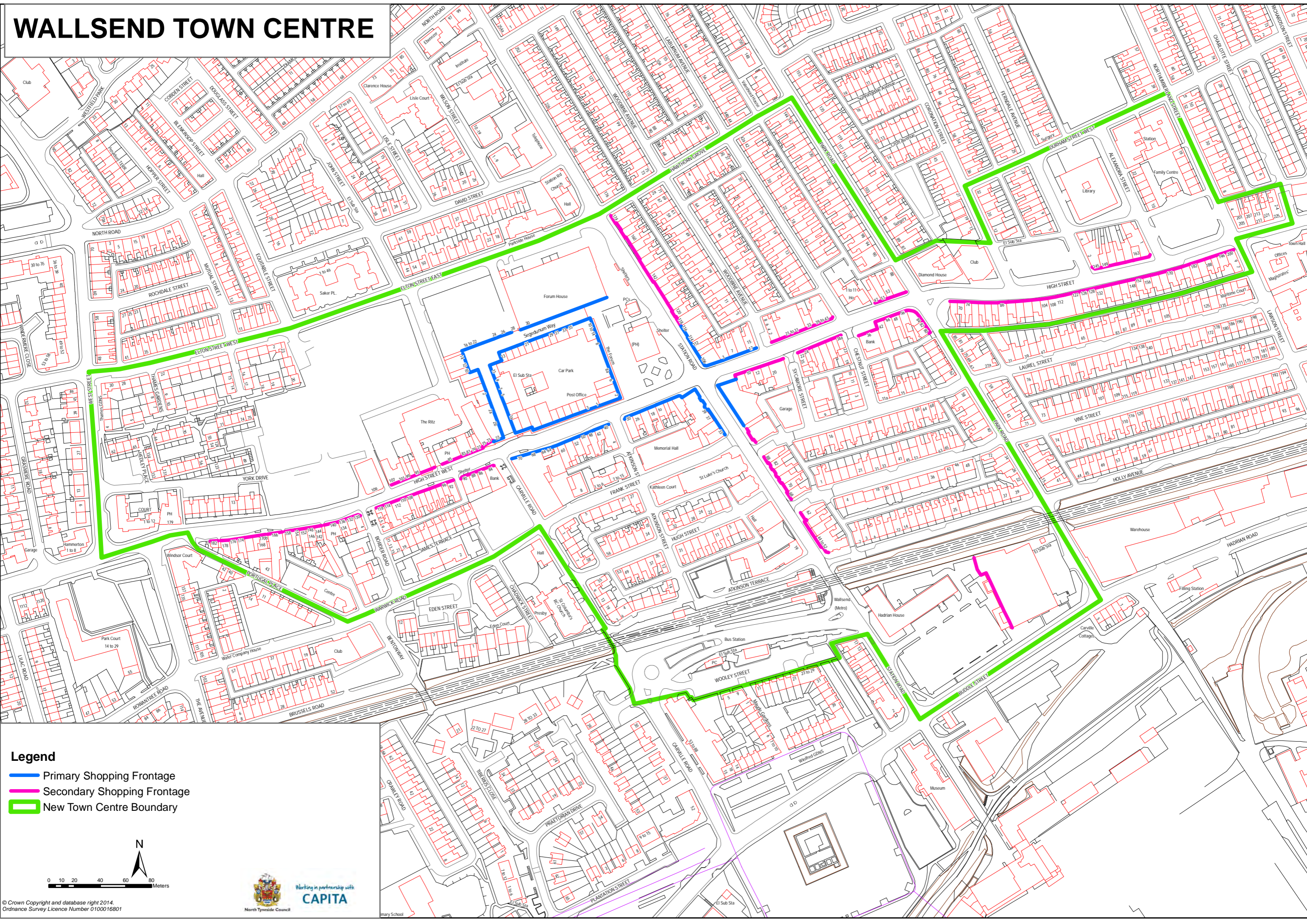
Legend

- Primary Shopping Frontage
- Secondary Shopping Frontage
- - - Potential Primary Shopping Frontage
- Town Centre Boundary

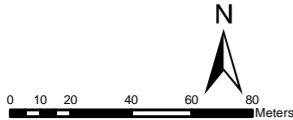


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WALLSEND TOWN CENTRE



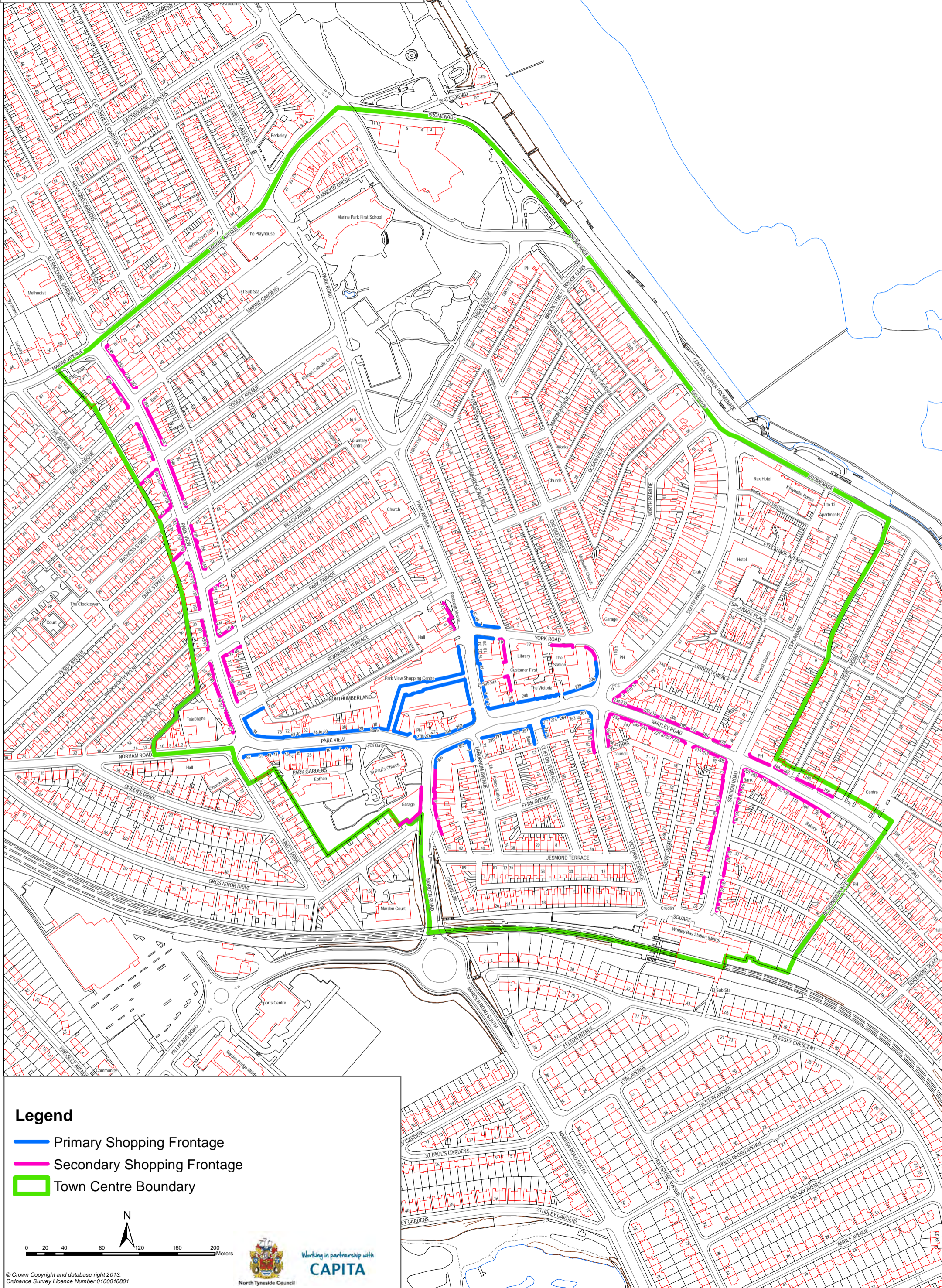
- Legend**
- Primary Shopping Frontage
 - Secondary Shopping Frontage
 - New Town Centre Boundary



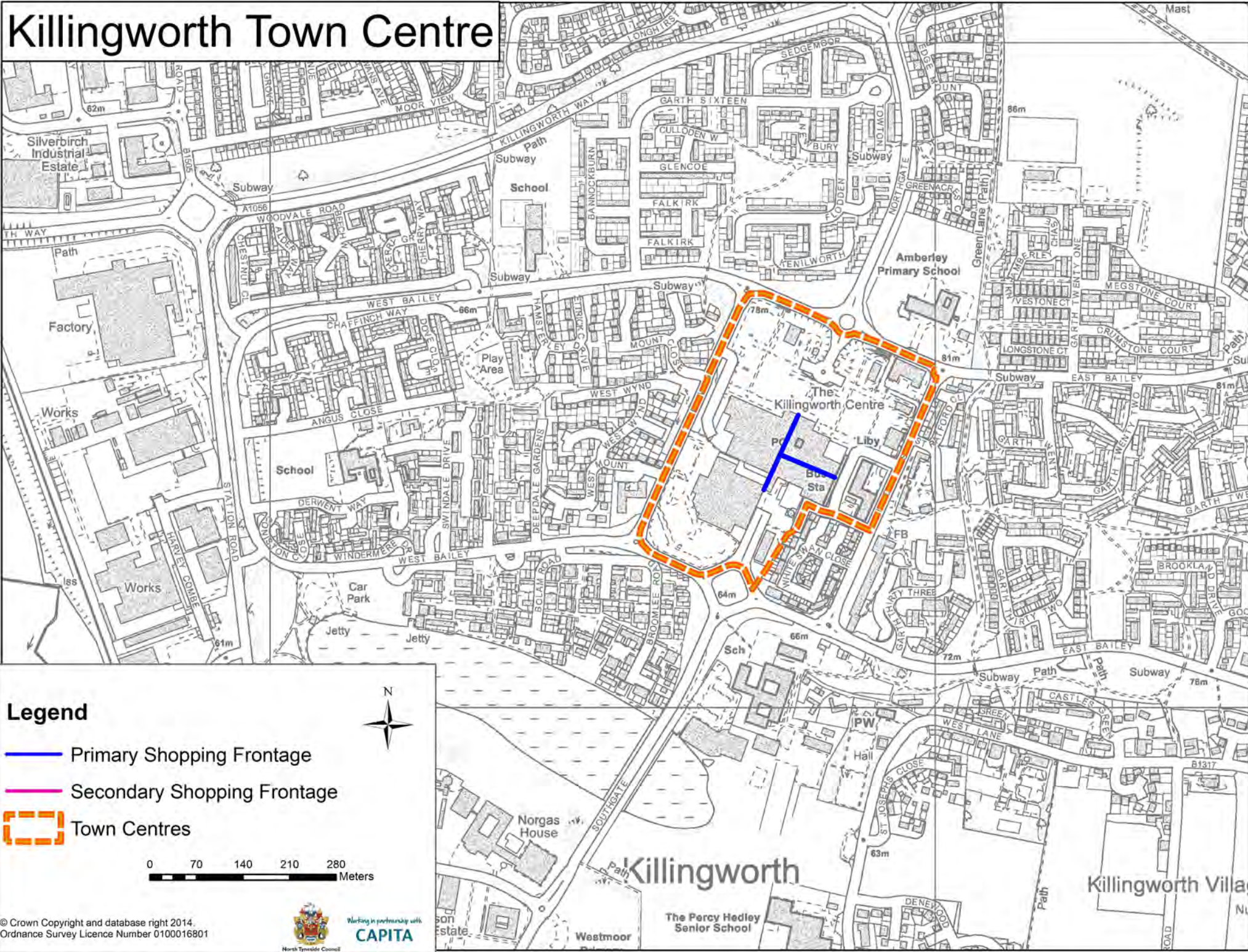
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WHITLEY BAY TOWN CENTRE



Killingworth Town Centre

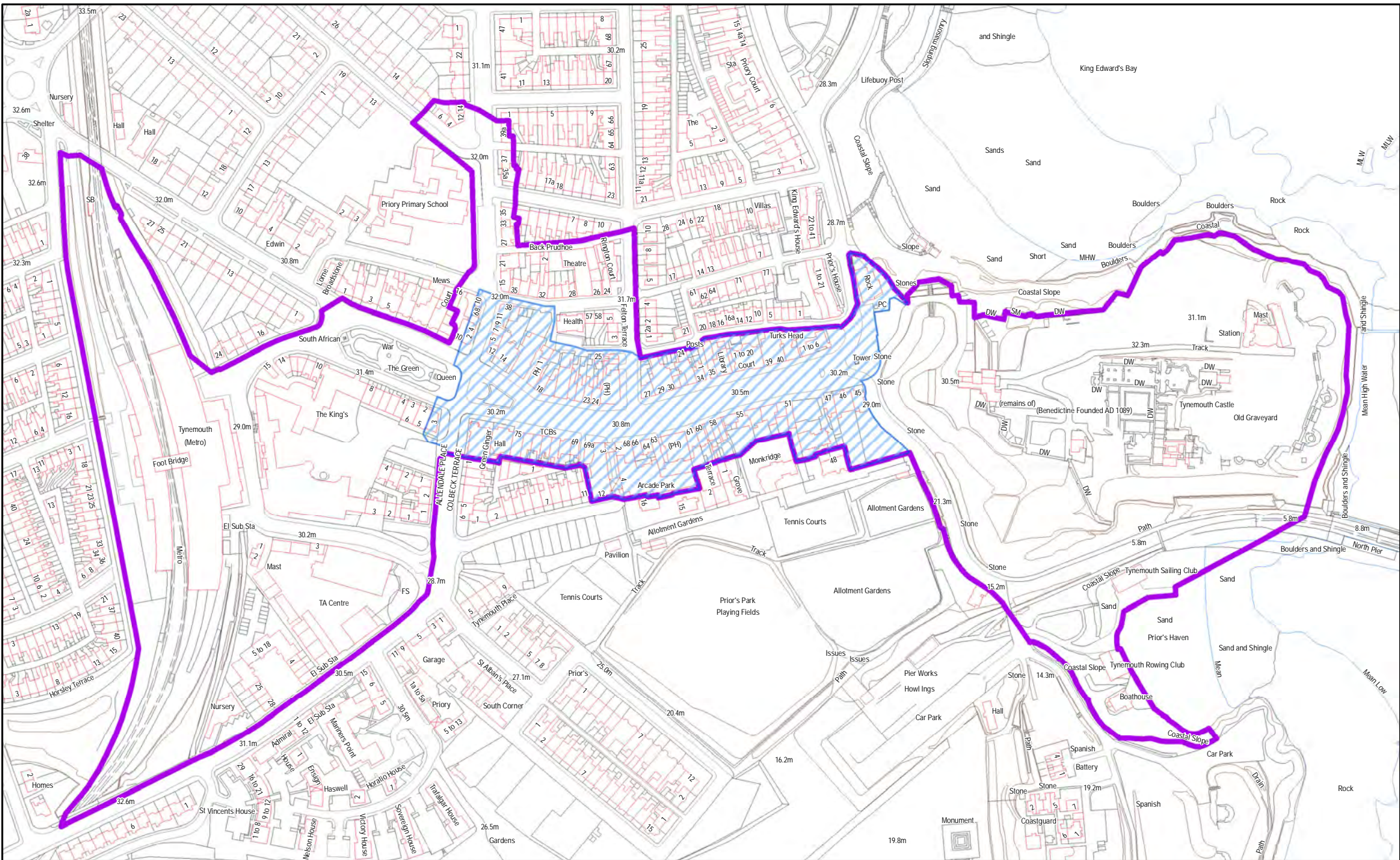


Legend

- Primary Shopping Frontage
- Secondary Shopping Frontage
- Town Centres

0 70 140 210 280 Meters

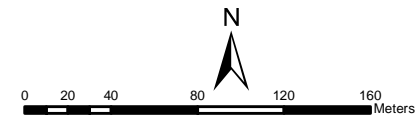


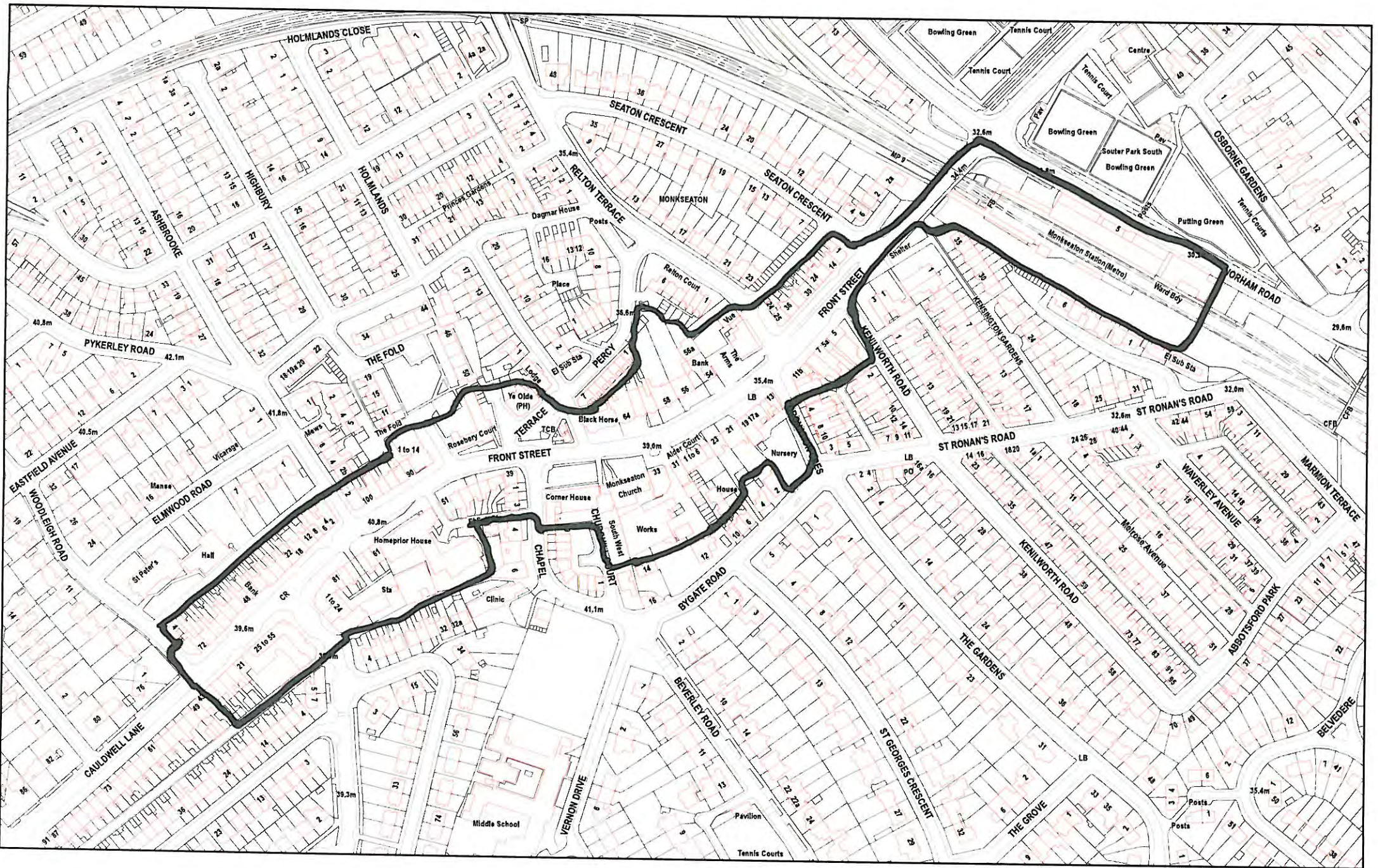


Legend

- Primary Shopping Area
- District Centre

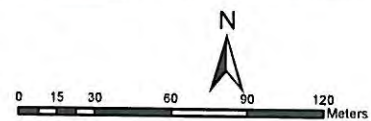
TYNEMOUTH DISTRICT CENTRE

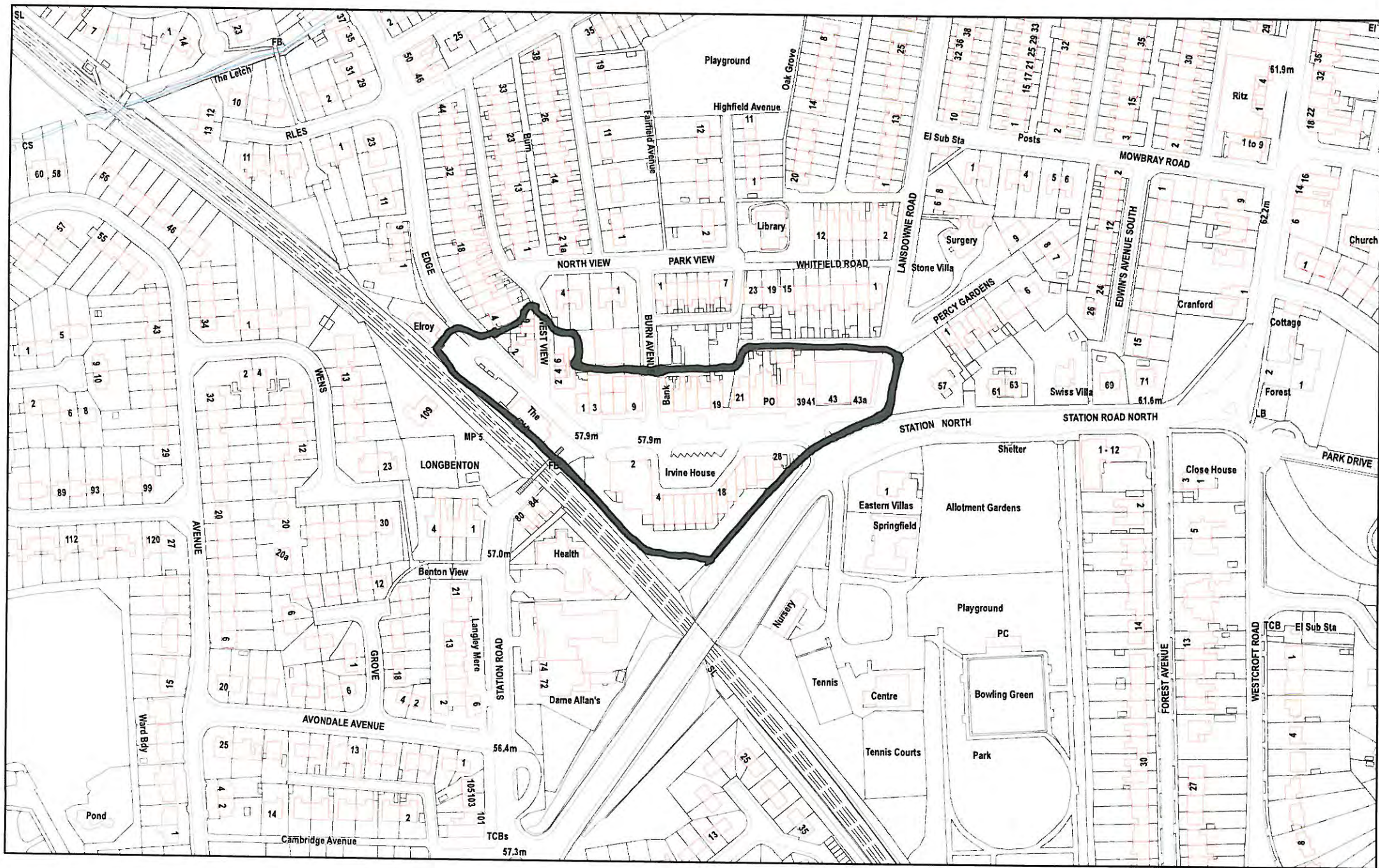




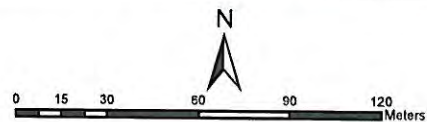
MONKSEATON DISTRICT CENTRE

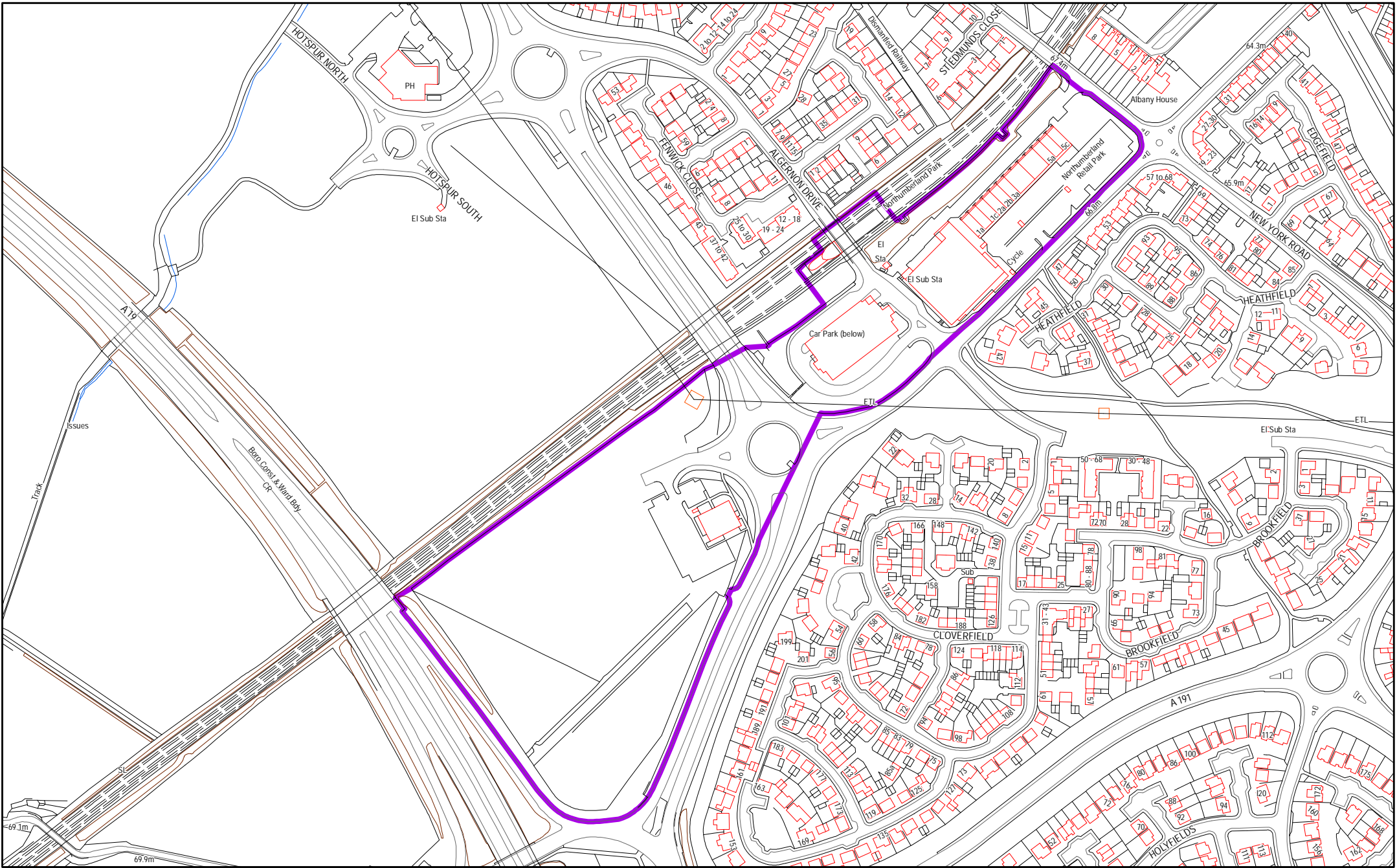
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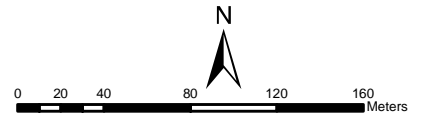


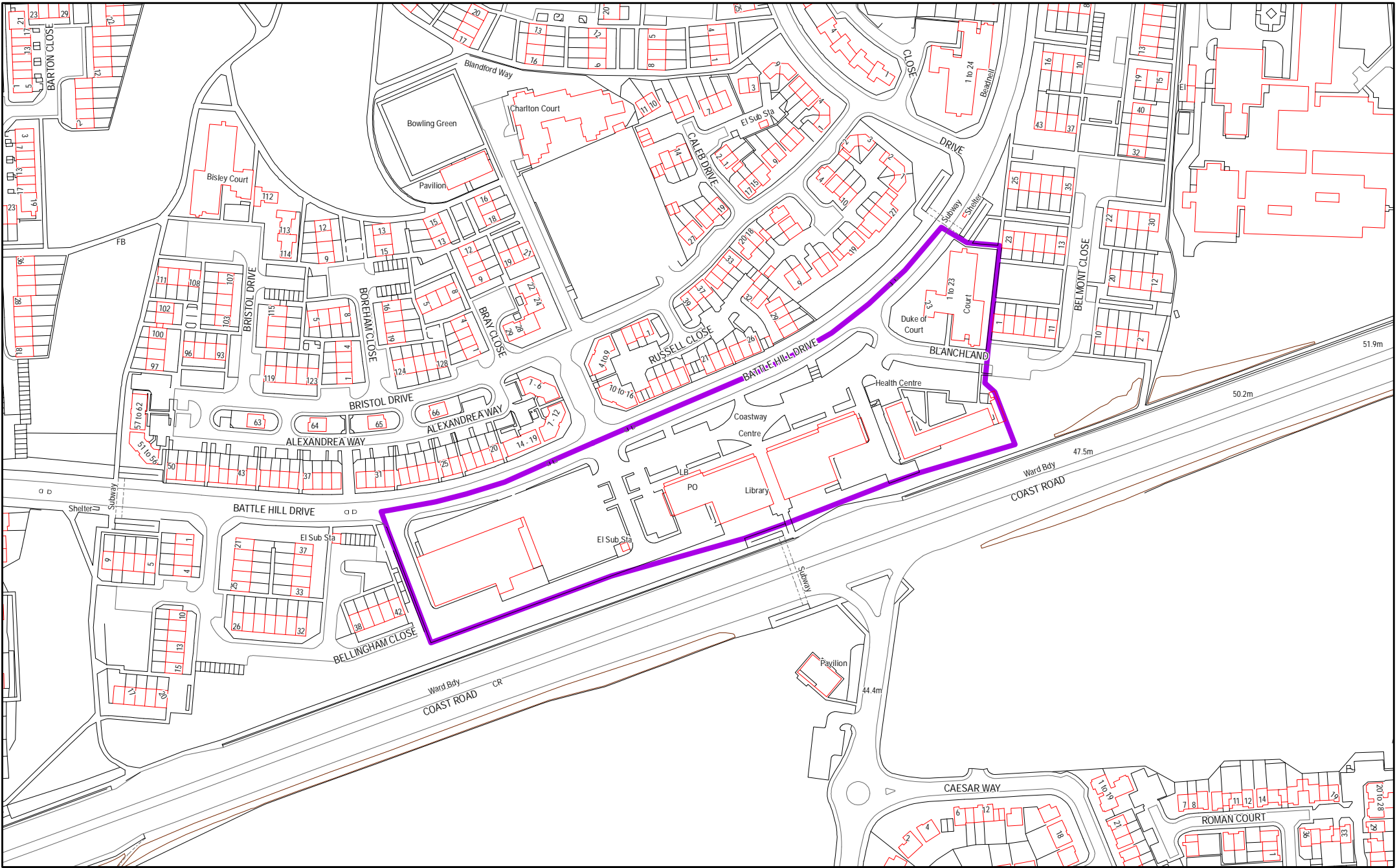
FOREST HALL DISTRICT CENTRE



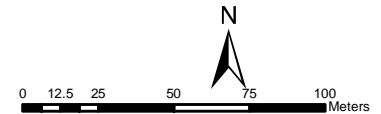


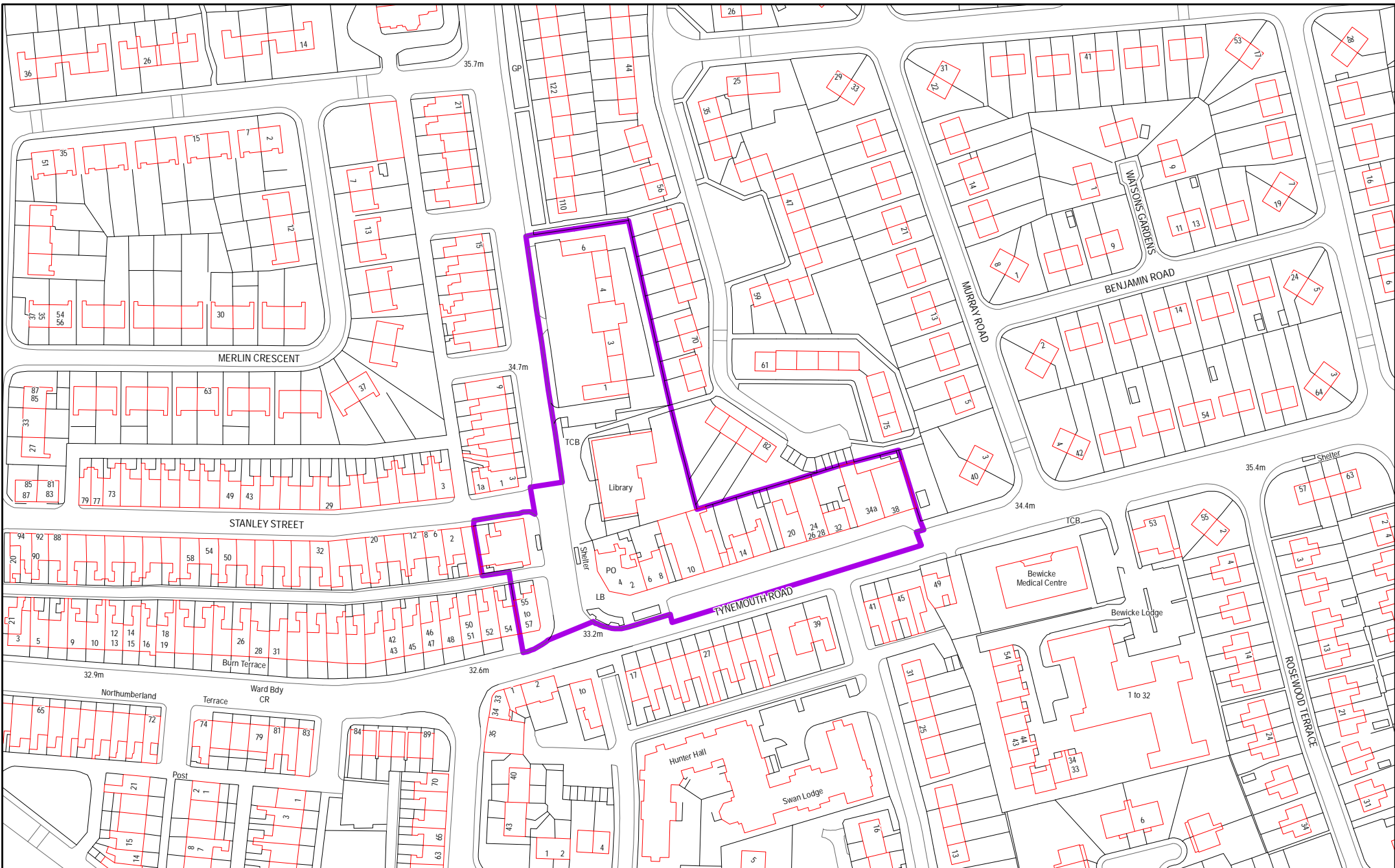
NORTHUMBERLAND PARK DISTRICT CENTRE



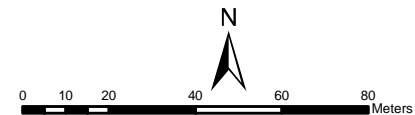


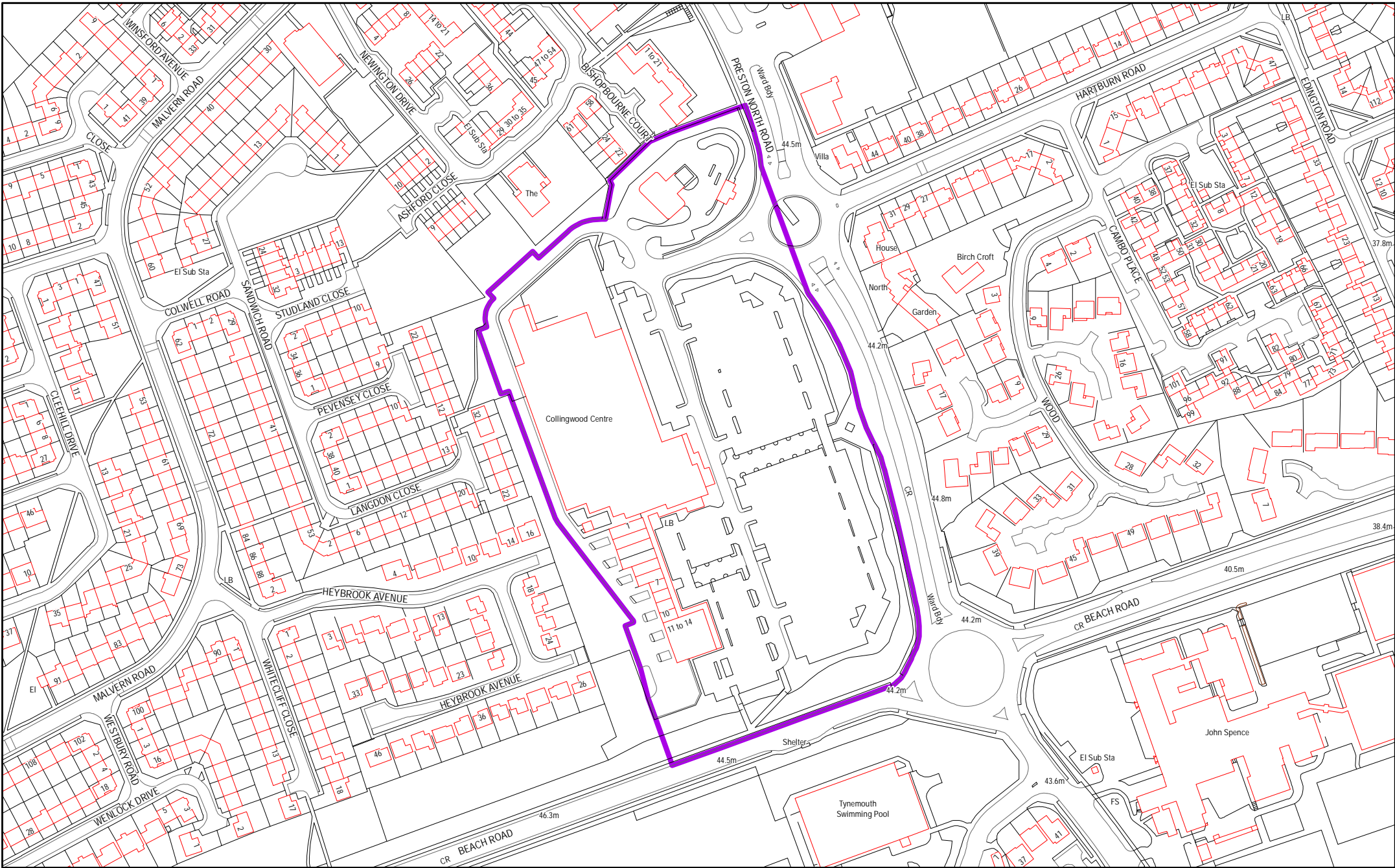
BATTLE HILL LOCAL CENTRE



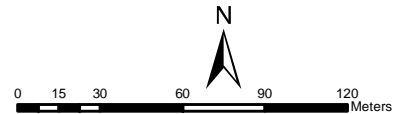


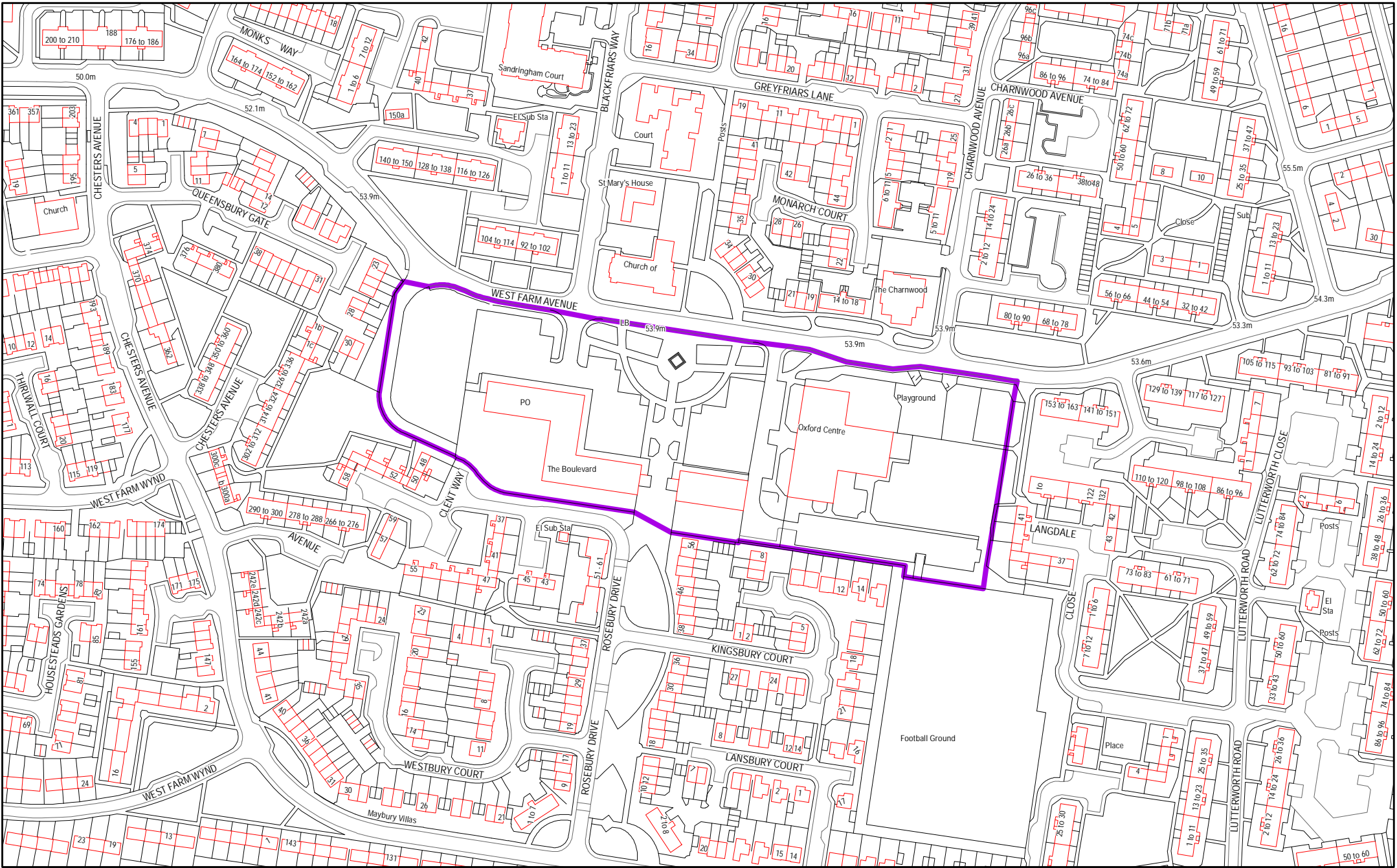
HOWDON LOCAL CENTRE

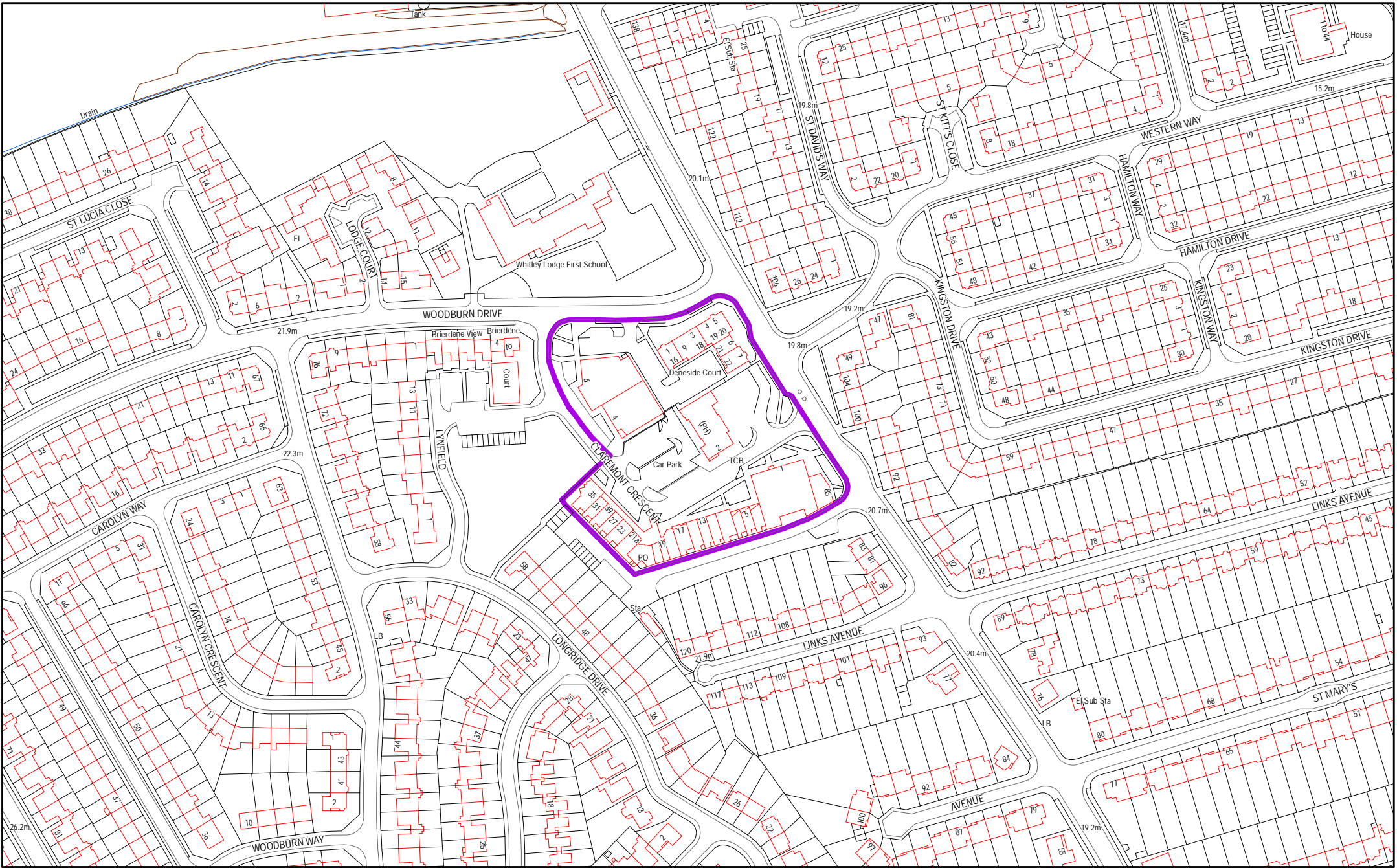




PRESTON GRANGE LOCAL CENTRE







WHITLEY LODGE LOCAL CENTRE

