

# North Tyneside Council

## Retail and Leisure Study

### Volume 1: Main Report



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## **SEPARATELY BOUND VOLUMES**

Volume 2 – Performance Analyses

Volume 3 – Appendices to the Main Report

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## List of Abbreviations Used in the Report

<b>Abbreviation</b>	
AAP	Area Action Plan
COICOP	Classification of Individual Consumption by Purpose
DPD	Development Plan Document
IMD	Index of Multiple Deprivation
LAD	Limited Assortment Discounter
LDF	Local Development Framework
LDC	Local Data Company
LEP	Local Enterprise Partnership
LPA	Local Planning Authority
MHE	Management Horizons Europe
nef	New Economic Foundation
NPPF	National Planning Policy Framework
OCA	Overall Catchment Area
ONS	Office for National Statistics
OE	Oxford Economics
PBBI	Pitney Bowes Business Insight
PPS	Planning Policy Statement
RSS	Regional Spatial Strategy
RTP	Roger Tym & Partners
SDFP	Strategic Development Framework Plan
SFT	Special Forms of Trading
SoSCLG	Secretary of State for Communities and Local Government
sq.m	Square Metres
UDP	Unitary Development Plan





# 1 INTRODUCTION

## Purpose of the Study

- 1.1 Roger Tym & Partners was appointed in May 2011 to undertake the North Tyneside Retail and Leisure Study. The overall aim of the study, as specified in the study brief, is to ensure that the Council maintains an up-to-date and robust evidence base on retail and leisure needs and that it also considers needs in the arts, culture and tourism sectors.
- 1.2 There have been a significant number of important changes since the completion of the North Tyneside Retail Assessment in 2007, and many of the inputs and assumptions which underpinned the 2007 study have become out-of-date. In particular, forecast rates of future retail expenditure growth have been revised downwards by forecasters as a consequence of the recession and the ensuing economic downturn.
- 1.3 The policy context has also changed significantly since the 2007 study was completed. One key difference concerns planning for sustainable economic growth, as set out in Policy EC2 of PPS4 (published in December 2009), which was not specifically addressed in the precursor guidance, PPS6. Amongst other requirements, Policy EC2 of PPS4 advises that LPAs should: set out clear economic visions and strategies for their areas; identify areas with high levels of deprivation that should be prioritised for regeneration investment; and prioritise previously developed land for re-use.
- 1.4 The general direction of national policy as it applies to town centres is similar to that in PPS6, but there are some differences of emphasis. A major difference between PPS4 and PPS6 relates to the assessment of 'need' for town centre uses. Qualitative need is now afforded equal weight to quantitative need in the plan-making process, and LPAs are now specifically advised to take account of 'over-trading' at existing stores. However, while LPAs are advised to assess need as part of the evidence-base to inform policy making, need is no longer a development management test in its own right, although the consideration of expenditure capacity is a key part of the expanded impact test.
- 1.5 To inform the emerging Core Strategy, it is therefore important to provide an update of needs in the retail and leisure sectors which accurately reflects current circumstances and changes to national planning policy, underpinned by a new household survey of shopping patterns. As well as using more up-to-date data inputs that have become available since the 2007 study was completed, we consider it prudent to undertake some sensitivity testing of alternative expenditure retention rates, and to assess under/over trading, which is becoming standard industry practice in retail capacity studies.
- 1.6 The study outputs will ensure that the Council maintains a sound, up-to-date and robust evidence base on retail and leisure uses whilst also considering needs in the arts, culture and tourism sectors.
- 1.7 In particular, the study will provide:
  - i 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 will also provide an objective and

detailed assessment of expenditure flows to enable the Council to evaluate any potential significant impact of new town centre uses.

- ii A robust evidence base to inform the preparation of the Core Strategy – taking into account the test of soundness in PPS12 – and potentially other DPDs.
- iii An evidence base that can assist the Council in its determination of future retail planning applications and enhance the prospect of resisting such applications when they are not in accordance with the Council’s development strategy and PPS4, including the need to have regard to the qualitative benefits that schemes can deliver.

1.8 This main report provides the findings from our work.

### Structure of the Report

1.9 The remainder of our report is structured as follows:

- **Section 2** provides a résumé of the requirements of current and proposed national policy documents insofar as they relate to town centres and the location of town centre uses, and planning for sustainable development.
- **Section 3** provides an overview of current national trends in the retail and leisure sectors, highlighting, wherever appropriate, those that we consider could have – or are already having – an impact in North Tyneside.
- **Section 4** contains our performance analyses (health checks) of the Town Centres of North Shields, Wallsend, Whitley Bay and Killingworth and the District Centres of Battle Hill, Forest Hall, Longbenton, Monkseaton, Northumberland Park, Preston Grange, Tynemouth<sup>1</sup> and Whitley Lodge.
- **Section 5** contains our analysis of current shopping patterns in the comparison and convenience retail sectors, based on the survey of households which was undertaken by NEMS Market Research in June 2011.
- **Section 6** provides our assessment of quantitative needs in the retail sector up to 2027.
- **Section 7** contains our assessment of qualitative retail needs, drawing on the findings of our health checks and our analysis of current shopping patterns.
- **Section 8** considers the need for additional commercial leisure, arts, culture and tourism uses.
- **Section 9** provides our recommendations with respect to the definition of a network and hierarchy of centres, drawing on the findings of the NEMS household survey and our fieldwork.
- **Section 10** contains our advice in relation to town centre boundaries, primary shopping frontages and secondary shopping frontages in the defined Town Centres of North Shields, Wallsend and Whitley Bay.

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<sup>1</sup> Tynemouth is not a defined centre in the existing UDP. However, we have considered its potential classification as a District Centre as part of this study.

- **Section 11** provides our assessment of whether it is necessary to set a local floorspace threshold in North Tyneside, and what that threshold should be.
- **Section 12** contains a summary of our findings and recommendations to the Council, along with advice on the most appropriate strategy for meeting identified needs for town centre uses, and how the evidence base can be used to assist the determination of future planning applications.

1.10 Our overall study outputs comprise three volumes as follows:

- Volume 1 – Main Report.
- Volume 2 – Performance Analyses, which contains our detailed write-ups from the performance analyses of the study centres supported by a series of associated tables, figures and plans.
- Volume 3 – Appendices to the Main Report, which contains the household survey questionnaire, a plan of the study area and the retail capacity and impact spreadsheets.



## 2 NATIONAL AND REGIONAL POLICY REQUIREMENTS FOR TOWN CENTRES AND ECONOMIC DEVELOPMENT

### Introduction

2.1 Since the completion of the North Tyneside Retail Assessment in 2007, the policy context within which local authorities should prepare their evidence bases has changed. Of most relevance to the preparation of the Core Strategy for North Tyneside and other Development Plan Documents are PPS1: Delivering Sustainable Development (which was published in January 2005), PPS4: Planning for Sustainable Economic Growth (which was published in December 2009) and PPS12: Local Spatial Planning (published in June 2008), the key requirements of which are outlined below.

### PPS1: Delivering Sustainable Development (January 2005)

- 2.2 PPS1 sets out the Government's overarching planning policies on the delivery of sustainable development. There are three aspects of PPS1 that we wish to emphasise in relation to this study; each of these relates to the promotion of social inclusion and to the need for high and stable levels of employment.
- 2.3 First, we note that the opening paragraph of PPS1 states: 'Good planning ensures that we get the right development, in the right place and at the right time.'
- 2.4 Secondly, we wish to emphasise that two of the Government's four aims for sustainable development relate to 'social progress' and to 'the maintenance of high and stable levels of economic growth and employment'. Hence there is a need to secure outcomes that promote economic and social objectives as well as environmental and natural resource objectives.
- 2.5 Paragraph 23 of PPS1 goes on to state that in promoting a strong and productive economy which brings jobs and prosperity to all, planning authorities should, amongst other things:
- recognise that economic development can deliver environmental and social benefits;
  - recognise the wider sub-regional, regional or national benefits of economic development, alongside any adverse local impacts;
  - ensure that suitable locations are available for industrial, commercial, retail, public sector and leisure developments, so that the economy can prosper;
  - provide for improved productivity, choice and competition; and
  - identify opportunities for future investment to deliver economic objectives.
- 2.6 Thirdly, we note the provisions of paragraph 29 of PPS1, which states that:

*'In some circumstances, a planning authority may decide in reaching a decision to give different weight to social, environmental, resource or economic considerations. Where this is the case, the reasons for doing so should be explicit and the consequences considered.'*

## **PPS4: Planning for Sustainable Economic Growth (December 2009)**

### *Planning for Sustainable Economic Growth*

- 2.7 PPS4 outlines the Government's overarching objective for sustainable economic growth. In seeking to achieve this, the Government's objectives for planning are to:
- build prosperous communities by improving the economic performance of cities, towns, regions, sub-regions and local areas;
  - reduce the gap in economic growth rates between regions, promoting regeneration and tackling deprivation;
  - deliver more sustainable patterns of development;
  - promote the vitality and viability of town and other centres; and
  - raise the quality of life and environment in rural areas.

### *Plan Making Policies*

- 2.8 In promoting positive planning, PPS4 advises that through their development plan, LPAs should prioritise areas with high levels of deprivation for regeneration, identify a range of sites to accommodate a broad range of economic development and encourage new uses for vacant or derelict buildings (Policy EC2).
- 2.9 In planning for their centres, PPS4 requires LPAs to set flexible policies that define a network and hierarchy of centres, make choices about which centres will accommodate any identified need – taking into account the need to avoid an over-concentration of growth – and plan proactively to promote competitive town centre environments, which provide consumer choice (Policy EC3).
- 2.10 Policy EC4 encourages LPAs to proactively plan to promote competitive town centres and provide consumer choice by:
- supporting a diverse range of uses;
  - planning for a strong retail mix, so that the range and quality of the comparison and convenience retail offer meets the needs of the local catchment;
  - supporting small scale economic uses in local centres and villages;
  - identifying sites in the centre or, failing that, on the edge of the centre, capable of accommodating larger format developments where a need has been identified;
  - retaining and enhancing existing markets; and
  - taking measures to conserve and, where appropriate, enhance the established character and diversity of their town centres.
- 2.11 When identifying sites for main town centre uses, LPAs should ensure that: there is a need for the development; the development is of an appropriate scale; the sequential approach has been applied to site selection; the impact on existing centres has been assessed; and that regeneration benefits have been considered. When selecting sites, PPS4 also gives preference to sites that best serve the needs of deprived areas (Policy EC5).

### ***Development Management Policies***

- 2.12 PPS4 advises that LPAs should adopt a positive and constructive approach towards planning applications for economic development<sup>2</sup>. All planning applications for economic development should be assessed against the following impact considerations:
- whether the proposal will limit carbon dioxide emissions, and minimise vulnerability and provide resilience to climate change;
  - the accessibility of the proposal by a choice of means of transport;
  - whether the proposal secures a high quality and inclusive design;
  - the impact on economic and physical regeneration in the area; and
  - the impact on local employment.
- 2.13 In determining planning applications for main town centre uses that are not in an existing centre, and not in accordance with an up to date development plan, LPAs should ensure that applicants have had regard to the sequential assessment as set out in Policy EC15.
- 2.14 Policy EC16.1 of PPS4 requires planning applications for main town centre uses that are not in a centre and not in accordance with an up to date development plan to be assessed against the following impacts:
- impact on investment in centres located within the catchment of the proposal;
  - impact on town centre vitality and viability;
  - impact on allocated sites outside town centres;
  - impact on in centre trade/turnover and on trade in the wider area;
  - whether the proposal is of an appropriate scale; and
  - any locally important impacts on centres under Policy EC3.1.e.
- 2.15 Policy EC17.1 requires LPAs to refuse planning permission where an applicant fails to demonstrate compliance with the sequential approach under Policy EC15, or where there is clear evidence that the proposal is likely to lead to significant adverse impacts in terms of any one of the impacts set out under Policies EC10.2 and EC16.1. However, where no significant adverse impact has been identified, Policy EC17.2 requires LPAs to exercise a balancing approach, taking account of the positive and negative impacts of the proposal in terms of Policies EC10.2 and EC16.1, and any other material considerations.

### ***PPS4 Practice Guidance – Need, Impact and the Sequential Approach***

- 2.16 The PPS4 Practice Guidance on Need, Impact and the Sequential Approach (hereafter referred to as the PPS4 Practice Guidance) was published alongside PPS4 in December 2009. Wherever appropriate, we refer to the PPS4 Guidance in subsequent sections of our report.

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<sup>2</sup> For the purposes of PPS4, economic development includes development within the B Use Classes, public and community uses and main town centre uses. Main town centre uses include retail development, leisure, offices and arts, culture and tourism development.

### PPS12: Local Spatial Planning (June 2008)

- 2.17 Paragraph 5.2 of PPS12 sets out a test of soundness for DPDs. To be considered ‘sound’, a DPD should be justified, effective and consistent with national policy. ‘Justified’ means that the document must be founded on a robust and credible evidence base, and that the document contains the most appropriate strategy when considered against the reasonable alternatives. ‘Effective’ means that the document must be deliverable, flexible and able to be monitored.
- 2.18 PPS12 places emphasis on the need for Core Strategies and DPDs to:
- ‘...demonstrate that the plan is the most appropriate, when considered against reasonable alternatives.’ (Paragraph 4.38 of PPS12, our emphasis); and
  - ‘...show how the vision, objectives and strategy for the area will be delivered and by whom, and when.’ (Paragraph 4.45 of PPS12, our emphasis).

### The Requirements of the Current Regional Spatial Strategy

- 2.19 Following the General Election, the Coalition Government signalled its intention in a letter of 27 May 2010 to ‘rapidly abolish’ Regional Strategies. On 6 July 2010, the Secretary of State for Communities and Local Government (SoSCLG) revoked all Regional Strategies, but Cala Homes challenged this revocation. It is not necessary to go into detail here about the legal basis for the challenge, which is complex, but the key point is that, on 10 November 2010, the High Court quashed the decision of the SoSCLG, purportedly made on 6 July 2010, to revoke Regional Strategies.
- 2.20 In the Localism Bill, which was published on 13 December 2010, the Government stated its intention to abolish Regional Strategies by removing the primary legislation which sets the basis for them. However, for the time being at least, the Regional Spatial Strategy (RSS) for the North East – which was published in July 2008 – remains a component of the adopted development plan.
- 2.21 The RSS sets out a long term strategy for the spatial development for the North East of England, which is intended to achieve the following vision for the region in 2021:
- ‘The North East will be a Region where present and future generations have a high quality of life. It will be a vibrant, self reliant, ambitious and outward looking Region featuring a dynamic economy, a healthy environment, and a distinctive culture. Everyone will have the opportunity to realise their full potential.’*
- 2.22 In Section 2 the RSS establishes the overall development principles and locational strategy, before developing thematic policies to address the delivery of economic prosperity, sustainable communities, an enhanced environment and improved connectivity. North Tyneside is identified as being part of the Tyne and Wear City Region. The ‘*Locational Strategy*’, which is set out in Policy 6, seeks to maximise the major assets and opportunities available in the North East to regenerate areas affected by social, economic and environmental problems. This is to be achieved by concentrating the majority of new development in the ‘*two conurbations and in the main settlements*’. The regional centre of Newcastle and the sub-regional centre of Sunderland are identified by Policy 6 as the location for the majority of new retail and leisure development. Additional development in



other town centres, such as those in North Tyneside, should be consistent with their scale and function to maintain and enhance their vitality and viability.

## Local Policy

### North Tyneside UDP (2002)

- 2.23 The North Tyneside Unitary Development Plan (UDP) remains part of the statutory development plan for the Borough, despite the fact that it was adopted in March 2002. The core objectives in the UDP relating to retailing are to:
- enhance the level and quality of shopping service provided;
  - keep town centres as the main focus for the provision of shopping facilities;
  - balance between existing provision and future proposals; and
  - consider how services other than retailing could add to the vitality of centres
- 2.24 The UDP refers to the three main centres of Wallsend, North Shields and Whitley Bay alongside Killingworth and the district centres of Longbenton Arndale, Forest Hall, Whitley Lodge, Monkseaton and the Collingwood Centre (also known as Preston Grange), together with a range of local centres within existing residential areas.
- 2.25 Saved Policy S3 sets out how the three main centres will be *'maintained and enhanced as the main focus for retail provision and associated facilities'*. Saved Policy S4 supports the development of retail and other uses in the central area of Killingworth. Saved Policy S5 supports the creation of a new district centre to the east of the A19 in association with public transport infrastructure, including a proposed new Metro station, to support the housing allocations at Holystone/Backworth/Shiremoor/West Allotment.
- 2.26 In relation to leisure and tourism the UDP recognises the contribution made to this sector by the coast, River Tyne and countryside alongside the potential for future tourism projects based on the local historical and industrial heritage. Furthermore, saved Policy LE2 supports the development of tourist and leisure facilities, including intensive leisure and recreation uses such as cinema, bingo, fitness and leisure centres, and indoor sports, provided they are acceptable in terms of environmental impact and surrounding land uses. Where possible such projects should be well served by public transport and contribute to the vitality and viability of North Tyneside's town centres, and of its main centres of tourism.
- 2.27 Additional to the more specific objectives of LE2, the UDP encourages tourist development in the following main areas:
- the coastal parts of Whitley Bay, Cullercoats and Tynemouth;
  - North Shields Fish Quay and Riverside;
  - Stephenson Railway Centre and Steam Railway;
  - Tynemouth Station; and
  - the Roman heritage at Wallsend.
- 2.28 More generally the Council will work in partnership with the private sector to stimulate investment in tourism. The Proposals Map designates six sites as being appropriate for leisure development, namely:

- West Allotment Park
- Silverlink East
- Royal Quays
- Spanish City
- Shiremoor West
- Backworth Metro

### **North Tyneside Local Development Framework**

- 2.29 The emerging Local Development Framework (LDF) will comprise the suite of documents that form the planning policy framework for development across North Tyneside. When adopted the LDF will replace the North Tyneside UDP. Consultation on the North Tyneside Core Strategy Preferred Options closed in September 2010. The Council's Planning Policy team is currently compiling the consultation responses and preparing recommendations so that the Core Strategy can be taken to the next stage.
- 2.30 The Core Strategy will cover the period to 2026/27. The Core Strategy Preferred Options Objective Five 'Revitalise the Town Centres' states that:
- '...the main town centres of Wallsend, North Shields and Whitley Bay will be transformed through a comprehensive approach to social, economic and physical regeneration, together with improved shopping, offices and homes.'*
- 2.31 Section 6.4 of the Preferred Options Core Strategy identifies a requirement for 17,231 sq.m of comparison retail sales area floorspace for the town centres of Killingworth, North Shields, Wallsend and Whitley Bay in the period to 2016 (no floorspace requirements are specified in relation to convenience retail). However, this figure is based on the findings from the 2007 North Tyneside Retail Assessment, which pre-dated the recession and the ensuing economic downturn, and the 2007-based floorspace figures are therefore already out of date, hence the need for the present study.
- 2.32 The Preferred Options Core Strategy also proposed ten key housing sites with the potential to accommodate 3,880 new dwellings. In October 2011 the Council undertook further consultation on growth options contained in the Preferred Options Core Strategy. The following three growth options were proposed:
- Option One, Increased Growth: the population of North Tyneside would grow in line with Government projections (by about 26,000 persons).
  - Option Two, Stable Growth: the population of North Tyneside would grow slower than Government projections (by about 16,000 persons).
  - Option Three, Reduced Growth: the population of North Tyneside would grow far slower than Government projections (by about 10,500 persons).

### **North Shields Retail Centre Regeneration Strategy**

- 2.33 The Regeneration Strategy for North Shields was completed in April 2010 and informs the emerging LDF. The strategy seeks to reinvigorate the town centre by:
- addressing physical environmental problems;

- clearly establishing the Council's intentions to stimulate growth and positive change;
- capitalising on the key assets such as Northumberland Square and the Beacon Centre; and
- bolstering the town centre's retail offer.

2.34 The strategy also identifies 13 development projects, the most significant of which are likely to be;

- Project NS DP 2 Metro Station – a mixed use development creating an enhanced gateway addressing the poor relationship between the station and the street. The Bingo Hall site should be included as part of any comprehensive redevelopment proposal.
- Project NS DP 7 Northumberland Square – Northumberland Square is the key green space within the town centre and would benefit from improved design integration, enhancing pedestrian connections and a improvement in public realm quality. The attractiveness and purpose of the square would be enhanced by active ground floor uses to the west and south.
- Project NS DP 11 The Beacon Centre – the Beacon Centre under-performs as a town centre shopping destination. A redevelopment project would be required to enhance permeability of routes through the centre, provide retail units suitable for modern retailers, and enhance the aesthetic appearance of the town centre, including the entrances to it.
- Project NS DP 12 Fish Quay Links – the synergies between Fish Quay and the town centre can be maximised with better signage, improved bus shuttle service and marketing.

2.35 As part of the LDF an Area Action Plan (AAP) is also being developed for North Shields with consultation held on the Issues and Options in 2008.

### ***Whitley Bay Retail Centre Regeneration Strategy***

2.36 The Regeneration Strategy for Whitley Bay was completed in April 2010 and informs the emerging LDF. The strategy seeks to reinvigorate the role of the town as an attractive seaside destination by:

- addressing physical environmental problems;
- clearly establishing the Council's intentions to stimulate growth and positive change;
- addressing the reputation of the town centre for anti-social behaviour; and
- bolstering the town centre's retail offer.

2.37 The strategy also identifies the following three development projects:

- Project WB DP 1 Whitley Road/Coliseum – the Coliseum site is identified for a new retail anchor development to encourage the local population to undertake their regular shopping within the town centre.
- Project WB DP 2 Spanish City – the Spanish City development has the potential to redefine the identity of Whitley Bay as a seaside town. The completed development will provide cultural, leisure, retail and hotel uses.

- Project WB DP 3 YMCA Site – the former YMCA building provides an opportunity for residential development that also serves as a landmark at the gateway into the town centre.

2.38 An AAP is also being developed for Whitley Bay (Coastal) with consultation held on the Issues and Options in 2009.

### ***The Strategic Development Framework Plan for River Tyne North Bank***

2.39 The regeneration of Wallsend Town Centre is a key priority for the Council, which adopted interim planning guidance in March 2010 entitled 'The Strategic Development Framework Plan for River Tyne North Bank' (SDFP). The SDFP area covers over 600 hectares on the North Bank of the River Tyne and includes the town centre. It is intended that the guidance will be integrated into the Core Strategy and the Wallsend AAP. The redevelopment and regeneration of the town centre is one of the key drivers for the wider North Bank development. The North Bank SDFP includes an aspiration to modernise the Forum Shopping Centre and consolidate the town centre uses into a more compact area.

### **The North Eastern Local Enterprise Partnership**

2.40 The North Eastern Local Enterprise Partnership (LEP) was approved by the Government in Jan 2011 and covers the seven local authority areas of North Tyneside, Durham, Gateshead, Newcastle, Northumberland, South Tyneside and Sunderland.

2.41 A separate LEP, Tees Valley Unlimited, will cover the Teesside Local Authority area. A delivery plan is currently being developed by the North Eastern LEP focused on the following four key themes:

- supporting enterprise and private sector growth;
- building on key economic strengths;
- improving skills and performance; and
- strengthening transport, connectivity and infrastructure.

2.42 Following the 2011 Budget, two Enterprise Zones will be established in the North East where the private sector will benefit from simplified planning rules and discounts on business rates to encourage development.

2.43 On 17 August 2011 it was announced that the North Bank of the Tyne project will be part of a new round of Enterprise Zones to promote economic growth and private sector investment. The site will form a new Low Carbon Enterprise Zone in the North East covering the prime strategic riverside land along the North Bank of the Tyne, including the Swan Hunter site, Neptune Yard and Port of Tyne North Estate, alongside the Ultra Low Carbon Vehicle sites adjacent to the A19 in Sunderland. The new Enterprise Zone will be a hub of expertise built around manufacturing, research and innovation in the field of low carbon. It is expected that over 7,000 direct new jobs will be created in the Enterprise Zone by 2022.

## **National Planning Policy Framework**

- 2.44 Various changes to the planning system are currently proposed by the Government which will have a bearing on planning for retail development and town centres more generally. Proposals include the streamlining of national planning policies into a single consolidated National Planning Policy Framework (NPPF). A draft version of the NPPF was published for consultation in July 2011, which the Government intends to finalise by the end of this year. Under the draft NPPF, local authorities would be required to produce one local plan, with any additional DPDs required only where there is a clear justification.
- 2.45 In the remainder of this section of our report we outline some of the Government's key proposals for the planning system.

### ***Presumption in Favour of Sustainable Development***

- 2.46 The Government proposes to introduce a new presumption in favour of 'sustainable development', so that the default answer to development is 'yes', except where this would compromise the key sustainable development principles set out in national planning policy.

### ***Ensuring the Viability and Deliverability of Development Plans***

- 2.47 Local authorities will be required to identify and plan for development, with a clear role for market signals in assessing the need for development. For development plans, ensuring deliverability will remain a key test of soundness. Local authorities seeking to introduce the Community Infrastructure Levy will be legally required to assess the economic viability of the rates they set. Through the NPPF, the Government will also ensure that local authorities will not be able to adopt plans that block the delivery of required development by imposing unsupportable burdens on developers.

### ***Neighbourhood Planning***

- 2.48 The Government has already indicated that it intends to provide an opportunity for neighbourhoods to put forward plans for development. Neighbourhood plans will be able to shape development, but not to block it. The Government will set out clear requirements for any neighbourhood forum or parish council to consult and engage local business and take into account their views in preparing neighbourhood development plans and orders. Neighbourhood plans will only be adopted if they are consistent with the local authority's statutory plans and with national planning policy, and where they show that representations from business have been considered. In April 2011, the Fish Quay in North Shields was announced as one of the 17 neighbourhood plan pilot areas where draft plans will be prepared.

### ***Planning Applications and Related Consents***

- 2.49 The Government intends to introduce a number of measures to streamline the process for dealing with planning applications and related consents. This will include a 12 month guarantee for the processing of all planning applications, including any appeals. The intention is that no planning application should take longer than one year to reach a decision.

### ***Retail***

- 2.50 Building on the ‘town centres first’ thrust of PPS4, the Government intends to bring in a package of measures that support thriving town centres. The Government will work to identify examples of what currently works well at the local level, thereby providing best practice guidance to local authorities and businesses on the potential benefits of Business Improvement Districts and how LPAs can use Compulsory Purchase Orders to help re-invigorate their town centres.

### ***Offices***

- 2.51 The Government proposes to remove the need to prioritise town centre locations for new office development. As the NPPF is presently drafted, there would no longer be a requirement to apply the sequential test to proposals for new office space.

### 3 OVERVIEW OF RECENT RETAIL AND LEISURE TRENDS

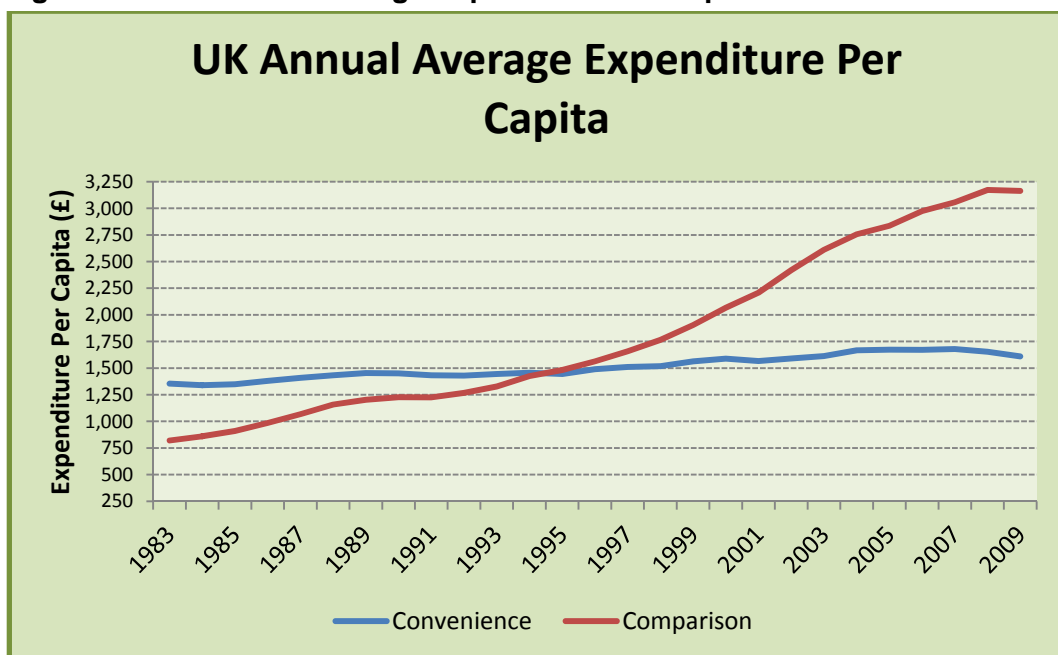
#### Introduction

3.1 In this section we provide an overview of current national trends in the retail and leisure sectors, highlighting, wherever appropriate, those that we consider could have – or are already having – an impact in North Tyneside. The review is drawn from a range of published sources, including research carried out by Verdict, PBBI/OE, the New Economics Foundation, Experian and the Local Data Company.

#### Retail Expenditure Growth

3.2 Graph 3.1 illustrates the growth in comparison goods retail expenditure per capita and in convenience goods retail expenditure per capita in the UK since 1983, in constant year 2006 prices. The historic growth in the comparison goods sector has far surpassed that in the convenience goods sector, and averaged 5.6 per cent, per capita, per annum between 1983 and 2009, compared to a growth rate for convenience goods expenditure over the same period of just 0.9 per cent, per capita, per annum.

Figure 3.1 UK Annual Average Expenditure Per Capita



Source: Oxford Economics/PBBI Information Brief 2010/2011, Table 3.2 (2006 prices).

3.3 Graph 3.1 also illustrates the beginning of the recession in late 2008 and in 2009 (the latest year for which data are available). There was a fall in per capita expenditure on comparison goods in 2009 of -0.3 per cent, which is the first fall since 1991. Moreover, in the convenience sector, there was negative growth in both 2008, of -1.5 per cent, and in 2009, of -2.7 per cent. Experian and PBBI/OE anticipate that annual growth in per capita spending on comparison goods will recover to 2.4 per cent (Experian) and 3.8 per cent (PBBI/OE) by 2012, but both forecasters do not envisage a return to levels of previous

growth in the period up to 2020, with annual growth between 2015 and 2020 anticipated to be around 3 per cent, per capita.

- 3.4 In the past, the sustained high levels of growth in expenditure have supported a substantial amount of new retail floorspace and, particularly in the 1980s and 1990s, the growth in large out-of-centre development. However, these levels of growth in floorspace are unsustainable in the context of the current economic climate. Indeed, not only has the economic downturn resulted in lower forecast levels of spending, but it has also had an effect on investor and developer confidence, meaning that in many town centres across the country, retail schemes have either been put on hold, or are now only viable with huge amounts of public sector pump priming.

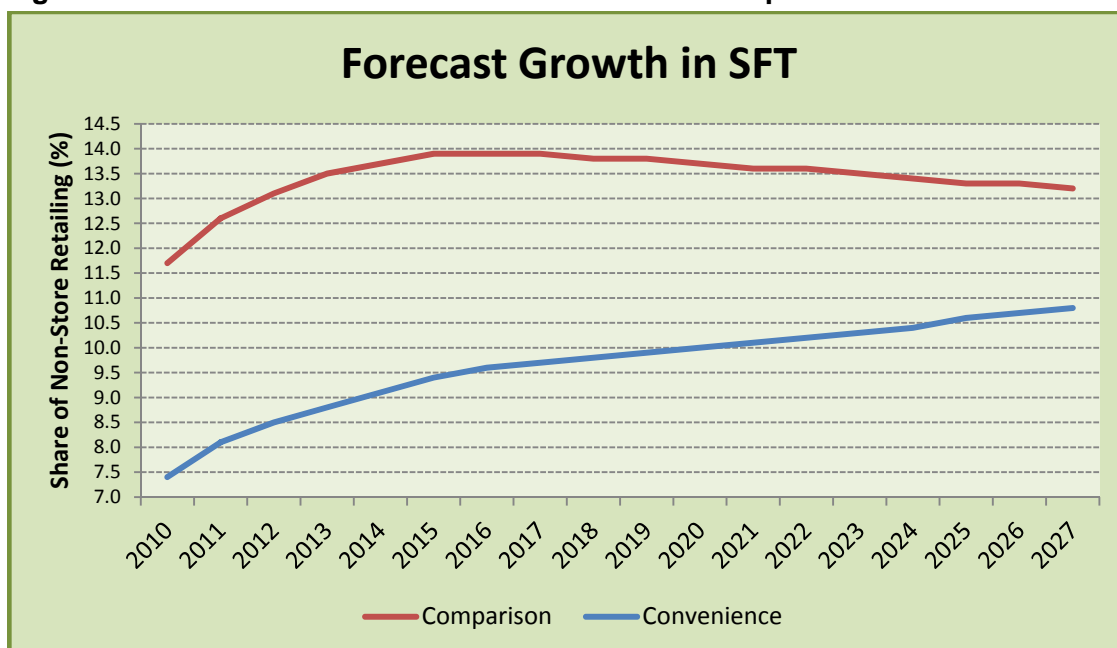
### **Special Forms of Trading (SFT)**

- 3.5 New forms of retailing have emerged in recent years as popular alternatives to traditional high street shopping, with the expansion of the sale of retail goods over the internet (e-tailing) increasingly becoming an issue when planning for retail development.
- 3.6 The value of non-store retail trade (known as Special Forms of Trading or SFT) in 2009 was approximately £26.1bn, which represented 8.8 per cent of all retailing<sup>3</sup>. Experian predicts that non-store retailing will grow to reach a peak of 13.9 per cent of comparison goods expenditure in the year 2017, followed, thereafter, by gentle decline (as shown in Graph 3.2). In the convenience goods sector, Experian predicts that the claim from SFT will continue to grow up to 2027, to reach 10.8 per cent of total convenience sales at that date, but with a significant proportion of these sales representing goods taken off supermarket shelves, and with little impact on demand for new floorspace.
- 3.7 It is important to bear in mind, when considering these forecasts, that there is a high degree of uncertainty about future trends in internet usage. A number of convenience retailers, most notably Tesco and Asda, are developing strategies to open 'dark stores' dedicated to internet orders. These developments follow the approach taken by Ocado, which is more advanced than its competitors in this field, of distributing goods from warehouses rather than stores. If this trend continues, demand for convenience goods retail floorspace as a result of internet shopping may reduce as supermarkets move to a centralised system to ease pressure on stores.

<sup>3</sup> Experian, Retail Planner Briefing Note 8.1, August 2010



Figure 3.2 Forecast Growth in SFT's Share of Retail Expenditure



Source: Experian Retail Planner Briefing Note 8.1, August 2010

### The Effects of the Economic Downturn on Town Centres and Retail Demand

- 3.8 The effects of the economic downturn and suppressed levels of retail expenditure growth are evident in numerous town centres across the country, with an increase in vacancies, a loss of previous anchor stores and a decline in town centre development. Furthermore, various town centres across the country have witnessed a decline in the quality of their retail offer as discount retailers and charity shops have opened in retail units previously occupied by higher quality operators.
- 3.9 The Local Data Company (LDC) published its End of Year Vacancy Report 2010 in January 2011<sup>4</sup>. The LDC report shows that vacancy levels in the North and in the Midlands are significantly higher than in the south of England. According to the LDC report, 90 per cent of the top 25 highest vacancy rates in the 'largest centres' are found in the Midlands and the North. The corresponding figure for the 'medium centres' is lower – but still significant – at 68 per cent<sup>5</sup>. Numerous high-profile retailers have already gone out of business in the last couple of years including Adams, Woolworths, MFI, Zavvi, Borders, Ilva, The Pier and, most recently, TJ Hughes. Other retailers such as HMV, Waterstones, JJB, Thorntons and O2 are looking to offload or close stores in response to declining sales. The LDC report refers to the latest 'Red Flag Alert' from business recovery firm Begbies Traynor which indicates that some 10,250 companies in the retail sector are facing financial distress and,

<sup>4</sup> 'Terminal Illness or Gradual Decline? A review of GB shop vacancy in 2010' (referred to in the same report as 'End of Year Vacancy Report 2010'), Local Data Company, January 2011.

<sup>5</sup> For the purposes of its report, the LDC defines 'largest centres' as those that contain 400+ 'shops' within the 'CLG retail core'. 'Medium centres' are defined as those that have 200-399 shops within the CLG retail area.

according to the LDC, The Centre for Retail Research expects around 10,000 shops to close in 2011.

- 3.10 The VAT increase to 20 per cent, which took effect in January 2011, has put further pressure on retailers, particularly those selling 'big ticket' items. As well as the impact of tax rises, retailing will also be vulnerable to the effects of public sector pay freezes and job cuts. This squeeze on growth in consumer expenditure will create a tougher trading environment for retailers, with knock-on effects likely to include the scaling back of store expansion plans for some retailers, rationalisation to concentrate on only the most profitable stores, and an emphasis on cost containment across the board.
- 3.11 In summary, the negative impact of the recession and ongoing weak economic conditions is two-fold; consumers are spending less, and investors are taking longer to commit to schemes. These effects are compounded by the collapse of numerous national retailers. It seems likely that the various pressures will curb rental growth, restrain demand for new retail floorspace and, therefore, exacerbate town centre vacancy rates.

### The Development Pipeline

- 3.12 In terms of future supply, there is concern that the longer developments remain in the pipeline, the more difficult it will be for retailers to expand. Much of the existing secondary and tertiary stock in town centres is unfit for the purposes of mass-market retailing. Therefore, as the economy recovers, and retailer requirements increase, the development pipeline is going to find it difficult to keep pace. It is therefore important that, where possible, public sector partners remain committed to supporting schemes which will help to support the future recovery of their town centres.
- 3.13 The economic shift that has occurred as a result of the economic recession may, in the longer term, bring some positive benefits to town centres such as those in North Tyneside. The unprecedented growth in consumer expenditure, which fuelled the large scale developments seen in many of the larger town and city centres throughout the country over the last decade, is unlikely to be repeated in the foreseeable future. As such, it is likely that there will be a shift from large scale town centre developments such as Liverpool One and Highcross Leicester, with large department store anchors, to smaller and simpler schemes which are anchored by a range of retailers and which are more deliverable in what is likely to be a much more restrained market sector in the future. Across North Tyneside, this shift reinforces the need to support appropriately sized, deliverable schemes which will help to consolidate and enhance the retail offer in each of the town centres.
- 3.14 The shift to smaller schemes could also be encouraged by greater certainty in the planning environment, as DPDs are adopted throughout the country, and LPAs accept that town centre schemes cannot fund all planning obligations if they are to be viable and deliverable. Thus, whilst the recession may have made retailers and developers more cautious, there is still interest in town centres, albeit now on a smaller and more modest scale.
- 3.15 There are also early signs that stalled schemes are being re-evaluated; whilst developers and investors remain cautious, many schemes which had previously been victims of the downturn are now being re-worked and re-negotiated to achieve viability again. There is also growing support, within both the public and private sectors, for new finance initiatives

such as Tax Increment Financing and Accelerated Development Zones, which unlock revenue streams to support development in areas where it would otherwise not have been viable.

- 3.16 Developers are opportunists and commercial viability remains their overriding concern. It is therefore crucial that the Council remains proactive in attracting investment to its centres, particularly in the face of increasing competition from out-of-centre locations and higher-order centres.

### **Polarisation Trend**

- 3.17 A significant and long term trend is the continuing polarisation by retailers towards larger stores in larger centres. Retailers recognise that greater efficiency can be achieved by having a strategic network of large stores offering a full range, rather than having a large network of smaller stores, and are therefore increasingly seeking to serve larger population catchments from larger stores. This trend is also driven by consumers who are becoming more discerning and are increasingly prepared to travel further. We are therefore witnessing a growing concentration of comparison goods expenditure in a smaller number of larger centres.
- 3.18 This concentration of retailing in larger centres is a potential threat to the town centres in North Tyneside. In a climate whereby retailers are looking to cut costs and increase efficiency, they are unlikely to be willing to accept constrained or deficient units for the sake of gaining representation, and some retailers might therefore choose to consolidate their offer in other centres, such as Newcastle City Centre, where they can serve a similar catchment while operating from larger and more efficient units.
- 3.19 However, it is also worth bearing in mind that the economic downturn might, in the longer-term, result in a departure from this trend. As previously discussed, it is likely that developers will no longer be willing to take the risks associated with large scale, complicated town centre schemes. The result of this is that we might begin to see smaller, simpler schemes which are more viable in town centres such as those across North Tyneside, rather than the more ambitious projects of the last decade.
- 3.20 The growth in market share of the large foodstore operators, and the decline in the number of independent convenience traders, poses similar challenges for small town centres and district/local centres which rely on their convenience/service base. A clear picture is emerging of a network of large dominant superstores, and corresponding decline/diversification in the traditional smaller centre. This trend is more likely to threaten district and local centres, in particular the ones which rely on a strong a convenience and service sector base to underpin their vitality and viability.

## The Role of Independent Retailers

- 3.21 The decline of the independent/specialist convenience sector in the UK is well-documented. The New Economics Foundation (nef) in its work on *Clone Town Britain*<sup>6</sup> asserts that the loss of traditional stores, caused by the rise of the large superstore operators and national multiples, is resulting in the ‘*homogenisation of our high streets*’. According to the nef, during the period 2007 to 2009, larger grocers and their ‘local’ styled outlets expanded across high streets at the expense of 914 branches of smaller shop multiples in the sectors of confectionary/tobacco/newsagents, off-licences, tea/coffee and bakers.
- 3.22 However, independent retailers continue to play an important role. A healthy independent sector can contribute significantly to a town’s overall wellbeing. A thriving independent sector can also be a significant factor in attracting visitors to a town and supporting local businesses. The nef notes that:
- ‘...locally rooted, independent retailers relate differently to the communities they serve. In economic terms, more of the money spent in them is likely to re-circulate in the local area. They are more likely to support other local businesses too, rather than procuring the goods and services they need from other remote national and international suppliers. In difficult times, locally rooted stores are also more likely to ... remain open, doing whatever they can to keep trading’.*<sup>7</sup>
- 3.23 Successful street markets can also play an important part in a town’s independent retail sector. The nef comments that ‘*street markets keep more money circulating in the local economy, ... provide twice as many jobs as supermarkets, support retail diversity by providing space for a range of independent local traders, and provide a low risk environment in which new enterprises can flourish.*’<sup>8</sup>

## The Growth of Discount Food Operators

- 3.24 The limited assortment discount (LAD) supermarket chain Netto was acquired by Asda in May 2010, and most of the 193 Netto stores will be converted into branches of Asda by the end of 2011 (with the remainder being sold off to other retailers). Accordingly, there will soon be two national LAD operators in the UK – Aldi and Lidl – rather than three.
- 3.25 The LADs performed well at the height of the recession, in 2008 and 2009, as consumers searched for bargains. However, in 2010 the pace of growth in the LAD sub-sector was showing signs of slowing, primarily as a result of strong competition from the ‘big four’ foodstore operators, all of which have their own ‘discount’ brands. However, Verdict reports<sup>9</sup> that that LAD operators have started to see an improvement in sales in 2011 as the economic climate remains challenging. Verdict also expects that discounters will outperform the Big Four in 2012.

<sup>6</sup> Re-imagining the High Street: Escape from Clone Town Britain (New Economics Foundation, 2010).

<sup>7</sup> Ibid

<sup>8</sup> Ibid

<sup>9</sup> Verdict, Food and Grocery Retailers 2011.

- 3.26 In response to consumer attitudes, Aldi has been working hard to improve perceptions of the quality of its product range. For instance, Aldi now has a ‘Specially Selected’ range which, according to its website, offers ‘premium quality’ and ‘exceptional taste’. The Specially Selected range includes coffee, wine, chutney, brioche, sausages and parma ham. Furthermore, Aldi employs the celebrity chef, Phil Vickery, who regularly provides recipes using products available in Aldi stores, and Aldi’s website provides details of numerous recent awards that the company has won for the quality of its products.
- 3.27 Lidl similarly employs a celebrity chef to develop recipe ideas (Nick Nairn), and Lidl’s website confirms that, in common with Aldi, its products have either been nominated for or have received numerous awards for their quality in recent years. Accordingly, in our assessment, the distinction between Aldi/Lidl and the other mainstream foodstore operators has blurred in recent years.
- 3.28 Aldi and Lidl both continue to expand aggressively and prefer prominent sites with main road frontages, which, by definition, are often located away from defined centres. Such a strategy puts pressure on LPAs when they are determining applications, given the need to protect the vitality and viability of existing town and district centres.

### **The Sale of Comparison Goods in Foodstores**

- 3.29 In recent years, the main foodstore operators have sought to increase the proportion of floorspace dedicated to the sale of comparison goods in their stores. Verdict<sup>10</sup> anticipates that non-food will continue to be a key driver for Asda, Sainsbury’s and Tesco as they invest in their non-food propositions to boost growth and drive footfall, mitigating against more subdued growth in convenience expenditure.
- 3.30 The increased competition from foodstores as they continue to expand their comparison goods offer is a growing threat to town centres. Accordingly, it is imperative that North Tyneside Council continues to ensure that any new foodstore permissions are adequately conditioned to limit the amount of floorspace which can be used for the sale of comparison goods. This applies equally to extensions and redevelopments of existing foodstores, because the foodstore operators often seek to use the additional floorspace for the sale of comparison goods.

### **Budget 2011: The Plan for Growth**

- 3.31 The 2011 Budget saw the launch of the Government’s ‘Plan for Growth’, which set out reforms in areas identified as acting as barriers to enterprise. This included a review of the retail sector.
- 3.32 A package of measures was announced to support thriving town centres and build on the ‘town centres first’ policy. This included the simplification and scaling back of various regulations affecting retailers, and a further review of the skills system in order to ensure it is delivering what the sector needs. Additionally, best practice guidance was to be provided

<sup>10</sup> Verdict, Food and Grocery Retailers 2011

on the potential benefits of Business Improvement Districts and on ways in which local authorities can use Compulsory Purchase Orders to help re-invigorate their town centres. However, to date, no specific best practice guidance from Central Government has been provided.

## Review of the Future of the High Street

- 3.33 In May 2011, it was announced that Mary Portas, the prominent retail market consultant, would lead an independent review into the future of the high street on behalf of the Department for Business, Innovation and Skills. The review will examine the case for developing town centres such that economic growth is promoted, jobs are created and quality of life for town centre users is enhanced. New business models for high streets will be explored, and the report will recommend ways in which diverse, sustainable high streets can be created in which businesses of all sizes can thrive.
- 3.34 In summary the review will:
- examine the case for developing town centres that contribute to promoting economic growth, creating jobs and improving quality of life in local areas;
  - explore new business models for high streets relevant to the modern consumer; and
  - recommend what action government, businesses and other organisations should take to create diverse, sustainable high streets where businesses of all sizes and independent retailers are able to thrive.
- 3.35 As part of the review, visits are currently being undertaken to a number of town centres across England along with engagement events with key stakeholders in commercial property, including local landlords, agents and planning managers. An online survey ran from 17 May to 31 August, with several hundred responses from individuals and organisations that will feed into the review.
- 3.36 The final report is due to be published towards the end of 2011.

## Leisure Trends

### Cinema

- 3.37 The cinema market in the UK is dominated by Odeon, Vue and Cineworld, which between them account for over 60 per cent of the UK's screens. According to the Cinemas, Leisure Intelligence Mintel Report<sup>11</sup>, cinema admissions and revenues are growing across the country. Between 2005 and 2009 consumer expenditure on cinemas increased from £1,078m to £1,301m, a rise of 13.6 per cent. Cinema admissions also increased over the same period from 164.7m to 175.5m and are forecast to increase further to 209.4m by 2015. Whilst the number of cinema sites nationally has seen a slight decline the number of screens in the UK increased by 6 per cent from 2005 to 2009 owing to the development of

<sup>11</sup> June 2010

multiplex sites. There were 275 multiplex cinemas in the UK in 2009 with a total of 2,738 screens; this equates to 74 per cent of cinema screens nationally.

### **Bingo**

- 3.38 The Bingo Intelligence Mintel Report<sup>12</sup> highlights that the bingo industry experienced a steady decline in terms of both revenue and admissions between 2006 and 2009. Over this period revenue declined by 26 per cent and admissions fell by 22 per cent. This decline has been caused by several factors including the economic recession, the implementation of the smoking ban, the Gambling Act 2005, and a rise in bingo duty. Admissions to bingo clubs declined from 79m in 2004 to 72m in 2008 and are predicted to fall further to 50m in 2014. Furthermore, turnover fell from £2,752m in 2006 to £2,429m in 2008 and is forecast to decline further to £1,503m in 2014. The number of clubs has also declined, falling from 696 in 2004 to 615 in 2008.

### **Ten Pin Bowling**

- 3.39 The Tenpin Bowling, Leisure Intelligence Mintel Report<sup>13</sup> states that between 2007 and 2009 the value of the tenpin bowling market fell by 11 per cent to less than £250m. Although sales improved in 2010 and bowling remains a popular occasional leisure activity there is little prospect of significant supply growth. Whilst tenpin bowling revenue is forecast to grow from £265m to £284m between 2005 and 2015, in 2010 prices revenue will actually decline from £342m to £220m.

### **Performing Arts**

- 3.40 The Mintel Report for Performing Arts<sup>14</sup> states that revenue for the performing arts has been increasing. However, the Comprehensive Spending Review 2010 is expected to have a negative impact on the performing arts sector with significant cuts to arts funding and subsidies. Between 2005 and 2009, expenditure on theatre increased from £516m to £670m, a rise of 29.8 per cent. In terms of revenue for the performing arts sector as a whole this rose from £1,719m in 2005 to £2,045m in 2009; however, revenue is forecast to decline to £1,981m by 2015. At 2010 price levels this represents a fall from £2,215m in 2005 to £1,538m in 2015.

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<sup>12</sup> April 2009

<sup>13</sup> July 2010

<sup>14</sup> October 2010





## 4 PERFORMANCE ANALYSES

### Introduction

- 4.1 We have undertaken a ‘performance analysis’ (commonly referred to as a ‘health check’) of each of the Borough’s four defined Town Centres and the various District Centres, using the indicators of vitality and viability specified in Annex D of PPS4. Our appraisal of each centre has involved on-foot surveys of each centre, along with desk-based research.
- 4.2 At the outset it is worth noting that published data are generally not as readily available for smaller centres. Therefore, whilst we do make use of any available data, our performance analyses of the District Centres is necessarily based mainly on our on-foot surveys and our professional judgement.
- 4.3 As well as providing the base position for the future monitoring of the vitality and viability of the Town and District Centres, the exercise identifies the key strengths of the centres as well as their deficiencies and areas that would benefit from improvement, which we then use to inform the recommendations in subsequent sections of our report.
- 4.4 The separately bound Volume 2 contains our full write-ups for each centre, as well as the associated tables, figures and plans. In the remainder of this section of our report, we summarise the key findings from our analysis of each study centre.

### Summary of Our Performance Analyses

#### *North Shields Town Centre*

- 4.5 North Shields Town Centre is located some eight miles to the east of Newcastle on the north bank of the River Tyne. The centre encompasses the Beacon Shopping Centre which contains some national comparison retailers including New Look, Boots, Wilkinsons and B&M Bargains. The main convenience retailers within the town centre are Co-operative Food, Iceland and Asda (formerly Netto), and the centre also includes a number of other uses such as the library, Post Office, service uses and several businesses.
- 4.6 The town centre has a reasonably varied convenience retail offer – albeit the town centre supermarkets tend towards the lower end of the size spectrum – and footfall levels appear to be rising. The recent conversion of the former Netto supermarket to an Asda has improved the quality of the convenience retail offer within the town centre and anecdotal evidence suggests that fallfall in this area is now increasing. Furthermore the refurbishment works to the Metro station will provide an enhanced gateway into North Shields Town Centre
- 4.7 However, most of the health check indicators suggest that North Shields is not a particularly strong town centre. We note, for instance, that:
- North Shields has experienced significant slippage in the retail rankings, which reflects the lack of recent development and new store openings in the town centre, albeit it is worth noting that this trend is not unique amongst North Tyneside’s centres;

- there has been worsening retail rents and yields, diminishing levels of operator interest and rising vacancy levels in the town centre, although again this is reflective of trends across many medium and smaller town centres across the country given the reducing demand for retail space as a consequence of the recession and ensuing economic downturn;
- North Shields has a limited comparison retail offer which is focused on the discount end of the market and a disappointing food and drink offer, with the prospects of improving the latter in particular seemingly slim given the close proximity of the Fish Quay area which provides an array of food and drink outlets;
- the property offer throughout the town centre is out-dated and out-moded, with unit sizes typically small; and
- some quite attractive parts of the town centre are undermined by other areas that are in need of significant intervention.

4.8 Our overall assessment is that if the retail offer cannot be improved, for instance through the redevelopment of the Beacon Centre, then it is likely that the position of North Shields in the sub-regional retail hierarchy will deteriorate further.

### **Wallsend Town Centre**

- 4.9 Wallsend Town Centre is situated on the north bank of the River Tyne approximately five miles to the east of Newcastle-upon-Tyne. The retail uses within the centre are focused around the High Street and the Forum Shopping Centre. The 2007 Retail Assessment highlighted limited representation from multiple retailers and low levels of operator demand. The position has worsened since 2007, particularly with the loss of two prominent retailers, namely Woolworths and Co-operative, which previously anchored the Forum Centre.
- 4.10 In April 2011, a Memorandum of Understanding was signed between the Council and the developer, NewRiver Retail, to pursue a scheme comprising significant refurbishment works and an extension of the Forum Shopping Centre. The proposed redevelopment could include a new 5,100 sq.m anchor foodstore to take the place of the vacant Co-operative Food supermarket, and an additional 6,050 sq.m of retail space creating larger units suitable for modern retail requirements. NewRiver Retail is currently consulting on potential options prior to the submission of a planning application. There may be further opportunities to consolidate the town centre uses into a more compact area and enhance linkages to the River Tyne through the Strategic Development Framework Plan for River Tyne North Bank.
- 4.11 We would particularly highlight the following key findings from our performance analysis of Wallsend Town Centre:
- Wallsend has declined significantly in the national retail rankings, with a fall of some 383 places between 2004 and 2008. Furthermore, weekly footfall within the town centre has seen a 33 per cent decline between 2002 and 2011.
  - The town centre has lacked a main food anchor since the closure of the Co-operative Foodstore two years ago. There are also key deficiencies in the comparison retail offer which is focused on the discount end of the market.

- As in North Shields, retail rents and yields have deteriorated in Wallsend recently and vacancy levels have been rising, although again this is reflective of trends across many medium and smaller town centres across the country.
- The majority of retail units are dated and in poor physical condition. The Forum Shopping Centre is in need of significant refurbishment and/or redevelopment.
- The public realm and physical environment in the town centre is of poor quality and this contributes to negative perceptions of the centre.

4.12 Our overall assessment is that Wallsend Town Centre has been in long-term decline. Re-introducing a town centre foodstore anchor and improving the quality of the comparison retail offer would go a long way towards reinvigorating the town centre. The proposed redevelopment of the Forum Shopping Centre and the successful delivery of an anchor foodstore alongside new larger, high quality units in Wallsend is therefore a vital component in meeting key deficiencies in the town centre's convenience and comparison retail offer.

### **Whitley Bay Town Centre**

- 4.13 Whitley Bay Town Centre is situated on the North Sea coast approximately nine miles to the north east of Newcastle. Whilst the centre operates as a convenience and comparison shopping destination it also fulfils an important tourism role. The Park View Shopping Centre, which opened in 2004, provides the retail focal point in the town centre and includes several national retailers including Sainsbury's, Boots and Clintons Cards.
- 4.14 The strong independent retail offer provides a unique appeal and is one of the town centre's key strengths. Building on this strength and providing a more consolidated retail offer alongside an improved physical environment along the seafront would enable Whitley Bay to better realise its full potential as a thriving and prosperous destination for tourists and shoppers alike. The Spanish City development has the potential to redefine the identity of Whitley Bay as a seaside town. The developer, Robertson, is currently undertaking public consultation on plans to provide a cultural and leisure hub.
- 4.15 A key challenge in Whitley Bay is to tackle the negative perceptions of the evening economy and the role of the town as a destination for stag and hen parties. The Spanish City site and its potential as a leisure attraction within an enhanced seafront and promenade form important components of this strategy.
- 4.16 Overall, we consider Whitley Bay to be a reasonably healthy centre, however, we note the following:
- The elongated form of the town centre affects its attractiveness as retail offer to an extent by dispersing the shopping provision over too wide an area.
  - It would therefore be desirable to strengthen the Primary Shopping Area whilst considering carefully the future role of more peripheral retail parts of the town centre, particularly to the east along Whitley Road.
  - The catchment of Whitley Bay contains some of the more affluent areas of North Tyneside but its town centre retail offer does not fully reflect this.

### ***Killingworth Town Centre***

- 4.17 Killingworth Town Centre comprises the purpose built Killingworth Shopping Centre, which contains some 30 retail units and is anchored by a Morrisons store. The Matalan and Wilkinson stores are the key comparison anchor stores which both provide a wide range of goods. Whilst Killingworth Town Centre does not include some of the uses normally associated with a traditional town centre, but as a destination for convenience and comparison goods for local residents, it performs quite well. If the additional housing proposed for the north west of the Borough is delivered there may be scope to provide further retail floorspace in Killingworth alongside an improved range of other town centre uses.

### ***Battle Hill District Centre***

- 4.18 Battle Hill District Centre comprises some 13 units in a new purpose built shopping centre, known as Coastway Shopping Centre. The new units were constructed adjacent to the former shopping precinct that had suffered considerable decline and problems of anti-social behaviour. The former shopping precinct has now been demolished to make way for new residential development. Overall, Battle Hill District Centre provides a good level of provision for local top-up shopping and service sector needs.

### ***Forest Hall District Centre***

- 4.19 Forest Hall is a linear centre set along Station Road North which contains some 43 units in addition to the Irving House office block. The centre is also served by the Forest Hall library, which is located to the rear of Station Road North on Whitefield Road. The majority of buildings in the centre date from the Victorian period with the exception of the Sainsbury's and Nisa supermarkets and the 1960s Irving House office block.
- 4.20 Our overall assessment is that Forest Hall District Centre provides a good level of provision for local top-up shopping needs and service-sector requirements. Whilst the centre as a whole has an attractive environment this could be further enhanced by improvements to the exterior of Irving House, the condition of which detracts from the appearance of the centre. In this context we note that Forest Hall District Centre has been allocated £100,000 from the Council to assist in its regeneration.

### ***Longbenton District Centre***

- 4.21 Longbenton District Centre comprises some 14 retail units in a relatively new purpose built shopping centre called The Boulevard on West Farm Avenue. Overall, Longbenton District Centre provides a reasonable level of provision for local top-up shopping needs and contains some service uses. The centre may benefit from a broader mix of comparison uses and a small format foodstore that offers a higher quality of convenience retail than that presently available. There is potential for additional convenience retail provision adjacent to The Boulevard that could enhance the performance of this district centre.

### ***Monkseaton District Centre***

- 4.22 There are some 50 retail units in Monkseaton District Centre, in addition to several public houses and some small office space. The centre is linear in nature, running along Front Street/Caudwell Lane from the Monkseaton Metro Station to the junction of Caudwell Lane

and Woodleigh Road. The majority of the buildings are Victorian in character although the centre also contains residential dwellings, including several recently constructed apartment blocks, interspersed with the retail units.

- 4.23 Overall, Monkseaton is a pleasant and attractive centre and the majority of buildings are in good condition. The centre provides a good mix of retail uses which cater for local top-up shopping needs and it also includes a range of more specialist shops and service sector uses. However, partly due to its linear nature and blocks of residential dwellings, the centre is slightly fragmented and there are now several vacancies. Monkseaton may benefit from seeking to consolidate its retail provision along Front Street and encouraging other uses such as residential along Caudwell Road.

### ***Northumberland Park District Centre***

- 4.24 Northumberland Park (also referred to as Shiremoor) is a new district centre that has been developed in accordance with UDP Policy S5 to provide retail, community and service facilities for a large area of new housing along the A19 corridor. The centre is located adjacent to the newly completed Northumberland Park Metro station and contains ten units, anchored by a Sainsbury's store.
- 4.25 Whilst our overall assessment is that the centre is generally healthy, the size of the Sainsbury's store means it is unlikely to perform a role as a main convenience shopping destination. As more of the new housing still under-construction at Northumberland Park becomes occupied there may be a need to expand retail provision at the centre.

### ***Preston Grange District Centre***

- 4.26 Preston Grange (also known as The Collingwood Centre) is a purpose built shopping parade comprising some 11 units, anchored by a Morrisons store. The centre is located at the junction of the A1058 and the A192 and is largely surrounded by residential uses.
- 4.27 In summary, Preston Grange District Centre essentially amounts to a Morrisons store and a few retail and service sector uses which primarily cater for local residents' needs rather than fulfilling a wider role.

### ***Tynemouth***

- 4.28 Tynemouth is not a defined centre in the existing UDP. However, we have considered its potential classification as a District Centre as part of this study. Located on the coast to the east of North Tyneside, Tynemouth is an attractive centre that contains some 55 retail units set primarily along Front Street and Percy Park Road. The majority of buildings are Victorian with residential or ancillary uses set above ground floor retail. The centre also contains the Tynemouth Castle and Priory, which is managed by English Heritage.
- 4.29 Tynemouth is a very pleasant centre with a historic character and a strong tourist market. Soft landscaping throughout the centre is well maintained and there are attractive planters. The buildings within Tynemouth are in good condition and have frontages that contribute to a vibrant streetscape. The Tynemouth Metro Station, which is Grade 2\* listed, provides an attractive gateway into the centre. Furthermore, we note that there is an extant planning consent for a 1,506 sq.m foodstore at the Metro Station. Our overall assessment is that Tynemouth is a healthy centre, perhaps the healthiest of the study centres.

### ***Whitley Lodge District Centre***

- 4.30 Whitley Lodge District Centre is a purpose built shopping parade with residential or ancillary floorspace above retail units, to the north of Whitley Bay off Claremont Road. The centre contains some 27 units anchored by a Tesco Express unit which was formerly occupied by Kwik Save.
- 4.31 Overall, Whitley Lodge is a clean and tidy centre although some of the retail units now appear dated and would benefit from some enhancement works, and the centre would also benefit from additional landscaping. In this context we note that Whitley Lodge District Centre has been allocated £100,000 from the Council to assist in its regeneration. Whilst the centre provides a limited number of convenience, comparison and service uses, the lack of vacant units suggests that the centre is reasonably healthy, albeit it clearly serves a localised client base.

## 5 CURRENT PATTERNS OF RETAIL SPENDING

### Household Survey Methodology

- 5.1 The last comprehensive survey of shopping patterns across North Tyneside was undertaken in 2006 as part of the 2007 North Tyneside Retail Assessment, and therefore a new household survey was required to provide up-to-date evidence of current shopping patterns and inform the present study. Furthermore, the area defined for the 2006 household survey did not cover the whole of North Tyneside. The household survey undertaken in May/June 2010 as part of the North East Retail and Leisure Study covered the North Tyneside area, although too few households were surveyed within North Tyneside to accurately establish shopping patterns across the Borough. Accordingly, our assessment of local patterns of retail spending, as set out in this section of our report, is based on a new telephone survey of 1,000 households covering the whole of the North Tyneside administrative area undertaken by NEMS Market Research in June 2011.

### Overall Catchment Area (OCA)

- 5.2 The overall catchment area (OCA) for the survey – as shown on the plan in Appendix 1 – is based on postcode sector boundaries and covers a slightly different area from that defined for the telephone survey of 2006, to encompass the whole of the North Tyneside administrative area. For the 2006 survey, the study area was disaggregated into ten study zones based on postcode sector boundaries. For the current study we have used a total of seven study zones, as listed in Spreadsheet 1 in Appendix 3<sup>15</sup>, which we consider better reflects the pattern of settlements and local catchments of the main centres in North Tyneside.
- 5.3 We ensured that there was a minimum of 100 completed interviews in each zone and the results of the survey were weighted according to the actual population in each zone. We have also defined six ‘buffer areas’, which are located adjacent to but beyond the OCA, in order to better assess the direction of expenditure leakage from the Borough. The six ‘buffer areas’ are depicted on the plan in Appendix 1.

### Survey Questionnaire

- 5.4 The survey questionnaire, which is reproduced in Appendix 2, sought to establish:
- i patterns of convenience goods spending, based on the location of:
    - the store where the household last undertook a main food and grocery shop, the store visited the time before that, the amount spent per week, and the frequency with which a household undertakes a main food and grocery shop (questions 1 to 4);

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<sup>15</sup> All references to spreadsheets in this and subsequent sections of our report relate to the spreadsheets presented in Appendix 3 (Comparison Spreadsheets 1 to 9d), Appendix 4 (Convenience Spreadsheets 10 to 14d), and Appendix 5 (Leisure Spreadsheets 15 to 19f), all of which are contained in Volume 3.

- the shop where the household last undertook a ‘top-up’ food and grocery shop, the shop visited the time before that, the amount spent per week, and the frequency with which a household undertakes a ‘top up’ food and grocery shop (questions 5 to 8); and
    - spending on food and groceries in small shops (questions 9 to 12).
  - ii patterns of comparison goods spending, based on the locations of the last two purchases of:
    - clothes and shoes (questions 13 and 14);
    - furniture, carpets or soft household furnishings (questions 15 and 16);
    - DIY and decorating goods (questions 17 and 18);
    - electrical items, such as TVs, DVD players, digital cameras, MP3 players, mobile phones, computers or domestic appliances, such as washing machines, fridges or cookers (questions 19 and 20);
    - health, beauty and chemist items (questions 21 and 22);
    - recreational goods, such as sports equipment, bicycles, musical instruments and toys (questions 23 and 24); and
    - other non-food items, such as books, CDs, jewellery or china and glass items (questions 25 and 26).
  - iii patterns of convenience and comparison goods spending via internet, home catalogue or TV/interactive shopping (questions 27 and 28).

5.5 In addition to spending on retail goods, the household survey also sought to identify patterns of spending on leisure services and cultural activities (question 29), based on the locations where households spend the most money on:

- restaurants/cafés;
- pubs/bars/nightclubs;
- cinema;
- family entertainment centres such as ten pin bowling and skating;
- theatre/concerts;
- museums/art galleries;
- bingo/casino/bookmaker; and
- health and fitness.

5.6 The household survey then asked respondents to identify their most frequently visited town centre, its best and worst features and whether there were particular types of shops it was lacking in (questions 30 to 34).

5.7 Finally the household survey asked which local events and attractions within North Tyneside respondents had visited in the last 12 months (question 35).

### ***Composite Patterns of Spend on Comparison and Convenience Goods***

5.8 The composite pattern of spending for comparison goods, as shown in Spreadsheet 5, was achieved on the basis of expenditure data supplied by Pitney Bowes Business Insight



(PBBI)<sup>16</sup> and Oxford Economics (OE) in relation to the seven aforementioned categories of spend, as shown in Table 5.1. The composite pattern of spending on convenience goods, as shown in Spreadsheet 12, was achieved on the basis of the mean weekly household spend findings, as shown in Table 5.2.

**Table 5.1 Composite Patterns of Comparison Goods Spend**

	Percentage Weighting
Clothes and shoes	27.7%
Furniture, carpets and soft household furnishings	16.3%
DIY and decorating goods	7.2%
Electrical items and domestic appliances	11.5%
Health, beauty and chemist items	12.0%
Recreational goods	15.2%
Other non-food goods	10.2%
<b>All Comparison Goods</b>	<b>100.0%</b>

**Table 5.2 Composite Patterns of Convenience Goods Spend**

	Mean Weekly Household Spend	Percentage Weighting
Main food and groceries	£70.09	77.2%
Top-up food and groceries	£16.38	18.1%
Small local shops	£4.28	4.7%
<b>All Convenience Goods</b>	<b>£90.75</b>	<b>100.0%</b>

## Current Patterns of Spending on Comparison Goods

- 5.9 The population of the OCA in 2011, disaggregated by zone, is shown in the second row of figures in Spreadsheet 2a. The overall population in the 2011 base year amounts to approximately 201,800 persons, which is derived by applying the ONS's 2008-based Local Authority Population Projections to the mid-year 2008 zonal estimates supplied by PBBI/OE.
- 5.10 The per capita spend on comparison goods in 2011 (Spreadsheet 3) varies from a low of £2,239 in Zone 5 (Billy Mill/West Chirton/Percy Main/Meadow Well) to a high of £2,635 in Zone 4 (North Shields) and so all seven zones have per capita comparison goods spending levels which are substantially below the Great Britain average, which in 2011 is £3,117 per capita.
- 5.11 The total amount of comparison goods spending for residents of the whole of the OCA in 2011 is £496.8m (Spreadsheet 4a), of which £37.2m, or 7.5 per cent, is spent on special

<sup>16</sup> Formerly known as Pitney Bowes MapInfo

forms of trading (catalogue, TV and internet shopping, which we subsequently abbreviate as SFT), based on the findings of the survey of households.

- 5.12 Spreadsheet 5 shows the market shares that each zone of the OCA achieves of the total spend on comparison goods by residents of each zone within the OCA, and Spreadsheet 6 sets out the pattern of expenditure flows for the comparison goods sector as a whole, as revealed by the survey of households.
- 5.13 Table 5.3, which is derived from the final column of Spreadsheet 6, summarises the main destinations for comparison goods expenditure within and outside the Borough. Silverlink Shopping Park is the main destination for comparison shopping within the OCA, attracting £104.5m (21.0 per cent). The Borough's four town centres are also important destinations for comparison shopping within the OCA, and collectively attract £83.4m (16.8 per cent) of the comparison goods expenditure available to residents of the OCA. District and other smaller centres, retail parks and freestanding stores located within the OCA account for a further £76.3m (15.3 per cent) of the comparison goods expenditure available to residents of the OCA. Thus, overall, some 53.2 per cent of expenditure on comparison goods available to the OCA's residents is spent in town, district, village and local centres, or in retail parks and freestanding stores, which are located within the OCA. This is known as the aggregate retention rate.

**Table 5.3 Broad Destinations for Comparison Goods Expenditure**

Broad Destinations for Comparison Goods Expenditure	£m	%
Silverlink Shopping Park, Coast Road, Wallsend	104.5	21.0%
North Shields, Whitley Bay, Wallsend and Killingworth Town Centres	83.4	16.8%
Other destinations within the OCA	76.3	15.3%
<b>Total Retained Expenditure</b>	<b>264.1</b>	<b>53.2%</b>
Newcastle City Centre	140.1	28.2%
Other destinations within the buffer zones just outside the OCA	19.5	3.9%
Other more distant locations	35.9	7.2%
SFT	37.2	7.5%
<b>Total Leakage</b>	<b>232.7</b>	<b>46.8%</b>
<b>TOTAL</b>	<b>496.8</b>	<b>100.0%</b>

- 5.14 The current aggregate retention rate of 53.2 per cent is higher than the retention rate identified by the 2006 household survey, of 43.0 per cent<sup>17</sup>. Rather than indicating a significant improvement to comparison retail facilities across the Borough, however, we consider that the difference in the retention rate may be due to differences in the approach to the two household surveys. Our 2011 survey asked residents about their shopping habits in relation to seven different categories of comparison goods, whereas the 2006 survey questioned respondents only on their spending on clothes and footwear. Given the

<sup>17</sup> Source: Table 10, Appendix 6, North Tyneside Retail Assessment, 2007.

proximity of the Borough to Newcastle City Centre and the Metrocentre in Gateshead, which are both important clothes and shoes shopping destinations within the region, the effect of considering only the clothes and footwear comparison goods sub-category will be to elevate the importance of shopping destinations outside the OCA, and potentially decrease the aggregate retention rate.

- 5.15 We consider that 53.2 per cent is a reasonably good level of expenditure retention for North Tyneside, especially given that the Borough is bordered to the west by the major regional centre of Newcastle upon Tyne, and is also located in close proximity to centres such as Cramlington, and other major retail facilities including the Metrocentre and the Metro Retail Park in Gateshead. Nevertheless, there is still some scope to further improve upon this level of expenditure retention, and we address this issue in detail in Section 6.
- 5.16 Table 5.3 confirms that just under half of the comparison retail expenditure available within the OCA leaks to destinations beyond the Borough. In addition to the 7.5 per cent that is spent on SFT, some 32.1 per cent of comparison goods expenditure flows to city, town and other centres, retail parks and freestanding stores within the buffer areas located just outside the OCA (mainly to Newcastle City Centre). The balance of 7.2 per cent is spent in more distant locations (such as the Metrocentre and Metro Retail Park in Gateshead).
- 5.17 The market shares and estimated comparison goods turnovers of the main centres and retail parks/freestanding stores within the OCA, prior to making any allowance for any expenditure inflow from those who are resident beyond the OCA, are set out in the last two columns of Spreadsheet 6 and are summarised in Table 5.4.

**Table 5.4 Comparison Goods Expenditure Retained Within the OCA**

<b>Defined Centres Within the OCA</b>	<b>£m</b>	<b>%</b>
North Shields Town Centre	38.9	7.8
Whitley Bay Town Centre	18.8	3.8
Wallsend Town Centre	15.3	3.1
Killingworth Town Centre	10.5	2.1
Forest Hall District Centre	3.1	0.6
Monkseaton District Centre	3.0	0.6
Tynemouth District Centre <sup>18</sup>	2.2	0.4
Longbenton District Centre	1.2	0.2
Preston Grange District Centre	1.0	0.2
Northumberland Park District Centre	0.9	0.2
Battle Hill District Centre	0.4	0.1
Whitley Lodge District Centre	0.2	0.0
<b>Retail Parks and Freestanding Stores Within the OCA</b>	<b>£m</b>	<b>%</b>
Silverlink Shopping Park, Coast Road, Wallsend	104.5	21.0
B&Q, Middle Engine Lane, Wallsend	22.1	4.4
Whitley Road Retail Park and Stores, Whitley Road, Benton <sup>19</sup>	15.1	3.0
Royal Quays Outlet Centre, Coble Dene, North Shields	9.6	1.9
Boundary Mills, Park Lane, Shiremoor	7.5	1.5

- 5.18 Table 5.4 confirms that Silverlink Shopping Park in Wallsend is the main comparison shopping destination in the Borough, with a comparison goods turnover of approximately £104.5m, and a market share of 21.0 per cent. North Shields Town Centre attracts the second-highest comparison retail turnover from residents of the OCA and is the most significant town centre in the Borough in terms of comparison shopping, although with a comparison goods turnover of approximately £38.9m, North Shields Town Centre achieves a market share of just 7.8 per cent. The B&Q store in Wallsend is the third main comparison shopping destination in the Borough, with a comparison retail turnover of £22.1m and a market share of 4.4 per cent, followed by Whitley Bay Town Centre with a comparison retail turnover of £18.8m, Wallsend Town Centre (£15.3m), Whitley Road Retail Park and adjacent stores in Benton (£15.1m), and Killingworth Town Centre (£10.5m).
- 5.19 It is important to note in relation to the comparison retail turnover of Whitley Bay Town Centre that anecdotal evidence suggests that several retailers, particularly the specialist

<sup>18</sup> Tynemouth is not a defined centre in the existing UDP. However, we have considered its potential classification as a District Centre as part of this study.

<sup>19</sup> Where we refer to 'Whitley Road Retail Park and Stores, Whitley Road, Benton' this includes the mix of operators within the adjacent North Tyneside Industrial Estate that sell retail goods to the public and the Asda store.

independents, draw significant expenditure from outside the Borough. This expenditure will not be captured by the household survey and therefore the survey-derived comparison goods expenditure figures for Whitley Bay Town Centre are likely to be an under-estimate.

- 5.20 Table 5.4 highlights the overwhelming dominance of Silverlink Shopping Park within North Tyneside, which attracts more of the Borough’s comparison good spending than all four of North Tyneside’s defined town centres combined. Nevertheless, the Borough’s four town centres are all important comparison goods shopping destinations within the OCA.
- 5.21 The only other destinations in the OCA which achieve comparison retail turnovers in excess of £5m are the Royal Quays Outlet Centre in North Shields (£9.6m) and Boundary Mills in Shiremoor (£7.5m). None of the Borough’s district centres achieve a comparison goods market share of over 1 per cent.
- 5.22 The latest household survey indicates that the comparison goods market shares of the Borough’s four town centres have dropped substantially since the 2006 household survey, whereas the comparison market share of North Tyneside’s district centres, retail parks and freestanding retail stores and warehouses has risen. Rather than indicating any particular change in comparison goods shopping patterns within the OCA, however, we consider that the rise in market share is likely to reflect the change in approach between the two surveys. As we noted earlier in this section, our 2011 survey asked residents about their spending on seven different categories of comparison goods, rather than just patterns of spending on clothes and shoes, and it therefore provides a more realistic indication of the true market share that is achieved by retail destinations across the Borough.
- 5.23 The main destinations for comparison goods expenditure leakage, again as shown in the last two columns of Spreadsheet 6, are summarised in Table 5.5. As would be expected, by far the principal destination for comparison goods expenditure leakage is Newcastle City Centre, which attracts £140.1m of the OCA’s comparison goods expenditure, equating to a market share of 28.2 per cent. The expenditure leakage to Newcastle City Centre is considerably higher than the turnover achieved by any of the comparison retail destinations within the OCA and makes Newcastle City Centre the most popular comparison goods destination for the OCA’s residents.
- 5.24 The Metrocentre Shopping Centre and Metro Retail Park in Gateshead, and Cramlington Town Centre, are also important shopping destination for residents of the OCA, attracting £17.3m, £10.0m and £7.2m of expenditure leakage, respectively.

**Table 5.5 Main Destinations for Comparison Goods Expenditure Leakage**

<b>Town/City Centres Outside the OCA</b>	<b>£m</b>	<b>%</b>
Newcastle City Centre	140.1	28.2
Cramlington Town Centre	7.2	1.4
<b>Retail Parks and Freestanding Stores Outside the OCA</b>	<b>£m</b>	<b>%</b>
Metrocentre Shopping Centre, Gateshead	17.3	3.5
Metro Retail Park, Gateshead	10.0	2.0

- 5.25 The OCA's retention level by zone (see Spreadsheet 5, 'Total Inside Catchment Area' row) varies from a low of 35.1 per cent in Zone 1 to a high of 66.5 per cent in Zone 5.
- 5.26 The localised retention rate – which is the proportion of expenditure on comparison goods available to residents in a specific zone that is spent in centres and stores located within that zone – is highest for Zone 5 (Billy Mill/West Chirton/Percy Main/Meadow Well), which contains the Silverlink Shopping Park (see Spreadsheet 5, 'Zone 5' column and 'Total Zone 5' row), at 29.7 per cent. The localised retention rate for Zones 2 (Shiremoor), 1 (Killingworth) and 7 (Longbenton/Forest Hall), are particularly low at just 7.3 per cent, 9.2 per cent and 11.9 per cent, respectively. However, these zones encompass the more sparsely populated areas of the Borough and contain a number of smaller distinct settlements, and neither Zone 2 nor Zone 7 contains a defined town centre. Whilst Killingworth Town Centre is located within Zone 1, it is the smallest of the Borough's four town centres and much of Zone 1 is located in close proximity and easy access of the larger Cramlington Town Centre just to the north of the Borough.
- 5.27 For the remaining three zones, Zones 3 (Whitley Bay), 4 (North Shields) and 6 (Wallsend), the localised retention rates range from 15.9 per cent in Zone 3 to 18.1 per cent in Zone 6, indicating that there is a relatively broad dispersal of comparison shopping patterns around the OCA.

### Comparison Goods Market Shares

- 5.28 Below, we provide an analysis of the comparison goods market shares achieved by each of the four town centres in North Tyneside. We also briefly examine a number of other significant comparison retail destinations both within and outside the OCA.

#### North Shields Town Centre

- 5.29 North Shields Town Centre achieves its highest comparison goods market shares of 14.7 per cent and 20.6 per cent in its own zone (Zone 4) and neighbouring Zone 5, respectively (see Spreadsheet 5, 'North Shields Town Centre' row). The only other zones in which North Shields achieves a material market share of over 5 per cent, is in Zone 2 (7.9 per cent) and Zone 6 (5.4 per cent), which adjoin Zone 5. North Shields does not achieve a market share in excess of 3 per cent in any of the remaining three survey zones, indicating that North Shields fulfils a relatively localised role in terms of comparison retailing, despite it being the most significant town centre in the Borough in comparison retail terms.

#### Whitley Bay Town Centre

- 5.30 Whitley Bay Town Centre achieves a maximum comparison goods market share of 13.3 per cent in its own zone (Zone 3), but it does not achieve a market share in excess of 4 per cent in any of the other six survey zones. This evidence indicates that the attraction of Whitley Bay in terms of comparison goods retailing is quite localised.

#### Wallsend Town Centre

- 5.31 Wallsend Town Centre achieves a maximum comparison goods market share of 12.4 per cent in its own zone (Zone 6) and does not achieve a market share of over 4 per cent in

any of the other six survey zones. Again, this evidence indicates that the attraction of Wallsend Town Centre as a comparison goods shopping destination is localised.

### ***Killingworth Town Centre***

- 5.32 Killingworth Town Centre achieves a maximum comparison goods market share of 7.5 per cent in its own zone (Zone 1), but it does not achieve a market share in excess of 3 per cent in any of the remaining six zones. Killingworth Town Centre is therefore of limited significance as a centre of comparison goods retailing.

### ***Silverlink Shopping Park, Wallsend***

- 5.33 Silverlink Shopping Park in Wallsend achieves its highest comparison goods market share of 26.1 per cent in Zone 5, and attracts a market share of over 20 per cent in each of the four neighbouring survey zones (Zones 2, 3, 4 and 6). Silverlink also achieves a market share of over 14 per cent in the remaining two zones, Zone 1 and 7, which highlights the appeal of the Shopping Park to residents across the whole of North Tyneside.

### ***Newcastle City Centre***

- 5.34 Newcastle City Centre attracts more than 31 per cent of the comparison goods expenditure from each of the three zones in the western part of the OCA, Zones 1, 6 and 7. The market share of Newcastle City Centre is highest in Zone 7 (36.1 per cent), where for many residents, Newcastle City Centre is only marginally further away than the nearest town centres within the OCA. Newcastle City Centre achieves a market share of over 19 per cent in each of the remaining four survey zones, confirming that the influence of Newcastle City Centre extends to all parts of North Tyneside.

## **Overlapping Comparison Goods Catchments**

- 5.35 Table 5.6 presents an analysis of 'dominant' centres/out-of-centre retail parks – defined for this exercise as instances where the comparison goods market share exceeds 24 per cent – and centres of 'subsidiary' influence, which are defined on the basis of having comparison goods market shares of between 10 per cent and 24 per cent. Table 5.6 reveals that:
- i In all of the seven survey zones, there is at least one dominant centre, and at least one centre of subsidiary influence. Competition for market share in each zone is therefore intense.
  - ii Newcastle City Centre is a dominant centre in five of the survey zones and exerts a significant influence in the remaining two zones
  - iii Silverlink Shopping Park is a dominant centre in three of the survey zones and exerts a subsidiary influence in the remaining four zones.
  - iv North Shields Town Centre is not a dominant centre in any of the survey zones, but has a subsidiary influence in two of the survey zones.
  - v Whitley Bay Town Centre is not a dominant centre in any of the survey zones, but has a significant influence in its own zone.
  - vi Wallsend Town Centre is not a dominant centre in any of the survey zones, but has a subsidiary influence in its own zone.
  - vii Killingworth Town Centre has no significant influence in any of the survey zones.

5.36 Whilst the influence of North Shields, Whitley Bay and Wallsend Town Centres is therefore important within their locality, the wider influence of all three centres is limited. The influence of Silverlink Shopping Park and Newcastle City Centre is significant in all of the seven survey zones.

**Table 5.6 Dominant Comparison Goods Centres/Retail Parks and Centres/Retail Parks of Subsidiary Influence**

Zone	Dominant Centres/Retail Parks (Market Share 24%+)	Other Centres/Retail Parks of Significant Influence (Market Share 10% to 24%)
1	Newcastle City Centre	Silverlink Shopping Park, Wallsend
2	Silverlink Shopping Park, Wallsend	Newcastle City Centre
3	Newcastle City Centre	Silverlink Shopping Park, Wallsend Whitley Bay Town Centre
4	Newcastle City Centre Silverlink Shopping Park, Wallsend	North Shields Town Centre
5	Silverlink Shopping Park, Wallsend	North Shields Town Centre Newcastle City Centre
6	Newcastle City Centre	Silverlink Shopping Park, Wallsend Wallsend Town Centre
7	Newcastle City Centre	Silverlink Shopping Park, Wallsend

### Comparison Goods Sub-Sectors

5.37 We now turn to the patterns of shopping for various comparison goods sub-sectors, as revealed by the household survey. The findings are set out in Spreadsheets 8a to 8n of Volume 3, and are as follows:

- clothes and shoes, which account for £137.4m of the comparison goods spending of the OCA's residents;
- furniture, carpets, and soft household furnishings, which account for £80.9m;
- DIY and decorating goods, which account for £36.0m;
- electrical items and domestic appliances, which account for £57.0m;
- health, beauty and chemist items, which account for £59.4m;
- recreational goods (for example, sports equipment and musical instruments), which account for £75.5m; and
- specialist and other comparison items (for example, books, CDs, jewellery, glass and china items), which account for £50.7m of the comparison goods expenditure available to residents of the catchment area.

#### *Clothes and Shoes*

5.38 Overall, 46.0 per cent of the expenditure on clothes and shoes available to the OCA's residents is spent in centres, retail parks and freestanding stores which are located within the catchment area (see final column of Spreadsheet 8b), equating to £63.2m. This is a relatively modest retention level for clothes and shoes, which represent the most basic



comparison shopping needs, even allowing for the proximity of Newcastle City Centre and the Metrocentre to North Tyneside.

- 5.39 Silverlink Shopping Park attracts £25.2m of the £137.4m of clothes and shoes expenditure available to the OCA's residents, which equates to a market share of 18.3 per cent, followed by North Shields Town Centre, which attracts £8.5m of expenditure, or 6.2 per cent, and Royal Quays Outlet Centre in North Shields (£6.6m or 4.8 per cent), as shown in Table 5.7. Killingworth Town Centre, Whitley Road Retail Park and adjacent stores in Benton, Boundary Mills in Shiremoor, Whitley Bay Town Centre, and Wallsend Town Centre are also notable destinations for spending on this category of goods, as shown in Table 5.7. No other centre, retail park or freestanding store within the OCA achieves a spending level on this category of goods which is in excess of £2m.

**Table 5.7 Main Destinations for Clothes and Shoes within the OCA**

Destination	Expenditure on Clothes & Shoes (£m)	Market Share (%)
Silverlink Shopping Park, Wallsend	25.2	18.3
North Shields Town Centre	8.5	6.2
Royal Quays Outlet Centre, North Shields	6.6	4.8
Killingworth Town Centre	4.8	3.5
Whitley Road Retail Park and Stores, Benton	4.6	3.3
Boundary Mills, Shiremoor	4.2	3.1
Whitley Bay Town Centre	4.0	2.9
Wallsend Town Centre	3.5	2.6

- 5.40 The main leakage destination for clothes and shoes is Newcastle City Centre, which attracts £55.3m, or 40.3 per cent, of catchment area residents' spending on clothes and shoes, as shown in Table 5.8. Newcastle City Centre is therefore the most important destination for this category of goods for residents of the OCA, by a considerable margin, with the centre attracting more than twice as much expenditure on clothes of shoes than is retained by any single destination within North Tyneside. The Metrocentre and the Metro Retail Park in Gateshead are also popular destinations for this category of goods, attracting £5.4m and £2.2m of the spending of catchment area residents on clothes and shoes, respectively.

**Table 5.8 Main Leakage Destinations for Clothes and Shoes**

Destination	Expenditure on Clothes & Shoes (£m)	Market Share (%)
Newcastle City Centre	55.3	40.3
Metrocentre Shopping Centre, Gateshead	5.4	3.9
Metro Retail Park, Gateshead	2.2	1.6

### ***Furniture, Carpets and Soft Furnishings***

- 5.41 Overall, 42.6 per cent of expenditure on furniture, carpets and soft furnishings available to the OCA's residents is spent in centres, retail parks and freestanding stores which are located within the catchment area (see final column of Spreadsheet 8d), equating to £34.5m. This is again a relatively modest level of retention for this category of comparison retail.
- 5.42 The main destinations for expenditure on furniture, carpets and soft furnishings within the catchment area are shown in Table 5.9. The table shows that Silverlink Shopping Centre accounts for £14.1m, or 17.5 per cent, of the £80.9m of expenditure on this category of goods that is available within the OCA, followed by North Shields Town Centre (£6.8m, or 8.3 per cent). Wallsend Town Centre (£3.5m, or 4.4 per cent), and then Whitley Bay Town Centre (£2.7m, or 3.3 per cent). No other centre, retail park or freestanding store within the OCA achieves a spending level on this category of goods which is in excess of £2.0m.

**Table 5.9 Main Destinations for Furniture, Carpets and Soft Furnishings within the OCA**

<b>Destination</b>	<b>Expenditure on Furniture, Carpets &amp; Soft Furnishings (£m)</b>	<b>Market Share (%)</b>
Silverlink Shopping Park, Wallsend	14.1	17.5
North Shields Town Centre	6.8	8.3
Wallsend Town Centre	3.5	4.4
Whitley Bay Town Centre	2.7	3.3

- 5.43 The main leakage destination for furniture, carpets and soft furnishings is Newcastle City Centre, which accounts for £24.8m, or 30.7 per cent, of OCA residents' spending on this category of goods, as shown in Table 5.10. The Metrocentre (£7.4m, or 9.2 per cent) and the Metro Retail Park (£4.9m, or 6.0 per cent) in Gateshead are also popular leakage destinations for spending on this category of goods.

**Table 5.10 Main Leakage Destinations for Furniture, Carpets and Soft Furnishings**

<b>Destination</b>	<b>Expenditure on Furniture, Carpets &amp; Soft Furnishings (£m)</b>	<b>Market Share (%)</b>
Newcastle City Centre	24.8	30.7
Metrocentre Shopping Centre, Gateshead	7.4	9.2
Metro Retail Park, Gateshead	4.9	6.0

### ***DIY and Decorating Goods***

- 5.44 Overall, 88.8 per cent of the expenditure on DIY and decorating goods available to residents of the OCA is spent in centres, retail parks and freestanding stores which are located within the catchment area (see final column of Spreadsheet 8f). This is the highest level of retention attained out of the seven categories of comparison retail goods, reflecting the fact that shopping for these items is usually undertaken on a relatively localised basis.

- 5.45 As shown in Table 5.11, the B&Q store in Wallsend accounts for £20.5m of the DIY and decorating expenditure within the OCA (which equates to a market share of 57.0 per cent), making it the most important destination for this category of goods, by a considerable margin. Apart from North Shields Town Centre (£3.4m, or 9.4 per cent) and Silverlink Shopping Park (£2.4m or 6.6 per cent), no other centre, retail park or freestanding store within the OCA accounts for more than £1.5m of expenditure on this type of goods.

**Table 5.11 Main Destinations for DIY and Decorating Goods within the OCA**

Destination	Expenditure on DIY and Decorating Goods (£m)	Market Share (%)
B&Q, Wallsend	20.5	57.0
North Shields Town Centre	3.4	9.4
Silverlink Shopping Park, Wallsend	2.4	6.6

- 5.46 There are no destinations outside of the OCA that attract more than £0.8m of the expenditure on DIY and decorating goods.

***Electrical Items and Domestic Appliances***

- 5.47 Overall, 59.3 per cent of the expenditure on electrical items and domestic appliances available to the OCA’s residents is spent at destinations within the catchment area (see final column of Spreadsheet 8h). We consider this to be a relatively modest level of expenditure retention for this category of comparison goods.
- 5.48 Table 5.12 shows that the main destination for expenditure on electrical items and domestic appliances within the study area is Silverlink Shopping Park in Wallsend, which attracts £23.6m of expenditure on this category of goods that is available within the OCA, equating to a market share of 41.4 per cent. Curry’s in North Shields and North Shields Town Centre are also popular destinations for expenditure of this type of goods, accounting for £2.8m and £2.5m of expenditure of catchment area residents on this type of goods, respectively. No other centre, retail park or freestanding store within the OCA accounts for more than £1.1m of expenditure on this type of goods.

**Table 5.12 Main Destinations for Electrical Items and Domestic Appliances within the OCA**

Destination	Expenditure on Electrical Items and Domestic Appliances (£m)	Market Share (%)
Silverlink Shopping Park, Wallsend	23.6	41.4
Curry’s, North Shields	2.8	4.9
North Shields Town Centre	2.5	4.3

- 5.49 The main leakage destination for electrical items and domestic appliances is Newcastle City Centre, which attracts £14.7m of expenditure on such goods, equating to a market share of 25.9 per cent, as shown in Table 5.13.

**Table 5.13 Main Leakage Destinations for Electrical Items and Domestic Appliances**

Destination	Expenditure on Electrical Items and Domestic Appliances (£m)	Market Share (%)
Newcastle City Centre	14.7	25.9

**Health, Beauty and Chemist Items**

- 5.50 Overall, 76.1 per cent of OCA residents' expenditure on health, beauty and chemist items is spent in centres, retail parks and freestanding stores which are located within the catchment area (see final column of Spreadsheet 8j). This is a high level of retention and reflects the fact that shopping for these items is usually undertaken on a relatively localised basis.

**Table 5.14 Main Destinations for Health, Beauty and Chemist Items within the OCA**

Destination	Expenditure on Health, Beauty & Chemist Items (£m)	Market Share (%)
North Shields Town Centre	10.6	17.8
Silverlink Shopping Park, Wallsend	9.2	15.4
Whitley Bay Town Centre	7.7	12.9
Wallsend Town Centre	4.3	7.2
Whitley Road Retail Park and Stores, Benton	3.0	5.1

- 5.51 The main destinations for expenditure on health, beauty and chemist items within the catchment area, as shown in Table 5.14, are North Shields Town Centre (£10.6m, which equates to a market share of 17.8 per cent), Silverlink Shopping Park in Wallsend (£9.2m, or 15.4 per cent), and Whitley Bay Town Centre (£7.7m, or 12.9 per cent). Wallsend Town Centre, and Whitley Road Retail Park and adjacent stores in Benton, are the only other destinations within the catchment area that achieve a market share of 5 per cent or greater for this category of goods.
- 5.52 The main leakage destination for expenditure on health, beauty and chemist items is Newcastle City Centre (£9.1m, which equates to a market share of 15.3 per cent).

**Table 5.15 Main Leakage Destinations for Health, Beauty and Chemist Items**

Destination	Expenditure on Health, Beauty & Chemist Items (£m)	Market Share (%)
Newcastle City Centre	9.1	15.3

### **Recreational Goods**

- 5.53 Overall, 47.8 per cent of the OCA residents' expenditure on recreational goods (such as sporting equipment, bicycles and musical instruments) is spent in defined centres, retail parks and freestanding stores which are located within the catchment area (see final column of Spreadsheet 8l). We consider this to be a reasonable level of expenditure retention, when considering the quite specialised nature of the goods in this comparison retail category.
- 5.54 The main destinations for expenditure on recreational goods within the catchment area, as shown in Table 5.16, are Silverlink Shopping Park in Wallsend (£22.2m, market share of 29.4 per cent) and then North Shields Town Centre (£4.9m, or 6.5 per cent). No other destination within North Tyneside achieves a market share of 5 per cent or greater for this category of goods.

**Table 5.16 Main Destinations for Recreational Goods within the OCA**

Destination	Expenditure on Recreational Goods (£m)	Market Share (%)
Silverlink Shopping Park, Wallsend	22.2	29.4
North Shields Town Centre	4.9	6.5

- 5.55 The main leakage destination for expenditure on recreational goods, as shown in Table 5.17, is Newcastle City Centre, which attracts £21.5m of expenditure of catchment area residents on these types of goods, equating to market share of 28.5 per cent.

**Table 5.17 Main Leakage Destinations for Recreational Goods**

Destinations	Expenditure on Recreational Goods (£m)	Market Share (%)
Newcastle City Centre	21.5	28.5

### **Specialist/Other Comparison Items**

- 5.56 Overall, 37.9 per cent of expenditure on 'other', more specialist comparison goods items (such as books, CDs, jewellery, glass and china items) available to residents of the OCA is spent in centres, retail parks and freestanding stores which are located within the OCA (see final column of Spreadsheet 8n). We consider that this is a reasonable level of retention for this category of comparison goods – given the proximity of Newcastle City Centre, which

offers a wide variety of specialist shops – and because spending on the Internet is typically quite high for these types of items.

- 5.57 The main destination for expenditure on specialist/other goods within the catchment area, as shown in Table 5.18, is Silverlink Shopping Park (£7.8m, which equates to a market share of 15.4 per cent). Whitley Road Retail Park and adjacent freestanding stores (which collectively attract £3.7m, or 9.8 per cent, of catchment area residents expenditure on specialist/other goods), and North Shields Town Centre (£2.3m, or 4.6 per cent) are also popular destination for spending on this category of goods.

**Table 5.18 Main Destinations for Specialist/Other Comparison Items within the OCA**

Destination	Expenditure on Specialist Comparison Goods (£m)	Market Share (%)
Silverlink Shopping Park, Wallsend	7.8	15.4
Whitley Road Retail Park and Stores, Benton	3.1	6.0
North Shields Town Centre	2.3	4.6

- 5.58 Table 5.19 shows that the main leakage destination for expenditure on specialist/other comparison goods is Newcastle City Centre, which attracts £13.9m of expenditure, or 27.5 per cent. No other destination achieves a market share for this category of goods in excess of 4.0 per cent.

**Table 5.19 Main Leakage Destinations for Specialist/Other Comparison Items**

Destination	Expenditure on Specialist Comparison Goods (£m)	Market Share (%)
Newcastle City Centre	13.9	27.5

### **Summary of Expenditure Retention and Leakage for Each of the Comparison Goods Sub-Sectors**

- 5.59 Table 5.20 presents a summary of retention and leakage for each of the seven comparison goods sub-sectors. North Shields Town Centre’s sub-sector market shares (first row of percentages) are highest for health, beauty and chemist items, and DIY and decorating goods, at 17.8 per cent and 9.4 per cent, respectively. Conversely, North Shields Town Centre’s market share is lowest for the electrical items and domestic appliances, and specialist/other comparison goods sub sectors, at 4.3 per cent and 4.6 per cent, respectively. The market share achieved by North Shields Town Centre for recreational goods, and in the important clothes and shoes sub sector, is also notably low, at less than 7 per cent in both of these categories.
- 5.60 Nevertheless, North Shields Town Centre is the main defined centre in the OCA for all categories of comparison retailing. Indeed, none of the other town and district centres within North Tyneside achieves a market share of over 5 per cent in the any of the comparison goods sub-sectors excepting health, beauty and chemist items.

**Table 5.20 Summary of Expenditure Retention and Leakage by Comparison Goods Sub-Sectors**

	Clothes & Shoes	Furniture	DIY	Electrical	Health	Recreation	Specialist/ Other	All Comparison Goods
North Shields Town Centre	6.2%	8.3%	9.4%	4.3%	17.8%	6.5%	4.6%	7.8%
Whitley Bay Town Centre	2.9%	3.3%	1.6%	0.5%	12.9%	2.8%	3.0%	3.8%
Wallsend Town Centre	2.6%	4.4%	2.0%	2.0%	7.2%	0.8%	2.9%	3.1%
Killingworth Town Centre	3.5%	0.6%	2.7%	0.7%	4.2%	0.7%	1.6%	2.1%
Forest Hall District Centre	0.0%	0.7%	0.1%	0.0%	3.8%	0.0%	0.5%	0.6%
Monkseaton District Centre	0.2%	1.1%	1.3%	0.3%	1.7%	0.0%	0.1%	0.6%
Tynemouth District Centre	0.1%	0.0%	0.1%	0.1%	1.6%	1.1%	0.4%	0.4%
Longbenton District Centre	0.2%	0.3%	0.6%	0.1%	0.7%	0.0%	0.1%	0.2%
Preston Grange District Centre	0.0%	0.0%	0.0%	0.2%	1.3%	0.0%	0.3%	0.2%
Northumberland Park District Centre	0.2%	0.4%	0.1%	0.0%	0.2%	0.1%	0.1%	0.2%
Battle Hill District Centre	0.0%	0.1%	0.3%	0.0%	0.3%	0.0%	0.1%	0.1%
Whitley Lodge District Centre	0.0%	0.1%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%
Silverlink Shopping Park, Coast Road, Wallsend	18.3%	17.5%	6.6%	41.4%	15.4%	29.4%	15.4%	21.0%
B&Q, Middle Engine Lane, Wallsend	0.0%	1.1%	57.0%	1.1%	0.0%	0.0%	0.0%	4.4%
Other centres/retail parks/stores within the OCA	11.9%	4.7%	7.1%	8.5%	8.8%	6.5%	8.7%	8.5%
<b>Total Retained Expenditure</b>	<b>46.0%</b>	<b>42.6%</b>	<b>88.8%</b>	<b>59.3%</b>	<b>76.1%</b>	<b>47.8%</b>	<b>37.9%</b>	<b>53.2%</b>
Buffer Zones just outside the OCA	43.2%	35.0%	9.2%	29.7%	19.5%	32.5%	30.8%	32.1%
Other more distant leakage	7.5%	18.5%	1.5%	1.6%	2.4%	7.9%	3.7%	7.2%
Special forms of trading	3.3%	3.9%	0.5%	9.4%	1.9%	11.7%	27.6%	7.5%
<b>Total Leakage</b>	<b>54.0%</b>	<b>57.4%</b>	<b>11.2%</b>	<b>40.7%</b>	<b>23.9%</b>	<b>52.2%</b>	<b>62.1%</b>	<b>46.8%</b>
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

- 5.61 The market shares achieved by the out-of-centre Silverlink Shopping Park are highest for electrical items and domestic appliances, and recreational goods, at 41.4 per cent and 29.4 per cent, respectively. Silverlink Shopping Park also achieves relatively high market shares in the clothes and shoes; furniture, carpets and soft furnishings; health, beauty and chemist; and specialist/other goods sub-sectors, in the range 15 per cent to 19 per cent.
- 5.62 The overall retention rate for the OCA (*'Total Retained Expenditure'* row in Table 5.20) is highest for the DIY and decorating goods, and health, beauty and chemist items sub-sectors, and lowest for the specialist/other goods; furniture, carpets, and soft household furnishings; clothes and shoes; and recreational goods sub-sectors. The modest retention rate of 46.0 per cent in the important clothes and shoes sub-sector is particularly disappointing, as it is this sector which forms the core of the 'high street' retail offer. Moreover, just under two thirds of expenditure retained in this sub-sector is spent in Silverlink Shopping Park and other out-of-centre retail parks and stores within the OCA, and only around a third is spent in North Tyneside's defined town centres. This is a key piece of evidence which suggests the need to promote quality developments within and around North Tyneside's centres, which are targeted at higher value comparison retailers.

### Current Patterns of Spending on Convenience Retail Goods

- 5.63 The per capita spend on convenience retail goods in 2011 (Spreadsheet 10) varies from a low of £1,380 in Zone 5 (Billy Mill/West Chirton/Percy Main/Meadow Well) to a high of £1,517 in Zone 4 (North Shields), and so all seven zones have per capita convenience goods spending levels which are substantially below the Great Britain average of £1,756 per capita at 2011.
- 5.64 The total amount of convenience goods spending for residents of the whole study area in 2011 is £291.9m (Spreadsheet 11a), of which £3.4m, or 1.2 per cent, is spent on SFT<sup>20</sup>. The pattern of expenditure flows for the convenience goods sector as a whole, as revealed by the survey of households, is set out in Spreadsheets 12 and 13.
- 5.65 Table 5.21 – which is derived from the final column of Spreadsheet 13 – reveals that, overall, some £258.4m, or 88.5 per cent, of the expenditure on convenience goods available to residents of the OCA is spent in town, district and village centres and in freestanding stores which are located within the catchment area; this is known as the aggregate retention rate (see Spreadsheet 13, final column, *'Total Inside Catchment Area'* row). A further 9.6 per cent of convenience expenditure (equating to £27.9m) currently flows to stores in the nearby buffer zones, but only 0.7 per cent flows to more distant locations.
- 5.66 The overall retention rate, at 88.5 per cent, is slightly lower than the retention rate of 90.0 per cent identified from the results of the 2006 household survey<sup>21</sup>. Rather than indicating

<sup>20</sup> In Section 6 of this report we set out in more detail the allowances we have made to account for SFT in 2011 and in each of the forecast years.

<sup>21</sup> Source: Table 12, Appendix 7, North Tyneside Retail Assessment, 2007.



a decline in the Borough’s convenience retail offer, the lower retention rate could, in part, be the result of methodological differences between the two household surveys. In particular, residents were questioned in the 2011 survey on where they undertook their last two food and grocery shopping trips and on whether they visit small shops, whereas in the 2007 survey, residents were asked about where they usually go for their food and grocery shopping. Our approach therefore makes respondents think about actual trips, whereas the way the questions in the 2006 survey were worded is likely to result in a bias towards the foodstores in the closest proximity to the respondents’ homes, which are likely to be visited more frequently than stores further afield.

**Table 5.21 Broad Destinations for Convenience Goods Expenditure**

Broad Destinations for Convenience Goods Expenditure	£m	%
Destinations within the OCA	258.4	88.5
<b>Total Retained Expenditure</b>	<b>258.4</b>	<b>88.5</b>
Buffer zones just outside the OCA	27.9	9.6
Other more distant locations	2.2	0.7
SFT	3.4	1.2
<b>Total Leakage</b>	<b>33.5</b>	<b>11.5</b>
<b>TOTAL</b>	<b>291.9</b>	<b>100.0</b>

5.67 Overall, we consider that the current level of convenience expenditure retention, of 88.5 per cent, is high and there is limited scope for further improvement. We consider this in more detail in Section 6 of our report.

***Main Destinations for Food and Grocery Shopping***

- 5.68 The estimated convenience goods turnovers of the main foodstores located within North Tyneside, prior to making any allowance for any expenditure inflow from those resident beyond the catchment area, are set out in the penultimate column of Spreadsheet 13, and are summarised in Table 5.22.
- 5.69 Table 5.22 shows that the most popular destination for food and grocery shopping within North Tyneside is the Asda store in Benton, which has a convenience goods turnover of around £42.5m, and a market share of 14.6 per cent. The Morrisons store in Preston Grange is the second most popular convenience shopping destination within the OCA, with a convenience turnover of 40.9 per cent and a market share of 14.0 per cent. North Tyneside’s other main destinations for convenience shopping are the Morrisons store in Killingworth (which achieves a convenience turnover of £32.5m, and a market share of 11.1 per cent), Tesco Extra in North Shields (£25.9m, 8.9 per cent), and the Sainsbury’s and Morrisons stores in Whitley Bay (£24.7 and £21.0m, and 8.5 per cent and 7.2 per cent, respectively).
- 5.70 These six largest foodstores within the OCA collectively account for approximately two thirds of the convenience goods expenditure available to OCA residents.

- 5.71 The only other facilities in the OCA which achieve a convenience retail turnover in excess of £4m are the Lidl store in Battle Hill District Centre (£5.2m, 1.8 per cent), Sainsbury's in Northumberland Park District Centre (£4.9m, 1.7 per cent), and Iceland in Wallsend Town Centre (£4.0m, 1.4 per cent).

**Table 5.22 Main Destinations for Convenience Goods Expenditure Retained within the OCA**

Foodstores within the OCA	Convenience Goods Expenditure Retained within the OCA (£m)	Market Share (%)
Asda, Whitley Road, Benton	42.5	14.6
Morrisons, Preston North Road, Preston Grange District Centre	40.9	14.0
Morrisons, The Killingworth Centre, Killingworth Town Centre	32.5	11.1
Tesco Extra, Norham Road, North Shields	25.9	8.9
Sainsbury's, Newstead Drive, Whitley Bay	24.7	8.5
Morrisons, Hillheads Road, Whitley Bay	21.0	7.2
Lidl, Battle Hill Drive, Battle Hill District Centre	5.2	1.8
Sainsbury's, Earsdon Road, Northumberland Park District Centre	4.9	1.7
Iceland, The Forum, Segedunum Way, Wallsend Town Centre	4.0	1.4

- 5.72 The only destination outside of the OCA that attracts more than £4m of the catchment area residents' spending on convenience goods, as set out in Table 5.23, is the Asda store in Gosforth.

**Table 5.23 Main Destinations for Convenience Goods Expenditure Leakage**

Foodstores outside the OCA	Convenience Goods Expenditure Leakage (£m)	Market Share (%)
Asda, Hollywood Avenue, Gosforth	4.7	1.6

- 5.73 The localised convenience goods retention rate – the proportion of expenditure on convenience goods available to residents in a specific zone which is spent in centres and stores located within that zone – is highest for Zone 3 (Whitley Bay), which has a localised retention rate of 72.2 per cent (see Spreadsheet 12, 'Zone 3' column and 'Total Zone 3' row, and Table 5.24).
- 5.74 The localised retention rate in Zones 1 (Killingworth), 4 (North Shields) and 7 (Longbenton/Forest Hall) are a more modest 56.6 per cent, 53.4 per cent and 42.0 per cent, respectively. The localised retention rate in Zones 2 (Shiremoor), 5 (Billy Mill/West Chirton/Percy Main/Meadow Well) and 6 (Wallsend) are relatively low at 21.7 per cent, 28.6 per cent and 28.5 per cent, respectively.

**Table 5.24 Localised Convenience Goods Retention Rates**

Zone	Zonal Retention Rate (%)
1	56.6
2	46.2
3	72.2
4	53.4
5	28.6
6	28.5
7	13.7

- 5.75 The large Morrisons store in Killingworth Town Centre (Zone 1) is the principal convenience shopping destination for Zone 1 residents. However, many residents also undertake their food and grocery shopping outside of Zone 1, at the nearby Asda store in Benton in neighbouring Zone 7, as well as outside the OCA as noted above, which are within easy travelling distance of Zone 1. In Zone 4, a large Morrisons store in Preston Grange District Centre provides the primary destination for food and grocery shopping for Zone 4 residents, but many of the residents also choose to shop in adjacent zones, at the Tesco Extra at Norham Road (Zone 5), and at the Morrisons and Sainsbury's stores in Whitley Bay (Zone 3). Zone 7 contains no defined town centres, and whilst a large proportion of its residents choose to shop in the out-of-centre Asda superstore in Benton and at the small scale convenience provision in Forest Hall District Centre, many also undertake their food and grocery shopping at the nearby Morrisons in Killingworth Town Centre (Zone 1), which is located within easy travelling distance from Zone 7.
- 5.76 In Zone 2, the largest foodstore is Sainsbury's in Northumberland Park District Centre, which has around 1,200 sq.m of convenience sales area floorspace. However, the majority of Zone 2 residents travel to larger foodstores in neighbouring zones to meet their convenience shopping needs – principally Asda in Benton (Zone 7), which is within east travelling distance of Zone 2. Many residents also travel to the Morrisons stores in Killingworth Town Centre (Zone 1) and Preston Grange District Centre (Zone 4).
- 5.77 Zone 5 contains no defined town or district centres, and whilst a large Tesco store is located in Zone 5, this out-of-centre store is situated within an industrial estate and is not particularly accessible by non-car modes of transport. A significant number of Zone 5 residents therefore travel to neighbouring zones to undertake their food and grocery shopping, principally to the Morrisons store in Preston Grange District Centre (Zone 4), as well as the Asda store in Benton (Zone 7).
- 5.78 The largest foodstore in Zone 6 is Lidl in Battle Hill District Centre, which only has around 650 sq.m of convenience sales area floorspace. The survey findings indicate that a significant amount of Zone 6 residents travel to larger foodstores in nearby zones – principally the Asda store in Benton (Zone 7), as well as Tesco Extra in North Shields (Zone 5) and Morrisons in Preston Grange District Centre (Zone 4) – to meet their convenience shopping needs.

- 5.79 Overall, it is evident from the survey findings that there are no zones with an acute deficiency in convenience retail provision. Whilst the convenience provision in Zone 2 is limited, there are no defined town centres within this zone and a small supermarket is already located within the zone's district centre at Northumberland Park. Moreover, local residents are also served by existing stores in the surrounding area, in Whitley Bay and other locations nearby. Similarly, the convenience provision in Zone 5 is relatively limited, as much of the existing provision within the zone cannot easily be accessed without a car. Nevertheless, there are no town or other defined centres located within Zone 5 and residents are served by existing stores in the surrounding area.
- 5.80 However, the localised convenience retention rate in Zone 6 is relatively low despite the presence of Wallsend Town Centre within the zone. Whilst a number of small limited assortment discount foodstores and frozen food specialists – namely, Lidl, Aldi, Iceland and Netto – are located in Zone 6, the survey findings reveal that many of the zone's residents travel to larger foodstores that provide a full range of food and grocery goods in the surrounding areas. This indicates that there is a localised qualitative requirement for additional convenience provision in Wallsend.

### Convenience Goods Market Shares

- 5.81 Table 5.25 shows, for each zone, 'dominant' stores with a zonal market share of over 20 per cent, and stores with shares between 7 and 20 per cent, which have a 'subsidiary' influence. The table shows that:
- all of the zones have at least one dominant store and six of the zones have at least one store with a subsidiary influence;
  - the Asda store in Benton is a dominant store in its own zone (Zone 7) and in neighbouring Zones 2 and 6, and has a subsidiary influence in a further two zones;
  - the Morrisons store in Preston Grange District Centre is the dominant store in its own zone (Zone 4) and in neighbouring Zone 5, and has a subsidiary influence in three further zones;
  - the Morrisons store in Killingworth Town Centre is the dominant store in its own zone (Zone 1) and in neighbouring Zone 7, and has a subsidiary influence in one further zone;
  - the Tesco Extra at Norham Road in North Shields is a dominant store in its own zone (Zone 5), and has a subsidiary influence in two further zones;
  - the Sainsbury's store at Newstead Drive and the Morrisons store at Hillsheads Road in Whitley Bay are dominant stores in their own zone (Zone 3), and each has a subsidiary influence in one further zone;
  - the Sainsbury's store in Northumberland Park District Centre is a dominant store in its own zone (Zone 2), but does not have a subsidiary influence in any other survey zone;
  - the Lidl store in Battle Hill District Centre is not a dominant store in any of the survey zones, but has a subsidiary influence in its own zone (Zone 6); and
  - the highest individual zonal market shares are enjoyed by:

- Morrisons in Killingworth Town Centre, which accounts for 48.0 per cent of the convenience goods expenditure of Zone 1 residents, and 29.2 per cent of the convenience goods expenditure of Zone 7 residents,
- Sainsbury's at Newstead Drive in Whitley Bay, which accounts for 34.5 per cent of the convenience goods expenditure of Zone 3 residents,
- Asda at Whitley Road in Benton, which accounts for 33.8 per cent of the convenience goods expenditure of Zone 6 residents, and over 24 per cent of the resident convenience goods expenditure in two further zones, and
- Morrisons in Preston Grange District Centre, which accounts for 33.5 per cent of the convenience goods expenditure of Zone 4 residents, and 28.0 per cent of the convenience goods expenditure of Zone 5 residents.

**Table 5.25 Dominant Convenience Goods Stores, and Stores with Subsidiary Influence**

Zone	Dominant Stores (Market Share of 21%+)	Subsidiary Stores (Market Share 7% to 21%)
1	Morrisons, Killingworth Town Centre	Asda, Cramlington Town Centre Asda, Whitley Road, Benton
2	Asda, Whitley Road, Benton Sainsbury's, Northumberland Park District Centre	Morrisons, Killingworth Town Centre Morrisons, Preston Grange District Centre
3	Sainsbury's, Newstead Drive, Whitley Bay Morrisons, Hillsheads Road, Whitley Bay	Morrisons, Preston Grange District Centre
4	Morrisons, Preston Grange District Centre	Tesco Extra, Norham Road, North Shields Morrisons, Hillsheads Road, Whitley Bay Sainsbury's, Newstead Drive, Whitley Bay
5	Morrisons, Preston Grange District Centre Tesco Extra, Norham Road, North Shields	Asda, Whitley Road, Benton
6	Asda, Whitley Road, Benton	Tesco Extra, Norham Road, North Shields Morrisons, Preston Grange District Centre Lidl, Battle Hill District Centre
7	Morrisons, Killingworth Town Centre Asda, Whitley Road, Benton	

5.82 The survey findings confirm that most convenience shopping is undertaken on a highly localised basis. However, competition for market share is intense, and four stores within the OCA have market shares of over 7 per cent in three or more zones; these are the Morrisons store in Killingworth, the Morrisons store in Preston Grange, the Tesco Extra store at Norham Road in North Shields, and the Asda store at Whitley Road in Benton.

## Conclusions in Relation to Retail Spending Patterns

### *Comparison Goods Spending*

- 5.83 Overall, 53 per cent of the £497m of comparison goods expenditure available to residents of the OCA is retained by town, district and other centres, retail parks and freestanding stores located in the catchment area. The main comparison retail destination within the OCA is Silverlink Shopping Centre, which secures £105m (21 per cent) of the residents' comparison goods expenditure. The Borough's four town centres are also important destinations for comparison shopping within the OCA, and collectively account for a further £83m (17 per cent) of the comparison goods expenditure available to residents of the OCA. Spending in other centres, retail parks and stores within the OCA accounts for a further £76m (15 per cent) of residents' comparison goods expenditure.
- 5.84 Just under half of the total comparison goods expenditure available within the OCA therefore 'leaks' to destinations beyond the catchment area, principally to Newcastle City Centre, which accounts for £140m (28 per cent) of residents' comparison goods expenditure. Newcastle City Centre is therefore the most popular comparison goods shopping destination for the OCA's residents. A further £20m (4 per cent) of comparison goods expenditure is accounted for by short-distance leakage to places like Cramlington and Gosforth Town Centres, £36m (7 per cent) is spent in more distant locations such as the Metrocentre and Metro Retail Park in Gateshead, and the remaining £37m (8 per cent) is spent on SFT.
- 5.85 North Shields Town Centre achieves a comparison goods market share of 21 per cent in neighbouring Zone 5 and a comparison market share of 15 per cent in its own zone (Zone 4). However, North Shields Town Centre achieves a market share of less than 8 per cent in the remaining five zones, and the market share for the centre is particularly low in Zones 1, 3 and 7, at less than 3 per cent, indicating that North Shields fulfils a relatively localised role in terms of comparison retailing.
- 5.86 Whitley Bay Town Centre's comparison goods market share reaches a maximum of 13 per cent in its own zone (Zone 3), Wallsend Town Centre achieves a maximum comparison market share of 12 per cent in its own zone (Zone 6), and Killingworth Town Centre achieves a maximum comparison goods market share of 7.5 per cent in its own zone (Zone 1). Neither Whitley Bay, Wallsend nor Killingworth Town Centre achieve a market share in excess of 4 per cent in any other survey zone, indicating that the attraction of all three centres in terms of comparison goods retailing is also localised.
- 5.87 Silverlink Shopping Park achieves a relatively high comparison goods market share of 26 per cent in its own zone (Zone 5), and attracts a market share of over 20 per cent in a further four survey zones. Silverlink also achieves a market share in excess of 14 per cent in the remaining two zones, which highlights the appeal of the Shopping Park to residents across the whole of North Tyneside.
- 5.88 Our analysis of the seven categories of comparison goods also 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. This is an important piece of evidence which

suggests the need to promote quality developments in town centre locations, targeted at higher value comparison retailers.

### **Convenience Goods Spending**

- 5.89 Overall, 89 per cent of the convenience goods expenditure available to residents of the OCA is retained by town, district, village and other centres, retail parks and freestanding stores located in the OCA. Thus, as might be expected, there is less strategic leakage than in the comparison sector, because convenience shopping is generally undertaken on a more localised basis.
- 5.90 The highest individual convenience market shares within the OCA are achieved by Asda at Whitley Road in Benton, and the Morrisons stores in Preston Grange District Centre and Killingworth Town Centre.
- 5.91 With the exception of the Wallsend zone, there are no parts of the catchment area where there is an acute localised deficiency in convenience goods provision. The residents located in the central parts of the Borough are served by a more limited local food and grocery offer and they have to travel for their food and grocery shopping. Nevertheless, there are no town centres located within these areas, and the residents of Zones 2 and 5 are within easy travelling distance of existing convenience provision in the immediate surrounding areas.
- 5.92 Residents in the Wallsend zone are also served by foodstores in the surrounding areas, but given Wallsend's status as a defined Town Centre, we consider that a priority for the Council should be to enhance the convenience retail provision in Wallsend Town Centre.

### **Current Patterns of Spending on Leisure Services and Cultural Activities**

- 5.93 As noted at the beginning of this section, the household survey questionnaire also sought to identify patterns of spending on various leisure and cultural services. The most popular destinations for these different activities for residents of each survey zone are set out in Table 5.26 and are described below in order to provide an insight into whether any of the study centres have additional roles or functions to play in the provision of leisure and cultural services.

**Table 5.26 Most Popular Destinations for Expenditure on Leisure Services and Culture**

Main Destination by Category of Leisure and Cultural Pursuit								
Survey Zone	Restaurants /Cafés	Bars/Clubs & Pubs	Cinema	Family Entertainment	Theatre & Concerts	Museum & Art Gallery	Bingo, Casino & B'maker	Health & Fitness
1	New castle City Centre	New castle City Centre	Silverlink Shopping Park	Royal Quays/Benton	New castle City Centre	New castle City Centre	Killingw orth	Killingw orth
2	New castle City Centre	Shiremoor	Silverlink Shopping Park	Royal Quays/Whitley Bay	New castle City Centre	New castle City Centre	New castle City Centre	Killingw orth
3	Whitley Bay	Whitley Bay	Silverlink Shopping Park	Royal Quays	New castle City Centre	New castle City Centre	New castle City Centre	Whitley Bay
4	Tynemouth	Tynemouth	Silverlink Shopping Park	Royal Quays	New castle City Centre	New castle City Centre	New castle City Centre	North Shields
5	North Shields	North Shields	Silverlink Shopping Park	Royal Quays	New castle City Centre	New castle City Centre	North Shields	North Shields
6	New castle City Centre	New castle City Centre	Silverlink Shopping Park	Whitley Road Retail Park	New castle City Centre	New castle City Centre	Wallsend	Wallsend
7	New castle City Centre	New castle City Centre	Silverlink Shopping Park	Whitley Road Retail Park	New castle City Centre	New castle City Centre	Forest Hall	Killingw orth
<b>Main Spend (all zones)</b>	<b>New castle City Centre</b>	<b>New castle City Centre</b>	<b>Silverlink Shopping Park</b>	<b>Royal Quays</b>	<b>New castle City Centre</b>	<b>New castle City Centre</b>	<b>Wallsend</b>	<b>Whitley Bay</b>

### *Leisure Services and Cultural Activities Sub-Sectors*

#### *Restaurants and cafés*

- 5.94 The most popular destination for visits to restaurants and cafés is Newcastle City Centre (26 per cent) followed by Whitley Bay (13 per cent), North Shields (9 per cent) and Tynemouth (7 per cent). No other destination accounts for more than 5 per cent of responses. A total of 27 per cent of responses were in the ‘don’t do this activity/don’t know/varies’ category.
- 5.95 Newcastle City Centre is the most popular destination for visits to restaurants and cafés for residents in four of the seven survey zones (Zones 1, 2, 6 and 7). The most popular destination for residents of Zone 3 is Whitley Bay, for Zone 4 it is Tynemouth, and for residents of Zone 5, North Shields is the most popular destination. The low levels of spending in this category for Wallsend and Killingworth demonstrates that the provision of restaurant and café facilities is well below that which might normally be expected. These patterns reflect the fact that considerable spending on visits to restaurants and cafés leaks out of North Tyneside from settlements in the west of the Borough, with Newcastle City Centre the most popular destination for residents of Zones 1, 6 and 7 .

#### *Pubs, bars and nightclubs*

- 5.96 As is the case with restaurants, it is Newcastle City Centre (15 per cent) which is the most popular destination for pubs, bars or nightclubs, followed by Tynemouth (9 per cent),



Whitley Bay (9 per cent) and North Shields (5 per cent). No other destination accounts for more than 5 per cent of responses. A total of 44 per cent of responses were in the 'don't do this activity/don't know/it varies' category.

- 5.97 Newcastle City Centre is the most popular destination for visits to pubs and bars for residents from three of the survey zones (Zones 1, 6 and 7). Shiremoor is the most popular destination for residents of Zone 2, Whitley Bay is the most popular destination for residents of Zone 3, Tynemouth is the most popular destination for residents of Zone 4 and North Shields is the most popular destination for residents of Zone 5. These patterns largely reflect the localised nature of spending in pubs and bars, whilst also demonstrating that the expenditure in this category is below what might normally be expected in settlements to the west in the Borough.

#### *Cinemas*

- 5.98 The most popular cinema destination is Silverlink Shopping Park (40 per cent). The Odeon Cinema at Silverlink Shopping Park dominates this category, with Newcastle City Centre (7 per cent), the only other location accounting for more than 2 per cent. Silverlink Shopping Park is the most popular destination for residents in each of the seven zones. A total of 49 per cent of responses were in the 'don't do this activity/don't know /it varies' category.

#### *Family entertainment centres (i.e. ten pin bowling, skating etc)*

- 5.99 The most popular family entertainment centre destination, such as ten pin bowling alleys and skating rinks, is Royal Quays (7 per cent). The next most popular destinations are Whitley Road Retail Park, Benton and North Shields (3 per cent). No other destination accounts for more than 2 per cent of responses. A total of 77 per cent of responses were in the 'don't do this activity/don't know/it varies' category.

#### *Theatres/concerts*

- 5.100 The most popular destination for visits to theatres or concert halls is Newcastle City Centre (45 per cent). The next most popular destinations are Whitley Bay (5 per cent) and Sunderland (3 per cent). No other destination accounts for more than 2 per cent of responses. This demonstrates the prominence of Newcastle City Centre in the provision of theatre/concerts activity and the limited role for centres in North Tyneside within this category. A total of 42 per cent of responses were in the 'don't do this activity/don't know/it varies' category.

#### *Museums & art galleries*

- 5.101 As with the theatres/concerts category, the most popular destination for visits to museums and art galleries is Newcastle City Centre (38 per cent). No other destination accounts for more than 1 per cent of responses. This demonstrates the prominence of Newcastle City Centre in the provision of museums and art galleries and the limited role for centres in North Tyneside within this category. A total of 58 per cent of responses were in the 'don't do this activity/don't know/it varies' category.

### *Bingo/casinos/bookmakers*

- 5.102 The most popular destinations for activities which involve gambling, such as visits to bingo halls, casinos and bookmakers, are Wallsend (3 per cent) and Newcastle City Centre (2 per cent). No other destination accounts for more than 1 per cent of trips. A total of 87 per cent of responses were in the 'don't do this activity/don't know/it varies' category.

### *Health and fitness centres*

- 5.103 The most popular destinations for health and fitness activities are Whitley Bay, North Shields and Killingworth (all 4 per cent). The next most popular destination is Wallsend (3 per cent). No other destination accounts for more than 3 per cent of trips. A total of 72 per cent of responses were in the 'don't do this activity/don't know/it varies' category.

### *North Shields Town Centre*

- 5.104 The findings of the household survey demonstrate the relatively strong performance of North Shields within the North Tyneside context in both the 'restaurants and cafés' and 'bars, clubs and pubs' categories. However, we strongly suspect that most of the household survey respondents who cited North Shields actually meant the Fish Quay, which is an area located adjacent to North Shields Town Centre, containing a wide mix of restaurants. The connection between the town centre and the Fish Quay could be improved by better signage, improved marketing, enhanced lighting, public realm improvements and better public transport.
- 5.105 As is the case with all of the town centres in North Tyneside, the presence of facilities like cinemas, family entertainment centres and cultural facilities such as theatres, concert halls, art galleries and museums, is very limited in North Shields. The majority of such visits are to either destinations outside North Tyneside or to out-of-centre provision at the Silverlink Shopping Park and Royal Quays.

### *Wallsend Town Centre*

- 5.106 Wallsend noticeably under-performs in both the 'restaurants and cafés' and 'bars, clubs and pubs' categories, where the most localised patterns of trips might normally be expected. This highlights the extremely limited provision of such facilities in the town centre. Wallsend performs relatively well in terms of health and fitness centres, being the most popular destination for such facilities in the Borough. As is the case with all of the town centres in North Tyneside the role of Wallsend in providing leisure facilities such as cinemas and family entertainment, and cultural facilities like theatres, concerts, art galleries and museums, is very limited. The majority of such visits are to destinations outside of the Borough.
- 5.107 The anticipated redevelopment of Wallsend Town Centre, as set out in the Strategic Development Framework Plan for River Tyne North Bank (2010), should ideally include the provision of new some new food and drink facilities that will play an important role in improving town centre performance and enable it to contribute to wider economic regeneration objectives. The provision of such facilities, that could potentially be incorporated into any redevelopment of the Forum Shopping Centre, would help to enhance the vitality and viability of the town centre.

### *Whitley Bay Town Centre*

- 5.108 Whitley Bay performs a role as an important tourist destination in North Tyneside owing to its coastal location and historic role as an attractive seaside destination in the wider area. The findings of the household survey demonstrate the relatively strong performance of Whitley Bay within the North Tyneside context in both the 'restaurants and cafés' and 'bars, clubs and pubs' categories. However, a key challenge is to tackle the negative perceptions of the evening economy and the role of the town as a destination for stag and hen parties. The Spanish City site and its potential as a leisure attraction within an enhanced seafront and promenade form important components of this strategy. It is envisaged that the completed Spanish City development will provide cultural, leisure, retail and hotel uses.
- 5.109 As is the case with all of the town centres in North Tyneside, the presence of facilities like cinemas, family entertainment centres and cultural facilities such as theatres, concert halls, art galleries and museums, is limited in Whitley Bay. However, Whitley Bay does have the Playhouse Theatre, which is the only theatre in the Borough apart from a small one in Tynemouth. If any additional facilities across these categories are to be attracted to any town centre location within the Borough then Whitley Bay is likely to be the most attractive and viable prospect given its dual retail/tourism role.



## 6 ASSESSMENT OF QUANTITATIVE RETAIL NEEDS

### Methodology for Assessing Quantitative Retail Need

- 6.1 Section 3 and Appendix B of the PPS4 Practice Guidance provide advice on the assessment of quantitative and qualitative need. We note, however, the statement in the Practice Guidance, that it does not ‘...seek to prescribe a single methodology...’ and that ‘...alternative approaches may be equally acceptable, provided they are compliant with national policy objectives and clearly justified, transparently presented and robustly evidenced’ (paragraph 1.22). We accept, also, the advice given in paragraph B3 to the effect that ‘...forecasts of ‘retail need’ should not be regarded as prescriptive...’ and that they ‘...inevitably involve judgments and ultimately policy choices...’
- 6.2 Thus, we have refined the five step approach set out in Appendix B of the PPS4 Practice Guidance into eight steps, as follows:
- i Establish the appropriate catchment area for the highest order centres being considered, in this case North Shields, Wallsend, Whitley Bay and Killingworth.
  - ii Assess the existing level of population and existing volume of retail expenditure for those residents within the defined catchment area.
  - iii Establish where the expenditure of the catchment area’s residents is currently spent, through the use of an empirical survey of households in the catchment area, and thereby establish the proportion of expenditure which is currently retained by town centres and freestanding stores located within the catchment – that is, the current retention rate.
  - iv Apply forecasts of population change and per capita expenditure growth, so as to establish the overall level of projected growth in expenditure for residents of the catchment area and an assessment of growth in retained expenditure, using, initially, a constant retention assumption.
  - v Allow for ‘claims’ on the growth in retained expenditure as a result of:
    - floorspace efficiency change (that is, the growth in turnover of existing retailers within existing floorspace);
    - growth over time in Special Forms of Trading (SFT), mainly e-tail growth; and
    - planning commitments.
  - vi Calculate the initial residual expenditure pot which is potentially available for new retail floorspace, based on steps iv) and v) above.
  - vii Make an allowance for under-trading or over-trading in the base year, if this is justified.
  - viii Develop alternative scenarios for calculating growth in residual expenditure, based on:
    - increases or decreases in the projected retention level; and
    - sensitivity testing of key assumptions.
- 6.3 Below, we describe each stage of our assessment of quantitative retail need and provide a summary of our findings.

### **Step i. Definition of the Overall Catchment Area**

- 6.4 The overall catchment area (OCA) is split into seven zones based on postcode boundaries, as shown in Appendix 1 and Spreadsheet 1 of Appendix 3 in Volume 3.

### **Step ii. Existing Level of Population and Expenditure**

- 6.5 We have sourced 2008-based population and per capita expenditure data from PBBi and Oxford Economics (OE), which are the latest data available. Our assessment uses a 2008 price base. We have then projected the 2008 population and per capita expenditure data forward to the 2011 base year, using:
- the ONS's 2008-based Sub-National Population Projections (published 27 May 2010); and
  - the latest expenditure growth forecasts, which we describe in detail under Step iv.
- 6.6 The total pot of comparison and convenience expenditure at the 2011 base year, for each of the seven survey zones, is set out in the top rows of Spreadsheets 4 and 11, respectively. In total, £496.8m of comparison expenditure and £291.9m of convenience expenditure is available to residents of the catchment area in 2011.

### **Step iii. Establish Existing Retail Spending Patterns**

- 6.7 Next we use the household survey findings to establish current patterns of expenditure and the current retention rate, as described in Section 5 of our report. The current pattern of expenditure and the current retention rate for comparison goods is as set out in Spreadsheet 6, with the overall retention rate for comparison goods being 53.2 per cent. For convenience goods, the pattern of expenditure and the current retention rate is as set out in Spreadsheet 13, which reveals an overall convenience goods retention rate of 88.5 per cent. As we explained in Section 5, we consider that whilst there is fairly limited scope to improve the retention rate in the convenience sector, the retention rate in the comparison sector is capable of more significant improvement.

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

- 6.8 The next steps are to apply forecasts of population change and per capita expenditure growth, so as to establish the overall level of projected growth in expenditure for all residents of the catchment area, and then assess growth in retained expenditure, using, initially, a constant retention assumption.

#### **Population Growth**

- 6.9 Population change is based on the mid-2008 Sub-National Population Projections, from the ONS, as set out in Spreadsheet 2a. Using this method, the resident population across the OCA is forecast to increase from approximately 197,900 persons at the 2011 base year, to around 226,200 persons in 2027. This equates to a total population increase of approximately 24,400 persons, or 12.1 per cent, over the entire study period.
- 6.10 The Council is currently consulting on a range of housing and population growth options to guide the shape of its emerging Core Strategy, and published a leaflet entitled *Core*

*Strategy Preferred Options: Further Consultation on Growth Options* in October 2011. The level of population growth referred to in paragraph 6.9 above corresponds with the Council's 'increased growth' option, set out as 'Option 1' in its consultation leaflet. As detailed later in this section, we also test a 'stable growth' scenario whereby the population within the OCA increases in accordance with growth 'Option 2' of the Council's consultation leaflet. The resident population across the OCA under the Option 2 growth scenario is set out in Spreadsheet 2b, and is forecast to increase by approximately 14,800 persons, or 7.3 per cent, between 2011 and 2027.

### **Expenditure Growth**

- 6.11 The expenditure growth rates estimated by Experian in August 2010<sup>22</sup> and PBBI/OE in September 2010<sup>23</sup> are relatively low between 2008 and 2011. The legacy of the severe economic recession of 2008/09 is expected to be a period of high unemployment, weak consumer confidence, reduced availability of credit and a severe fiscal squeeze.
- 6.12 The per capita comparison and convenience goods expenditure growth rates that we have adopted for the 12 year period from 2008 to 2020 are the mid-points of the estimates and forecasts provided by Experian and PBBI/OE, and are set out in full for each forecast year in the footnotes to Spreadsheet 3 (for comparison goods) and Spreadsheet 10 (for convenience goods). PBBI/OE do not provide any forecasts for growth in per capita expenditure beyond 2020. We have therefore assumed that the per capita expenditure growth rate for the period 2020 to 2027 will be the mid-point of Experian's forecast for the same period, and PBBI/OE's forecast for the year 2019 to 2020. This equates to 3.3 per cent, per capita, per annum for comparison goods and 0.7 per cent, per capita, per annum for convenience goods.
- 6.13 The data on growth in per capita expenditure are as set out in Spreadsheets 3 and 10, which utilise the growth rates as described above, are summarised for each of the forecast periods in Table 6.1 below.

**Table 6.1 Expenditure Growth Per Capita for each Forecast Period, 2008-2027**

Period	Rate per Annum	
	Comparison Goods	Convenience Goods
2008 – 2011	0.7%	-1.0%
2011 – 2016	3.7%	0.7%
2016 – 2021	3.3%	0.7%
2021 – 2027	3.3%	0.7%

### **Total Expenditure**

- 6.14 Spreadsheet 4a is the product of Spreadsheets 2a and 3 and it sets out the total growth in comparison goods expenditure for all residents in the OCA. Spreadsheet 11a sets out the

<sup>22</sup> Figure 1, Retail Planner Briefing Note 8.1, Experian, August 2010.

<sup>23</sup> Table 3.5, Retail Expenditure Guide 2010/2011, PBBI, September 2010.

corresponding data for growth in convenience goods expenditure for all residents in the OCA.

- 6.15 In Spreadsheets 4b and 11b, we similarly set out the total growth in comparison and convenience goods expenditure for all residents in the OCA, respectively, under the Council's Option 2 population growth scenario.

### Step v. 'Claims' on Growth in Retained Expenditure

- 6.16 The next stage is to make an allowance for further 'claims' on the growth in retained expenditure, which are:
- growth in floorspace efficiency (growth in the turnover of existing retailers within their existing floorspace);
  - growth over time in SFT; and
  - an allowance for the predicted turnover of planning commitments.

#### Growth in Floorspace Efficiency

- 6.17 In making an allowance for growth in existing retailers' floorspace efficiency (Row D of comparison Spreadsheets 9a to 9d, and convenience Spreadsheets 14a to 14d), we adopted the rates of floorspace efficiency change set out in Table 6.2 below. We have tied the rate of comparison and convenience goods floorspace efficiency change to the expenditure forecasts for the assessment period in question, using a ratio of 37.9 per cent for comparison goods and 46.2 per cent for convenience goods. These ratios represent the 'underlying trend' of floorspace efficiency improvements between 1987 and 1999 (as recommended by Experian in its Retail Planner Briefing Note 6.1 of January 2009), of 2.2 per cent for comparison goods and 0.6 per cent for convenience goods, as a proportion of the expenditure growth over the same period of 5.8 per cent and 1.3 per cent respectively. Our approach is in line with the PPS4 Practice Guidance, which states at paragraph B.48 that: *'It is ... important that selected rates of growth in floorspace productivity are compatible with assumptions about the growth in per capita expenditure'*.

**Table 6.2 Rates of Floorspace Efficiency Change**

Period	Rate per Annum	
	Comparison Goods	Convenience Goods
2008 – 2011	0.3%	-0.4%
2011 – 2016	1.4%	0.3%
2016 – 2021	1.3%	0.3%
2021 – 2027	1.2%	0.3%

#### Allowance for Growth in Special Forms of Trading (SFT)

- 6.18 The total spending on SFT in each of the forecast years is set out in the final column of Spreadsheet 4a for comparison goods and Spreadsheet 11a for convenience goods, and Row E of comparison Spreadsheets 9a to 9d, and convenience Spreadsheets 14a to 14d, sets out the respective growth in spending on SFT up to 2027.



- 6.19 We have based our allowance for increases in expenditure claimed by SFT over the study period on the forecasts set out in Appendix 3 of Experian’s Retail Planner Briefing Note 8.1 (August 2010).
- 6.20 In the comparison goods sector, Experian estimates that ‘non-store retail sales’ will account for 12.6 per cent of total comparison expenditure at 2011, rising to 13.9 per cent at 2016, before falling back slightly to 13.6 per cent at 2021 and to 13.2 per cent at 2027. The household survey of June 2011 found that 7.5 per cent of OCA residents’ expenditure on comparison goods is spent via SFT, which amounts to around three-fifths of Experian’s UK average prediction for 2011. On that basis, we have assumed that the proportion of comparison expenditure accounted for by SFT will be approximately three-fifths of the levels predicted by Experian for the forecast years of 2016, 2021 and 2027, as set out in Table 6.3.
- 6.21 In the convenience goods sector, the household survey found that 1.2 per cent of OCA residents’ expenditure on convenience goods is currently spent via SFT, whereas Experian estimates that ‘non-store retail sales’ will account for 8.1 per cent of total convenience expenditure at 2011, rising to 9.6 per cent by 2016, to 10.1 per cent by 2021, and to 10.8 per cent by 2027. However, Experian explains that the SFT estimates for the convenience sector are ‘over-stated’, given that supermarkets often ‘...source internet goods sales from store space’.
- 6.22 We consider it appropriate, therefore, to assume that in the convenience sector, the proportion of expenditure accounted for by SFT will be 15 per cent of the levels estimated by Experian to reflect the fact that a proportion of the convenience retail goods bought over the Internet are supplied from shelves in local supermarkets, rather than from distribution warehouses, and also that current levels of spending on SFT in North Tyneside are substantially below Experian’s estimate for the UK average. Thus, we estimate that non-store convenience goods sales will account for 1.4 per cent of total convenience expenditure in 2016, rising to 1.5 per cent in 2021 and to 1.6 per cent in 2027 as set out in Table 6.3.

**Table 6.3 Projected Rates of SFT**

Year	Comparison Goods	Convenience Goods
2016	8.3%	1.4%
2021	8.1%	1.5%
2027	7.8%	1.6%

### **Allowance for Planning Commitments**

- 6.23 The next step is to allow for the future turnover requirements of commitments for new comparison and convenience retail floorspace, having made an assessment of how much of the commitments’ turnovers will be derived from residents of the OCA.
- 6.24 There are five extant planning permissions for significant retail development within the OCA as follows:
- Two small retail units on land at Quorum Business Park, as part a mixed office, retail and leisure development (planning application reference: 10/031004/FUL).

- 
- A petrol filling station shop just outside Camperdown (planning application reference: 09/03251/FUL).
  - An ancillary retail unit as part of the large Smiths Dock residential scheme in North Shields (planning application reference: 05/03253/REM).
  - A foodstore at Tynemouth Metro Station as part of the redevelopment and restoration of the station (planning application reference: 09/02370/CON).
  - Ancillary retail floorspace as part of a mixed office and hotel development at Cobalt Business Park (planning application reference: 10/01510/FUL).

**Table 6.4 Convenience Retail Commitments in the North Tyneside OCA (as at 12 September 2011)**

Application Ref.	Date Approved	Details of Proposal	Gross Floorspace (sq.m)	Sales Area Floorspace (sq.m) <sup>24</sup>	Convenience Sales Area Floorspace (sq.m) <sup>25</sup>	Convenience Sales Density at 2016 (£ per sq.m) <sup>26</sup>	Convenience Turnover from OCA at 2016 (£m) <sup>27</sup>
10/03104/FUL	14/11/2011	Two retail units, Quorum Business Park, Longbenton	468	328	328	5,000	0.6
09/03251/FUL	10/03/2010	Petrol filling station shop, Tyneside Autoparc, Sandy Lane, Gosforth	416	291	291	5,000	0.5
05/03253/REM	19/04/2006	Retail unit, Smiths Dock, Appleby Street, North Shields	402	281	281	5,000	1.3
09/02370/CON	05/02/2010	Foodstore, Tynemouth Metro Station, Tynemouth	1,506	1,011	777	10,158	7.6
10/01510/FUL	31/08/2011	Retail Unit, Cobalt Business Park, Silverfox Way	408	265	265	4,000	0.2

**Table 6.5 Comparison Retail Commitments in the North Tyneside OCA (as at 12 September 2011)**

Application Ref.	Date Approved	Details of Proposal	Gross Floorspace (sq.m)	Sales Area Floorspace (sq.m) <sup>23</sup>	Comparison Sales Area Floorspace (sq.m) <sup>24</sup>	Comparison Sales Density at 2016 (£ per sq.m) <sup>25</sup>	Comparison Turnover from OCA at 2016 (£m) <sup>26</sup>
09/02370/CON	05/02/2010	Foodstore, Tynemouth Metro Station, Tynemouth	1,506	1,011	234	5,544	1.2

<sup>24</sup> Sales area floorspace of the foodstore in Tynemouth specified by the applicant. For the remaining four commitments, we have assumed a net to gross floorspace ratio of 70 per cent.

<sup>25</sup> For the foodstore in Tynemouth, we have assumed the average convenience and comparison floorspace split of the top ten food and grocery retailers derived from Verdict's UK Food and Grocery Retailers 2010. For the remaining four commitments, we have assumed that all of the sales area floorspace will be used for the sale of convenience goods

<sup>26</sup> For the foodstore in Tynemouth, we have assumed the average convenience and comparison goods sales densities of the top ten food and grocery retailers derived from Verdict's UK Food and Grocery Retailers 2010. For the remaining four commitments, we have assumed a sales density estimate of £4,000 per sq.m at 2016.

<sup>27</sup> Our estimate assumes that 35 per cent of the total turnover of the two retail units at Quorum Business Park and the petrol filling station shop, and 95 per cent of the total turnover of the retail unit in North Shields and the foodstore in Tynemouth, will be drawn from outside the OCA.

- 6.25 Our assessment of the convenience and comparison goods turnover of the five retail schemes that will be derived from residents of the OCA is set out in Tables 6.4 and 6.5. Our assessment assumes that all elements of the five schemes will be open and trading by 2016. The total comparison and convenience retail turnover of the five commitments derived from residents of the OCA further appears in Row F of comparison Spreadsheets 9a and 9b and convenience Spreadsheets 14a and 14b.

### **Step vi. Residual Expenditure Potentially Available for New Floorspace**

- 6.26 Row G of comparison Spreadsheets 9a and 9b, and convenience Spreadsheets 14a and 14b, sets out the residual expenditure pot potentially available for new retail floorspace, having allowed for all of the claims on the growth in retained expenditure – that is, growth in floorspace efficiency, growth over time in SFT and commitments.
- 6.27 Row H of comparison Spreadsheets 9a and 9b and convenience Spreadsheets 14a and 14b then converts the residual expenditure to a floorspace requirement expressed as a net sales area. We have divided the residual expenditure by an average sales density for comparison goods of £4,623 per sq.m sales area in 2011, which is the average of the top ten available sales densities for comparison retailers listed in Mintel’s 2010 UK Retail Rankings report. In relation to convenience goods, we have divided the residual expenditure by an average sales density of £10,158 per sq.m sales area in 2011, which is the average sales density of the top ten food and grocery retailers in the UK derived from Verdict’s UK Food and Grocery Retailers 2010 report. Finally, we convert the sales area requirement to a gross floorspace requirement, as set out in Row I of comparison Spreadsheets 9a and 9b, and convenience Spreadsheets 14a and 14b, using a gross to net ratio of 70 per cent for comparison goods and 65 per cent for convenience goods.

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

#### **Comparison Goods Sector**

- 6.28 Next, we consider the current trading position of existing stores relative to their ‘benchmark’ level.
- 6.29 Spreadsheet 6 reveals an estimated comparison goods turnover for Silverlink Shopping Park of approximately £104.5m, excluding any expenditure inflow from those who live outside of the Borough. It is our professional judgment that around 5 per cent of the comparison turnover of Silverlink Shopping Park is likely to be derived from beyond the catchment area; 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 Silverlink Shopping Park rises to £110.0m in 2011.
- 6.30 Using data from Promap, we estimate that there is around 16,100 sq.m of comparison sales floorspace at Silverlink Shopping Park, which would imply a comparison sales density of £6,830. This is relatively high comparison sales density for an out-of-centre retail park, although Silverlink is very popular.
- 6.31 Spreadsheet 6 reveals a comparison goods turnover for North Shields, Whitley Bay and Wallsend Town Centres of £38.9m, £18.8m and £15.3m, respectively, excluding any expenditure inflow from residents beyond the OCA. Making an allowance for around 5 per

cent of the comparison turnover of North Shields Town Centre to be derived from beyond the catchment area, the total comparison turnover of North Shields Town Centre rises to £40.9m in 2011. In Whitley Bay Town Centre, we have allowed for an additional 20 per cent from expenditure inflow, given Whitley Bay's tourism role and its location near the semi-rural areas just outside the OCA to the north, which provides a total comparison turnover of £23.5m. In Wallsend Town Centre, an allowance for 5 per cent of the comparison turnover to be derived from residents beyond the catchment area increases the comparison goods turnover estimate to £16.1m in 2011.

- 6.32 Using the latest data from Experian GOAD, we estimate that there is a total of around 38,800 sq.m of comparison sales floorspace in North Shields, Whitley Bay and Wallsend Town Centres, which would imply an average comparison sales density across the three centres of £2,000 per sq.m. This sales density estimate is slightly below our expectations given the positions of the three centres within the retail hierarchy.
- 6.33 Whilst the analysis described above implies that the comparison retail floorspace in North Tyneside's main three town centres is performing below our expectations, the PPS4 Practice Guidance advises that such under-performance suggests a qualitative need to improve the quality of existing stock or the performance of stores, rather than representing an existing over-supply of comparison retail floorspace.
- 6.34 Furthermore, the aggregate comparison goods turnover across North Tyneside's three main centres and Silverlink Shopping Park, taking into account an allowance for inflow, amounts to £190.5m, which implies an overall comparison sales density of £3,520 per sq.m across those centres, indicating that comparison retail floorspace across North Tyneside as a whole is trading at a level broadly in line with our expectations.
- 6.35 Accordingly, we make no adjustments for over- or under-trading at comparison retail stores in North Tyneside in the 2011 base year.

### **Convenience Goods Sector**

- 6.36 The convenience goods expenditure retained by centres and foodstores within the OCA is set out in Spreadsheet 13. For the nine main foodstores within the OCA – which are defined for the purposes of this analysis as those stores which draw over £4m of convenience turnover from the residents of the OCA – the convenience expenditure derived from the OCA is summarised in Table 5.22 in Section 5 of this report.
- 6.37 We have compared the survey-based turnover estimates for the nine main foodstores within the OCA with the 'benchmark' turnover levels, as shown in Table 6.6. The nine largest foodstores within the OCA collectively account for some 69 per cent of the aggregate convenience goods expenditure of the OCA's residents that is retained within the OCA, and our analysis therefore provides a good indication of the overall trading position of existing foodstores within the OCA.

**Table 6.6 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 <sup>28</sup> (sq.m)	Benchmark Sales Density (£/sq.m) <sup>29</sup>	Benchmark Turnover (£m)	Actual Convenience Goods Turnover 2011 <sup>30</sup> (£m)	Level of Under/Over Trading (£m)
Asda, Whitley Road, Benton	Out	3,346	14,766	49.4	47.3	-2.1
Morrisons, Preston Grange District Centre	In	2,910	12,828	37.3	45.5	8.1
Morrisons, Killingworth Town Centre	In	2,831	12,828	36.3	36.1	-0.2
Tesco Extra, Norham Road, North Shields	Out	3,062	13,204	40.4	28.8	-11.6
Sainsbury's, Newstead Drive, Whitley Bay	Out	3,086	12,795	39.5	27.5	-12.0
Morrisons, Hillheads Road, Whitley Bay	Out	1,846	12,828	23.7	23.3	-0.4
Lidl, Battle Hill District Centre	In	645	3,183	2.1	5.5	3.4
Sainsbury's, Northumberland Park District Centre	In	1,110	12,795	14.2	5.2	-9.0
Iceland, Wallsend Town Centre	In	303	6,685	2.0	4.2	2.2
<b>Total</b>		<b>19,140</b>		<b>244.9</b>	<b>223.3</b>	<b>-21.6</b>

<sup>28</sup> Sales area floorspace of all main foodstores is sourced from the IGD 2009, except for the Sainsbury's in Whitley Bay which is sourced from the planning application for the extension to the store (planning application reference 09/03296/FUL). Our estimate of the convenience sales area floorspace assumes a company average floorspace split between convenience and comparison floorspace (derived from Verdict's UK Grocery Food and Retailers 2010 report, November 2010) for all the main foodstores.

<sup>29</sup> The benchmark sales densities for Asda, Morrisons, Tesco, Aldi, Iceland and M&S are derived from Verdict's UK Grocery Food and Retailers 2010 report.

<sup>30</sup> Actual convenience goods turnover derived from the results of the household survey and includes an allowance for expenditure inflow of 10 per cent of the total convenience turnover for the six largest foodstores, which all have a convenience sales area floorspace of over 1,800 sq.m, and 5 per cent for the remaining foodstores.

- 6.38 Our analysis indicates that whilst three of the main foodstores (Asda in Benton, Morrisons in Killingworth and Morrisons in Whitley Bay) are trading more or less in line with expectations, two of the nine main foodstores in North Tyneside (Morrisons in Preston Grange and Iceland in Wallsend) are trading substantially above their respective company averages, and the remaining three main foodstores (Sainsbury's in North Shields, Tesco Extra in North Shields and Sainsbury's in Northumberland Park) are trading considerably below their company average benchmark.
- 6.39 Table 6.6 indicates that the aggregate trading position of the nine main foodstores in North Tyneside is one of 'under-trading' by approximately £21.6m, which can largely be attributed to the under-performance of the Sainsbury store in Whitley Bay, the Tesco Extra store in North Shields and the Sainsbury's store in Northumberland Park District Centre.
- 6.40 The turnover of the Sainsbury's store in Whitley Bay and the Tesco Extra store in North Shields are both around 30 per cent below their company average levels (albeit both stores still achieve considerable convenience turnovers, of over £27m). However, we do not consider that it is sensible to make an allowance for improving the performance of out-of-centre stores.
- 6.41 The convenience goods turnover of the Sainsbury's store in Northumberland Park of £5.2m, as derived by applying the survey-derived market shares to the expenditure pot, is considerably below the benchmark turnover of the store, which we estimate to be £14.2m. We expect that the performance of the store will improve once the planned housing development in the vicinity of the Sainsbury's store is complete. We would not expect Sainsbury's to operate a store performing at around a third of the company average and therefore consider that, in reality, the turnover of the Sainsbury's store in Northumberland Park is likely to be higher than that indicated by the results of the 2011 household survey.
- 6.42 Accordingly, as in the comparison goods sector, we make no adjustment for under-trading or over-trading in the convenience goods sector.

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

### ***Increase or Decrease in the Geographical Size of the Catchment Area***

#### ***Comparison goods sector***

- 6.43 Alternative scenarios for calculating growth in residual expenditure can be based on an increase or decrease in the geographical size of the catchment area, where this is justified as part of a strategy to raise the role and function of the centre(s) as part of the local development plan process.
- 6.44 There are currently no strategic proposals to change the role or function of any of North Tyneside's centres in the sub-regional retail hierarchy. The proposed redevelopment of the area surrounding the Forum Shopping Centre in Wallsend will significantly improve the quality of retail uses in the town centre. Nevertheless, the redevelopment is aimed at improving the town centre provision for those residents within Wallsend's existing local catchment area and we do not therefore expect that the proposals will alter the position of the centre within the sub-regional retail hierarchy. Moreover, North Tyneside's coastal

location, and the presence of the River Tyne to the south and Newcastle City Centre to the west, means that any significant expansion of the North Tyneside OCA is not likely to be achievable.

- 6.45 As such, in seeking to develop a strategy for North Tyneside's centres to enhance their comparison retail offer, the appropriate sensitivity test is to increase the centres' market share of expenditure generated by residents within the existing catchment area, rather than to increase the geographical size of the catchment area itself.

#### *Convenience goods sector*

- 6.46 PPS4 seeks to ensure that people's every day needs, such as convenience shopping, are met on as localised basis as possible. As a consequence, North Tyneside's OCA is defined, primarily, on the basis of comparison goods spending patterns, where the very existence of the retail hierarchy demands that people travel to higher order centres for their higher order goods and services.

#### *Changes to the Retention Level*

##### *Comparison goods sector*

- 6.47 In Spreadsheets 9a to 9b, we have undertaken two sensitivity tests of changes to the comparison goods retention level, as specified below:
- 'Constant retention' – under this scenario, the overall retention level is kept constant at 53.2 per cent throughout the entire study period, 2011 to 2027.
  - 'Rising retention' – in this sensitivity test, the overall retention level improves from 53.2 per cent in the year 2011, to 58.0 per cent by 2016, remaining at 58.0 per cent thereafter.
- 6.48 In order to achieve an improvement in the retention rate, to 58.0 per cent by 2016, 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. Without the attraction to North Tyneside of the type of high-profile operators whose presence is currently limited in the Borough's town centres, it is unlikely that the OCA's overall comparison sector retention rate will improve materially from the current level.

##### *Convenience goods sector*

- 6.49 In the convenience sector we similarly test a 'constant retention' scenario in Spreadsheet 14a, in which the overall retention level remains at 88.5 per cent in the period up to 2027.
- 6.50 In Spreadsheet 14b, we consider a 'rising retention' level scenario, whereby the overall retention level increases from 88.5 per cent in the year 2011, to 92.5 per cent by 2016, and remains at 92.5 per cent in the period up to 2027. The current level of retention is already high and we consider that there is only limited scope for further improvement.
- 6.51 An improvement to the retention rate, of around 4 percentage points, could be achieved through the delivery of a new foodstore in Wallsend, of a sufficient scale to compete with the existing foodstore provision just outside the OCA in Newcastle.



## Changes to the Population Growth within the OCA

### Comparison goods sector

- 6.52 The Council is currently consulting on a range of options for housing and population growth within the Borough. The forecast population growth assumed in comparison Spreadsheets 9a and 9b, and convenience Spreadsheets 14a and 14b, corresponds with growth 'Option 1' in the Council's consultation leaflet, *Core Strategy Preferred Options: Further Consultation on Growth Options* (published in October 2011), and is the Council's highest growth option.
- 6.53 In comparison Spreadsheets 9c and 9d we have undertaken a further sensitivity test of both the constant and rising expenditure retention rate scenarios, assuming a lower level of population growth across the OCA over the study period in accordance with 'Option 2' in the Council's consultation leaflet. In this scenario, the resident population within the OCA is forecast to increase by approximately 14,800 persons, or 7.4 per cent, between 2011 and 2027 as set out in Spreadsheet 2b. Spreadsheets 4b and 11b set out the total growth in comparison and convenience goods expenditure for all residents in the OCA under the Option 2 population growth scenario, respectively.

### Convenience goods sector

- 6.54 We similarly sensitivity test both the constant and rising retention scenarios in the convenience sector in Spreadsheets 14c and 14d, assuming that the population within the OCA rises in accordance with the Council's growth Option 2.

## Findings in Relation to Retail Expenditure Capacity

### Comparison Goods Sector

- 6.55 Spreadsheets 9a and 9b set out the quantitative comparison goods retail need arising under the 'constant' and 'rising' retention scenarios, respectively. These quantitative needs are set out in terms of residual comparison expenditure capacity in Row G, and as requirements for additional comparison sales floorspace and gross floorspace in Rows H and I. The capacity arising under the two scenarios – in terms of sales area floorspace – is summarised in Table 6.7 below.

**Table 6.7 Quantitative Need in the Comparison Goods Sector**

Period	Floorspace Requirements (sq.m net)	
	RTP Scenario 1 Constant Retention	RTP Scenario 2 Rising Retention
2011 - 2016	6,034	12,058
2011 - 2021	14,138	21,057
2011 - 2027	25,069	33,172

- 6.56 Table 6.7 shows that under the constant retention scenario, there is capacity for approximately 6,000 sq.m of additional comparison sales area floorspace across the Borough in the period to 2016, rising to 14,100 sq.m in the period up to 2021, and around 25,100 sq.m in the overall study period up to 2027.

- 6.57 The comparison floorspace requirements are more substantial under the rising retention scenario, where there is a positive residual for 12,100 sq.m of additional comparison floorspace in the period up to 2016, rising to 21,100 sq.m in the longer-term period up to 2021 and, more indicatively, 33,200 sq.m in the period up to 2027.
- 6.58 The substantial comparison floorspace requirements arising under both scenarios primarily reflects the high rate of population growth forecast in North Tyneside over the study period, combined with moderate growth in expenditure on comparison goods.
- 6.59 The residual expenditure arising to support additional comparison retail floorspace under the 'Option 2' population growth scenario, along with a constant and rising expenditure retention rate, is set out in Spreadsheets 9c and 9d, respectively, and is summarised in Table 6.8 below. Table 6.8 shows that under our Scenario 3, there is capacity for approximately 11,600 sq.m of additional comparison sales area floorspace across the Borough in the period to 2021, rising to around 21,300 sq.m in the overall study period up to 2027. Under our Scenario 4, there is a positive residual for around 18,300 sq.m of additional comparison floorspace in the period to 2021, and approximately 29,000 sq.m in the period up to 2027.
- 6.60 Under both the constant and rising retention rate scenarios, the comparison floorspace requirements arising under the Option 2 population growth scenario (that is, our Scenarios 3 and 4) are slightly lower than those identified under the corresponding 'Option 1' population growth scenarios (our Scenarios 1 and 2, respectively), reflecting the smaller pot of comparison goods expenditure available to residents of the OCA as a result of the lower rate of population growth forecast in North Tyneside over the study period.

**Table 6.8 Quantitative Need in the Comparison Goods Sector under the 'Option 2' Population Growth Scenario**

Period	Floorspace Requirements (sq.m net)	
	RTP Scenario 3 Constant Retention and Option 2 Population Growth	RTP Scenario 4 Rising Retention and Option 2 Population Growth
2011 - 2016	4,724	10,629
2011 - 2021	11,648	18,340
2011 - 2027	21,261	29,018

- 6.61 The retention rate achieved in the comparison sector by existing shops and centres in North Tyneside, of 53.2 per cent, is reasonably good, given the close proximity of North Tyneside to Newcastle. Nevertheless, we consider that there is clear scope to claw-back some of the expenditure currently leaked outside of the OCA, to destinations such as Newcastle City Centre and the Metrocentre/Metro Retail Park. Whilst Newcastle City Centre and the Metrocentre will remain important comparison shopping destinations for North Tyneside's residents, our health checks indicate that a number of North Tyneside's defined centres are not performing particularly strongly. Indeed, our analysis of current shopping patterns in North Tyneside in Section 5 confirms that the out-of-centre Silverlink Shopping Park provides the main comparison shopping destination in the Borough, and

attracts more comparison expenditure than all of North Tyneside’s four town centres combined.

- 6.62 We therefore recommend that one of the Council's key policy aspirations should be to attain an improvement in the overall comparison sector retention rate by attracting additional expenditure to town centre locations, in order to encourage more sustainable patterns of shopping and bolster the vitality and viability of North Tyneside’s centres.
- 6.63 We therefore suggest that if growth Option 1 is taken forward in the Core Strategy, the Council should work towards a requirement for up to 12,100 sq.m of additional comparison sales area floorspace in the 2011 to 2016 period, rising to 21,100 sq.m in the period up to 2021 and, more indicatively, 33,200 sq.m in the longer term period up to 2027. If the Council instead proceeds with its growth Option 2, we recommend that it should work towards a slightly lower requirement for up to 10,600 sq.m of additional comparison sales area floorspace in the period 2011 to 2016, rising to 18,300 sq.m in the period up to 2021, and 29,000 sq.m in the period up to 2027. The Council should direct this new floorspace to town centre locations – in accordance with the thrust of national planning policy – rather than an alternative strategy of permitting further large-scale retail development in out-of-centre locations.
- 6.64 The proposed delivery of new larger, high quality units in Wallsend Town Centre will enable the centre to address key deficiencies in its existing retail offer, and we expect that the scheme will help to improve the Borough’s overall retention rate. Further high-quality comparison retail development in North Tyneside’s other town centres – of sufficient scale and critical mass to make them more competitive, vis-à-vis the competing centres and retail destinations located outside of, but close to the Borough – would also be desirable, although market conditions are clearly challenging at present.
- 6.65 The emerging Core Strategy directs much of the proposed housing growth to the north west of the Borough. There may therefore be a need to expand the provision of town centre uses at designated centres in the north west of the Borough, if the anticipated level of housing and population growth materialises.

**Convenience Goods Sector**

- 6.66 Spreadsheets 14a and 14b set out the quantitative convenience goods retail need under the constant and rising retention rate scenarios, respectively. The quantitative needs arising under the two scenarios in terms of sales area floorspace, as set out in Row H of Spreadsheets 14a and 14b, are summarised in Table 6.9 below.

**Table 6.9 Quantitative Need in the Convenience Goods Sector**

Period	Floorspace Requirements (sq.m net)	
	RTP Scenario 1 Constant Retention	RTP Scenario 2 Rising Retention
2011 - 2016	436	1,642
2011 - 2021	1,926	3,201
2011 - 2027	3,630	4,984

- 6.67 Table 6.9 shows that under the constant retention scenario, there is capacity for approximately 400 sq.m of additional convenience sales area floorspace within North Tyneside in the period up to 2016, rising to 1,900 sq.m in the period to 2021, and around 3,600 sq.m in the overall study period up to 2027.
- 6.68 Under the rising retention rate scenario, the convenience floorspace requirements are slightly higher, and there is a positive residual for 1,650 sq.m of additional convenience floorspace in the period to 2016, rising to 3,200 sq.m in the period up to 2021 and, more indicatively, 5,000 sq.m in the longer-term period up to 2027.
- 6.69 The residual expenditure arising to support additional convenience retail floorspace under the Council's 'Option 2' population growth scenario, combined with a constant and rising retention rate, is set out in Spreadsheets 14c and 14d, respectively, and is summarised in Table 6.10 below. Table 6.10 shows that under our Scenario 3, there is capacity for approximately 1,000 sq.m of additional convenience sales area floorspace across the Borough in the period to 2021, rising to around 2,350 sq.m in the overall study period up to 2027. Under our Scenario 4, there is a positive residual for approximately 2,250 sq.m of additional convenience floorspace in the period to 2021, rising to around 3,650 sq.m in the period up to 2027.
- 6.70 Under both the constant and rising retention rate scenarios, the convenience floorspace requirements arising under the Council's Option 2 population growth scenario (that is, our Scenarios 3 and 4) are slightly lower than those identified under the corresponding 'Option 1' population growth scenarios (our Scenarios 1 and 2, respectively), reflecting the lower rate of population growth forecast in North Tyneside over the study period and the smaller pot of convenience goods expenditure available to residents of the OCA.

**Table 6.10 Quantitative Need in the Convenience Goods Sector under the 'Option 2' Population Growth Scenario**

Period	Floorspace Requirements (sq.m net)	
	RTP Scenario 3 Constant Retention and Option 2 Population Growth	RTP Scenario 4 Rising Retention and Option 2 Population Growth
2011 - 2016	-87	1,095
2011 - 2021	1,010	2,243
2011 - 2027	2,361	3,658

- 6.71 Whilst the current level of expenditure retention achieved by the catchment area, of 88.5 per cent, is already quite high, we consider that there is scope for a modest improvement. In particular, the retention rate would improve if the proposals for the development of a new foodstore in Wallsend Town Centre were implemented. We consider it a sound policy aspiration for the Council to seek to increase the overall level of convenience expenditure retention, because food shopping should be undertaken on as localised a basis as possible. We therefore recommend that the floorspace requirements arising under the rising retention scenario should be used to inform North Tyneside's emerging Core Strategy.

6.72 Accordingly, we consider that if the Council progresses growth Option 1 in its emerging Core Strategy, there is a requirement for up to 3,200 sq.m of convenience sales area floorspace in the period 2011 to 2021, rising, more indicatively, to 5,000 sq.m in the period to 2027, in addition to the existing retail commitments in the Borough. As a guide, this would be sufficient to support a food superstore with approximately 6,400 sq.m of gross floorspace by 2021, assuming a net to gross ratio of 65 per cent and the average floorspace split between food and non-food sales area floorspace of the top ten food and grocery retailers in the UK. If the Council proceeds with its growth Option 2, we recommend that it should work towards a lower requirement for up to 2,200 sq.m of additional convenience sales area floorspace in the 2011 to 2021 period, rising to 3,700 sq.m in the period up to 2027.



## 7 ASSESSMENT OF QUALITATIVE RETAIL NEEDS

### Introduction

- 7.1 PPS4 makes clear in Policy EC1.4 that when assessing the need for retail development, local planning authorities should ‘...take account of both the quantitative and qualitative need for additional floorspace’ (our emphasis). The PPS4 Practice Guidance explains that, although qualitative need is a subjective concept, there are five main factors that are frequently identified, as follows:
- deficiencies or ‘gaps’ in existing retail provision;
  - consumer choice and competition;
  - overtrading, congestion and overcrowding of existing stores;
  - location specific needs such as deprived areas and underserved markets; and
  - the quality of existing provision.
- 7.2 In this section, we consider the qualitative need for additional convenience and comparison retail floorspace in the Borough. We focus primarily on the town centres of North Shields, Wallsend and Whitley Bay which, as the largest centres in North Tyneside, are the most likely to attract interest from operators and developers.

### Assessment of Qualitative Retail Need

#### *Deficiencies and ‘Gaps’ in Existing Provision*

- 7.3 The main settlements in North Tyneside are North Shields, Wallsend, Whitley Bay and Killingworth which are primarily served by the retail provision in the Borough’s three main centres, North Shields, Wallsend and Whitley Bay Town Centres, as well as the smaller Killingworth Town Centre. There are further District Centres at Battle Hill, Forest Hall, Longbenton, Monkseaton, Northumberland Park, Preston Grange, Tynemouth, and Whitley Lodge.
- 7.4 All of the main areas of population within the Borough therefore fall within the areas immediately served by the existing network of retail centres in North Tyneside.
- 7.5 Our survey of North Shields Town Centre found its comparison retail offer to be narrow and insufficient to meet a number of local needs. The performance of the clothing and footwear sub-sectors is particularly weak and the representation from national multiple retailers is limited. We consider that this deficiency is largely due to the shortfall of large, modern retail units to accommodate ‘high street’ multiples, and competition with out-of-centre provision, especially Silverlink Shopping Park.
- 7.6 Our health check of Wallsend Town Centre confirmed that the centre is substantially under-performing in the comparison sector. The overall quality of the existing comparison retail provision is poor and there is a particular deficiency in the provision of clothing and other mid-market ‘high-street’ retailers. Wallsend Town Centre only accounts for 3.1 per cent of the comparison goods expenditure available to the Borough’s residents, which represents a very low level of retention for a centre such as Wallsend, one of the three main town

centres in North Tyneside. Furthermore, the former Co-operative Food supermarket remains vacant and the town centre lacks a convenience retail anchor. As such there is a need to attract new convenience and comparison retailers, which will require new or refurbished units suitable for modern retailer requirements.

- 7.7 In the case of Whitley Bay our findings show that whilst the comparison retail offer benefits from a strong independent retail sector, the town centre under-performs in terms of comparison retail. Indeed, the results of the household survey indicate that Whitley Bay only accounts for 3.8 per cent of the comparison goods expenditure available to the OCA's residents. The representation from national retailers remains below the level that might ordinarily be expected for a town of this size.
- 7.8 Overall, the household survey demonstrates that 46.8 per cent of the available comparison expenditure within the OCA leaks out of the Borough, reflecting the general deficiency of comparison retailing facilities within North Tyneside's town centres. We also note that the out-of-centre Silverlink Shopping Park accounts for a significant proportion of comparison goods expenditure, some 21.0 per cent. Indeed, whilst North Tyneside retains 53.2 per cent of comparison goods expenditure within the Borough, over 60 per cent of this is attributable to out-of-centre retail destinations. Furthermore, there are several high profile retailers including Next and Marks and Spencer that are currently represented at both the Silverlink Shopping Park and the Royal Quays Outlet Centre, but absent from each of the three main town centres. The Borough should be able to better meet the basic comparison goods needs of its residents within the three main town centres.
- 7.9 There are some opportunities for development of modern retail units the three main town centres, especially through the redevelopment of the dated shopping facilities at the Beacon Shopping Centre in North Shields and the Forum Shopping Centre in Wallsend. Development of modern retail units at these locations could provide new comparison floorspace to support the provision of additional 'high street' stores in town centres.
- 7.10 The emerging Core Strategy directs much of the proposed housing growth to the northwest of the Borough. There may therefore be a need to expand the the provision of town centre uses at designated centres in the north west of the Borough, namely Killingworth, Forest Hall, Longbenton and Northumberland Park, if the anticipated level of housing and population growth materialises.

### **Consumer Choice and Competition**

- 7.11 We consider that widening consumer choice and providing new competition – particularly in the comparison sector – is a key issue in North Tyneside. Consumer choice and competition is less of an issue in the convenience sector, with the Borough's existing facilities collectively accounting for 88.5 per cent of the convenience expenditure that is available to North Tyneside's residents. However, there are some areas that are poorly served in terms of convenience expenditure.
- 7.12 The findings from the telephone household survey of June 2011 show that for North Tyneside as a whole only three stores account for over 10 per cent of convenience expenditure available to residents across all zones. These are Morrisons at the Killingworth



Centre (11.1 per cent), Asda in Benton (14.0 per cent) and Morrisons at Preston Grange (14.0 per cent).

- 7.13 Wallsend (Zone 6) lacks a foodstore that provides a full range of food and grocery products. The existing supermarkets within Zone 6 are small, namely Iceland, Netto and Aldi and the Lidl and Tesco Express stores at Battle Hill District Centre.
- 7.14 The provision of a large supermarket or food superstore offering a full range of food and grocery products is also limited to just one store in both Killingworth and in North Shields' (Morrisons and Tesco, respectively). Nevertheless, we consider that North Shields residents are well served by the convenience provision in the town, which since the time of the household survey also includes an Asda outlet (previously Netto) and several smaller supermarkets and convenience outlets. Whilst the choice of operators in Killingworth is more limited, we consider that the food and grocery provision is reasonable for a town of its present size.
- 7.15 Accordingly, we consider 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. This should be delivered alongside some modern comparison retail units to attract some of the non-food retailers that are absent from the town centre.

#### ***'Over-trading', Congestion and Overcrowding of Existing Stores***

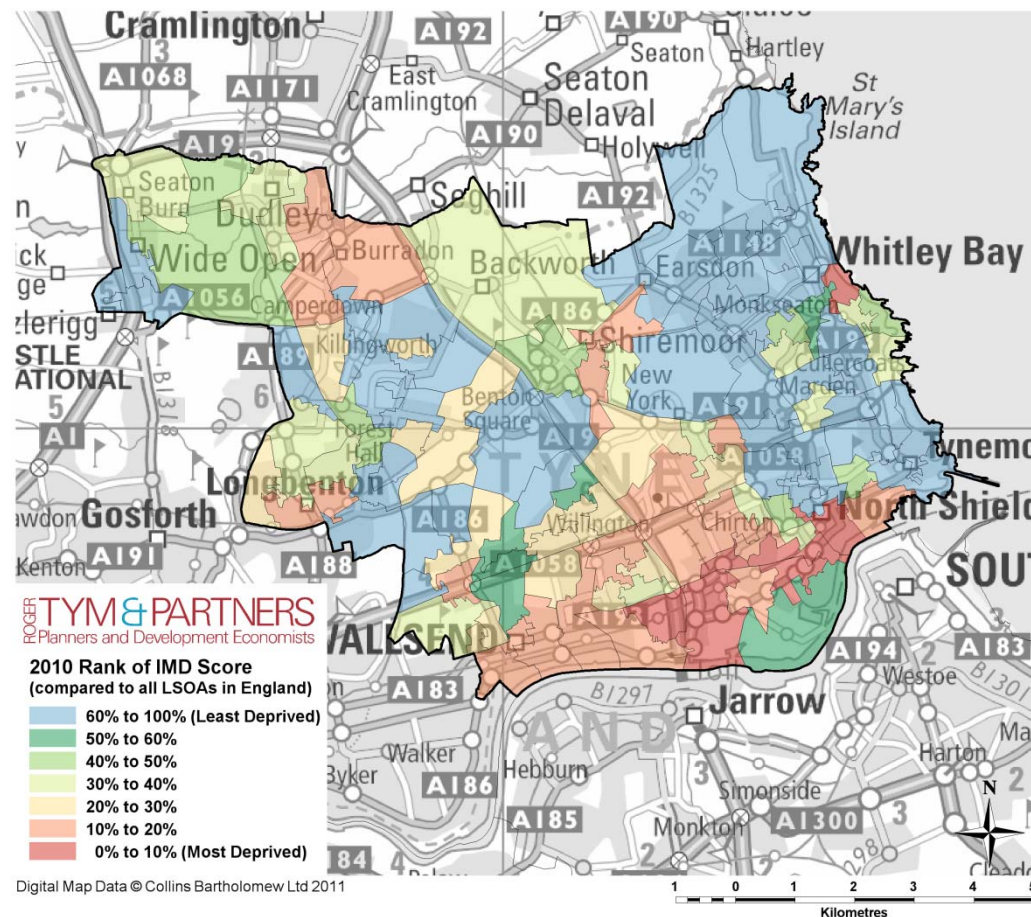
- 7.16 The PPS4 Practice Guidance explains that the extent to which the turnover of existing stores significantly exceeds benchmark turnovers may be a qualitative indicator of need, as well as informing quantitative need considerations. This is again a consideration which is of more relevance in the comparison sector than the convenience sector in North Tyneside.
- 7.17 Our benchmark analysis in Table 6.6 shows that the aggregate trading position of the nine main foodstore in North Tyneside is some £21.6m below the corresponding benchmark level, and is an indicator that there is no qualitative need for additional convenience floorspace on the grounds of over-trading alone.
- 7.18 Notably, the Morrisons in Preston Grange is trading at a level some £8.1m above its company average benchmark. However, the strong performance of a district centre store is to be welcomed unless this gives rise to problems that are causing shopper discomfort. On our site visits to the Morrisons store at Preston Grange, during the course of this study, we did not witness any evidence of over-trading, such as excessive queues at check-outs, difficulties in parking, congested aisles, or shortfalls of stock.
- 7.19 Overall, we therefore consider that the level of convenience provision is sufficient for the population of North Tyneside and there are no signs of unacceptable customer discomfort or over-trading that would indicate there is a qualitative need for additional provision.

#### ***Location-Specific Needs – Deprived Area Considerations***

- 7.20 Figure 7.1 below, which maps the Index of Multiple Deprivation rankings across North Tyneside, shows that there are particular concentrations of multiple deprivation in the area between North Shields and Wallsend. Improved retail facilities in North Shields and Wallsend are therefore likely to bring important and significant benefits to the residents in these areas, in terms of improving the range, choice and quality of the retail offer locally

available to residents living in deprived areas, and generating a range of new employment opportunities. Whilst there is also an area of deprivation to the south of Whitley Bay, this is small and the surrounding area is largely an affluent one.

**Figure 7.1 North Tyneside Areas of Multiple Deprivation**



Source: Index of Multiple Deprivation, 2010

### Quality of Existing Provision

- 7.21 The quality of the retail offer in North Shields Town Centre is generally poor. The Beacon Shopping Centre and several of the purpose built retail units set along the pedestrianised section of Bedford Street are in need of enhancement and refurbishment works. The Beacon Shopping Centre in particular suffers from a poor quality facade and ground floor units that do not relate well to the streetscene. The majority of retail units within the town centre are below the size required for most comparison goods multiple operators, and the comparison retail offer is consequently quite narrow. We therefore consider that there is qualitative need for new larger floorplate retail units in North Shields Town Centre.
- 7.22 The majority of stores in Wallsend, with the exception of the Forum Shopping Centre, are accommodated in traditional buildings, rather than modern units purpose built to meet contemporary retailer requirements. Wallsend's retail property offer is therefore characterised by relatively small, constrained retail units, which do not meet the requirements of modern 'high street' comparison retail operators. Furthermore, many of these retail units are in a poor condition and contribute to a poor physical environment.

Whilst the Forum Shopping Centre provides purpose built retail units, the centre is considerably dated and in need of significant refurbishment or redevelopment. We therefore consider that there is qualitative need in Wallsend Town Centre for new larger floorplate retail units and enhancement/refurbishment of existing units in order to raise the quality of the retail property offer and the physical environment. This will improve the prospects for the town centre in attracting higher quality retail operators.

- 7.23 Whitley Bay benefits from a mixture of Victorian, Edwardian and more modern purpose built retail units. The quality of buildings is generally good, although there is a notable deterioration in more secondary retail areas. Whilst the catchment area of Whitley Bay as one of the more affluent areas within North Tyneside, the quality of retail provision in the town centre does not fully reflect this. Furthermore, despite the high quality independent retail offer, there is an under-representation of national retail multiples that contributes to the poor performance of the town centre in terms of comparison goods market share. However, there are limited opportunities for the provision of new retail floorspace within Whitley Bay and priority should be given to filling some of the larger, longer term vacant units.
- 7.24 We therefore consider that there is a qualitative need to substantially widen the property offer available in both North Shields and Wallsend Town Centres through the development of a range of quality modern units targeted at higher quality retailers, if the key deficiency in the comparison retail offer within these main town centres (namely the provision of clothing and other mid-market 'high-street' stores) is to be addressed.

### Conclusions in Relation to Qualitative Need

- 7.25 Taking into account the findings of our health checks of North Shields, Wallsend, Whitley Bay Town Centres, and the five indicators of qualitative need listed in the PPS4 Practice Guidance, we have identified a particular qualitative need for:
- a new supermarket or foodstore 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, like Silverlink Shopping Park; and
  - the provision of some further national retailers within Whitley Bay Town Centre, with priority given to filling larger vacant units.
- 7.26 The qualitative needs identified above must be addressed in order to improve the performance of North Tyneside's town centres and better meet the need of the Borough's residents in a more sustainable way.



## 8 NEED FOR OTHER TOWN CENTRE USES

### Introduction

- 8.1 PPS4 recognises the contribution that main town centre uses, other than retail, also make to the vitality and viability of centres, and specifies in Policy EC1.3 that LPAs should ‘*assess the capacity of existing centres to accommodate new town centre development*’, which includes development for all the main town centres uses.
- 8.2 The study brief does not require an assessment of office uses to be undertaken as part of the study. Furthermore, we note that the recently published draft National Planning Policy Framework (NPPF) proposes that the sequential approach should only be applied in relation to planning applications for retail and leisure developments that are not in an existing centre and are not in accordance with an up to date Local Plan. If this proposal is carried through into the final version of the NPPF, offices would effectively be removed from the list of main town centre uses as currently defined in PPS4.
- 8.3 In this section, we therefore consider the scope to accommodate additional floorspace for commercial leisure in North Tyneside, and the potential to build on existing arts, cultural and tourism facilities in the Borough. Our assessment necessarily focuses on qualitative considerations, informed by an audit of existing provision and by data collected from the household telephone survey of June 2011. In the leisure sector, our assessment additionally considers quantitative requirements in accordance with PPS4, which advises that when assessing the need for additional leisure floorspace, LPAs should take account of both quantitative and qualitative considerations.

### Need for Additional Commercial Leisure Uses

#### *Existing Expenditure on Leisure Services*

- 8.4 The approach taken by consultants to the assessment of quantitative need in the leisure sector is less well developed than in the retail sector. Furthermore, property development in the leisure sector has historically been very market-led, and it is only since the publication of PPS6 in March 2005 – and the subsequent publication of PPS4 in December 2009 – that leisure has been brought firmly into the range of uses covered by the sequential approach. Nevertheless, Experian<sup>31</sup> and MapInfo<sup>32</sup> have published information on leisure services spending in a number of the Classification of Individual Consumption by Purpose (COICOP)<sup>33</sup> categories. Using these data, we have been able to undertake a broad assessment of need in the commercial leisure sector.
- 8.5 Zonal per capita expenditure data for leisure services were supplied by PBB/IOE for the year 2008, as set out in the top row of Spreadsheet 15 in Appendix 5. These data were

<sup>31</sup> Retail Planner Briefing Note 8.1, Experian, August 2010.

<sup>32</sup> 2004 Leisure Goods & Services Expenditure at Output Area Level: Product Guide, PBB/MapInfo, March 2007, and associated 2008 leisure expenditure dataset.

<sup>33</sup> COICOP is the internationally agreed classification system for reporting household consumption expenditure.

then rolled forward to the base year using Experian’s estimated growth rates for spending on leisure services for the period 2008 to 2011<sup>34</sup>, of an average of minus 2.1 per cent, per capita, per annum. Spreadsheet 15 shows that the annual per capita spend on leisure services in 2011 varies from a low of £1,438 in Zone 5 to a high of £1,721 in Zone 4, and that per capita spending on leisure services in all of the seven zones within the OCA is below the Great Britain average of £2,040 per capita.

- 8.6 The total expenditure pot for leisure services in the 2011 base year and each of the forecast years is derived from the products of the total population in each zone (Spreadsheet 2a) and the per capita expenditure on leisure services (Spreadsheet 15), and is as set out in Spreadsheet 16a. In total, £323.9m of leisure services expenditure is available to residents of the catchment area in 2011.
- 8.7 A breakdown of the total leisure services spend for the four different categories of leisure services defined by OE/MapInfo – recreational & cultural service; restaurants, cafés and canteens; accommodation services; and hairdressing & personal grooming – was achieved on the basis of OE/MapInfo expenditure data in relation to the four aforementioned categories, as shown in the final column of figures in Table B of Spreadsheet 17. We further disaggregated these categories into seven of the COICOP classes and other more detailed leisure services categories, based on data sourced from the ONS’s 2010 Family Spending report on the 2009 Living Costs and Food Survey (set out in Table C of Spreadsheet 17). The final percentage composition of the total leisure services spend on each of the leisure services sub-categories is shown as the first column of figures in Spreadsheet 18a.
- 8.8 The total expenditure and growth in expenditure on the different categories of leisure services spending at 2011 are shown in Spreadsheet 18a, and summarised for the seven COICOP classes in Table 8.1 below.

**Table 8.1 Leisure Services Spend of Residents of the North Tyneside OCA at 2011**

COICOP Class	Description	% of Total Leisure Services Spend	Total Expenditure (£m)
09.4.1	Recreational and sporting services	5.7	18.3
09.4.2	Cultural services	11.1	35.9
09.4.3	Games of chance	4.5	14.6
11.1.1	Restaurants, cafés and the like	62.9	203.6
11.1.2	Canteens	4.1	13.2
11.2.0	Accommodation services	7.9	25.7
12.1.1	Hair & personal grooming	3.9	12.5
<b>Leisure Services Total</b>		<b>100.0</b>	<b>323.9</b>

- 8.9 COICOP class 11.1.1 (‘restaurants, cafés and the like’) accounts for almost two thirds of the total spend on leisure services. ‘Cultural services’ and ‘accommodation services’ are

<sup>34</sup> Figure 1, Retail Planner Briefing Note 8.1, Experian, August 2010.

the second and third highest categories and these account for 11.1 per cent and 7.9 per cent of spending on leisure services, respectively. However, it should be noted that commercially oriented property developments account for only a small portion of the spend within each category. For example, spending in cinemas accounts for just 6.1 per cent of the total expenditure on cultural services<sup>35</sup>, and bingo stakes account for just 7.5 per cent of expenditure on games of chance<sup>36</sup>. In addition, spending on food and drinks in restaurants, cafés, pubs, bars and other commercial establishments amounts to only 70.0 per cent of the spending within the ‘restaurants, cafés and the like’ category<sup>37</sup>.

### **Forecast Growth in Expenditure and Forecast Growth in Retained Expenditure**

- 8.10 The next step in the assessment of leisure need is to calculate the growth in leisure spend for residents of the OCA in the period 2011 to 2027, using the forecasts provided by Experian in August 2010<sup>38</sup>, which are summarised for each of the forecast periods in Table 8.2 below.

**Table 8.2 Leisure Services Expenditure Growth Per Capita for each Forecast Period, 2011 – 2027**

Period	Growth Rate per annum
2011 – 2016	1.3%
2016 – 2021	1.7%
2021 – 2027	1.9%

- 8.11 Spreadsheet 16a shows that the total expenditure on leisure services of residents of the OCA is projected to grow from £323.9m in 2011, to £358.3m by 2016, £405.9m by 2021, and £472.7m by 2027. Projected growth in spending on leisure services from 2011, therefore, amounts to £34.4m in the period up to 2016, rising to £81.9m and £148.8m in the longer term periods to 2021 and 2027, respectively.
- 8.12 Applying the 2011 base year leisure services spend shares to the total expenditure pot (Spreadsheet 18a), around 63 per cent of the growth in leisure spending can be expected to be absorbed by restaurants/cafés, pubs/bars and take-away outlets, equating to £21.6m by 2016, £51.5m by 2021, and £93.5m by 2027 (see COICOP class ‘restaurants, cafés and the like’ row total and the ‘growth in expenditure’ columns in Spreadsheet 18a). In contrast, the expenditure growth that would be absorbed by ‘cultural services’ would amount to

<sup>35</sup> The remaining spend on cultural services is accounted for by live entertainment, such as theatre and concert visits spending on museums and theme parks, etc., TV/DVD/video/internet licences, subscriptions and rental etc., social subscriptions, photographic processing and a plethora of other items, which together account for over 90 per cent of the spending on cultural services.

<sup>36</sup> The remaining spend on games of chance is accounted for by spending on football/pools stakes, lotteries, bookmakers and other betting stakes.

<sup>37</sup> The remaining spend on restaurants, cafés and the like is accounted for by spending on take-aways, snacks and other catering services.

<sup>38</sup> Figure 1, Retail Planner Briefing Note 8.1, Experian, August 2010.

£9.1m by 2021 (i.e. 11.1 per cent of the total growth in leisure expenditure by 2021), whilst growth in expenditure on 'games of chance' would amount to just £3.7m by 2021. However, commercial facilities such as cinemas and bingo halls will absorb only a proportion of the expenditure growth on 'cultural services' and 'games of chance', respectively, and spending in restaurants, cafés, pubs and bars will absorb only a proportion of the expenditure growth on 'restaurants, cafés and the like'.

- 8.13 It should be noted that the leisure services expenditure figures referred to above are calculated on the basis of the ONS's population projections for North Tyneside, which correspond with the Council's 'Option 1' population growth scenario. As we explained in Section 6, the Council is currently consulting on a range of population growth scenarios, of which 'Option 1' promotes the highest rate of population growth within North Tyneside. As a sensitivity test, we have also tested a scenario whereby the population within the OCA increases in accordance with the Council's growth 'Option 2', which promotes a lower rate of population growth than Option 1. Spreadsheet 2b sets out the forecast population growth within the OCA under the Council's Option 2 population growth scenario, and Spreadsheets 16b and 18b set out the corresponding leisure services expenditure of residents of the OCA.
- 8.14 Spreadsheet 16b shows that under the Council's Option 2 population growth scenario, the growth in spending on leisure services is forecast to amount to £27.3m in the period 2011 to 2016, rising to £68.6m in the period up to 2021, and £128.6m in the overall study period up to 2027. Accordingly, the growth in leisure spending expected to be absorbed by individual categories of leisure services, as shown in Spreadsheet 18b, is also expected to be slightly lower than under the Council's higher population growth scenario .

### ***Conversion of Surplus Expenditure to Additional Commercial Leisure 'Requirements'***

#### *Food and drink establishments*

- 8.15 Whilst the food and drink offer within North Shields Town Centre itself is limited, the Fish Quay area of the town provides an array of food and drink outlets, and the results of the household survey demonstrated the relatively strong performance of North Shields as a whole in relation to both the 'restaurants and cafés' and 'bars, clubs and pubs' categories.
- 8.16 The performance of Whitley Bay within the context of both the 'restaurants and cafés' and 'bars, clubs and pubs' categories was also found to be relatively strong. Nevertheless, tackling negative perceptions of the evening economy in Whitley Bay and the role of the town centre as a destination for stag and hen parties remains a key challenge in the centre. It is anticipated that the development of the Spanish City site for a mix of cultural, leisure, retail and hotel uses will provide an enhanced leisure offer in Whitley Bay and help to reverse negative perceptions of the centre as an evening leisure destination.
- 8.17 The provision of eating establishments in Wallsend is extremely limited. Indeed, the household survey indicated that the majority of Wallsend's residents who visit restaurants and cafés travel to Newcastle to do so, rather than staying in the town itself. Newcastle is also the principal destination for expenditure within the 'bars, clubs and pubs' category for Wallsend residents. We consider that Wallsend should be the primary destination for



expenditure on food and drink within its own zone, because restaurant/pub visits should be undertaken on as localised a basis as possible. The anticipated redevelopment of Wallsend Town Centre offers potential to improve the provision of food and drink facilities in Wallsend and help claw back expenditure on food on drink that is currently leaked to destinations outside the Borough.

- 8.18 The performance of Killingworth in both the ‘restaurants and cafés’ and ‘bars, clubs and pubs’ categories was found to be relatively weak. We consider that there is potential for Killingworth Town Centre to expand its leisure provision in these two categories and further develop some of the uses normally associated with a traditional town centre that are absent from Killingworth at present.
- 8.19 Spreadsheet 19a sets out our quantitative assessment of capacity for additional food and drink establishments in North Tyneside. Row C of Spreadsheet 19a shows the growth in retained expenditure on food and drink in restaurants/cafés and pubs/bars within the OCA, assuming that the expenditure retention level improves from 60.1 per cent in the base year, to 65.0 per cent by 2021, remaining at 65.0 per cent thereafter. Such an improvement in the retention rate, of around 5 percentage points, could be achieved through a substantial enhancement in the quantity and quality of the food and drink provision in North Tyneside.
- 8.20 However, not all of the growth in retained expenditure will be available to support the development of new restaurants/cafés and pubs/bars in the Borough. In the same way that an allowance is made in the retail sector for existing operators to improve their turnover efficiency, it is reasonable to assume that some of the growth in available food and drink expenditure will be absorbed by existing operators to allow them to grow their businesses. Unlike in the retail sector, however, there is a dearth of published advice on what proportion of expenditure growth in the food and drink sector should be ring-fenced for existing operators. In the absence of firm guidance, we have therefore allocated 50 per cent of the growth in food and drink expenditure to existing restaurateurs and pub/bar operators (Row E of Spreadsheet 19a).
- 8.21 The £15.2m of ‘residual’ expenditure capacity arising in the period up to 2021 (Row F of Spreadsheet 19a) would be sufficient to support a range of new, good-quality restaurants – which typically generate annual turnovers of around £850,000 to £1m – as well as several branded pubs/bars, which typically achieve annual turnovers of between £800,000 and £1.2m, and possibly some smaller casual dining pubs or restaurants which generally turnover less than £500,000 a year. Thus, in broad terms there would be sufficient expenditure growth to support between around 15 and 22 new food and drink outlets across the OCA in the period up to 2021, which we recommend should mainly be focused in Wallsend and Whitley Bay Town Centres. The provision of good-quality food and drink outlets in both centres would enable North Tyneside to achieve a notable uplift in its level of expenditure retention in this leisure sub-sector.
- 8.22 Spreadsheet 19d sets out our sensitivity test of the expenditure capacity available to support additional food and drink establishments in North Tyneside under the Council’s Option 2 population growth scenario. Under the Option 2 population growth scenario, the ‘residual’ expenditure capacity arising in the period up to 2021, of £13.3m (Row F of Spreadsheet 19d), amounts to slightly less than the £15.2m identified above.

Nevertheless, £13.3m would still be sufficient to support around 13 to 19 new good quality food and drink outlets across the OCA.

### *Cinemas*

- 8.23 In Spreadsheet 19b, we consider the expenditure capacity potentially available to support the development of a cinema within North Tyneside.
- 8.24 Data from Dodona, and our own research, suggests that the average multiplex screen accounts for an annual spend of around £300k in ticket revenue, whereas an independent screen accounts for some £150k per annum in ticket revenue. Thus, the £0.6m increase in cinema expenditure arising in OCA by 2021 under the Council's Option 1 population growth scenario (Row A of Spreadsheet 19b) is theoretically only sufficient to support the development of two additional screens in a multiplex format (albeit a multiplex facility would require the provision of five or more screens<sup>39</sup>), or potentially several independent screens (although the scope for more than one independent cinema in North Tyneside is likely to be limited). It should be noted, however, that not all of the growth in expenditure on cinemas would be retained within the OCA. On the basis of the current retention rate of 84.2 per cent, Spreadsheet 19b indicates that the growth in retained cinema expenditure by 2021 would be £0.5m.
- 8.25 Spreadsheet 19e sets out our sensitivity test of the quantitative capacity for additional cinema provision in North Tyneside and indicates that, under the Council's Option 2 population growth scenario, the growth in retained cinema expenditure would be slightly less, at £0.4m by 2021.
- 8.26 However, it is not sufficient to simply convert the potential expenditure pot in cinema revenue to a notional 'requirement' for screens. Cinema operators make decisions based on 'screen density' – that is, the existing cinema screen provision within appropriate drive-time isochrones, taking account of population levels (or the number of screens available per 100,000 people). The latest information that we have access to indicates that the average travel time to a cinema is around 18 minutes<sup>40</sup>. We have therefore analysed cinema provision within an 18-minute drive-time from the centroid of the Borough.
- 8.27 The locations of cinemas within and surrounding the Borough are shown on the plan in Appendix 6 in Volume 3. There is currently just one cinema within North Tyneside, at Silverlink Shopping Park, which offers nine screens. A further four cinemas in Newcastle and one in Boldon Colliery are located in close proximity to the Borough.
- 8.28 Table 8.3 sets out our analysis of the screen density within North Tyneside and reveals that there are currently 4.5 screens per 100,000 population within the Borough, which is slightly above the North East average of 4.0 screens per 100,000 population, but below the UK average of 6.0 screens per 100,000 population<sup>41</sup>. The screen density within North

<sup>39</sup> Dodona defines a 'multiplex screen' as a being within a purpose-built cinema with five or more screens.

<sup>40</sup> Source: Caviar

<sup>41</sup> North East and UK average screen density figures are sourced from the UK Film Council's 'Statistical Yearbook 2011' (whose statistics are based on Dodona Research RSU Analysis).

Tyneside indicates that the existing cinema provision in the Borough is reasonable given the population of North Tyneside.

- 8.29 Furthermore, Appendix 6 in Volume 3 confirms that the majority of North Tyneside is located within an 18 minute drive-time of the cinema provision within central Newcastle, which collectively offer a further 17 screens. A new multiplex cinema in Cramlington is also proposed as part of the redevelopment of the Manor Walks Shopping Centre in the town, although a planning application for the scheme is yet to be submitted and the development remains at an early stage.
- 8.30 Overall, we consider that whilst the cinema expenditure capacity arising in the study period could potentially be sufficient to support the development of two additional multiplex screens or an independent cinema within the Borough, there is no qualitative requirement for such provision in North Tyneside.

**Table 8.3 Current Cinema Screen Density Within North Tyneside**

No of Cinemas	No of Screens	Population	Screen Density (i.e. screens per 100,000 people)	North East Average Screen Density	UK Average Screen Density
1	9	201,216	4.5	4.0	6.0

*Bingo*

- 8.31 We have similarly examined the existing spatial distribution of bingo clubs in North Tyneside and the surrounding areas, as shown at Appendix 6 in Volume 3.
- 8.32 Appendix 6 shows that there are already five commercial bingo clubs within North Tyneside, in Whitley Bay, North Shields, Wallsend, Forest Hall and Middle Engine Lane. A number of commercial bingo clubs are additionally located in the surrounding urban areas just outside of the Borough, in Newcastle, Jarrow, South Shields and Cramlington. Almost all areas of the Borough are therefore within around 4km of an existing bingo club, and we consider that the residents of North Tyneside are well served by the current provision.
- 8.33 In quantitative terms, the additional £0.3m in bingo expenditure arising in the catchment area by 2021, as identified in Row A of Spreadsheet 19c, would be insufficient to support a new Gala or Mecca-type club (which generate average annual net stakes of around £1.5m per branch), but could potentially support one additional neighbourhood club, for which annual net stakes average around £450,000 per branch. Again, it should be noted that not all of the growth in bingo expenditure would be available to support the development of bingo facilities in North Tyneside. If we assume a retention rate of 70.8 per cent (the current retention rate of bingo clubs, casinos and bookmakers within the OCA derived from the results of the telephone survey of households<sup>42</sup>), the growth in bingo expenditure

<sup>42</sup> Our survey questioned respondents on where they spend most money on bingo, casino and bookmakers, rather than bingo facilities in isolation. We have therefore used the market share of bingo clubs, casinos and bookmakers within the OCA as a proxy for the market share of the catchment area bingo clubs.

retained within the catchment area would be £0.2m, as identified in Row C of Spreadsheet 19c.

- 8.34 Our sensitivity test of the expenditure capacity for additional bingo facilities in North Tyneside is set out in Spreadsheet 19f and indicates that, under the Council's Option 2 population growth scenario, the growth in retained bingo expenditure would remain broadly the same.
- 8.35 Accordingly, on the basis of existing provision, we conclude that there is no qualitative requirement for the development of an additional bingo facility in North Tyneside, but the additional expenditure capacity arising in the period up to 2021 could potentially support a new neighbourhood bingo club.

#### *Family entertainment facilities*

- 8.36 In addition to a cinema and a number of bingo halls, North Tyneside benefits from a range of family entertainment venues, including two bowling alleys, an ice skating rink and a 'Wet 'n' Wild' water park, as shown by the Figure in Appendix 6 (Volume 3). A further two bowling alleys are located just outside of the Borough, in Newcastle and South Shields. We therefore consider that the existing provision of commercial family entertainment facilities within and close to North Tyneside is reasonably good and that there is no particular qualitative need for the development of additional family entertainment venues in North Tyneside.
- 8.37 We have not been able to assess the quantitative capacity for family entertainment facilities in North Tyneside. The COICOP category 9.4.1, 'recreational and sporting services', covers spending on common leisure uses such as ice-skating, bowling and swimming. However, the leisure expenditure data supplied by the ONS<sup>43</sup> does not provide sufficient information to enable us to determine the amount of expenditure that is available for the specific recreation and sporting services referred to above.

#### ***Summary of Scope for Additional Commercial Leisure Facilities***

- 8.38 The leisure services expenditure available to residents of the OCA is predicted to grow by £34.4m in the period 2011 to 2016, rising to £81.9m in the period up to 2021 and to £148.8m in the period up to 2027, if the Council proceeds with growth Option 1 in its Core Strategy. If the Council instead proceeds with its growth Option 2, the growth in spending on leisure services is forecast to amount to slightly less, at £27.3m in the period 2011 to 2016, rising to £68.6m in the period up to 2021, and £128.6m in the overall study period up to 2027.
- 8.39 On the basis of current spending levels, some 63 per cent of this spending growth will go to eating and drinking establishments (restaurants, cafés, take-away outlets and pubs/bars), 11 per cent will go on cultural services, around 6 per cent will be spent on recreational and sporting services, and some 5 per cent will be spent on games of chance (bingo, lottery, bookmakers and betting stakes).

<sup>43</sup> 2010 Family Spending report on the 2009 Living Costs and Food Survey, ONS.

- 8.40 How this growth might be expended locally, however, depends very much on what opportunities the market supplies – thus, current spending patterns can only provide a guide to what might happen in the future. Capturing a sizeable proportion of this growth in expenditure – as well as clawing back expenditure currently lost to leisure destinations outside the Borough – will be vital to the future health of North Tyneside’s centres. In particular, the provision of a wider and more appealing choice of restaurants, cafés and pubs/bars in Wallsend would support the growth of an evening economy in the centre, and it would enhance access to such facilities for the town’s residents.
- 8.41 We have undertaken a broad assessment of the scope for additional commercial leisure facilities in North Tyneside, which takes into account how current patterns of spending might change if significant improvements to the Borough’s leisure offer were to take place.
- 8.42 In our assessment, there appears to be significant scope for the development of a mix of around 13 to 22 restaurants, pubs and bars across North Tyneside over the next decade or so. The potential to attract a new multiplex cinema, bowling facility or bingo club appears to be more limited, both in qualitative and quantitative expenditure capacity terms. Nevertheless, North Tyneside may be viewed more favourably as a potential location for additional leisure provision by neighbourhood bingo clubs or independent cinemas.
- 8.43 As we have stressed, the approach to the assessment of quantitative need in the leisure sector is less well developed than in the retail sector and so the quantitative ‘need’ for additional food and drink outlets and other commercial leisure uses that we have identified should be treated as an indicative guide. Furthermore, the leisure sector is dynamic, changing and operator-led. Thus, if an investor feels capable of attracting customers by diverting spending from other facilities, the planning system does not seek to prevent additional development, provided such development meets the tests in PPS4.

### **Scope for Tourist, Heritage and Cultural Uses**

- 8.44 North Tyneside contains a number of tourist, heritage and cultural assets, ranging from its coastline to its historical heritage and cultural facilities. The annual value of tourism to North Tyneside is around £245m, with 6.1 million visitors per annum supporting nearly 4,000 jobs<sup>44</sup>. The key tourism and events markets for North Tyneside are day visitors, families, and people taking short breaks.
- 8.45 The North Tyneside coast provides a hub for a wide range of activities including water sports, cycling and walking and it contains blue flag beaches. Other key attractions in North Tyneside include the Segedunum Roman Fort, Baths and Museum (a UNESCO World Heritage Site), St Mary’s Lighthouse, Stephenson Railway Museum, Tynemouth Priory and Castle, Tynemouth Toy Museum, Rising Sun Country Park, Wet ‘n’ Wild water park and the Blue Reef Aquarium.
- 8.46 Within the culture sector, Whitley Bay is home to the 640-seat Playhouse Theatre facility that was refurbished in 2009. Other arts facilities within North Tyneside include the Saville

<sup>44</sup> STEAM, 2009

Exchange Theatre and the Globe Gallery in North Shields, which provides space for contemporary visual arts.

- 8.47 North Shields Town Centre is located adjacent to the Fish Quay which has been developed into a destination for restaurants and other food and drink outlets. The poor linkages between the Fish Quay and North Shields Town Centre could be improved by better signage, improved marketing, enhanced lighting, public realm improvements and better public transport. Whilst the Fish Quay lies outside the boundary of North Shields Town Centre, there is scope for the Fish Quay to be treated as a special land use zone and take advantage of the opportunities presented by its designation as a Neighbourhood Plan area.
- 8.48 The Segedunum Roman Fort, Baths and Museum is located to the south of Wallsend Town Centre. This is designated as a World Heritage Site, and there is potential to significantly enhance the role that this asset plays within North Tyneside. The improvement of linkages between the Segedunum and Wallsend Town Centre forms a key part of the Strategic Development Framework Plan for River Tyne North Bank. Any enhancement of the role of the town centre as a visitor destination will be dependent of the development of a higher quality retail and food and drink offer.
- 8.49 Whitley Bay, as a seaside town, has a strong tourist heritage. The key challenges facing the tourism offer in the town are perceptions of anti-social behaviour linked to the stag and hen party sector, a general decline in the quality of offer and weak linkages between the town centre and the coast. The redevelopment of Spanish City as a leisure attraction alongside an enhanced seafront and promenade forms an important component in the strategy to raise the quality of the tourism offer in Whitley Bay.
- 8.50 Tynemouth is the major centre for tourism in North Tyneside outside the main town centres. The centre benefits from an attractive built environment, Tynemouth Castle and Priory, the Collingwood Statue, a coastal location, Tynemouth Market, specialist retail shops and a wide mix of restaurants, bars and cafés.
- 8.51 The staging of major events within North Tyneside is a core part of the Council's strategy for tourism and draws visitors from a wide area with the potential to bring substantial economic benefits. There are also weekly events in each of the three main town centres, which are currently supported by the Chambers of Trade. The recent events programme within North Tyneside includes the following:
- Mouth of the Tyne Festival;
  - Wallsend Festival;
  - North Shield Victorian Christmas Market;
  - North Tyneside Kite Festival;
  - North Tyneside Fireworks Display;
  - Whitley Bay Vintage Bus Rally;
  - Travelling Fair on the Links;
  - Tynemouth Festival;
  - St Nicholas Festival;
  - Whitley Bay Sandcastle Competition; and
  - North Tyneside 10k Road Race.

- 8.52 The household survey questionnaire sought to establish the popularity of existing events within North Tyneside. Participants were asked which local events and attractions they had visited within the Borough in the last 12 months. Whilst 69.5 per cent of respondents did not specify any, the three most popular responses were the Mouth of the Tyne Festival (10.5 per cent), Wallsend Festival (5.9 per cent) and the North Shields Victorian Christmas Market (5.2 per cent).
- 8.53 The Mouth of the Tyne Festival is held every summer in Tynemouth and comprises live music and performing arts in the grounds of Tynemouth Priory and Castle. The Wallsend Festival comprises a wide mix of activities and events in the town centre including a craft market and workshops, performing arts, live street entertainment and music, a fairground and a festival parade. The North Shields Victorian Christmas Market takes place in Northumberland Square which includes stalls selling seasonal and local produce, and homemade crafts and gifts alongside traditional music and carols.
- 8.54 Overall, the variety of recreational and cultural assets in North Tyneside make a significant contribution to the overall attractiveness of the Borough for residents and visitors both within and outside the Borough. There is scope for North Tyneside to build on its significant assets and develop further as a year round day-visitor destination focused on family friendly and coastal activities. The Council should seek to maximise the beneficial impacts of key tourist, heritage and cultural facilities and attractions and where possible ensure that these link effectively with the town centres.





## 9 NETWORK AND HIERARCHY OF CENTRES

### Introduction

- 9.1 In planning for their centres, PPS4 requires LPAs to set flexible policies that define a network and hierarchy of centres, make choices about which centres will accommodate any identified needs – taking into account the need to avoid an over-concentration of growth – and plan proactively to promote competitive town centre environments, which provide consumer choice (Policy EC3).

### The Existing Network and Hierarchy of Centres

- 9.2 The existing UDP defines North Shields, Wallsend and Whitley Bay as the main town centres in North Tyneside, with Killingworth also defined as a town centre. The defined district centres are Battle Hill, Forest Hall, Longbenton, Monkseaton, Preston Grange (Collingwood Centre), and Whitley Lodge. Furthermore, UDP Policy S5 supports the creation of a new district centre in Shiremoor which has now been delivered and is known as Northumberland Park. Tynemouth is not defined as a centre in the UDP. However, we have considered its potential classification as a District Centre as part of this study.
- 9.3 We have considered how the categorisation of the four town centres and eight district centres could be amended to better reflect their role and performance. This will help to ensure that appropriate strategies are developed for each of the centres and help in identifying if/where gaps in the network of centres exist.
- 9.4 Our analysis is based on the following indicators:
- composite comparison goods market shares;
  - size of the centre based on the total number of units;
  - our local provision index; and
  - overall summary of health based on health check visits.
- 9.5 These indicators enable us to rank the centres according to the diversity, scale and quality of their retail provision, accessibility, and quality of the physical environment. We consider that it is also important to take into account leisure and commercial uses when categorising centres and when interpreting the results of this analysis.
- 9.6 Annex B of PPS4 states that *‘town centres will usually be the second level of centres after city centres and, in many cases, they will be the principal centre or centres in a local authority’s area’*. A district centre will usually comprise a major group of shops and contain as a minimum a supermarket or superstore, alongside a range of non-retail services and other public facilities.

### Composite Comparison Goods Market Shares

- 9.7 The composite comparison goods market share in Table 9.1 is derived from the final two columns of Spreadsheet 6 in Volume 3. This data confirms the status at the top of the retail hierarchy of the three main centres of North Shields, Wallsend and Whitley Bay. Similarly, the next highest comparison goods turnover is for Killingworth, which has a turnover almost

three times above the next highest centre. Killingworth therefore justifies its ranking as a town centre within North Tyneside.

**Table 9.1 Composite Comparison Goods Market Share (£m)**

Centre	Composite Comp Goods Market Share (£m)
North Shields	38.9
Wallsend	15.3
Whitley Bay	18.8
Killingworth	10.5
Battle Hill	0.4
Forest Hall	3.1
Longbenton	1.2
Monkseaton	3.0
Northumberland Park	0.9
Preston Grange	1.0
Tynemouth	2.2
Whitley Lodge	0.2

- 9.8 In terms of the comparison goods turnovers of the eight district centres, these all achieve relatively low market shares. We note that the three best-performing centres in terms of comparison goods turnovers are Forest Hall, Monkseaton and Tynemouth, although none of these centres achieves a turnover that is close to the turnover achieved by the four town centres.

## Size

- 9.9 Our analysis has split the district centres into three categories of size: small (less than 40 retail and service units in total); medium (40 to 80 units); and large (more than 80 units). On this basis, there are five 'small' district centres, three 'medium-sized' district centres and no 'large' district centres. The number of units in each district centre is set out below in Table 9.2.

**Table 9.2 Size of the District Centres**

District Centre	Number of Retail and Services Units	Size of Centre
Battle Hill	13	Small
Forest Hall	43	Medium
Longbenton	14	Small
Monkseaton	56	Medium
Northumberland Park	10	Small
Preston Grange	11	Small
Tynemouth	65	Medium
Whitley Lodge	27	Small

## Local Provision Audit

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

- food or convenience store;
- bank;
- Post Office;
- newsagent;
- off license;
- takeaway, café or restaurant;
- public house;
- bookmakers;
- opticians;
- hairdressers; and
- chemist or pharmacy.

9.11 Our analysis of local provision is shown below in Table 9.3 where we have recorded the frequency for which each use occurs in each of the centres and weighted them according to their value in catering for local needs. We consider that the first nine uses in the first column of Table 9.3 should score 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. To prevent some centres achieving disproportionately high scores as a result of the proliferation of uses such as cafés/take aways and hairdressers, the maximum achievable score for each of the category one uses is 10.

**Table 9.3 Local Provision Index**

	Battle Hill	Forest Hall	Longbenton	Monkseaton	Northumberland Park	Preston Grange	Tynemouth	Whitley Lodge
<b>Category 1</b>								
Top-up Convenience	2	2	2	1			1	1
Newsagent		1	1	1		1	1	1
Off Licence			1	1				
Takeaway/Café/Restaurant	3	9	3	4	2	1	10	6
Public House		1		3			5	1
Bookmakers	1	2	2	1	1	1	1	1
Opticians		2	1	1			2	
Hairdresser/Beauty	1	4		7	1	1	5	2
Other Convenience	2	4	1	2			3	2
<b>Total</b>	<b>9</b>	<b>25</b>	<b>11</b>	<b>21</b>	<b>4</b>	<b>4</b>	<b>28</b>	<b>14</b>
<b>Category 2</b>								
Supermarket	1				1			
Bank		1					1	
Chemist/Pharmacy		2	1	1		1	1	1
<b>Total<sup>2</sup></b>	<b>1</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>1</b>
<b>Category 3</b>								
Superstore						1		
Post Office		1	1			1	1	1
<b>Total<sup>3</sup></b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>1</b>	<b>1</b>
<b>Total Weighted Score</b>	<b>12</b>	<b>39</b>	<b>19</b>	<b>24</b>	<b>7</b>	<b>17</b>	<b>39</b>	<b>22</b>

Notes:

A top-up convenience store is defined as having a sales area of less than 500m<sup>2</sup>, a supermarket is defined as having a sales area of between 500m<sup>2</sup> and 2,500m<sup>2</sup> and a superstore is defined as any foodstore with a sales area in excess of 2,500m<sup>2</sup>.

The categories are weighted according to their relative importance in satisfying local needs. Category 1 uses score 1 point, Category 2 uses score 3 points each and Category 3 uses score 5 points each. Other convenience retailers include uses such as butchers, bakers and greengrocers.

- 9.12 There are a number of other factors that should be considered when assessing the adequacy of such facilities and we note that:
- the physical size of a district centre will restrict the scale and nature of the shops and services which can be offered by a particular centre;
  - our local provision index does not take into account the proximity of nearby centres or freestanding shops and services which may be located outside the district 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 will be an important factor in determining how people use local shops and services.
- 9.13 We consider these factors alongside the results of the local provision index in our findings relating to the retail hierarchy below.

### The Retail Hierarchy – Our Findings

- 9.14 In Table 9.4 below we provide a summary of North Tyneside’s town and district centres according to size and health, based on the results of our analyses. The district centres vary considerable in terms of their levels of provision and the subsequent role that they play within the network of centres. We therefore recommend that the eight district centres be sub-divided into two categories which better reflect their role and function.

**Table 9.4 Proposed Retail Hierarchy**

<b>Main Town Centres</b>	North Shields Wallsend Whitley Bay
<b>Town Centre</b>	Killingworth
<b>District Centres</b>	Forest Hall Monkseaton Tynemouth
<b>Minor District Centres</b>	Battle Hill Longbenton Northumberland Park Preston Grange Whitley Lodge

#### Main Town Centres

- 9.15 North Shields, Wallsend and Whitley Bay justify their classification as the Main Town Centres within North Tyneside. These three centres contain the largest number of retail and services units of any of the centres. They also account for the largest three composite comparison goods market shares according to the results of the household survey.

### **Town Centre**

- 9.16 Killingworth contains a larger number of units and has a higher composite comparison goods market share than any of the other centres in North Tyneside, except for the three main town centres. 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, we consider that Killingworth can be classified as a town centre.

### **District Centres**

- 9.17 We consider that there are three centres in North Tyneside which can be classified as a 'District Centre', namely Forest Hall, Monkseaton and Tynemouth. These three centres have the highest number of retail and services units (Table 9.2) and achieve the highest three scores in the Local Provision Index (Table 9.3). Both Forest Hall and Monkseaton have the first and second highest market shares of composite comparison goods spend at £3.1m and £3.0m respectively (Table 9.1). Whilst the composite comparison goods market share for Tynemouth is lower at £2.2m, 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.

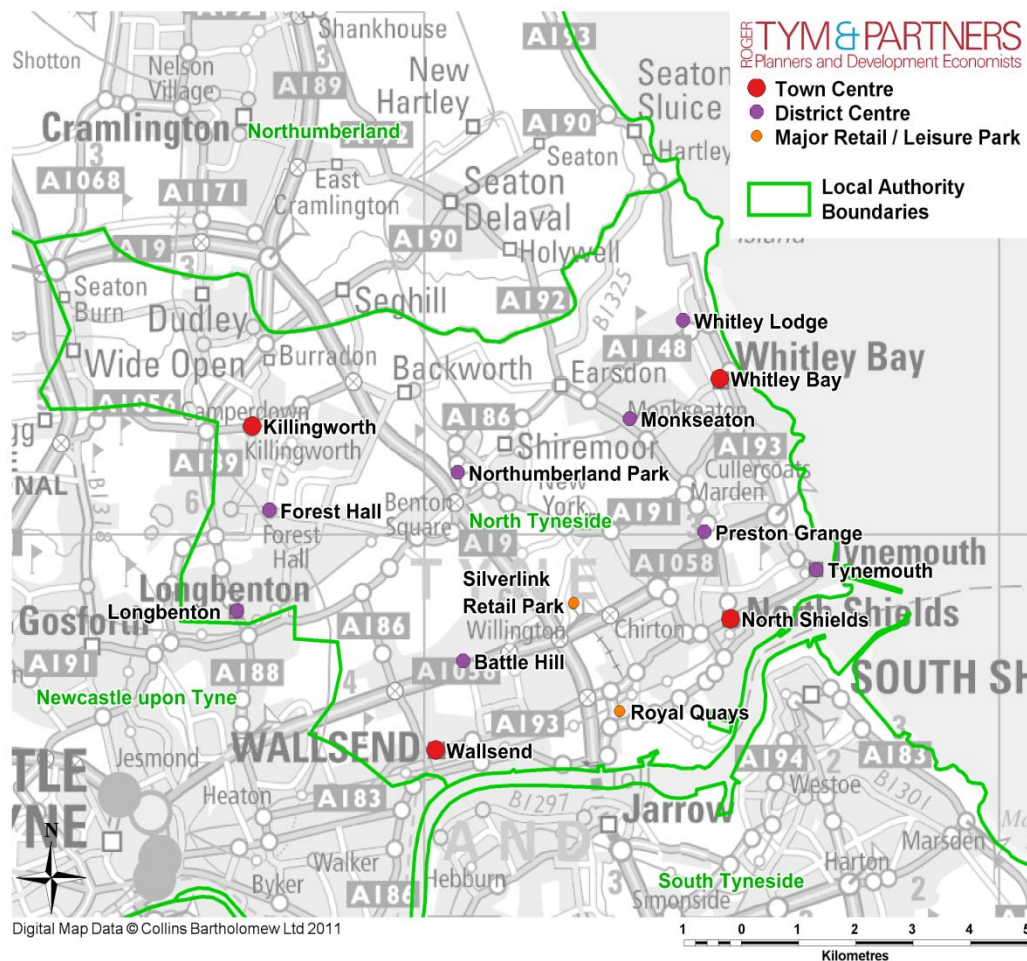
### **Minor District Centres**

- 9.18 The five centres classed as 'Minor District Centres' are Battle Hill, Longbenton, Northumberland Park, Preston Grange and Whitley Lodge. Each of these five centres has the lowest market shares of composite comparison goods spend (Table 9.1) and the lowest number of retail and services units (Table 9.2). Furthermore, these centres achieve the lowest five scores in the Local Provision Index (Table 9.3).

## **The Spatial Distribution of North Tyneside's Centres**

- 9.19 In the light of our analysis of the retail hierarchy, it is necessary to assess whether the existing spatial distribution of centres within North Tyneside is adequate in terms of providing for local needs. 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. Figure 9.1 represents the existing network of centres in North Tyneside.

**Figure 9.1 Spatial Distribution of Centres in North Tyneside**



9.20 Figure 9.1 indicates that there is a fairly even distribution of centres throughout the administrative area of North Tyneside relative to the main concentrations of population. Furthermore, the results of the household survey and the overall study findings do not suggest there is a need for the allocation of new centres or the reclassification of any areas as centres, with the exception of Tynemouth. As we note in sections 6 and 7, the proposed patterns of housing growth across North Tyneside may present an opportunity to expand the provision of town centre uses at designated centres in the north west of the Borough, namely Killingworth, Forest Hall, Longbenton and Northumberland Park.

### Conclusions

- 9.21 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. On the basis of our analysis, we consider that all of the town and district centres in North Tyneside continue to function as such.
- 9.22 We do not consider that there is justification to promote any of the existing district centres to the status of town centre. However, whilst we consider that none of the district centres should be reclassified, we do consider that district centres would be better separated into

two tiers, namely, 'District Centres' and 'Minor District Centres'. We do not consider that any of the district centres in North Tyneside constitutes a 'Major District Centre' and so we do not advocate separate 'Major District Centre' and 'Medium-sized District Centre' categories. This reflects our analysis of the scale, function and performance of each of the centres.

- 9.23 As we note above, it will be important for the Council to consider the potential impact of new housing development, options for which are currently subject to consultation as part of the Core Strategy preparation process. This may provide scope for strengthening the role and size of some existing centres, particularly those located in the north west of the Borough.





## 10 TOWN AND DISTRICT CENTRE BOUNDARIES AND PRIMARY AND SECONDARY SHOPPING FRONTAGES

### Introduction

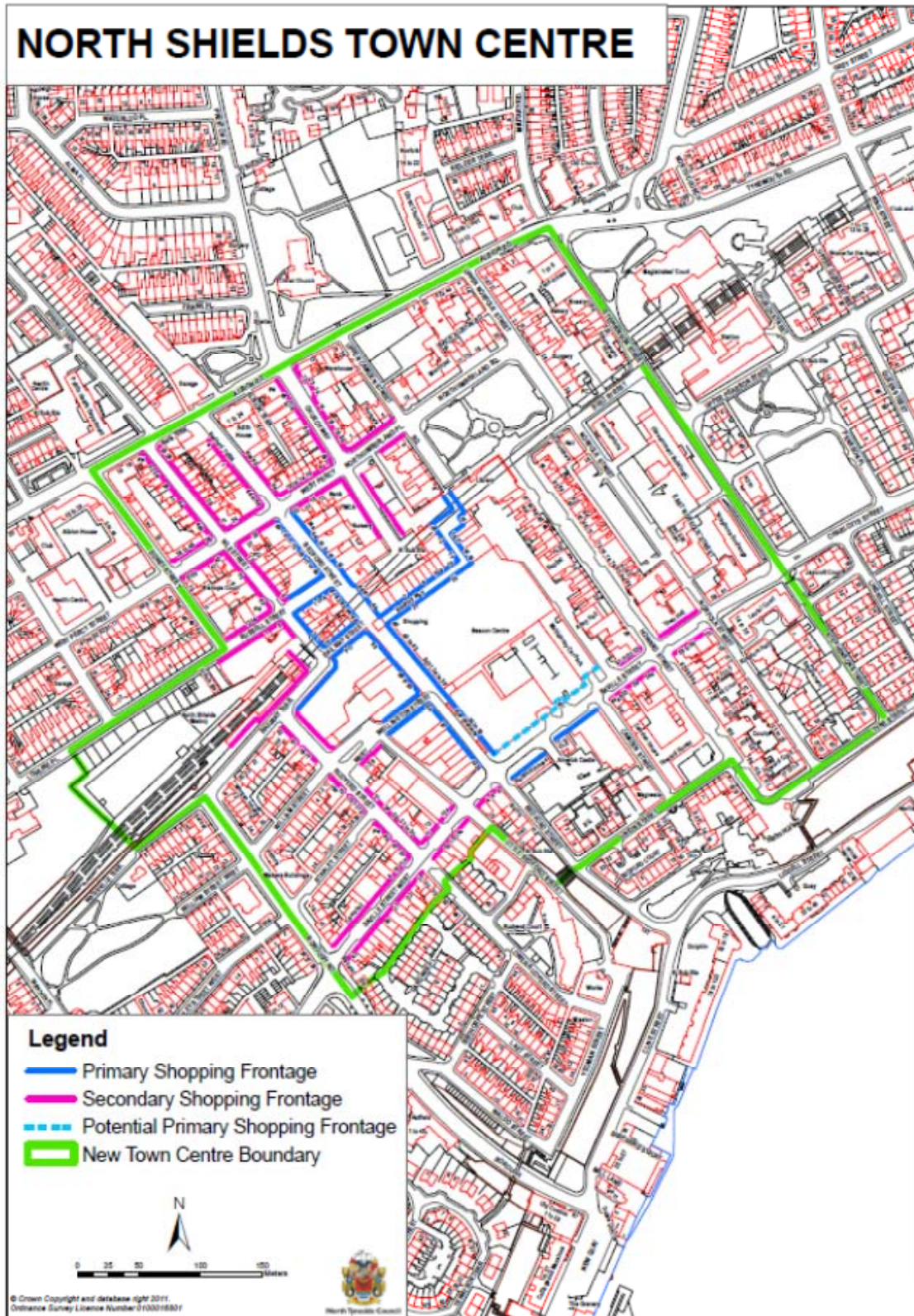
- 10.1 As part of their spatial vision and strategy for the management and growth of their centres, LPAs are required by Policy EC3 of PPS4 to define the extent of the primary shopping area and the Town Centre Boundary in their proposals map whilst also distinguishing between realistically defined primary and secondary frontages.
- 10.2 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.
- 10.3 The Primary Shopping Area refers to the area where retail development is concentrated and should be defined on the proposals map. This will 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 while the secondary frontages provide greater opportunities for a diversity of uses. In the case of smaller centres the town centre may not extend beyond the primary shopping area.
- 10.4 We recommend that the existing Town Centre Boundaries in the UDP should be tightened in the LDF to exclude areas of established residential uses and those areas which are located some distance from the Primary Shopping Area and do not function as part of the town centres. We make our recommendations for Town Centre Boundaries and Primary and Secondary Shopping Frontages for each of the three Main Town Centres below. We also make our recommendation for the Town Centre Boundary for Killingworth and the Centre Boundaries for each of the eight defined district centres.
- 10.5 The town and district centre boundary plans are included in Appendix 7 (Volume 3).

### North Shields

#### *Town Centre Boundary*

- 10.6 The North Tyneside UDP defines the current Town Centre Boundary and the Primary Shopping Frontage for North Shields in the proposals map. Our recommended North Shields Town Centre Boundary is shown in Figure 10.1 below and excludes areas of established residential uses and those areas which do not function as part of the town centre.

Figure 10.1 North Shields Proposed Town Centre Boundary and Primary and Secondary Shopping Frontages



### ***Primary Shopping Frontage***

- 10.7 In respect of the Primary Shopping Frontage in North Shields we recommend this should comprise:
- Bedford Street between Saville Street and West Percy Street;
  - Bedford Way;
  - Wellington Street between Bedford Street and Little Bedford Street;
  - Railway Street between Bedford Street and Rudyerd Street;
  - Nile Street between Railway Street and Russell Street;
  - Russell Street between Bedford Street and Nile Street; and
  - Saville Street between Bedford Street and Camden Street.
- 10.8 The dashed Primary Shopping Frontage along Saville Street has the potential to function as Primary Shopping Frontage, subject to the delivery of the proposed redevelopment of the Beacon Centre.

### ***Secondary Shopping Frontage***

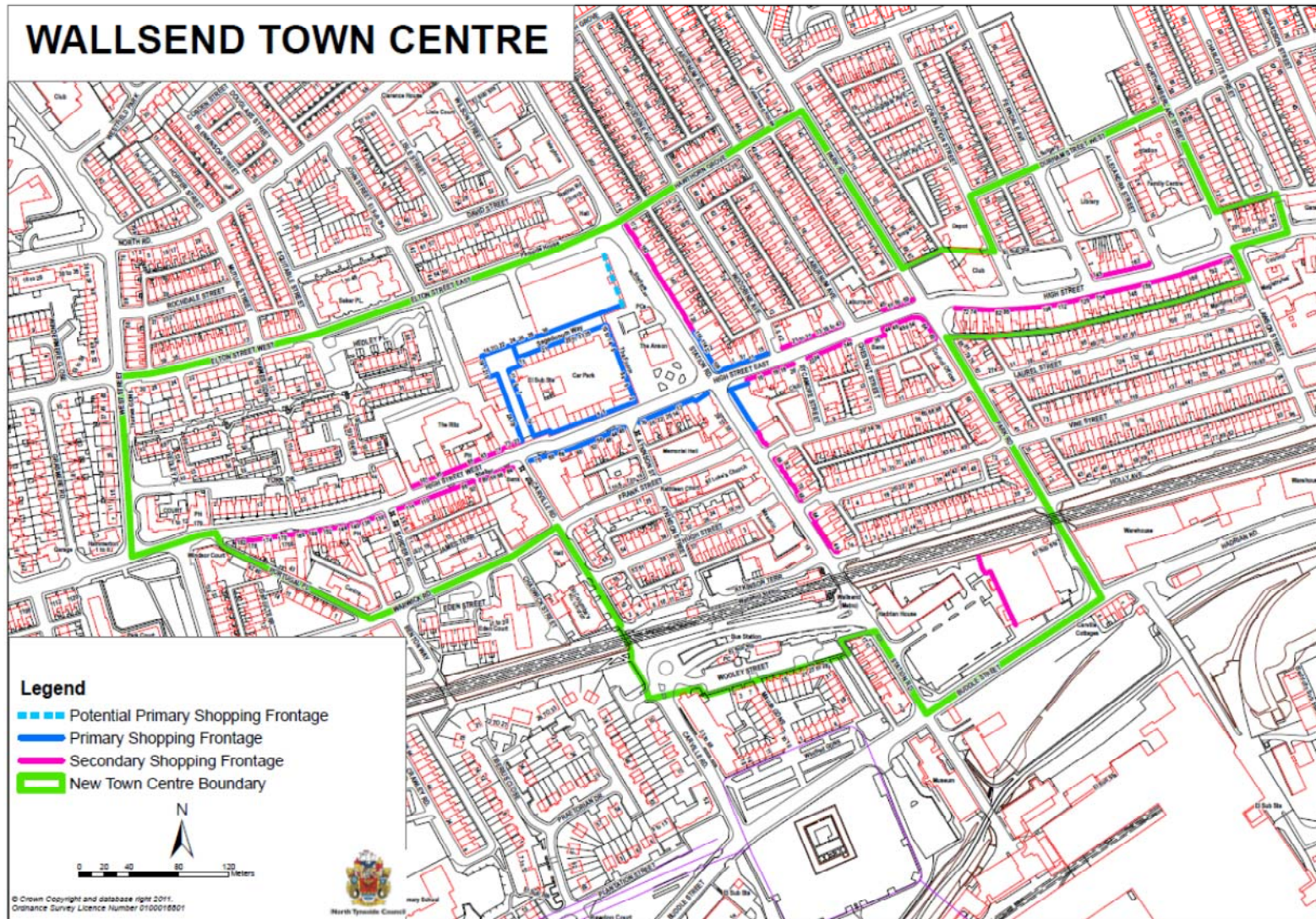
- 10.9 The Secondary Shopping Frontage in North Shields is not shown on the existing UDP proposals map. However, we suggest that the following areas comprise the Secondary Shopping Frontage:
- West Percy Street between Upper Camden Street and Sidney Street;
  - Nile Street between Russell Street and Albion Road;
  - Bedford Street between West Percy Street and Albion Road;
  - Church Way;
  - Rudyerd Street between Railway Street and Saville Street;
  - Saville Street West between Bedford Street and Borough Road;
  - Saville Street between Camden Street and Norfolk Street; and
  - the Metro Station

## **Wallsend**

### ***Town Centre Boundary***

- 10.10 The North Tyneside UDP defines the current Town Centre Boundary and Primary Shopping Frontage for Wallsend on the proposals map. Our recommended Wallsend Town Centre Boundary is shown in Figure 10.2 below and excludes areas of established residential uses and those which do not function as part of the town centre.

Figure 10.2 Wallsend Proposed Town Centre Boundary and Primary and Secondary Shopping Frontages



### **Primary Shopping Frontage**

10.11 In respect of the Primary Shopping Frontage in Wallsend we recommend this should comprise:

- the Forum Centre;
- Segedunum Way;
- High Street West between Carville Road and Station Road;
- Station Road between Nos 118 and 90; and
- High Street East between Station Road and Woodbine Avenue/Sycamore Street.

10.12 The dashed Primary Shopping Frontage along Station Road is potential Primary Shopping Frontage, should the proposed redevelopment of the Forum Centre be delivered.

### **Secondary Retail Frontage**

10.13 The Secondary Shopping Frontage in Wallsend is not shown on the existing UDP proposals map. However, we suggest that the following areas comprise the Secondary Shopping Frontage:

- High Street West between Carville Road and Border Road;
- High Street East between Woodbine Avenue/Sycamore Street and Lawson Street;
- Station Road between Hawthorne Grove and No 118; and
- Station Road between Laurel Street and Buddle Street.

## **Whitley Bay**

### **Town Centre Boundary**

10.14 The North Tyneside UDP defines the current Town Centre Boundary and Primary Shopping Frontage for Whitley Bay on the proposals map. Our recommended Whitley Bay Town Centre Boundary is shown in Figure 10.3 below and, as with North Shields and Wallsend, it excludes areas of established residential uses and those areas which do not function as part of the town centre.

Figure 10.3 Whitley Bay Proposed Town Centre Boundary and Primary and Secondary Shopping Frontages



### ***Primary Shopping Frontage***

10.15 We recommend that the Primary Shopping Frontage in Whitley Bay should be defined as follows:

- Park View/Whitley Road between Kings Drive and Victoria Terrace; and
- Park Avenue between Whitley Road and York Road.

### ***Secondary Retail Frontage***

10.16 As with North Shields and Wallsend, the Secondary Shopping Frontage in Whitley Bay is not shown on the existing UDP proposals map. However, we suggest that the following areas should be defined as the Secondary Shopping Frontage:

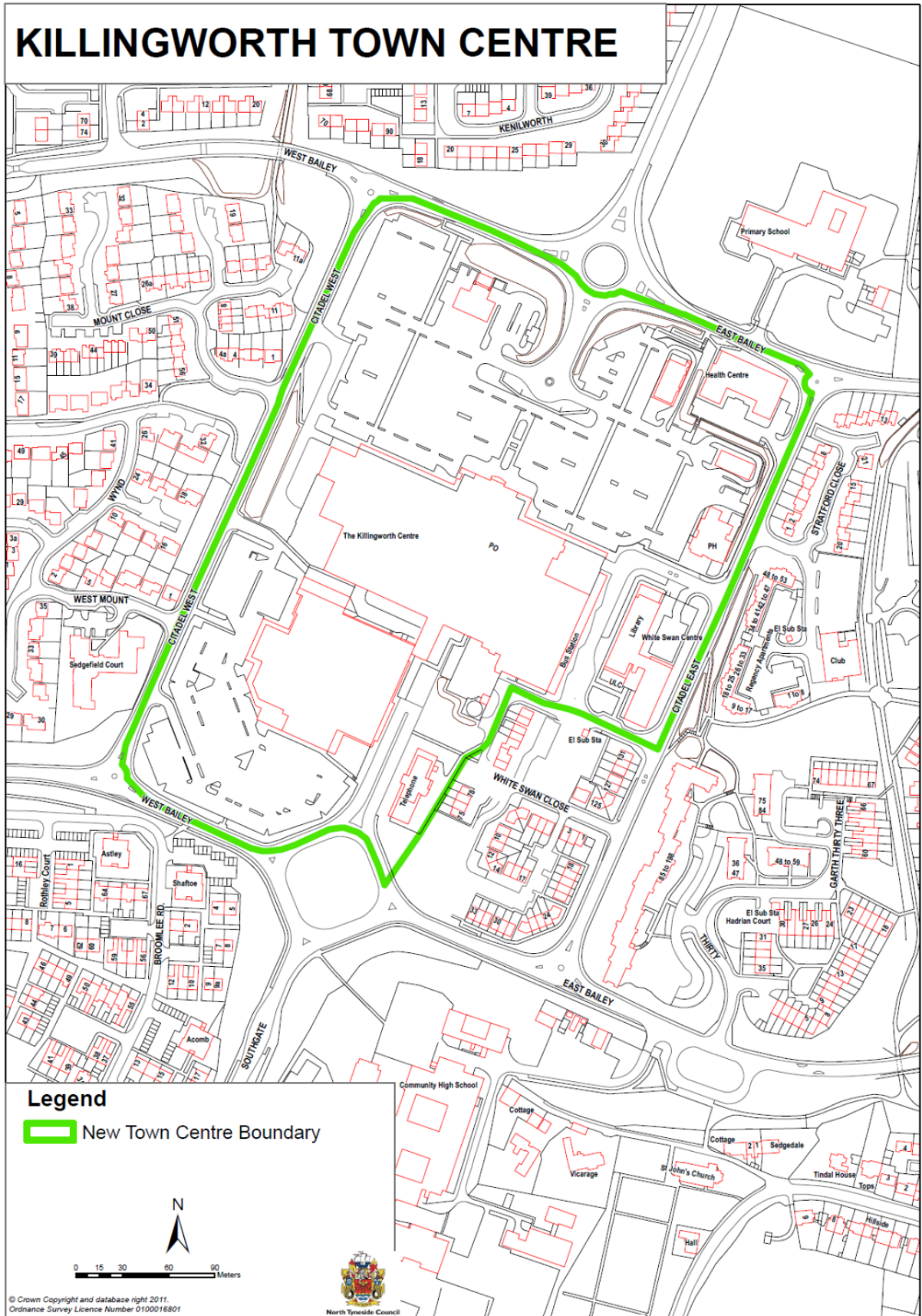
- Whitley Road between South Parade and Victoria Avenue;
- Station Road between Whitley Road and Whitley Bay Metro Station;
- Marden Road between Whitley Road and Grosvenor Drive;
- York Road;
- Roxborough House, Park Avenue; and
- Park View between Norham Road and Marine Avenue.

## **Killingworth**

### ***Town Centre Boundary***

10.17 The North Tyneside UDP does not define a Town Centre Boundary for Killingworth on the proposals map. Our recommended Killingworth Town Centre Boundary is shown in Figure 10.4 below. As Killingworth Town Centre does not currently have the development footprint normally associated with a traditional town centre we do not consider it necessary at the present time to separately define a primary and secondary retail frontage.

Figure 10.4 Killingworth Proposed Town Centre Boundary





10.18 The North Tyneside UDP does not define any district centre boundaries on the proposals map. However, we consider it appropriate for the Council to define the boundaries of its district centres in order to deliver the spatial vision and strategy for the management and growth of their centres. Our recommended centre boundaries for the eight defined district centres are included in Appendix 7 (Volume 3). We do not consider it 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 Shopping Area.



## 11 LOCAL FLOORSPACE THRESHOLD FOR THE PPS4 ASSESSMENT OF IMPACT

### Introduction

- 11.1 Policy EC14 of PPS4 requires an assessment of impacts to be undertaken under Policy EC16.1 for planning applications for retail and leisure developments for over 2,500 sq.m gross floorspace, or any other local floorspace threshold set in the development plan process (Policy EC14.4), that are not in an existing centre and not in accordance with the development plan.
- 11.2 In this section, we consider whether it is necessary to set a local floorspace threshold in North Tyneside, and if so, what the threshold should be. Our assessment takes account of a range of local factors as advised in paragraph 7.4 of the PPS4 Practice Guidance. The Practice Guidance states that, when setting a local floorspace threshold, *'important considerations are likely to include the scale of known proposals relative to town centres; the existing vitality and viability of town centres; the cumulative effects of recent developments; the likely effects on a town centre strategy and the impact on any other planned investment'*.
- 11.3 In particular, we assess 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.
- 11.4 We further consider 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, as identified in the performance analyses contained in Volume 2 and summarised in Section 4; and
  - recent developments and/or extant permissions, and their likely cumulative impact.

### Scale of Proposals Relative to Town Centres

#### *Existing Floorspace in Centres*

- 11.5 The existing gross convenience and comparison retail floorspace in North Shields, Whitley Bay and Wallsend Town Centres is detailed in Tables 5.1 and 5.2 in Volume 2, and is summarised in Table 11.1 below. Table 11.1 indicates that the total retail floorspace in North Shields amounts to around 29,800 sq.m gross, of which some 7,500 sq.m is convenience retail floorspace and 22,300 sq.m is comparison retail floorspace.
- 11.6 Proposals for schemes comprising around 700 sq.m of gross convenience floorspace, or 2,200 sq.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.

- 11.7 Whitley Bay Town Centre contains slightly more convenience retail floorspace than North Shields, and a scheme containing around 800 sq.m of gross convenience floorspace should be considered large in relation to Whitley Bay, whereas around 500 sq.m gross 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 1,500 sq.m gross would be large relative to Whitley Bay Town Centre, and 1,300 sq.m gross would be large in the context of Wallsend Town Centre.

**Table 11.1 Gross Retail Floorspace in North Shields, Whitley Bay and Wallsend Town Centres (sq.m)**

	North Shields	Whitley Bay	Wallsend
Convenience	7,480	8,050	4,660
Comparison	22,340	14,870	12,720
<b>Total Retail</b>	<b>29,820</b>	<b>22,920</b>	<b>17,380</b>

Source: Experian GOAD

- 11.8 Experian does not publish GOAD data for Killingworth Town Centre and we have not therefore included Killingworth in our assessment of town centre retail provision in North Tyneside.

### *Typical Unit Size in Centres*

- 11.9 Tables 11.2, 11.3 and 11.4 below highlight that the retail property in North Tyneside's three main town centres is characterised by relatively small units. Indeed, 88 per cent or more of the convenience retail units in each of North Shields, Whitley Bay and Wallsend Town Centres, and 93 per cent or more of comparison units in each of the three centres, have a gross floorspace of 500 sq.m or less.
- 11.10 Across the three centres, just seven convenience retail operators (equating to 9 per cent of the total number of convenience retail units across North Shields, Whitley Bay and Wallsend Town Centres) are in units that provide over 500 sq.m of gross floorspace. Of these, five (6 per cent of the total number of convenience retail units) are in units of over 750 sq.m gross, and four (5 per cent) are in units of over 1,250 sq.m gross.
- 11.11 Of the total comparison retail units in North Shields, Whitley Bay and Wallsend Town Centres, fifteen (equating to 5 per cent of the total number of comparison units across the three centres) are in units providing 500 sq.m of gross floorspace or more. Of these, just five (2 per cent) are in units of over 750 sq.m gross.
- 11.12 The figures referred to above indicate that proposals for around 750 sq.m gross or more of convenience retail floorspace, or around 500 sq.m gross or more of comparison retail floorspace, should be considered large in the context of the Borough's three main town centres.

**Table 11.2 Gross Retail Unit Size in North Shields Town Centre**

Floorspace	Convenience Units		Comparison Units		Total	
	Number of Units	Percentage of Total	Number of Units	Percentage of Total	Number of Units	Percentage of Total
0 to 250 sq.m	21	81%	80	81%	101	81%
250 to 500 sq.m	2	8%	12	12%	14	11%
500 to 750 sq.m	0	0%	4	4%	4	3%
750 to 1,000 sq.m	1	4%	0	0%	1	1%
1,000 to 1,250 sq.m	0	0%	1	1%	1	1%
1,250 to 1,500 sq.m	1	4%	1	1%	2	2%
1,500 sq.m and over	1	4%	1	1%	2	2%
<b>Total</b>	<b>26</b>	<b>100%</b>	<b>99</b>	<b>100%</b>	<b>125</b>	<b>100%</b>

**Table 11.3 Gross Retail Unit Size in Whitley Bay Town Centre**

Floorspace	Convenience Units		Comparison Units		Total	
	Number of Units	Percentage of Total	Number of Units	Percentage of Total	Number of Units	Percentage of Total
0 to 250 sq.m	17	74%	118	93%	135	90%
250 to 500 sq.m	4	17%	6	5%	10	7%
500 to 750 sq.m	1	4%	2	2%	3	2%
750 to 1,000 sq.m	0	0%	1	1%	1	1%
1,000 to 1,250 sq.m	0	0%	0	0%	0	0%
1,250 to 1,500 sq.m	0	0%	0	0%	0	0%
1,500 sq.m and over	1	4%	0	0%	1	1%
<b>Total</b>	<b>23</b>	<b>100%</b>	<b>127</b>	<b>100%</b>	<b>150</b>	<b>100%</b>

**Table 11.4 Gross Retail Unit Size in Wallsend Town Centre**

Floorspace	Convenience Units		Comparison Units		Total	
	Number of Units	Percentage of Total	Number of Units	Percentage of Total	Number of Units	Percentage of Total
0 to 250 sq.m	27	93%	63	84%	90	87%
250 to 500 sq.m	0	0%	7	9%	7	7%
500 to 750 sq.m	1	3%	4	5%	5	5%
750 to 1,000 sq.m	0	0%	0	0%	0	0%
1,000 to 1,250 sq.m	0	0%	1	1%	1	1%
1,250 to 1,500 sq.m	1	3%	0	0%	1	1%
1,500 sq.m and over	0	0%	0	0%	0	0%
<b>Total</b>	<b>29</b>	<b>100%</b>	<b>75</b>	<b>100%</b>	<b>104</b>	<b>100%</b>

### *Planning Applications for Retail Development*

11.13 Over the last five years, a total of 31 planning applications for new retail floorspace within North Tyneside, including both retail development and changes to retail use, were

submitted to the Council<sup>45</sup>. Of these applications, 25 (equating to 81 per cent of all retail applications over the assessment period) were for less than 500 sq.m gross retail floorspace, as shown in Table 11.5. One further application for the development of an edge-of-centre retail unit in Wallsend was for just over 500 sq.m of gross retail floorspace.

- 11.14 The remaining five planning applications were for schemes providing more than 1,000 sq.m of gross retail floorspace, of which one was for a number of new retail units as part of the development of Northumberland Park District Centre, one related to the development of two out-of-centre retail warehouse units, two were for extensions to existing out-of-centre foodstores, and one proposed a new edge-of-centre foodstore.
- 11.15 The vast majority of applications for retail schemes in North Tyneside therefore consist of less than 500 sq.m of gross floorspace. Only five of the 31 retail applications submitted during the assessment period – primarily those relating to the development of supermarkets, major extensions to foodstores and retail warehouse floorspace – proposed over 500 sq.m of gross new floorspace in locations outside of North Tyneside’s defined centres.

**Table 11.5 Planning Applications for New Retail Floorspace in North Tyneside (September 2006 to September 2011)**

Gross Floorspace	Number of Applications	Percentage of Applications
0 to 500 sq.m	25	81%
500 to 1,000 sq.m	1	3%
1,000 to 2,500 sq.m	4	13%
Over 2,500 sq.m	1	3%
<b>Total</b>	<b>31</b>	<b>100%</b>

## Likely Impact of Proposals

### *Recent Developments and/or Extant Permissions: Cumulative Impact*

- 11.16 As detailed in Section 6, there are five extant planning permissions for significant retail schemes in North Tyneside.
- 11.17 Four of the extant permissions – for two retail units at Quorum Business Park, a petrol filling station shop in Camperdown, a retail unit at Smiths Dock, and retail units at Cobalt Business Park – relate to the development of one or two relatively small ancillary retail units that will primarily serve the day-to-day convenience shopping needs of the people who live or work in their immediate locality. We therefore consider that the impact of these four schemes on existing retailers in North Tyneside is likely to be minimal and will not materially undermine the vitality and viability of any of the Borough’s defined centres.

<sup>45</sup> Planning applications validated between 1 September 2006 and 17 September 2011 provided by North Tyneside Borough Council. However, it should be noted that this data may not capture all applications for new retail floorspace over this period, due to limitations of the applications data search mechanism.

- 11.18 The remaining extant permission is for the development of a modest edge-of-centre supermarket at Tynemouth Metro Station. We expect that proposed supermarket will draw a large proportion of its trade from existing convenience retailers in North Tyneside. Nevertheless, we consider that the trade impact of the supermarket is unlikely to materially undermine the vitality and viability of any centres within North Tyneside. Indeed, in the appeal decision on the planning application for the proposed supermarket, Inspector Alan Novitzky concluded that, whilst the store would divert trade from the Morrisons in Preston Grange, the Co-op in Tynemouth District Centre and other stores in North Tyneside, *'the effect of the retail element of the proposals would be acceptable'*. Nevertheless, we consider that further edge- or out-of-centre supermarket/superstore development has the potential to result in unacceptable levels of trade diversion.
- 11.19 In Volume 2, we found the performance of North Shields and Wallsend Town Centres in particular, to be relatively weak, and these centres will be particularly susceptible to impacts arising from edge- or out-of-centre retail development.
- 11.20 The cumulative impact of development will therefore be an important issue to consider in relation to any future applications for edge- and out-of-centre retail schemes. Given the retail commitments that are already in the pipeline, we consider that there is a need to set a tight local impact threshold, to ensure that the solus and cumulative impacts of future edge- and out-of-centre retail applications are carefully considered.

#### **Impact on Planned Investment**

- 11.21 As far as we are aware, the only development schemes in the pipeline in North Tyneside, which further retail proposals could potentially have an impact on, are the redevelopment of the Beacon Centre in North Shields, the development of the Spanish City site in Whitley Bay, and the Council's aspiration for the regeneration and redevelopment of Wallsend Town Centre.
- 11.22 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.
- 11.23 Proposals for retail development in edge- or out-of-centre locations could adversely impact on the Council's plans for redevelopment in the centres. In particular, the expenditure capacity available to support new convenience retail floorspace in North Tyneside is relatively limited, as identified in Section 6. 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.

- 11.24 Therefore, we reiterate our recommendation to set a tight impact threshold, to ensure that the impacts associated with any proposals for further substantial retail schemes can be fully assessed.

### Summary of Findings and Overall Conclusions

- 11.25 Policy EC3.1(d) of PPS4 advises that LPAs can put in place local impact thresholds, where it is considered expedient to do so. Having undertaken an assessment of a range of local factors, we recommend that the Council should adopt a local floorspace threshold in its Core Strategy 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.
- 11.26 As our analysis has shown, all three of North Tyneside's main town centres are relatively small, both in terms of their total retail floorspace and the size of individual retailers. The largest town centre in the Borough, North Shields, contains a total of around 29,800 sq.m gross retail floorspace (7,500 sq.m convenience and 22,300 sq.m comparison). A supermarket development of 1,000 sq.m gross would therefore represent 12 per cent or more of the total existing convenience retail floorspace in each of North Shields, Whitley Bay and Wallsend Town Centres.
- 11.27 Furthermore, all but four convenience retail units across the three centres (equating to 5 per cent of the total number of convenience retail units across North Shields, Whitley Bay and Wallsend Town Centres) provide less than 1,000 sq.m of gross floorspace. Units occupied by comparison retailers are particularly small-scale, with only 5 per cent (equating to 15 units) of the total number of existing comparison units across North Shields, Whitley Bay and Wallsend Town Centre providing more than 500 sq.m gross floorspace.
- 11.28 Proposals for more than 500 sq.m of gross comparison goods floorspace, or 1,000 sq.m gross for supermarkets/superstores, are therefore large relative to existing provision and could potentially result in significant adverse impacts on North Tyneside's town centres.
- 11.29 It will be particularly important to carefully consider the impacts of any further proposals that might threaten to the planned developments in the Borough's town centres. Proposals for additional retail development in edge- or out-of-centre locations could potentially undermine the delivery of the Council's aspirations for the transformation of Wallsend Town Centre.
- 11.30 We have undertaken an analysis of all planning applications for new retail floorspace made over the last five years. Of these applications, only 5 (equating to 16 per cent of all retail applications over the assessment period) proposed over 500 sq.m gross of new retail floorspace in locations outside of North Tyneside's defined centres. A retail floorspace threshold of 500 sq.m gross for comparison goods and 1,000 sq.m gross for supermarket/superstore developments is therefore likely to apply to only a small proportion of all retail applications within North Tyneside.



## 12 RECOMMENDATIONS AND POLICY ADVICE

### Introduction

- 12.1 The purpose of this study is to provide an up-to-date and robust evidence base on retail and leisure needs and to also consider needs in the arts, culture and tourism sectors, to inform the emerging Core Strategy. It is important to provide an update of the needs in the retail and leisure sectors which accurately reflect current circumstances and changes to national planning policy, which utilises the latest available data inputs and the findings from a new household survey of shopping patterns. We have also undertaken sensitivity testing of alternative expenditure retention rates and various potential levels of future population growth, and we have assessed under/over-trading at existing retail facilities.
- 12.2 Below, we set out the principal findings from the various lines of research and analysis that informed our study. We summarise current shopping patterns in the convenience and comparison retail sectors, patterns of spending on leisure and cultural facilities, key quantitative and qualitative needs, the need for additional commercial leisure, arts, culture and tourism uses, our recommendations with respect to the network and hierarchy of centres, and our recommendations as to the suitability of existing town centre boundaries and primary shopping frontages. We also summarise our recommendations as to whether it is necessary to set a local floorspace threshold in North Tyneside, and what that threshold should be.

### Current Shopping Patterns

#### *Comparison Goods Shopping Patterns*

- 12.3 Overall, 53 per cent of the £497m of comparison goods expenditure available to residents of the Overall Catchment Area (OCA) is retained by town, district and other centres, retail parks and freestanding stores located in the catchment area. The main comparison retail destination within the OCA is Silverlink Shopping Park, which secures £105m (21 per cent) of the residents' comparison goods expenditure. The Borough's four town centres are also important destinations for comparison shopping within the OCA, collectively accounting for £83m (17 per cent) of the comparison goods expenditure available to residents of the OCA. Spending in other centres, retail parks and stores within the OCA accounts for a further £76m (15 per cent) of residents' comparison goods expenditure.
- 12.4 Our 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. This is an important piece of evidence which suggests the need to promote quality developments in town centre locations, targeted at higher value comparison retailers.

#### *Convenience Goods Shopping Patterns*

- 12.5 Overall, 89 per cent of the convenience goods expenditure available to residents of the OCA is retained by town, district, village and other centres, retail parks and freestanding stores located in the OCA. Thus, as might be expected, there is less strategic expenditure

leakage than in the comparison sector, because convenience shopping is generally undertaken on a more localised basis.

- 12.6 The highest individual convenience market shares within the OCA are achieved by Asda at Whitley Road in Benton, and the Morrisons stores in Preston Grange District Centre and Killingworth Town Centre. With the exception of the Wallsend zone, there are no parts of the catchment area where there is an acute localised deficiency in convenience goods provision. Whilst residents in the Wallsend zone are also served by foodstores in the surrounding areas, we consider that given its status as a defined Town Centre a priority for the Council should be to enhance the convenience retail provision in Wallsend Town Centre.

### **Key Qualitative Needs**

- 12.7 Taking into account the findings from the household survey, our performance analyses of the Town and District Centres and the five indicators of qualitative need listed in the PPS4 Practice Guidance, we have 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; and
  - the provision of some further national retailers within Whitley Bay Town Centre, with a priority being to filling larger vacant units.
- 12.8 The qualitative needs identified above must be addressed in order to improve the performance of North Tyneside’s town centres and better meet the need of the Borough’s residents in a more sustainable way.

## **Quantitative Retail Needs**

### **Comparison Retail Sector**

- 12.9 The Council is currently consulting on a range of housing and population growth options to its emerging Core Strategy. The Council’s ‘increased growth’ option, is set out as ‘Option 1’ in its consultation leaflet of October 2011, and corresponds with the forecasts of population change which underpin our first set of retail capacity spreadsheets, which are based on a total population increase of approximately 24,400 persons, or 12.1 per cent, over the entire study period. We have also tested a ‘stable growth’ scenario whereby the population within the OCA instead increases by approximately 14,800 persons, or 7.4 per cent, between 2011 and 2027, which accords with growth ‘Option 2’ of the Council’s consultation leaflet. In this scenario, population growth is assumed to be constant over the study period.
- 12.10 We have also undertaken two sensitivity tests of changes to the level of comparison goods expenditure retention in the Borough up to 2027. The first is based on a constant level of expenditure retention (53.2 per cent), and in the second we assume that the aggregate

retention rate can be improved to 58.0 per cent by 2016, remaining at 58.0 per cent thereafter.

- 12.11 The retention rate achieved in the comparison sector by existing shops and centres in North Tyneside, of 53.2 per cent, is reasonably good, given the close proximity of North Tyneside to Newcastle. Nevertheless, we consider that there is clear scope to claw-back some of the expenditure that currently leaks outside of the OCA. Furthermore, our analysis of current shopping patterns in North Tyneside confirms that the out-of-centre Silverlink Shopping Park attracts more comparison expenditure than all of North Tyneside's four town centres combined. We therefore recommend that one of the Council's key policy aspirations should be to attain an improvement in the overall comparison sector retention rate by attracting additional expenditure to town centre locations, in order to encourage more sustainable patterns of shopping and bolster the vitality and viability of North Tyneside's centres.
- 12.12 Table 12.1 below shows the quantitative need in the comparison goods sector, based on the Council's population growth 'Option 1'. Under the constant expenditure retention scenario, there is capacity for approximately 6,000 sq.m of additional comparison sales area floorspace across the Borough in the period to 2016, rising to 14,100 sq.m in the period up to 2021, and around 25,100 sq.m in the overall study period up to 2027. Under the rising expenditure retention scenario, there is capacity for approximately 12,100 sq.m of additional comparison retail floorspace in the period up to 2016, rising to 21,100 sq.m in the longer-term period up to 2021 and, more indicatively, 33,200 sq.m in the period up to 2027.

**Table 12.1 Quantitative Needs in the Comparison Goods Sector**

Period	Floorspace Requirements (sq.m net)	
	Scenario 1	Scenario 2
	Constant Retention	Rising Retention
2011 - 2016	6,034	12,058
2011 - 2021	14,138	21,057
2011 - 2027	25,069	33,172

- 12.13 Table 12.2 below shows the quantitative need in the comparison goods sector based on the Council's population growth 'Option 2'. Under the constant retention scenario, there is capacity for approximately 11,900 sq.m of additional comparison sales area floorspace across the Borough in the period to 2021, rising to around 21,300 sq.m in the overall study period up to 2027. Under the rising expenditure retention scenario, there is scope for around 18,600 sq.m of additional comparison floorspace in the period to 2021, and approximately 29,000 sq.m in the period up to 2027.

**Table 12.2 Quantitative Need in the Comparison Goods Sector under the ‘Option 2’ Population Growth Scenario**

Period	Floorspace Requirements (sq.m net)	
	RTP Scenario 3 Constant Retention and Option 2 Population Growth	RTP Scenario 4 Rising Retention and Option 2 Population Growth
2011 - 2016	5,137	11,080
2011 - 2021	11,910	18,626
2011 - 2027	21,293	29,053

- 12.14 Under both the constant and rising expenditure retention rate scenarios, the comparison floorspace requirements arising under the Option 2 population growth scenario (RTP Scenarios 3 and 4) are slightly lower than those identified under the ‘Option 1’ population growth scenarios (RTP Scenarios 1 and 2), reflecting the smaller pot of comparison goods expenditure available to residents of the OCA as a result of the lower rate of population growth forecast in North Tyneside over the study period.
- 12.15 We therefore suggest that, if the Council proceeds with growth Option 1 in the Core Strategy, it should work towards a requirement for up to 12,100 sq.m of additional comparison sales area floorspace in the 2011 to 2016 period, rising to 21,100 sq.m in the period up to 2021 and, more indicatively, 33,200 sq.m in the longer term period up to 2027. If the Council proceeds with its growth Option 2, we recommend that the Council work towards a slightly lower requirement for up to 11,100 sq.m of additional comparison sales area floorspace in the period 2011 to 2016, rising to 18,600 sq.m in the period up to 2021, and 29,100 sq.m in the period up to 2027. The Council should direct this new floorspace to town centre locations – in accordance with the thrust of national planning policy – rather than an alternative strategy of permitting further large-scale retail development in out-of-centre locations.
- 12.16 The proposed delivery of new larger, high quality units in Wallsend Town Centre will enable the centre to address key deficiencies in its existing retail offer, and help to improve the Borough’s overall level of expenditure retention. Further high-quality comparison retail development in North Tyneside’s other town centres would also be desirable, although market conditions are clearly challenging at present.

### **Convenience Retail Sector**

- 12.17 We have also undertaken two sensitivity tests for establishing the convenience retail needs in the Borough up to 2027. The first scenario is based on a constant level of expenditure retention (at 88.5 per cent), and in the second scenario we assume that the aggregate retention rate can be improved to 92.5 per cent by 2016, remaining at 92.5 per cent thereafter.
- 12.18 Table 12.3 below shows the quantitative need in the convenience goods sector arising under the Council’s population growth ‘Option 1’. The constant expenditure retention scenario, generates capacity for approximately 400 sq.m of additional convenience sales area floorspace within North Tyneside in the period up to 2016, rising to 1,900 sq.m in the period to 2021, and around 3,600 sq.m in the overall study period up to 2027. Under the

rising retention rate scenario, there is capacity for approximately 1,600 sq.m of additional convenience retail floorspace in the period to 2016, rising to 3,200 sq.m in the period up to 2021 and, more indicatively, 5,000 sq.m in the longer-term period up to 2027.

**Table 1.3 Quantitative Needs in the Convenience Goods Sector**

Period	Floorspace Requirements (sq.m net)	
	RTP Scenario 1 Constant Retention	RTP Scenario 2 Rising Retention
2011 - 2016	436	1,642
2011 - 2021	1,926	3,201
2011 - 2027	3,630	4,984

- 12.19 Table 12.4 below shows the quantitative need in the convenience goods sector based on the Council's population growth 'Option 2'. This shows that if the level of expenditure retention remains constant, there is capacity for approximately 1,100 sq.m of additional convenience sales area floorspace across the Borough in the period to 2021, rising to around 2,400 sq.m in the overall study period up to 2027. If the level of expenditure retention can be improved, there will be a positive residual for approximately 2,300 sq.m of additional convenience floorspace in the period to 2021, and around 3,700 sq.m in the period up to 2027.

**Table 12.4 Quantitative Need in the Convenience Goods Sector under the 'Option 2' Population Growth Scenario**

Period	Floorspace Requirements (sq.m net)	
	RTP Scenario 3 Constant Retention and Option 2 Population Growth	RTP Scenario 4 Rising Retention and Option 2 Population Growth
2011 - 2016	78	1,267
2011 - 2021	1,106	2,344
2011 - 2027	2,371	3,669

- 12.20 As with our comparison retail capacity forecasts, under both the constant and rising expenditure retention rate scenarios, the convenience floorspace requirements arising under the Option 2 population growth scenario (RTP Scenarios 3 and 4) are slightly lower than those identified under the 'Option 1' population growth scenarios (RTP Scenarios 1 and 2).
- 12.21 Whilst the current level of convenience expenditure retention achieved by the catchment area, of 88.5 per cent, is already high, we consider that there is scope for a modest improvement. In particular, the retention rate would improve if the proposals for the development of a new foodstore in Wallsend Town Centre were implemented. We consider it a sound policy aspiration for the Council to seek to increase the overall level of convenience expenditure retention, because food shopping should be undertaken on as localised a basis as possible. We therefore recommend that the floorspace requirements arising under the rising retention scenario should be used to inform North Tyneside's emerging Core Strategy.

- 12.22 Accordingly, we recommend that if the Council proceeds with population growth Option 1 in its emerging Core Strategy, it should work towards a requirement for up to 3,200 sq.m of convenience sales area floorspace in the 2011 to 2021 period, rising, to 5,000 sq.m in the period to 2027, over and above the existing retail commitments in the Borough. If the Council proceeds with its growth Option 2, we recommend that it should instead work towards a lower requirement for up to 2,300 sq.m of additional convenience sales area floorspace in the 2011 to 2016 period, rising to 3,700 sq.m in the period up to 2027.

### ***Key Quantitative Retail Needs***

- 12.23 We consider that the indicative floorspace requirements we have identified in this study under the rising expenditure retention scenario provide a very useful starting point for the assessment of individual planning applications. However, the floorspace requirements that we have identified should be treated as indicative guidelines. It will be necessary to carefully consider the merits of individual proposals as and when they arise, taking account of factors including the specific operator, likely sales densities, local 'need' factors, the scale of the proposal (in accordance with the requirements of PPS4), and so on.

## **Need for Other Town Centre Uses**

### ***Patterns of Spending on Leisure and Culture***

- 12.24 Spending on leisure and cultural activities by North Tyneside's residents largely occurs in Newcastle City Centre, Silverlink Shopping Park and Royal Quays. Within the 'restaurants and cafés' and 'pubs, bars or nightclubs' categories, Newcastle City Centre is the most popular destination, although Whitley Bay, Tynemouth and North Shields all play important roles. Expenditure on cinemas is dominated by Silverlink Shopping Park and spending on family entertainment is largely directed to Royal Quays. Newcastle City Centre is the predominant destination for spending on 'theatres/concerts' and 'museums & art galleries', although Whitley Bay plays a small role in respect of the 'theatres/concerts' category. Spending on the 'bingo/casinos/bookmakers' category is limited, with Wallsend and Newcastle City Centre the most popular destinations. Trips to 'health and fitness' facilities are typically undertaken locally.
- 12.25 The leisure services expenditure available to residents of the OCA is predicted to grow by between £27.3m and £34.4m in the period 2011 to 2016, rising to between £68.6m and £81.9m and to between £128.6m and £148.8m in the longer term periods up to 2021 and 2027, respectively, depending on which growth option is used. On the basis of current spending levels, some 63 per cent of this spending growth will go to eating and drinking establishments, 11 per cent will go on cultural services, around 6 per cent will be spent on recreational and sporting services, and some 5 per cent will be spent on games of chance.
- 12.26 However, how this growth might be expended locally depends very much on what opportunities the market supplies. Capturing a sizeable proportion of this growth in expenditure – as well as clawing back expenditure currently lost to leisure destinations outside the Borough – will be vital to the future health of North Tyneside's centres. In particular, the provision of a wider and more appealing choice of restaurants, cafés and pubs/bars in Wallsend would support the growth of an evening economy in the centre, and it would enhance access to such facilities for the town's residents.

- 12.27 We have undertaken a broad assessment of the scope for additional commercial leisure facilities in North Tyneside, which takes into account how current patterns of spending might change if significant improvements to the Borough's leisure offer were to take place. There appears to be significant scope for the development of a mix of restaurants, pubs and bars across North Tyneside over the next decade or so. The potential to attract a new multiplex cinema, bowling facility or bingo club appears to be more limited, both in qualitative and quantitative expenditure capacity terms.
- 12.28 The quantitative 'need' for additional food and drink outlets and other commercial leisure uses that we have identified should be treated as an indicative guide. Furthermore, the leisure sector is dynamic, changing and operator-led. Thus, if an investor feels capable of attracting customers by diverting spending from other facilities, the planning system does not seek to prevent additional development, provided such development meets the tests in PPS4.

### ***Tourist, Heritage and Cultural Uses***

- 12.29 North Tyneside contains a number of tourist, heritage and cultural assets, ranging from its coastline to its historical heritage and cultural facilities. The annual value of tourism to North Tyneside is around £245m, with 6.1 million visitors per annum supporting nearly 4,000 jobs<sup>46</sup>. The key tourism and events markets for North Tyneside are day visitors, families, and people taking short breaks. Overall, the variety of recreational and cultural assets in North Tyneside make a significant contribution to the overall attractiveness of the Borough for residents and visitors both within and outside the Borough. There is scope for North Tyneside to build on its significant assets and develop further as a year round day-visitor destination focused on family friendly and coastal activities.

### **Opportunities for Meeting Identified Needs**

- 12.30 PPS4 requires sites for main town centre uses to be identified through a sequential approach to site selection. PPS12 establishes the requirement for local authority planning policy to be demonstrably 'deliverable'.
- 12.31 The North Shields Retail Centre Regeneration Strategy (2010), which is part of the evidence base for the Council's emerging Core Strategy and North Shields Area Action Plan (AAP), identified 13 sites for development to help reinvigorate the town centre. The Council should undertake an assessment of viability of these sites as part of the demonstration of deliverability required for strategic planning policy purposes by PPS12. This would establish whether the development of the identified sites is likely to be viable and deliverable for town centre uses and, therefore, whether the sites are capable of being allocated in the AAP.
- 12.32 Similarly, the Whitley Bay Retail Centre Regeneration Strategy (2010) identified three key development sites within the town centre, namely Whitley Road/Coliseum, Spanish City and the YMCA site. We note that positive progress is being made with regards to

<sup>46</sup> STEAM, 2009

development at each of these sites. In progressing the emerging Core Strategy and the Coastal AAP, the Council should take a proactive approach to identifying further sites that are viable and deliverable for town centre uses, and which will therefore help to improve the performance the town centre.

- 12.33 The Strategic Development Framework Plan for River Tyne North Bank (SDFP) includes an aspiration to modernise the Forum Shopping Centre and consolidate the town centre uses into a more compact area. The Council has signed a Memorandum of Understanding with NewRiver Retail to pursue a scheme comprising significant refurbishment works and an extension at the Forum Shopping Centre. The successful delivery of this scheme will provide the new, larger, high quality retail units that Wallsend requires in order to meet the key deficiencies in the town centre's convenience and comparison retail offer.
- 12.34 It is also important to consider the potential impact of the new housing development that is proposed in the emerging Core Strategy, options for which are currently the subject of consultation as part of the Core Strategy preparation process. It is likely that the majority of new housing development will be located in the north west of the Borough and this may provide scope for strengthening the performance of existing centres through the expansion of retail provision at Killingworth, Forest Hall, Longbenton and Northumberland Park.

### **Network and Hierarchy of Centres**

- 12.35 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 to help ensure the correct level of investment and funding. On the basis of our analysis, we consider that all of the town and district centres in North Tyneside continue to function as such.
- 12.36 We do not consider that there is justification to promote any of the existing district centres to the status of town centre. However, whilst we consider that none of the district centres should be reclassified, we do consider that district centres would be better separated into two tiers, namely 'District Centres' and 'Minor District Centres'. We do not consider that any of the district centres in North Tyneside constitutes a 'Major District Centre' and so we do not advocate separate 'Major District Centre' and 'Medium-sized District Centre' categories. This reflects our analysis of the scale, function and performance of each of the centres.
- 12.37 In our assessment there are three centres in North Tyneside that can be classified as a 'District Centre', namely Forest Hall, Monkseaton and Tynemouth. The five centres that we consider should be classified as 'Minor District Centres' are Battle Hill, Longbenton, Northumberland Park, Preston Grange and Whitley Lodge.

### **Town Centre Boundaries and Primary Shopping Frontages**

- 12.38 We recommend that the existing Town Centre Boundaries in the UDP should be tightened in the LDF to exclude areas of established residential uses and those areas which are located some distance from the Primary Shopping Area and do not function as part of the town centres.



- 12.39 We recommend that the Primary Shopping Frontages for the three main town centres of North Shields, Wallsend and Whitley Bay should be tightened slightly to encourage a strong and consolidated retail core in each of the town centres. The existing UDP does not define a Primary Shopping Frontage for Killingworth Town Centre. We recommend that the LDF should define this as comprising the Killingworth Centre, which forms the retail core of the town centre. Our recommendations for Secondary Shopping Frontages for the main town centres are those areas that include retail provision but also provide greater opportunities for a wider diversity of uses, such as residential. We also recommend that the LDF should define appropriate boundaries for each of its district centres.

### **Local Floorspace Threshold for PPS4 Assessment**

- 12.40 Having undertaken an assessment of a range of local factors, we recommend that the Council should adopt a local floorspace threshold in its Core Strategy of 500 sq.m gross for comparison retail floorspace, and 1,000 sq.m gross for supermarkets/foodstores (which typically include a mix of convenience and comparison retail floorspace). Applicants would therefore be required to undertake an assessment of impacts for any planning applications for retail development (including extensions) where the amount of floorspace proposed is above these thresholds.
- 12.41 Our analysis shows that proposals for more than 500 sq.m of gross comparison goods floorspace, or 1,000 sq.m gross for supermarkets/foodstores, are large relative to existing provision and could potentially result in significant adverse impacts on North Tyneside's defined centres. It will be particularly important to carefully consider the impacts of any further proposals that might threaten to the planned developments in the Borough's town centres. Proposals for additional retail development in edge- or out-of-centre locations could potentially undermine the delivery of the Council's aspirations for the transformation of Wallsend Town Centre.
- 12.42 Our analysis of all planning applications for new retail floorspace made over the last five years shows that a retail floorspace threshold of 500 sq.m gross for comparison goods and 1,000 sq.m gross for supermarket/foodstore developments is likely to apply to only a small proportion of all retail applications within North Tyneside.

### **Overall Conclusion**

- 12.43 The findings from our performance analyses and the survey of shopping patterns demonstrate that some of North Tyneside's centres are not performing particularly strongly. Whilst the level of expenditure retention achieved in the comparison sector by existing shops and centres in North Tyneside, of 53.2 per cent, is reasonably good, we consider that there is clear scope to claw-back some of the expenditure that currently leaks to destinations outside the OCA, such as Newcastle City Centre and the Metrocentre in Gateshead. Furthermore, the out-of-centre Silverlink Shopping Park provides the main comparison shopping destination in the Borough, attracting more comparison expenditure than all of North Tyneside's four town centres combined.
- 12.44 We therefore recommend that one of the Council's key policy aspirations should be to attain an improvement in the overall comparison sector retention rate by attracting

additional expenditure to town centre locations, in order to encourage more sustainable patterns of shopping and bolster the vitality and viability of North Tyneside's centres. The Council should also be mindful of the potential impact of additional out-of-centre retail development on the vitality and viability of North Tyneside's centres when assessing any future planning applications.

- 12.45 The proposed delivery of new larger, high quality units in Wallsend Town Centre will enable the centre to address key deficiencies in its existing retail offer, and we expect that the scheme will help to improve the Borough's overall level of expenditure retention. In the current economic climate the Council should take a proactive approach to ensure that there are viable and deliverable sites within the Borough's other centres where development for town centre uses can be brought forward to meet identified comparison and convenience retail needs.