Cornwall Retail Study

Cornwall Council

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1. INTRODUCTION

1.1 This report has been prepared by GVA Grimley Ltd in response to an instruction by Cornwall Council (CC), dated October 2009, to prepare a Retail Study for Cornwall. This study provides the first comprehensive retail and town centre study for Cornwall since local government reorganisation in 2009 and will update previous retail studies for the former District and Borough administrative areas of the County pre-April 2009. This study will provide essential background information to assist CC in the production of a Local Development Framework.

1.2 National planning policy guidance requires that local planning authorities' policies and proposals in a LDF should be founded on a thorough, clear and up-to-date understanding of the needs of their area and the opportunities and constraints which operate within that area. PPS12 (2008) requires local planning authorities to prepare and maintain an up-to-date evidence base and this retail study will form an integral part of CC's information library. It is intended that this study will meet these requirements by providing comprehensive survey material, including information on: the availability and use of existing centres, the accessibility of centres, retail expenditure patterns and proposals in adjacent areas. These actions will assist the Council to move forwards in the preparation of its LDF.

Objectives of the Study

1.3 The objectives of this study are as follows:

- An analysis of relevant policy guidance and advice on the development of new policies for retail development and town centres in Cornwall.
- An analysis of national trends in retailing and how they are expected to develop over the period to 2030/2031[1] and, if appropriate beyond, and the implications of these trends for Cornwall.
- A refresh of existing retail studies and undertaking new work where appropriate. This should lead to a through understanding of:
    1. the mix and diversity of existing retail (food and non-food) and non-retail uses, including out of centre retail provision and key food store provision, in the towns, identifying any gaps in provision or areas of deficiency

[1] During the course of preparing this study, an end date of 2031 was set although the end date for the LDF Core Strategy was subsequently revised to 2031. The retail capacity projections within this study are based on the period up to 2031, although will need to be considered in light of the end date for the Core Strategy of 2030.

2. an assessment of current patterns of usage for food and non-food shopping purposes in the towns, the extent to which residents are travelling elsewhere to meet their shopping needs, and the contribution of visitor's to the local economy;
3. a review of provision for food & drink, leisure and entertainment facilities in the towns, identifying any gaps in provision or areas of deficiency;

- Retail modelling for the principal towns and testing of potential alternatives, for instance between focusing new prime shopping growth in Truro or more decentralised options such as growth in second tier settlements. This work should lead to an understanding of the retail hierarchy and the roles of centres with recommendations of a commercially realistic strategy for each centre. Scenarios should be developed in the context of an appropriate number of growth & distribution scenarios.
- Identify the scope for specialist roles for Cornish towns.
- Assessment of retail interest in expanding in Cornwall.
- A commercial assessment of how identified needs for new retail development should best be accommodated in the principle centres in accordance with the sequential approach and the objectives of the RS[2].
- Advice on setting up a new system of town centre 'healthchecks' for regular monitoring of town centre performance; and provision of some 'healthcheck' data.

1.4 In order to achieve the above aims, CC requires a comprehensive analysis of retailing in Cornwall that addresses both quantitative and qualitative issues. Accordingly, this study includes the following key components:

- Provision of a policy analysis, based on the contents of Planning Policy Statement 4: Planning for Sustainable Economic Growth (2009) plus policies at the local level. At the local level, the Cornwall Structure Plan provides the current strategic context for retailing in Cornwall, supplemented by saved policies set out in the adopted Local Plans for the former administrative areas of Penwith, Caradon, Carrick, Kerrier, Restormel and North Cornwall. This study will facilitate a review of the robustness of shopping policies and proposals in the previous local planning documents, to inform the policy formulation in the Cornwall LDF and other Council policy documents.

[2] At the time of commencing this project, RPG10 ('the Regional Strategy') remained part of the statutory development plan for Cornwall and, it replacement, the Regional Spatial Strategy for the South West has in the advanced stages of preparation. However, the Coalition Government, following their election in May 2010, revoked all RS's across England. However, following a legal challenge by CALA Homes, the High Court issued a judgement in November 2010 which overturned the actions of the Government and therefore at the time of completing this report, the RS remained part of the development plan.

- Overview of the retail hierarchy in Cornwall, focusing on a review of the vitality and viability of the main town centres (Truro, Bude, St Ives, Penzance, Camborne, Redruth, Liskeard, Newquay, Falmouth, Helston, St Austell, Launceston, Saltash, Hayle, Wadebridge and Bodmin – plus a broader overview of the health of Padstow, Camelford, St Just, Fowey, St Columb Major, Looe and Callington). The assessment examines the retail performance of each centre, plus demand for space by national multiple retailers.
- An assessment of the need for additional retail floorspace across Cornwall. This assessment is based upon quantitative and qualitative factors of need and takes into account the results of a 2008 household survey of shopping patterns across Cornwall along with up to date current expenditure and population estimates and information from CC on potential population growth forecasts across Cornwall up to 2031.
- Following the assessment of town centre health and future retail need, this study also provides a review of the main potential shopping development opportunities in each of the town centres. This work will examine existing allocations/opportunities identified in the adopted Local Plan documents, plus new potential opportunities which have been identified through the course of completing this study.
- Following the completion of each of the above tasks, a set of concise conclusions and guidance on a future retail strategy for Cornwall is provided. This will focus on the retail hierarchy and the likely future role of each main centre, town centre improvements and retail development/investment/regeneration opportunities.

1.5 A key contributor to all of the above tasks has been empirical research in the form of a household telephone survey commissioned by GVA Grimley and the former Kerrier District Council in 2008. The survey initially informed evidence base work for the Camborne Pool Illogan and Redruth (CPIR) Area Action Plan in 2008, although the survey was designed to cover the whole of Cornwall and allow for the eventuality of future local government reorganisation. The survey interviewed 4,000 people across a wide geographic area, based on postcode sector areas, within Cornwall and the western parts of Devon. A plan of the survey area is contained at Appendix A of this report. The survey, the parameters of which are explained in greater detail in Sections 4 and 5 of this report, has established shopping habits of households for different types of food and non-food goods and has, in turn, contributed towards the detailed assessment of need for additional retail floorspace. The survey has also been structured to ascertain customer profiles, mode of travel to shopping destinations, plus a number of attitudinal questions determining what users think about the various town centres, and potential improvements to these centres. A full copy of the household survey tabulations is available from Cornwall Council upon request.

Structure of the Report

1.6 The remainder of this report is structured as follows:

- **Section 2** of this report provides a brief review of current national planning policy guidance (PPS4), plus retail policies contained within the Cornwall Structure Plan and the current saved local planning policy context outlined in the various adopted Local Plans in Cornwall.
- **Section 3** of this report analyses national retail trends. This includes a look back at recent historic trends, plus examination of likely future trends at the national level.
- **Section 4** provides an assessment of the retail hierarchy within Cornwall and the surrounding area, concentrating on the health of the main town centres, monitoring the performance of relevant indicators as set out in national planning policy guidance. This section also provides an overview of out-of-centre retail provision within Cornwall.
- **Section 5** sets out an assessment of future need for additional retail floorspace provision in main settlements in Cornwall up to 2031. It examines both quantitative and qualitative considerations of retail need and expresses estimates of need for each of the key towns.
- **Section 6** is entitled ‘Developing a Retail Strategy for Cornwall’ and brings together an assessment of a number of potential development sites within each of the main settlements with the foregoing assessments of need and town centre health to provide an outline of the recommended retail strategy for the main settlements in Cornwall.
- **Section 7** provides a summary of the main findings of the study and provides an outline of the potential retail strategy for Cornwall.

1.1 All plans, and other documents referred to in the text of this study are contained in separately bound appendices. In addition, the statistical tables associated with the assessment of quantitative need are contained in separate annex volumes.

2. POLICY OVERVIEW

Overview

2.1 This chapter outlines the salient planning policy context for retailing and town centres at the national, strategic and local level. The review identifies revised national planning policy that was published on 29th December 2009 by the Department for Communities and Local Government (DCLG) in Planning Policy Statement 4: Planning for Sustainable Economic Development ('PPS4'). PPS4 supersedes the guidance within PPS6 and provides the national framework for town centre and retail development.

2.2 The retailing and town centres policies in the Cornwall Structure Plan, which provide the strategy context for retail and economic development, are also summarised in this section. At a local level, following the restructuring of the Council to become a Unitary Authority on the 1st April 2009, there are several facets of interim planning guidance covering the former authority areas of Caradon; Penwith; North Cornwall; Carrick; Restormel; and Kerrier. This interim guidance will eventually be superseded by the Cornwall Local Development Framework, which is explained in greater detail at paragraph 2.19 below.

2.3 At the time of commencing this project, the contents of Regional Planning Policy Guidance for the South West ('RPG10') which formed part of the Regional Strategy, was part of the development plan. In addition, Regional Spatial Strategy for the South West was in the advanced stages of preparation (with the Secretary of State's Proposed Changes published in July 2008) and was a material consideration. However, the Coalition Government, following their election in May 2010, revoked all RS's across England. Following a legal challenge by CALA Homes, the High Court issued a judgement in November 2010 which overturned the actions of the Government and therefore at the time of completing this report, the RS remained part of the development plan, pending new legislation in the form of the forthcoming Localism Bill which will be laid before Parliament shortly.

National Retail Planning Policy

2.4 In December 2009, the Department for Communities and Local Government published Planning Policy Statement 4: Planning for Sustainable Economic Growth. This document replaces, amongst other things, Planning Policy Statement 6: Planning for Town Centres (2005) and sets out national planning policies for economic development, including main town centre uses. The introductory section of PPS4 notes that the plan-making policies in this document should be taken into account by local planning authorities in the preparation of local development documents and are also a material consideration which must be taken into account in development management decisions.

2.5 The document notes that the overarching objective of central government is for sustainable economic growth and, to help achieve this, the government's objectives for planning are to:

- Building prosperous communities by improving the economic performance of the cities, towns, regions, sub-regions and local areas, both urban and rural.
- To reduce the gap in economic growth rates between regions, promoting regeneration and tackling deprivation.
- Deliver more sustainable patterns of developments to reduce the need to travel, especially by car and respond to climate change.
- Promote the vitality and viability of town and other centres as important places for communities. To do this the government wants:
    1. New economic growth and development of main town centre uses to be focused in existing centres with the aim of offering a wide range of services to communities in an attractive and safe environment and remedying deficiencies in provision in areas with poor access to facilities.
    2. Competition between retailers and enhanced consumer choice through the provision of innovative and efficient shopping, leisure, tourism and local services in town centres which allow genuine choice to meet the needs of the entire community (particularly socially excluded groups).
    3. The historic archaeological and architectural heritage of centres to be conserved and, where appropriate, enhanced to provide a sense of place and focus for the community and for civic activity.

2.6 Policy EC1 of PPS4 deals with using evidence to plan positively. EC1.3 notes that, at the local level, the evidence base should:

- Be informed by regional assessments.
- Assess the detailed need for land or floorspace for economic developments, including for all main town centre uses over the Plan period.
- Identify any deficiencies in the provision of local convenience shopping and other facilities which serve people's day-to-day needs.

- Assess the existing and future supply of land for economic development, ensuring that existing site allocations for economic development are re-assessed against the policies in PPS4.
- Assess the capacity of existing centres to accommodate new town centre development taking account of the role of centres in the hierarchy and identify centres in decline where change needs to be managed.

2.7 When assessing the need for retail and leisure development, local planning authorities should:

- Take account of both the quantitative and qualitative need for additional floorspace for different types of retail and leisure developments.
- In deprived areas, which lack access to a range of services and facilities, give additional weight to meeting these qualitative deficiencies. However any benefits in respect of regeneration and employment should not be taken into account, although they may be material considerations in the site selection process.
- When assessing quantitative need, have regard to relevant market information and economic data, including a realistic assessment of existing and forecast population levels, forecast expenditure for specific classes of goods to be sold (within the broad categories of comparison and convenience goods), forecast improvements in retail sales density.
- When assessing qualitative need for retail uses:
    1. Assess whether there is provision and distribution of shopping, leisure and local services which allow genuine choice to meet the needs of the whole community, particularly those living in deprived areas, in light of the objective to promote the vitality and viability of town centres and the application of the sequential approach.
    2. Take into account the degree to which shops may be over-trading and whether there is a need to increase competition and retail mix.

2.8 Policy EC3 deals with planning for centres and notes that regional planning bodies and local planning authorities should:

- Set flexible policies for their centres which are able to respond to changing economic circumstances and encourage, where appropriate, high density development accessible by public transport, walking and cycling.
- Define a network (a pattern of provision of centres) and hierarchy (the role and relationship of centres in the network) of centres that is resilient to anticipated future economic changes to meet the needs of their catchments, having:

1. Made choices about which centres will accommodate any identified need for growth in town centre uses considering where expansion where necessary taking into account the need to avoid an over-concentration growth in centres. Identifying deficiencies in the network of centres should be addressed by promoting centres to function at a higher level in the hierarchy or designating new centres where necessary, giving priority to deprived areas which are experiencing significant levels of notable deprivation where there is a need for better access to services, facilities and employment by centrally excluded groups.
2. Ensure any extensions to centres are carefully integrated with the existing centre in terms of design including the need to allow easy pedestrian access.
3. Where existing centres are in decline, consider the scope for consolidating and strengthening the centres by seeking to focus a wider range of services there, promoting the diversification of uses and improving the environment.
4. Where reversing decline in existing centres is not possible, consider re-classifying the centre at a lower level within the hierarchy of centres reflecting this revised status in the policies applied to the area. This may include allowing retail units to change to other uses whilst aiming, wherever possible, to attain opportunities for vital local services.
5. Ensure that the need for any new expanded or redeveloped out-of-centre regional or sub-regional shopping centre or any significant change in the role and function of centres is considered through the regional spatial strategy.
6. At the local level, define the extent of the centre and the primary shopping area in their adopted proposals map, having considered distinguishing between realistically defined primary and secondary frontages in designated centres and set policies that make clear which uses will be permitted in such locations.
7. At the local level, consider setting floorspace thresholds with a scale of edge-of-centre and out-of-centre developments which should be subject to an impact assessment under Policy EC16.1 of PPS4 and specify the geographic areas these thresholds will apply to.
8. Identify any locally important impacts on centres which should be tested under Policy EC16.1.F.
9. At the local level, encourage residential or office development above ground floor retail leisure or other facilities within centres, ensuing that housing in out-of-centre mixed use developments is not in itself used as a reason to justify additional floorspace for main town centre uses in such locations.

10. At the local level, identify sites or buildings within existing centres suitable for development, conversion or change of use.
11. At the local level, use tools such as local development orders, area action plans, compulsory purchase orders and town centre strategies to address the transport land assembly crime prevention planning and design issues associated with the growth and management of their centres.

2.9 Policy EC4 of PPS4 asks that local planning authorities should proactively plan to promote competitive town centre environments and provide consumer choice by:

- Supporting a diverse range of uses which appeal to a wide range of age and social groups, ensuring that these are distributed throughout the centre.
- Planning for a strong retail mix so that the range and quality of the comparison and convenience retail offer meets the requirements of the local catchment area, recognising that smaller shops can significantly enhance the character and vibrancy of a centre.
- Supporting shops, services and other important small scale economic uses (including post offices, petrol stations, village halls and public houses) 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 for such developments has been identified.
- Retaining and enhancing existing markets and, where appropriate, re-introducing or creating new ones, ensuring that markets remain attractive and competitive by investing in their improvement.
- Taking measures to conserve and, where appropriate, enhance the established character and diversity of their town centres.

2.10 Policy EC5 asks that local planning authorities should identify an appropriate range of sites to accommodate the identified need, ensuring that sites are capable of accommodating a range of business models in terms of scale, format, car parking provision and scope for disaggregation. Further information on Policy EC5, including the application of the sequential approach when selecting sites for town centre uses and assessing the impact of proposed locations, can be found in Section 6 later in this report.

2.11 Policies EC14 to EC17 provide guidance on development management associated with applications for main town centre uses, including retail development. Policy EC14 notes that a sequential assessment is required for planning applications for main town centre uses that are not in an existing centre and are not in accordance with an up to date development plan. In addition, an assessment addressing the impacts of a particular development is required for planning applications for retail uses which are not in an existing centre and not in accordance with an up-to-date development plan. In advance of development plans being revised to reflect PPS4, an assessment of impacts is necessary for planning applications for retail development below 2,500 sq m as well as the compulsory requirement for developments over 2,500 sq m. An impact assessment is also required for planning applications in an existing centre which are not in accordance with the development plan and which would substantially increase the attraction of the centre to an extent that the development could have an impact upon other centres. Policies EC15 and EC16 outline detailed guidance in relation to the assessment of impact and the consideration of sequential assessments, whilst Policy EC17 provides clear guidance to local planning authorities in their consideration of planning applications for development of a main town centre use which is not in a centre and not in accordance with an up-to-date development plan. Policy EC17.1 notes that such applications should be refused planning permission where:

- The applicant has not demonstrated compliance with the requirements of the sequential approach (Policy EC15); or
- 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 in Policies EC10.2 and EC16.1, taking account of the likely cumulative effect of recent permissions, developments under construction and completed developments.

2.12 Where no significant adverse impacts have been identified under Policies EC10.2 and EC16.1, Policy EC17 notes that planning applications should be determined by 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; and
- The likely cumulative effect of recent permissions, developments under construction and completed developments.

Regional Planning Guidance for the South West (RPG10)

2.13 As already noted that the start of this section, the Coalition Government had attempt to revoke Regional Strategies, which includes RPG10 in the South West of England, although a successful legal challenge has meant that, for the time being and pending the forthcoming Localism Bill, it remains part of the development plan. We also summarise the salient contents of the draft Regional Spatial Strategy for the South West which, given the content of the recent High Court judgement, remains a material consideration.

2.14 Guidance at the regional level, contained within RPG10 (adopted September 2001), pre dates the publication of PPS4. Nevertheless, RPG10 directs local planning authorities, in their development plans, to consider the following areas:

- Seek to locate uses which attract large numbers of people in the centres of the Principal Urban Areas (PUAs) and in the other designated centres for growth specified in the spatial strategy.
- Encourage town centre developments of an appropriate scale in the market towns and larger settlements elsewhere in the region in keeping with their size and function and which can help to reduce the need to travel and encourage journeys by modes other than the private car.
- Ensure the vitality and viability of existing centres is maintained, by assessing the need for new development and by applying the sequential test. For convenience provision, RPG10 advises that a distribution of provision should be maintained, that minimises the lengths and frequency of trips.

2.15 A review of RPG10, in the form of the Regional Spatial Strategy for the South West, was at the time of commencing this project well advanced. The draft RSS was published in June 2006 and an Examination in Public took place in April 2007. Subsequently the Panel Report was published in January 2008 and the Secretary of State Published the Proposed Changes Document in July 2008. The document was programmed to be adopted during 2009, however a successful legal challenge to the South East RSS meant that aspects of the South West RSS required additional sustainability appraisal, the outcome of which remained outstanding at the time when the Coalition Government stated its intention to abolish the RS.

2.16 The RSS Proposed Modifications document (July 2008) identifies strategic Housing Market Areas (HMA's) across the South-West sub-region. The sub-division of the region into HMA's splits Cornwall into two areas, the West Cornwall HMA (including the former Carrick, Kerrier, Penwith and Restormel districts) and the Polycentric Devon and Cornwall HMA (including the former North Cornwall district). Paragraphs 4.1.64 – 4.1.70 identify the strategy for West Cornwall. The settlements of Truro, Falmouth-Penryn and Camborne/Pool/Redruth are collectively identified as a Strategically Significant City or Town (SSCT). This identification renders such areas as a focus for regeneration and growth within the HMA. In addition, the text identifies the larger towns in the HMA such as Penzance, Newquay and St Austell.

2.17 Paragraphs 4.1.73 and 4.1.74 identify the strategy for the Polycentric Devon and Cornwall HMA. Within this strategy there are no SSCT's identified within Cornwall, however Bodmin is identified as a larger town.

2.18 Policy TC1 of the draft RSS addresses city and town centres and encourages local authorities and other agencies to work together to ensure that the vitality and viability of the region's existing network of towns and city centres is maintained and enhanced. It is continued that in doing so, it will be important to ensure that such centres are not adversely affected by inappropriate development elsewhere and that provision is made for a mix of uses within town centres, including retail, cultural facilities, offices, other employment and housing. SSCTs are to provide the focus for retail and other facilities requiring high levels of accessibility. Policy TC1 advises that, within settlements identified in the context of Development Policy B (Market and Costal Towns), the range of and quality of central area facilities will also be maintained and enhanced to meet future needs. In all settlements, measures should be introduced to improve accessibility by sustainable modes, and to enhance the public realm and quality of the town centre environment. In doing so, local authorities and other agencies should recognise the role of central area investment in supporting regeneration objectives. The scale of new investment in retail and other facilities within town centres should take full account of changing patterns of behaviour and future levels of population growth.

Cornwall Structure Plan

2.19 The Cornwall Structure Plan was adopted in 2004 and sets out the strategic context for the future development of the County. Policy 16 sets out the overall approach to development and notes that development should be focused on the Strategic Urban Centres of Bodmin, CPR, Falmouth-Penryn, Newquay, Penzance, St Austell, Truro, Saltash and Torpoint. The policy also notes that the role and function of the other main towns (Bude, Launceston, Wadebridge, Hayle, Helston and Liskeard) and local centres will be supported to meet the needs of their population and surrounding areas. The Strategic Urban Centres also have their own specific policies within the Structure Plan. References to retailing and town centres appears in a number of these policies. Truro is highlighted as the County's major retail centre, which should be sustained and enhanced without adverse effects on nearby centres. Policy 22 notes that development in Bodmin should consolidate the current employment and retail function of the town. Policy 21 highlights the role of Penzance as the major service and retail in the former district of Penwith. The regeneration of St Austell town centre is given priority status Policy 20, whilst better retail provision in the CPR area is highlighted in Policy 17.

2.20 The county-wide policy on retailing in the Structure Plan is Policy 14. This notes that priority will be given to the improvement and enhancement of town centres in providing shopping, office and leisure facilities to meet the needs and aspirations of the whole community. This policy also notes that retail development should be in or adjoining town centres where it can help to sustain a centre's vitality and viability. Elsewhere, such development should be limited to circumstances where particular needs could not be reasonably expected to be met in or adjoining town centres, having taken account of existing provision available and further development opportunities. In the case of retailing, Policy 14 notes that it will be important to assess the capacity of the centre as a whole to meet future needs rather than its ability to accommodate a particular retailer or form of development. In addition, Policy 14 notes that:

- Development should not be harmful to the vitality and viability of existing centres.
- Locations should be in or well integrated with towns, where the impact on travel patterns would be unlikely to lead to increased car usage and where convenient access by public transport serving the catchment area is available.
- Consideration should be given to the potential role of retail and other commercial development in the physical and economic regeneration of urban area.

Local Development Plan Documents

2.21 Following restructuring of the Council to form a Unitary Authority on 1st April 2009, Cornwall Council are in the process of preparing a Local Development Framework to guide development within the area to the period 2030. Until a Local Development Framework for the Cornwall Council planning authority is adopted, existing planning policy prepared by the former District and Borough authorities in Cornwall will continue to act as interim planning policy.

2.22 The Secretary of State has formally 'saved' a range of policies from the existing adopted Local Plans, the relevant details of which are outlined below. In addition to the saved Local Plan policies, this section also identifies and summarises the salient parts of those LDF documents which were being prepared by the former administrative areas prior to local government reorganisation, along with the progress made to date on Cornwall Council's Local Development Framework.

Penwith

2.23 The Penwith Local Plan was adopted in 2004 and provides a detailed set of policies and proposals for the future development of the former Penwith District, and remains the saved plan for the area. Of most relevance to this study is Chapter 7 of the Plan, which deals with the towns and villages within Penwith. Policy TV1 notes that the majority of development within Penwith will be focused on the towns of Penzance, Newlyn, St. Ives (including Carbis Bay) and Hayle. Policy TV16 of the Plan notes that major retail, office, entertainment, leisure or community developments should be located in the town centres of Penzance, St. Ives and Hayle, where the greatest benefit to the community can be provided.

2.24 Policy TV16 makes it clear that proposals for edge of centre sites will only be permitted where the development cannot be accommodated within a town centre and development on out of centre sites will not be permitted unless all potential town centre and edge of centre locations have been demonstrated to be unsuitable. In examining these options, flexibility will be required about the format, design and scale of the development in relation to local circumstances.

2.25 Within Penzance and St. Ives Town Centres, Policy TV18 identifies prime shopping areas on the proposals map and notes that within these areas proposals and restricts the loss of ground floor retail uses in such locations. This Policy also seeks to control the proportion of non retail uses within the primary shopping areas of the main towns.

2.26 The remainder of Chapter 7 of the Adopted Local Plan provides detailed policies and guidance in relation to Penzance, St. Ives and Hayle Town Centres. In respect of Penzance, proposal TVA allocates the former gas holder and former Cornwall Farmers Limited site for mixed use redevelopment and Policy TV21 and Policy TV22 outline the future context for development proposals along Bread Street. In relation to the harbour area in Penzance, Policies TV23 and TV24 note that any proposals for development within the harbour car park will be required to maintain the open views from Wharf Road to the harbour and proposals for development in harbour side area must be related to the use of the harbour and must not inhibit or interfere with the efficient and safe operation of the wet and dry docks.

2.27 In relation to St. Ives, Policy TV25 notes that within the town centre the establishment of further hot food takeaway outlets would not be permitted where they would conflict with the preservation and enhancement of the character and appearance of the conservation area, the primary shopping function of the area or surrounding uses. In addition, Policy TV25 notes that where proposals for restaurants are acceptable in principle, planning permission will not be granted unless the sale of takeaway food is excluded through the use of conditions or planning obligations.

2.28 In relation to Hayle Town Centre and the harbour area, policies TVD and TVE allocate large areas of land at South Quay, North Quay, East Quay and the Foundry area for mixed use development, including retail uses.

2.29 The Penwith Core Strategy Preferred Options Document was published for consultation in February 2008. The document identified that Hayle was the town within Penwith that most requires a step change in retail provision and shopping pattern behaviour. It is identified that there is an indicative capacity for between 860 – 1,750 sq m convenience and up to 4,000sqm comparison floorspace to the period 2021. The document identifies a requirement for 14,700sqm comparison floorspace in Penzance to the period 2021 with very limited convenience need. In addition to the Core Strategy Penwith Council had also started work on the Hayle Area Action Plan (AAP) and the Penzance & Newlyn AAP, both of which went out for Issues and Options consultation in January 2008. The Hayle AAP identifies a number of potential development sites, including Hayle Harbour, Daniels Supermarket (Market Square), Perfex Works (Maddison Terrace – Beatrice Terrace), R & J Supplies (Copper Terrace), Atlantic Motors (Commercial Road/Fore Street), Marsh Lane (North), Marsh Lane (south), Loggans Moor, Jewsons (South Quay) and Bookers Warehouse (Foundry). The Penzance AAP Issues and Options document identifies a number of sites for potential retail provision, including the former Gas Holder site, Co-op Wherrytown, Bread Street and Chapel Street. None of these Penwith LDF documents are currently being progressed.

Restormel

2.30 The Restormel Local Plan, adopted in October 2001, identifies the towns of St Austell and Newquay as the primary town centres within the district. On this basis, these two settlements are the only town centres in Restormel with defined primary shopping areas and form the focus for retail development within the former borough area. Within the primary shopping areas of St Austell and Newquay (and defined district centres) the loss of ground floor retail use is controlled under Policy 57. Policy 58 of the plan allows shopping proposals within the wider development envelopes of the two primary towns provided a number of criteria are satisfied, including a sequential approach to site selection.

2.31 The Local Plan includes bespoke sections for both St Austell and Newquay, which include the following provisions:

St Austell

2.32 Policy SA12 identifies the following sites for small-scale shopping development:

- Part of the Priory car park
- Car park next to Market House, North Street
- Top of car park adjacent to Vicarage Place.

2.33 Policy SA13 identifies the land between Beech Road, East Hill and High Cross Street for mixed use development including retail, office, leisure and housing. Policy SA14 promotes proposals for upgrading, refurbishment, redevelopment and/or environmental improvements of Aylmer Square and 2 Victoria Place/9 Church Street. The former Aylmer Square area has recently been redeveloped to provide the White River Place shopping centre. Policy SA16 promotes proposals for an open air market in the town centre. Policy SA17 permits small kiosks on pedestrianised areas of Fore Street, Market Street, Aylmer Square, Vicarage Place and the link via Biddicks Court to the Priory car park. Policy SA24 allocates land to the west of Pentewan Road for long stay car parking and for a park and ride scheme in the long-term.

Newquay

2.34 Policy N13 of the Plan permits a mixed use of art/craft workshops, retail outlets, residential and offices on land at Wesley Yard. Policy N14 permits redevelopment proposals that are in accordance with general policy 6 (Development and Design Principles) at:

- Station Parade/Oakleigh Terrace
- Rear of Morfa Hall
- East Street
- East Street Bus Station.

2.35 Policy N15(1) identifies 1.2ha of land off Trevenson Road as a proposed local centre which should include a small supermarket to serve growth in the eastern area of Newquay. Policy N15(2) identifies mixed use areas on land adjacent to the local centre (1.55ha) and land to the East of Trencreek Village (0.39ha). Policy N16 identifies 2.8ha of land bounded by Manor Road, Marcus Hill and Mount Wise for redevelopment for shopping, commercial leisure and community uses subject to meeting listed criteria.

2.36 The Newquay Surf Capital Steering Group Partnership (which included Restormel Borough Council) produced a Newquay Action Framework document in 2005 which was produced to inform the production of a Newquay Area Action Plan (which has not been progressed). This document identified a number of retail allocations in the centre, many as part of mixed use schemes. Whilst the Newquay Area Action Plan was withdrawn, the Framework still provides an insight into RBC's aspirations for development in Newquay. The Framework included the identification of the following allocations:

- Newquay Train Station, Tolcarne Road side – mixed use scheme incorporating convenience retail floorspace
- Manor Road, Mount Wise, St George's Road (also allocated under Policy N16 of Local Plan) – Mixed use scheme including 7,500 – 9,500 sq m retail floorspace.
- Former Newquay Bus Station, East Street (also Local Plan Policy N14 and subject of an adopted development brief) – identified for mixed use including retail
- Treloggan Road – 3.7ha of land identified for mixed use commercial development which could incorporate approximately 4,500 sq m non-food retail. This site is identified in the Local Plan under Policy N10 for employment development.

Caradon

2.37 The Caradon District Local Plan First Alteration was adopted in August 2007 and sets the spatial policy for the former Caradon District. The Plan does not define a settlement retail hierarchy and instead lists general retail polices that are applicable across the district. Policy ALT6 of the Plan sets the policy stance for large scale retail development, which includes a sequential approach to site selection, where the preference is for town centre and edge-of-centre sites before out-of-centre sites will be considered. Policy ALT7 of the Plan seeks to protect the defined shopping cores for retail use at ground floor level unless a number of criteria can be satisfied. Policy ALT8 seeks to control the provision of food and drink premises within the town centre.

2.38 Policy LO1 identifies 2.2ha of land in the Polean area of Looe for mixed use development including retail, commercial and tourism development. There are no further retail allocations identified within the plan.

Carrick

2.39 The Carrick District Local Plan was adopted in April 1998, and a number of policies from this document were "saved" by the Secretary of State in September 2007. The spatial shopping strategy for the District is to consolidate the central shopping areas (CSA) of Falmouth, Penryn and Truro. Policy 7A of the Plan seeks to concentrate retail provision within the CSA of these towns; significant development proposals outside of these areas should be able to demonstrate a sequential approach to site selection and that there is no adverse impact on the vitality and viability of the CSA. It is identified under policy 7A that within Truro, no further retail uses will be allowed to front onto the Inner Circuit Road or Morlaix Avenue in the interest of road safety and accessibility.

2.40 Paragraph 7.5 identifies Falmouth and Truro to be the two main shopping centres in the district, Truro being the larger of the two. The Local Plan identifies three areas within Falmouth considered suitable for redevelopment for retail/commercial purposes, namely:

- Webber Street, Falmouth
- The Quarry / Ex-Riders Garage, Falmouth
- Church Street Car park, Falmouth.

2.41 Policy 7B identifies the policy stance for these three areas, identifying suitable uses to fall within use class A1, A2, A3, B1 and D2. Any proposals are also subject to meeting criteria listed under policy 7B. Policy 7C permits the provision of an open air market at the Moor, Falmouth, subject to appropriate traffic management measures and satisfying further criteria.

2.42 Policy 7D of the Plan identifies five sites within Truro town centre that are considered to be suitable for increasing/improving Truro's retail offer. These sites are: land bounded by Lemon Street, St Nicholas Street and Boscawen Street; Lemon Quay; Pydar Street; Old Bridge Street car park; and, the Old Post Office. These sites are considered suitable for the provision of use class A1 and A2 development with mixed residential use and also carry site specific criteria that any proposals must satisfy.

2.43 Policy 7E of the plan seeks to restrict the level of non-retail uses within the defined primary shopping areas of Falmouth and Truro. Policy 7G identifies the plan's policy stance on the provision of supermarkets and foodstores located outside the town centres of Falmouth, Penryn and Truro. It is noted that such provision will only be permitted where the needs of the area cannot be accommodated within or adjoining the central shopping area and where the policy criteria can be satisfied. Policy 7H sets the policy stance for retail warehousing, identifying the requirement for a sequential approach to site selection and to demonstrate that there is no adverse impact on the vitality and viability of the centre, along with a number of further criteria.

2.44 Consultation was undertaken on the draft Truro and Threemilestone Area Action Plan in February 2009 (although we understand that the content of this document will now be taken forward as part of a non-statutory framework plan for the Truro area). This AAP document sets out the spatial strategy for scale and distribution of new development across the Truro and Threemilestone area. It is identified in the latest draft AAP document that Truro should accommodate a substantial scale of additional comparison goods floorspace to meet the future needs of residents and a demand from retailers to locate in the city. It is identified that the preferred option for retail is based upon an organic expansion across the city centre, allowing the centre to grow steadily and strengthen a number of locations, supporting the secondary shopping area. To achieve this approach the draft document identifies the following sites that are considered to be suitable for redevelopment for a mixture of uses including retail:

- Pannier Market site
- Bus Station site
- Garras Wharf
- Argos and Moorfield service area
- BHS building
- Co-operative building
- Part of the Pydar Street site
- Former Leats health clinic.

2.45 In addition to the proposals for the city centre, the most recent draft of the AAP identified provision to two new district centres in Truro, including one on the western side of the urban area in Threemilestone and another on the eastern side adjacent to the Cattle Market. In addition, five new local centres are also planned throughout the urban area within proposed large residential development areas.

Kerrier

2.46 The saved policies in the Cornwall Structure Plan carry most weight in the former Kerrier District area, as progress with the Kerrier District Local Plan was halted in 2004. The Kerrier District Local Plan Revised Deposit Draft (2002) is however still a material consideration in determining planning applications.

2.47 Policy S1 of this Plan permits retail proposals within the defined shopping core areas of Camborne, Redruth and Helston. Policy S2 seeks to protect ground floor retail uses within the shopping core. Policy S5 identifies the following town centre shopping development opportunities:

- Bus Depot, Camborne
- Former Cattle Market, Fair Meadow, Station Hill, Redruth
- Post Office and Sorting Office, Redruth
- Former Flowerpot Chapel, Fore Street, Redruth
- Angel Yard, Tyacke Road, Helston

2.48 Work on the Kerrier Local Development Framework was underway prior to the inception of Cornwall Council. This work included the Camborne, Pool, Illogan and Redruth Area Action Plan, which was subject to Preferred Options consultation in February 2009. The Preferred Options document identifies that there will be a requirement for the creation of 2,000 sq m convenience floorspace and 15,000 – 21,000 sq m comparison floorspace within the CPR area to the period 2026. It is identified that Camborne and Redruth town centres do not have the capacity, individually or collectively to accommodate the amount of additional floorspace (studies identify that there is physical capacity to accommodate 5-6.000 sq m within each of these town centres). Therefore the AAP preparation process outlined two alternative options for growth:

- Dispersed approach: Provide 5-6,000 sq m of floorspace to Camborne and Redruth with the remaining 6-10,000 sq m placed within Pool
- Centralised approach: Provide all of the retail growth within Pool

2.49 The preferred approach was to concentrate development in Camborne and Redruth town centres, whilst continuing to support the retail role that Pool already has. The Council proposes to allow retail development at Pool on two sites for the type of units that cannot primarily be accommodated in the town centres i.e. retail stores of 800sq m and above. These proposed allocations are at Pool Retail Park and Carn Brea Leisure Centre (pending relocation of the leisure centre).

2.50 The draft AAP proposes that there would be no restrictions to appropriate retail development within the retail shopping areas of Camborne & Redruth. To provide the best opportunities to promote further retail development within the towns, the draft AAP looked to ensure the sites recognised as the best opportunities for retail growth are encompassed within each town's primary retail area (i.e. the bus depot site in Camborne and sites along Chapel St in Redruth), which includes proposals to extend the primary retail area in Redruth to encompass elements of Chapel St.

North Cornwall

2.51 The North Cornwall Local Plan was adopted in 1999 and a number of policies from this document were 'saved' by the Secretary of State in September 2007. Paragraph 6.14 of the Local Plan identifies that there is not a dominant town within the retail hierarchy, naming six towns within the district that all serve their respective populations (Bodmin, Bude, Padstow, Launceston, Camelford and Wadebridge). Policy SAF1 permits Use Class A, B1, C3 and D within the primary shopping area of the town centres subject to satisfying the listed criteria. This policy also seeks to protect ground floor uses within the primary shopping area for retail use. Policy SAF3 controls the distribution of large scale retail development, requiring applicants to demonstrate a sequential approach to site selection in addition to satisfying a number of further criteria. Part 2 of the plan identifies site specific measures for each of the 6 main towns in the former North Cornwall District, which can be summarized as:

Bodmin

2.52 Policy BOD6 of the Plan sets the policy stance for Bodmin town centre. This includes provision a car park allocation and pedestrian priority scheme at Fore Street, along with environmental improvements on Mount Folly.

Bude

2.53 Policy BUS4 of the plan identifies the retail and town centre development strategy for Bude, which includes proposed environmental improvements in the Strand, Triangle and Belle Vue areas. There are no identified retail development sites, with the strategy aimed to consolidate the retail activity within the defined central shopping area.

Camelford

2.54 Policy CAM3 of the plan seeks to consolidate the retail activity within the defined central shopping area of Camelford.

Launceston

2.55 Policy LAU5 of the plan identifies the retail strategy for Launceston. The town acts as a service centre for its rural hinterland and due to its historic character and topography it is unable to accommodate large new developments. The strategy is to therefore consolidate its retail offer within the existing shopping core. Policy LAU5 also proposes environmental improvements on High Street and around the War Memorial.

Padstow

2.56 Policy PAD3 of the plan seeks to consolidate the retail activity within the defined central shopping area of Padstow.

Wadebridge

2.57 Policy WAD9 identifies the retail strategy for Wadebridge. It is stated that there is scope for retail development in the Eddystone Road area. The priorities are to consolidate the retail activity within the defined area. The policy also allocates the existing cattle market site and former abattoir site for car parking. Policy WAD10 allocates land between Eddystone Road and the Town Quay for a mix of residential and Use Class A1 development. Policy WAD11 allows limited provision of Use Class A1 floorspace in association with residential led development at Bradford Quay.

The Abandoned North Cornwall LDF

2.58 North Cornwall Council began work on their Local Development Framework prior to the inception of Cornwall Council. The Council consulted upon the North Cornwall Core Strategy Preferred Options document and Site Specific Allocations & Policies Preferred Options document in October 2007. These documents identified a number of town centres in Bodmin (Dennison Road/Fore Street, Fore Street South, Dennison Road (West), land west of Crinnicks Hill and land at the junction of Church Square, Turf Street and Priory Road), Wadebridge (Bradford Quay, Goldsworthy Way and Commissioners Quay).

Cornwall Local Development Framework

2.59 Cornwall Council has published their Local Development Scheme, which was approved by Cabinet on 16th December 2009. This document identifies that the Council's priority is the production of the Cornwall Core Strategy. Also included within the LDS is provision for the Truro and Threemilestone DPD and the Camborne, Pool, Illogan and Redruth Area Action Plan (CPIR AAP) although we understand that both of these documents will be taken forward as non-statutory framework plans. The LDS identifies that these are the only DPD's that are being progressed (that are of relevance to this study), although the LDS is subject to review.

2.60 The Core Strategy Issues and Options document is due for publication for consultation in the new year (2011).

3. RETAIL AND LEISURE TRENDS

Introduction

3.1 To put our assessment of the quality of existing provision and the need for additional floorspace into context, it is relevant to consider the wider economic and social trends likely to influence retailing in Cornwall. A number of trends are likely to have a bearing on the future pattern of retail provision in Cornwall, and the opportunities arising from development proposals. This section examines key trends and drivers for change in the retail industry. We outline the key national trends in retailing and service provision of relevance to Cornwall drawing from a range of published data sources, including research by Verdict Analysis and Mintel.

Demographics

3.2 Over the last 15 years UK population has increased at a rate of approximately 0.4% pa, whilst the number of households has increased by 0.5% pa, as average household size has decreased to 2.34 in 2006, with smaller families, more divorces, people living longer etc. These trends are forecast to continue and will affect spending habits, how much we spend, on what and where.

3.3 Over the next 20 years the 65 and over age group is expected to grow by 4.5m or 47% and the under 65s age group by only 8%. Older shoppers have a younger mindset than in the past, are more fashion aware and, in recent years, more financially better off as a result of general house price growth as well as income growth (but post retirement income from pensions could be a concern if they do not achieve anticipated values). Over 65s will have more time to shop, will spend more on DIY and gardening and will expect good customer service. Clearly, the economic slowdown will impact upon disposable income and pension pots with more cautious spending patterns in the immediate future.

3.4 Younger shoppers will have higher education fees to pay, will experience higher housing costs, will be more computer literate and spend more on-line, and will spend more on entertainment/leisure so they may have less to spend in the retail sector.

Income & Expenditure

3.5 Incomes and expenditure grew strongly during the last 20 years, with retail expenditure growing faster than incomes. Overall, retail expenditure has increased by about 3.9% pa in real terms over the last 20 years, with most of this growth on comparison goods rather than convenience goods, where growth has been less than 1% pa. Comparison goods growth had been close to 5.3% pa over the last 30 years, over 6% pa over the last 20 years and were even stronger over the last 10 years. However, circumstances have reversed this pattern of growth.

3.6 The extremely rapid deterioration in the economic performance during the final months of 2008 is having far-reaching implications for available income and consequently expenditure. The UK economy has contracted by a substantial 5.7% in real terms since this recession began in mid-2008. The weakness has been broad-based, with exports hit by the global downturn and domestic demand constrained by rising unemployment and poor confidence. The decline has been exaggerated by a record drawdown in stocks. The manufacturing sector has been hardest hit, reflecting the slump in global demand. Construction remains depressed by a sharp fall in housing starts and the cancellation of many projects. The key services sector has also contracted, but at a gentler pace.

3.7 Household spending fell in real terms by 3.2% in the four quarters to 2009q1. The pace of decline accelerated from -0.4% in 2008q2 to -1.3% in 2009q1 as higher unemployment and slow growth in earnings hit spending. Experian estimate that spending fell a further 1% in the second quarter, taking the decline since the recession began to 4.2%.

3.8 Consumer expenditure on retail goods has been more resilient than total spending. The latest official retail sales data show spending in volume terms up 1.3% in the three months to June 2009. Experian believe this divergence between total consumer spending and retail expenditure reflects three major factors:

- consumers have cut back on big ticket items such as expensive holidays, household goods and cars, but continue to spend on other items
- huge discounting has kept volumes up
- there has been a transfer of spending from services (hospitality, personal care and entertainment) to retail spending on items enabling these activities to be carried on in the home.

3.9 The cost to retailers' margins from discounting and the transfer of spending from service providers in the high street has been a factor underlying the substantial rise from 7% to 11.5% over the past year in the number of vacant shops, according to Experian data. Some of the largest failures have been in the bulky goods sector, which has suffered from the downturn in the housing market. Lack of working capital as a result of the credit crunch has also played a key role.

3.10 The recession has been severe, but is entering a milder phase. Business surveys have improved, with the services purchasing managers index (PMI) (i.e. measuring consumer spending patterns, retail sales and performance against key targets etc) even moving into growth territory in Spring 2009 and continue to slow limited growth. Recent evidence from the mortgage market also suggests that the ferocity of the downturn may be abating. However it is too early to confirm whether this improvement will be sustained while unemployment is rising and lending remains constrained.

3.11 Experian expect the economy to stabilise in the short term, stemming from an end to heavy destocking (i.e. reducing the amount of stock held); a reduction in the rate of decline in house prices; a more marked revival of lending to businesses and a modest pick-up in export demand.

3.12 The upturn when it develops throughout 2011-2012 will be gradual and patchy as investment and household spending remain weak and the global economy revives only slowly. In year-on-year terms, the implication is that consumer spending will shrink by 3.5% in 2009 and contract by a further 0.6% in 2010.

Medium-Term Outlook

3.13 The medium-term outlook is for much slower growth than was seen during the past 10-15 years. Experian expect GDP growth to average 2.0% a year in 2011-16 and consumer spending to average 2.2%. These rates compare with an annual average of near 3% in 1995-2007 for GDP and 3.2% for consumer spending.

3.14 The key reasons for this marked deceleration are:

- Government finances have deteriorated sharply. Recessions cut tax receipts and benefit payments rise. Bank bail-outs have exacerbated the fiscal deficit. Finances will remain under pressure even when the economy recovers, as an increasing number move into retirement, raising payments and reducing tax and National Insurance receipts. It is estimated that the government will have to find £40bn a year in the medium term through spending constraints and higher taxes. This will weigh down on consumer spending.

- The sharp reduction in investment (down 13% in the year to 2009q1) and cancellation or postponement of plans will inevitably depress medium-term growth prospects in many parts of the UK economy.
- There will be no boost on the scale of what was seen in the past decade from consumer credit. The banking sector will be more cautious and households' appetite for taking on credit will be less voracious as they seek to control their debts which are at historically high levels in relation to incomes. Moreover, savings are likely to be higher than in the past decade as job insecurity continues against backdrop of high unemployment and weak growth.
- The main engines of growth in the past decade – financial and business services and the housing market - will be less buoyant. London's financial services sector will be more tightly regulated and under pressure from centres in the Middle and Far East; a more subdued housing market will curb lending and real estate; and the now mature business services sector will not be able to repeat its 7.9% annual rate of expansion of 1995-2007.
- Public spending - a key creator of jobs in the past decade – will be severely constrained. This will prevent unemployment falling as rapidly as in the aftermath of the recession of the early 1990s.

Long-Term Outlook

3.15 While the economy may return to a stronger growth path in the second half of the next decade, Experian do not believe that it will repeat the exceptional performance of the period 1995-2007 as some of the issues constraining the medium-term outlook remain unresolved. Environmental factors including much higher energy costs will also constrain growth. Experian forecast GDP growth between 2016 and 2026 to average 2.4% a year.

3.16 Non-store retail sales, excluding e-tailing, are expected to decline over the next ten years, but this will be more than offset by the growth of e-tailing, resulting in overall growth in non-store sales in absolute and percentage terms. Total non-store convenience retail sales (including e-tailing) are expected to increase from 2.5% of sales in 2006 to 4.8% in 2013, rising to 6% in 2026, whilst total comparison non-store retail sales are expected to increase from 6.8% in 2006 to around 9.1% in 2013, before stabilising.

3.17 The impact of growth in e-retailing on future demands for retail floorspace is an important consideration and has been factored into the forecasts set out later in this report. Factors such as the processing of online grocery orders by retailers such as Tesco and Sainsburys in local stores, and the potential use of shops as showrooms and/or collection points may mean that the growth in Internet sales will not necessarily lead to an equivalent reduction in floorspace requirements. However, Tesco has recently announced that it is to trial ‘dark stores’ which have no customer access and are simply used for picking internet deliveries.

3.18 According to Verdict, as customers become more concerned about the economic outlook, they are becoming more selective in their purchasing habits. With rising living costs, disposable incomes are being squeezed, and as a result customers are shopping around more to find the best possible value. Increasingly retailers are finding it harder to please customers, and across all sectors, retailers are converting fewer customers into main users and shoppers are less loyal to their main stores.

Sales Efficiency

3.19 In undertaking retail capacity and impact assessments it is generally accepted that an allowance should be made for growth in the turnover ‘efficiency’ (or ‘productivity’) of existing retail floorspace to reflect what has happened in the past about retailers’ ability to achieve productivity increases. Such an allowance also helps maintain the vitality and viability of town centre businesses.

3.20 This growth represents the ability of retailers to increase their productivity and absorb higher than inflation increases in their costs (such as rents, rates and service charges) by increasing their average sales densities. The application of a turnover ‘efficiency’ growth rate is a standard approach used in retail planning studies.

3.21 Although hard quantitative evidence is limited, comparison businesses in particular have, over time, increased sales densities by achieving improvements in productivity in the use of floorspace. Analysis of past data is difficult as over the last 20 years sales densities increases have been affected by changes in the use of retail floorspace, with higher value space-efficient electrical goods replacing lower value space intensive goods, the growth in out-of-centre retailing, a number of one-off events like Sunday Trading and longer opening hours, and the very strong growth of retail expenditure relative to the growth in floorspace.

3.22 Evidently, in the current economic climate many retailers have struggled to increase or even maintain sales density levels and, together with other financial problems, have led retailers into closure, such as Woolworths and Adams. With the expectation of weaker expenditure growth in the future than over the last 10 years, sales density growth is likely to be towards the bottom end of the range. Therefore, we are now incorporating a 1.3% efficiency rate for comparison retailing up to 2016 and 2% pa thereafter and a 0.1% efficiency rate for convenience retailing up to 2016 and 0.5% pa thereafter.

Employment

3.23 Over the last 20 years retail expenditure has increased at about 4% pa, but retail employment has increased much more slowly. Total employees in retail employment have increased from 2.2 million to 3.0 million, an increase of 1.5% pa. However, this growth has been in part time employees. Full time equivalent (FTE) employment has hardly increased at all, from about 2.1 million to 2.2 million, a 0.4% pa increase.

3.24 Over the next 15 years Experian Business Strategies expect a marginal increase in FTE employment in the retail sector with a slightly higher increase in part time employment. Evidently, this needs to be monitored in the forthcoming years based on the slow down in the economy and corresponding growing levels of unemployment with significant consequences for available retail expenditure and retail sector employment positions.

Location

3.25 Strong income and expenditure growth has affected retailing in another important way – the rise in car ownership and mobility. In 1961 only 30% of households had a car (one or more cars) but only 2% of these had more than one car. With public transport (and walking and cycling) the dominant mode of transport, shopping choices were limited and distances travelled were short. By 1970 car ownership had increased significantly so that nearly 50% of households had one or more cars and the number of households with two or more cars had quadrupled but was still under 10%.

3.26 Currently about 77% of households have one or more cars and a third of households have two or more cars, a huge increase in mobility over the last 30-40 years. Households are now much more mobile than they were and therefore their choices of where to shop and the distances they can travel are much greater. These trends will continue but the rate of change may well diminish, particularly in light of the economic slow-down. It would seem likely, however, that levels of mobility will be retained although frequency of travel may decline as the number of cars per household may fall in the economic downturn. This may increase the demand for other modes of travel.

3.27 Increased mobility and affluence has favoured larger centres over smaller centres. As a result larger centres have increased in size and importance relative to smaller centres which has further reinforced the attraction of larger centres to more mobile shoppers. Smaller centres have, therefore, lost market share and have seen much less new development than the overall rate of expenditure growth would imply.

3.28 Increased mobility and affluence has also stimulated out-of-centre development, which has grown much more rapidly than town centre development. Over the last 20 years the majority of retail development has been in edge or out-of-centre locations. This has led to increasingly restrictive planning policy in favour of town centres over the last 10 years, but only recently has the growth in out-of-centre development started to slow. This slow down is expected to continue, but Verdict still expect sales at out-of-centre locations to increase at a faster rate than at in-centre locations.

3.29 The new PPS4 (like the previous PPS6) reinforces town centre first objectives and the sequential site test is still a cornerstone of retail planning policy, favouring town centre sites and necessitating consideration of the disaggregation of retail park proposals so that smaller sites are considered. However, it is also recognised that individual retailers' business models are also relevant.

3.30 In May 2006 the Office of Fair Trading (OFT) referred the supply of groceries by retailers in the UK to the Competition Commission (CC) for investigation under Section 131 of the Enterprise Act 2002. The CC published its findings in April 2008 and reported that "in many respects, competition in the UK groceries industry is effective and delivers good outcomes for consumers, but not all is well". The two main areas of concern highlighted were:

1) *that a number of grocery retailers have strong positions in several local markets. Barriers faced by competing retailers that could otherwise enter these markets mean that consumers get a poorer retail offer than would otherwise be the case, while those `grocery retailers with strong local market positions earn additional profits due to weak competition in those markets, and*

2) *the transfer of risk and unexpected costs by grocery retailers to their suppliers through various supply chain practices if unchecked will have an adverse effect on investment and innovation on the supply chain and therefore, on consumers.*

3.31 A number of steps to address the problems were posed including the recommendation of the introduction of a competition test as part of the planning process for new stores, to favour new retailers other than those which already have significant market shares in an area. This recommendation has been subject to a successful legal challenge by Tesco and a new version of the competition test was published in October 2009. The updated recommended test (2009) would be applied to all grocery retail planning applications (extensions and new stores) that resulted in stores with a net sales area of over 1,000sq m and the Office of Fair Trading would be become a statutory consultee to the LPA and would advise it whether a planning application passed or failed the competition test. The test is as follows:

The OFT would:

(a) assess concentration across an area defined using a 10-minute drive-time isochrone (calculated using a standard, readily available software package) around the store that is to be developed;

(b) count the number of fascias (including that of the retailer that might operate the developed store) operating stores with net sales area of over 1,000 sq metres within the isochrone. The fascias would include all full-range grocery store operators;

(c) (Where the number of fascias is three or fewer) calculate the share of groceries sales area within the isochrone that the grocery retailer operating the developed store would have after the development had been implemented; and

(d) provide advice to the LPA on:

(i) whether the applicant, being a large grocery retailer, had passed or failed the Test; or

(ii) where a planning application was submitted by a third party, which grocery retailers would fail the Test.

A retailer would pass the Test for a development within a particular local area (i.e. within a 10-minute isochrone around the development) if:

(a) it was a new entrant in the local area;

(b) the total number of fascias in the local area was four or more; or

(c) the total number of fascias was three or fewer but the grocery retailer operating the development would have less than 60 per cent of groceries sales area in the local area.

A retailer would fail the Test if:

(a) the grocery retailer was not a new entrant in the local area;

(b) the total number of fascias in the local area was three or fewer; and

(c) *the retailer would have 60 per cent or more of groceries sales area (including the new development) in the local*

A development that did not result in an increase in groceries sales area would still be subject to the Test, since planning conditions would be required to prevent an increase in groceries sales area in the future, but would pass it automatically.

In order to ensure the effective working of the Test, the OFT also recommend that:

(a) *the Department of Communities and Local Government (CLG) and the devolved administrations took such steps as were necessary (including changes to planning policy) to ensure that when an LPA gave open A1 planning permission (which would allow any type of retail development), it should limit the grocery sales area in the development to less than 1,000 sq metres (as an anti-avoidance provision); and*

(b) *CLG and the devolved administrations took such steps as were necessary to ensure that LPAs should take account of the OFT's advice on the result of the Test and should only approve applications that failed the Test in exceptional circumstances:*

(i) *the particular development would produce identified benefits for the local area that would clearly outweigh the detriment to local people from the area becoming or remaining highly concentrated in terms of grocery retailing; and*

(ii) *the development, or any similar development, would not take place without the involvement of a large grocery retailer that had failed the Test.*

3.32 Recommendations were also made by the Competition Commission to try and prevent retailers using the control of land sites in highly concentrated markets as a means of inhibiting entry by competing retailers. These steps would have implications on the potential new locations that some retailers could look to develop within.

Size of Units

3.33 The growth of multiple traders and increased competition between companies has meant that the retail structure is increasingly dominated by large companies requiring larger shop units. Shopping centres and out-of-centre development that has been able to accommodate this demand for larger sized units (typically 500-2,000 sq m or larger) have grown in importance, reinforcing the trend of higher order centres and out-of-centre retailing growing in relative importance (i.e. polarisation in the retail hierarchy).

3.34 The growth in the size of stores has caused a contraction in the number of shop units and consumer choice. This is particularly evident in the food sector, with a marked decline in the number of smaller and more specialist food retailers (greengrocers, butchers, fishmongers, bakers etc), and a large increase of superstores. This is indicated by Verdict Research which shows a 31% reduction in the total number of convenience stores over the last 10 years, as space is concentrated into a smaller number of larger stores.

3.35 Whilst the number of superstores (>25,000 sq ft) has increased by 37%, food specialists and off licences/tobacconists have declined by 35% and 57% respectively. These trends may well weaken in the future due to possible market saturation of large foodstores and concerns over lack of competition due to the market dominance of a few key multiples.

Foodstores

3.36 A by-product of the restriction of new development of large foodstores is the growth in applications to extend existing stores and the changing composition of floorspace within existing foodstores. There is an increasing emphasis on the sale of comparison goods at the expense of convenience goods, as expenditure growth rates for comparison goods are much higher than for convenience goods and margins are greater, although sales densities are often lower. This trend poses an increasing threat to smaller centres, as larger foodstores will increasingly sell a wider product range of day-to-day convenience and comparison goods and services. According to Verdict, non-food floorspace in the larger format stores of the top 4 grocers now accounts for between 28% of the Morrisons store sales area portfolio and 50% of the Asda store sales area portfolio.

Shopping & Leisure

3.37 Due to increased affluence and mobility, and the rise of the internet, shoppers no longer merely shop to satisfy ‘needs’, they increasingly shop to satisfy ‘wants’ as well. Retailing in the higher order centres and the more attractive smaller centres is changing and arguably becoming more of a quasi leisure experience. Leisure spending growth is continuing to outstrip that of retail, and despite the economic slowdown, at the moment consumers seem to be willing to continue spending on leisure.

3.38 Quality restaurants, coffee shops, cafes and bars, as well as health and fitness centres and multiplexes in larger centres, are therefore important to attract shoppers and encourage longer stays and higher spending. Better integration of retail and leisure facilities mutually benefits both sectors. Pedestrianised streets and covered retail areas are also important in attracting shoppers, as is the overall attractiveness of the town centre, along with good accessibility and car parking.

3.39 A number of factors have helped drive the growth of leisure provision in town centres. Planning policy is important as is the fact that urban living is fashionable. Town centres can offer consumers a much more vibrant atmosphere in which to eat and drink and they also offer a much wider choice of leisure venues, allowing more spontaneous decisions. For bars, restaurants and health & fitness clubs, the attraction of the town centre is 'daytime trade' and the ability to capitalise on proximity to businesses and shoppers.

Internet Shopping/E-Tailing

3.40 Online spending is growing at its fastest rate for six years, driven by convenience and low prices, and so far e-retailing is showing no signs of being affected by the recent economic downturn. According to Verdict (2008), the e-retail market grew by 35% between 2006 and 2007, which is considerably higher than the 3.6% growth in the total retail market, and e-retail is expected to continue outperforming the total retail sector over the next five years.

3.41 Worth £14.7bn in 2007, the online market is becoming an increasingly important contributor to retail, accounting for 5.2% of all retail sales, (up from 3.8% in 2006). Verdict's research found that almost 66% of UK households now have access to the Internet, with 55.5% having broadband access, which is making online shopping easier, faster and more reliable. As technology continues to improve, it will fuel further growth in the market. Overall the internet shopper population is forecast to grow by approximately 50% between 2007 and 2012.

3.42 The online market is dominated by the electrical and food & grocery sub-sectors, which between them account for around half of all sales. The food & grocery sub-sector, with rapid growth of 39.5% in 2007 is expected to overtake electricals in the top spot. Online clothing and footwear sales grew 38% during 2007, and with sales of £1.7bn, clothing & footwear is the UK's third largest online market.

3.43 Books are one of the online market's most mature sectors – having been present in the online arena for over a decade. The category came to prominence by Amazon back in 1995, culminating today in approximately £1 in every £7 spent on the category going through online. In 2007, the online book market grew by 15% to £504m, although was the lowest growth for four years indicative of the approaching maturity of the market. The effects of on-line book sales were felt in late 2009 with the fall of Borders UK into administration. A number of potential developments regarding books are on the horizon which have the potential to alter the dynamics of the sector, notably the digitisation of books. The immediate impact of this development in the short term is limited, although should give traditional book retailers 'food for thought' regarding the creation of their long term strategies.

3.44 Although only accounting for a very small share of online spending, the market which saw the most dramatic online growth in 2007 was furniture and floor coverings, growing by 41% from £0.4bn to £0.7bn, despite the slowdown in the sector overall, with Ikea's launch of a transactional website being sited as one of the drivers of growth. The music & video sector continues to have the overall highest online market penetration at 30.8% of total sector sales, and this is forecast to double by 2012, which could have implications for physical store requirements.

3.45 As a consequence of this growth, there are huge pressures on retailers as the Internet has provided an attractive alternative for many consumers. Shoppers are selecting their own retail mix online and shopping centres need to compete with this choice, which is not only driven by price and range, but also service and expertise. Town centres will increasingly have to provide a retail experience that the Internet and supermarkets are unable to match, and the market will respond in some way to the varying impacts on different retail sectors. In accordance with national policy, the emphasis should be on the overall town centre experience, the mix of uses, and not just the retail offer.

Summary

- Incomes and expenditure have shown strong growth over the last 20 years, with retail expenditure growing faster than incomes. This has seen corresponding increases in sales densities within existing retail floorspace, which has also been driven by factors such as high value space efficiency and longer opening hours. Crucially, for CC the current economic slow down will have an impact on the retail sector and growth forecasts will need to reflect recent publications from Experian Business Strategies.
- Heightened mobility through increased car ownership, alongside growth in affluence, has favoured larger centres over smaller centres. Shoppers are more willing to travel further a field to higher order centres which have increased in size and importance relative to smaller centres, leading to a consequent fall in their market share.
- The composition of town centres has changed through new development, with a growing number of companies requiring larger shop units to meet their shop format ratios. This has again favoured the larger centres which generally have the space to meet such requirements and are able to accommodate this demand. This is particular noticeable in the convenience sector, which has seen a 37% increase in food superstores, but a 31% fall

in total number of convenience stores over the last 10 years. This has led to current concerns in respect of lack of competition and market dominance.

- Leisure spending growth is continuing to outstrip that of retail, and despite the economic slowdown, at the moment consumers seem to be willing to continue spending on leisure – although this may change in the coming months. Nevertheless, the mix of uses in a town centre is vital to offer choice to shoppers, and quality restaurants, coffee shops, cafes, bars and other leisure facilities are all important to encourage frequency of visit and longer stay times.
- As competition from the internet increases, town centres need to offer a quality destination where people want to spend time and gain access to facilities not available on the web. There has been a continued polarisation towards larger centres and the provision of larger stores in these larger centres. Where smaller centres have been unable to diversify their offer or create niche markets and a mix of retail, leisure and service facilities they have suffered.

4. ASSESSMENT OF TOWN CENTRES

Introduction

4.1 This section provides an assessment of the health of the main town centres in Cornwall, including a review of the vitality and viability of each centre against the health check indicators outlined in PPS4. In addition, this section also provides an overview of the scale and type of out-of-centre retail provision in each settlement.

4.2 Part 4 of the Practice Guidance accompanying PPS4 refers to the development of town centre strategies. Such strategies need to be based on sound evidence which should include an audit of existing centres, to identify their current role, their vitality and viability, and their potential to accommodate new development and/or change having regard to identified needs. Town centre health checks provide the opportunity to consider a centre's performance over time, in relation to national trends and to similar sized centres elsewhere. For the purposes of this study, the following centres have been subject to a detailed health check assessment:

- Truro
- Bude
- St Ives
- Penzance
- Camborne
- Redruth
- Liskeard
- Newquay
- Falmouth
- Helston
- St Austell
- Launceston
- Saltash
- Hayle

- Wadebridge
- Bodmin

4.3 In addition to the main centres, our health check assessment also includes a broad review of the health and land use characteristics of a number of smaller centres across Cornwall. These centres are Padstow, Camelford, Callington, Looe, St Columb Major, St Just and Fowey and data/analysis in relation to town centre land use composition, accessibility, retailer representation and environmental quality is provided for each centre.

4.4 Measurement of vitality and viability of town centre health is achieved through a basket of tried and tested indicators. The information gathered for town centres is useful not only to inform the review of allocations and policies, but is also useful for assessing the likely impact of retail development proposals. The indicators which have been reviewed for each of the centres are:

- diversity of main town centre uses (by number type and amount of floorspace);
- the amount of retail, leisure and office floorspace in edge-of-centre and out-of-centre locations;
- the potential capacity for growth or change of centres in network;
- retailer representation and intentions to change representation;
- shopping rents;
- proportion of vacant street level property;
- commercial yields on non-domestic property;
- pedestrian flows (footfall);
- accessibility;
- customer and residents' views and behaviour;
- perception of safety and crime; and
- state of the town centre environment quality.

4.5 Information on the indictors of town centre health listed above has been gathered from a number of sources, including Cornwall Council, the Institute of Grocery Distribution (IGD), Experian Goad, the Valuation Office, and the Focus Database. This information has been supplemented by land use surveys undertaken by GVA Grimley during Autumn/Winter 2009, supplemented by additional surveys for some centres in 2010.

4.6 Land use information for each of the centres surveyed is presented in a consistent format, comprising convenience (food) and comparison (non-food) retail uses, service uses (e.g. banks, building societies, restaurants/cafes etc), miscellaneous uses (e.g. Post Offices) and vacancies. The updated GVA Grimley land use data from Autumn/Winter 2009 is compared against the previous Experian Goad survey data and the proportions of uses within each of the above categories is also compared against the national average and an average of all centres surveyed in Cornwall.

4.7 It should be noted that due to the size and function of some of the centres, it is not possible to gather information on a number of the indictors, particularly retail rents and commercial yields.

4.8 In addition, the results of the Cornwall Shopping Survey, conducted by NEMS Market Research in 2008, also offers an important contribution to the assessment of town centre health. Part of this survey has been designed to elicit qualitative aspects of retail provision, including:

- Which centres are considered main shopping centres;
- Perceived positive attributes of each town centre;
- Perceived negative attributes of each town centre; and
- Potential improvements which would encourage people to visit the town centres more often.

4.9 In addition, a review of retailer requirements for representation in the main centres has also been undertaken. This sought to identify retailer interest in the main Cornish town centres and is documented in relation to each of the main settlements later in this section. It should be noted that due to the preparation time for this study and also the changing economic climate, retailer requirements were first surveyed in Winter 2009/2010 and also again in October 2010. It will be noted throughout this section that, due to the economic climate, the number of retailer requirements, particularly in the non-food retail sector, has reduced significantly since 2007 levels and has continue to fall during the course of this study. This is an indication of the current poor performance of the retail sector and but should only be taken as a snap shot of the current market and care will need to be taken when comparing the current level of requirements against the longer term capacity forecasts. Indeed, only published requirements are highlighted in this survey and there may be requirements from other retailers and service providers which will come to light as and when new floorspace becomes available.

4.10 Whilst non-food and service requirements have fallen in recent years, the remains significant interest from national grocery retailers for additional stores/floorspace in Cornwall. Interest in relation to particular towns is recorded later in this section.

The Sub-Regional Retail Hierarchy

The Existing Position

4.11 A useful starting point for the review of the health and performance of the main centres in Cornwall is an overview and comparison of their size and general ranking. Such an exercise can help to set the context for the sub-regional in Cornwall and how it relates to surrounding large settlements in Devon.

4.12 Table A below shows the level of total floorspace in the main settlements in Cornwall. The table below also provides a VenueScore ranking for each centre for 2007 and 2010. The VenueScore database ranks individual centres based on a 'basket' of retailer representation and floorspace information, to enable a comparison to be drawn between the performance of different centres and over time. In addition, Table A also includes floorspace information and the ranking of Plymouth and Exeter, in order that a comparison can be made between Cornish centres and those across the wider sub-region.

Table A: Sub-Regional Shopping Hierarchy

Tier/Centre	Total Floorspace (GOAD) (sq m gross)	VenueScore Ranking 2007	VenueScore Ranking 2010
Penzance	45,885	383	373
St Ives	17,503	1383	1247
Truro	76,984	135	147
Falmouth	37,068	392	366
Camborne	31,020	644	650
Helston	27,323	782	868
Pool	-	858	936
Redruth	22,919	1231	1247
Bodmin	22,120	590	747
Launceston	15,701	782	1192
Bude	21,033	1304	1452
Newquay	39,874	543	558
St Austell	37,586[1]	543	481
Plymouth	141,463	18	28
Exeter	117,773	37	29

Source: Goad & VenueScore.
St Austell floorspace figure is a GVA estimate

4.13 Table A indicates that within Cornwall, Truro is the largest centre, in terms of retail floorspace, in Cornwall by some considerable margin. It has 77,000sq m of retail space, compared with 46,000sq m in Penzance, 37,000sq m in Falmouth and 40,000sq m in Newquay. Truro also has a significantly higher Venue Score ranking that any other Cornish centre, and is currently ranked 147th in the country. The next highest Cornish centres are Falmouth (366th), Penzance (373rd) and St Austell (481st). Since 2007, the following centres have improved their national ranking: Falmouth, St Ives, Falmouth and St Austell. The ranking of Bodmin, Helston and Launceston has noticeably decreased over the period 2007-2010.

4.14 It is also useful to compare the size and ranking of Truro with Plymouth and Exeter in Devon. Both centres have a similar VenueScore ranking (28th-29th), which are considerably higher than Truro (147th), although this is unsurprising in the context of the size of these centres which are between 50% and 100% larger than the size of Truro. In recent years, both Exeter and Plymouth have benefitted from large scale city centre retail development. In Exeter, the Princesshay shopping centre opening in 2007 and comprises 49,000sq m gross of total floorspace. The Drakes Circus shopping centre in Plymouth opened in 2006 and extends to 60,000sq m gross retail floorspace.

Truro City Centre

Structure of the Town Centre

4.15 Truro is situated western Cornwall and is the largest retail centre in County. It is also a major employment location. However, in terms of its overall size, it is only the fifth largest settlement in Cornwall. The city is particularly noted for its cathedral, cobbled streets and Georgian architecture. The population of the city (including the wider urban area) is approximately 20,920 (2001 Census). Truro is located approximately 6 miles form the A30 trunk road with connections to Redruth, Liskeard, Falmouth and Penryn via the local road network. The city is served by bus services operating from the main bus depot near to Lemon Quay and also benefits from a Park and Ride scheme operated from Threemilestone which became operational in August 2008. The railway station is within walking distance of the city centre and provides a direct connect to London Paddington, Plymouth and Exeter. The nearest airport is located at Newquay, approximately 12 miles to the north of Truro.

4.16 The city is a strategic hub for Cornwall and is the main shopping and service centre for Cornwall. There are multiple retailers, supermarkets and local shops. Major employers in the city include the Royal Cornwall Hospital, Cornwall Council and Truro College.

4.17 Until a LDF for Cornwall is adopted, the saved policies from the Carrick District Wide Local Plan (1998) are still a material planning consideration. It has also been intended to develop an Area Action Plan for the Truro area however, due to the Government revoking the South West Regional Spatial Strategy, the Council was unable to finalise the AAP. However the consultation and evidence base developed during the development of the AAP will instead it will be reviewed and, where appropriate, used in the development of a Town Framework. The adopted Local Plan identifies a Central Shopping Area and also Prime Shopping Frontage. The Central Shopping Area encompasses Kenwyn Street, Victoria Square, Boscawen Street, River Street, The Leats, Pydar Street, King Street, Lemon Quay, Green Street, Prince's Street, New Bridge Street, Old Bridge Street, land to the east of Morlaix Avenue and St Mary's Street. The Primary Shopping Frontage is along Victoria Square, Boscawen Street, King Street and Pydar Street.

4.18 Also within the adopted Local Plan, a number of areas in and around the Central Shopping Area are allocated for redevelopment including a mix of retail, office and residential uses (Policy 7D):

- Land to the rear of Lemon Street / St Nicholas Street, and Boscawen Street;
- Land to the rear of Pydar Street and St Clement Street, including the site of existing District Council Offices (to include 50 residential units);
- Lemon Quay; and
- Old Bridge Street car park.

Diversity of Uses

4.19 Information on the diversity of uses within the city centre boundary has been obtained from Experian Goad. The most recent Goad survey of the city centre was undertaken in 2008 and a further update by GVA Grimley in November 2009. A copy of the updated Goad Plan is contained at Appendix B. This information indicates composition of the centre is as follows:

Table B: Retail Composition of Truro town centre, 2008-2009

Sector	2008		2009		Selected Cornwall Average %	UK Average (2008) %
	No	%	No	%		
Convenience	23	5.88	23	5.78	10.10	9.53
Comparison	224	57.29	227	57.04	48.57	43.23
Service	101	25.83	116	29.15	31.59	33.97
Vacant	36	9.21	24	6.03	10.14	12.03
Miscellaneous	7	1.79	8	2.01	0.68	1.24
Total	391	100	398	100	100	100

Source: Experian GOAD and GVA Grimley. Figures may not add due to rounding

4.20 The above analysis indicates that convenience uses within Truro city centre have remained static between 2008-2009, occupying 23 units. Convenience units occupy just under 6% of all units in the centre, which is well below the national and Cornish averages. Between 2008-2009, the number of units occupied by comparison uses increased slightly to 227 units. This represents a 57% of all retail units in the city centre and is well above the Cornwall and national average levels.

4.21 Between 2008-2009, the number of units occupied by service uses increased from 101 to 116. This represents an increase in the proportion of services from 26% to 28%, bringing the proportion of service uses closer to the (albeit still slightly below) the national and Cornish averages.

4.22 Table C below expresses the diversity of retail uses in the city centre in terms of the floorspace they occupy.

Table C: Retail Floorspace Composition of Truro town centre, 2008-2009

Sector	2008		2009		Selected Cornwall Average %	UK Average (2008) %
	Sq m	%	Sq m	%		
Convenience	9783	13.1	9792	13.1	15.3	17.4
Comparison	47455	63.6	47464	63.3	51.8	49.1
Service	12933	17.3	14103	18.8	24.0	22.0
Vacant	3660	4.9	2610	3.5	4.9	10.5
Miscellaneous	827	1.1	994	1.3	1.1	1.0
Total	74658	100	74963	100	100	100

Source: Experian GOAD and GVA Grimley. Figures may not add due to rounding

4.23 The above floorspace figures indicate that there has been very little change in the total quantum of floorspace occupied by convenience and comparison retail uses. Convenience retail uses occupy around 13% of all retail floorspace within the city centre, which is below the national and Cornish average levels. Comparison retail floorspace extends to 63% of all retail floorspace, which is well above the Cornish (52%) and national (39%) average levels. Between 2008-2009, the level of floorspace occupied by services uses grew from 12,900sq m gross to 14,100sq m gross. Service uses now occupy around 19% of all retail floorspace in the city centre, which is below the national / Cornish average levels.

4.24 Having regard to other non-retail uses in the city centre, the following are present:

- Cornwall Council offices adjacent to Pydar Street (Carrick House) and St Clement Street (Circuit House), with further Government buildings to the west of Pydar Street (Pydar House)
- Truro Cathedral lies to the north of Boscawen Street and to the east of Pydar Street.
- Truro City Hall, which includes the Hall for Cornwall and a tourist information centre, lies on the southern edge of Boscawen Street.
- There are a number of residential uses to the north of Quay Street, at Lowen Court, Enys Quay and also to the north of the River Allen.
- The Royal Cornwall Museum lies on River Street, in the eastern part of the centre.
- There is a cinema (The Plaza) located on Lemon Street. It has 4 screens and a 580 seating capacity.

4.25 In addition, to the north of the city centre this is a ten pin bowling alley (Truro Ten Pin Bowling Centre) located on Moresk Road, with accommodates 8 lanes.

Retailer Representation

4.26 Within Truro town centre there is the highest concentration of multiple retailers in the whole of Cornwall. At present, comparison multiple retailers include Marks and Spencer, Boots, New Look, TK Maxx, Next, River Island, Dorothy Perkins, BHS, Top Shop and WH Smith. The majority of these multiples are located along Pydar Street and King Street, with the Marks & Spencer to be found at Lemon Quay. There are also Currys and Staples retail warehouses located to the east of the town centre, adjacent to Morlaix Avenue. As already noted, the proportion of comparison goods retail uses in Truro city centre is well in excess of average levels, and the updated Experian land use data indicates that the majority of comparison retail categories possess a scale of retailers which are beyond average levels. In particular, the city centre has above average proportions of clothing/footwear, books/arts/crafts, electrical, gifts, sports and jewellery goods stores.

4.27 Multiple convenience retailers include Tesco, Iceland, Co-op and Somerfield. The Tesco store, which is located on the eastern edge of the centre, is the largest single convenience shopping facility, extending to 3,600sq m net sales. The store provides a wide range of products, providing a main/bulk food shopping function, and is served by a surface level car parking (approximately 430 spaces). The Iceland, Somerfield and Co-op stores are much smaller facilities. The Iceland provides a niche shopping role selling frozen food goods, whilst the Somerfield and Co-op stores offer modest product ranges and are orientated more towards top-up food shopping functions. In relation to other convenience shopping facilities, these include a number of butchers, bakers, newsagents, a Holland & Barratt health food store and an off-licence. Generally, apart from the proportion of bakers, the proportion of butchers, greengrocers, fishmongers, newsagent, off-licence and grocery stores is below average levels.

4.28 With the large service sector in Truro city centre, a significant number of the high street banks and building societies are represented, plus a number of national take-away food/drink stores and a Pizza Express restaurant. As already noted, the proportion of units and floorspace occupied by service uses is below average levels and this is also the pattern across individual service use categories such as food and drink uses, estate agents, health and beauty uses and travel agents. The only sector to lie above average is the financial services sector.

4.29 Outside of the town centre, the main food and non-food retail facilities are as follows:

- There is a large 5,900sq m net sales Sainsburys supermarket located on Treyew Road to the west of the city centre. This store has been extended in recent years and now provides a large range of convenience and comparison goods, including a number of in-store counters.
- Close to the Sainsburys store is a relatively modern Aldi discount foodstore. The store extends to 780sq m net sales and provides a limited-line foodstore with a small amount of comparison goods.
- In relation to non-food retail warehousing, Truro has the following facilities:
    - i Newquay Road Retail Park on the eastern edge of the city contains Dunelm Mill and Harveys/Bensons retail units and two vacant units (formerly Allied Carpets and MFI).
    - ii Threemilestone Retail Park on the western side of the city, in Threemilestone, contains Wickes, Matalan, Comet and JJB Sports retail units.

iii Treliske Retail Park, on Tresawls Road in the western part of the city, contains Pets at Home, Argos Extra, Brantano, Homebase, PC World and Carpetright units.

Yields and Rents

4.30 In relation to the financial characteristics of retail property in Truro, we have obtained data in relation to commercial yields on retail property. As a measure of retail viability, commercial yields on retail floorspace are a valuable indicator, but one that needs to be used with care. The level of yield on its own is of less value than in comparison with other yields at different points in time and in different locations. Yields measured consistently over time can give an indication of the direction in which a particular town centre is moving. This trend can be compared with national levels of yield and with those towns of similar size and type, or with neighbouring and competing towns. In short, the lower the yield the better the performance of a centre. A comparative analysis of this type, conducted on a regular basis, can give an indication of how the viability of retailing in a town centre is changing.

4.31 Table D below outlines the yields of all the Cornish centres where this information is available. Due to the economic downturn, yield data has not been available from the Valuation Office since 2008.

Table D: Commercial Yields on Retail Property, 2003-2008

Centre	Apr 2003	Jan 2004	July 2004	Jan 2005	July 2005	Jan 2006	July 2006	Jan 2007	July 2007	Jan 2008	July 2008
Truro	**6**	**6**	**6**	**5.5**	**5.5**	**5**	**4.5**	**4.5**	**4.5**	**5**	**5**
Penzance	8.5	8	8	7.5	7	6.5	6	5.5	5	5.5	6
Falmouth	8	8	8	7.5	7	6.5	6	5.5	5	5.5	5.5
Newquay	8	8	8	7.5	7	6.5	6	5.5	5	5.5	5.5
Camborne	9	9	9	8.5	8	7.5	7	7	6.5	6.5	6.5
St Austell	8.5	8.5	8.5	8.5	8.5	8	7.5	7.5	7	7	7
Bodmin	8.5	8.5	8.5	8	8	7.5	7	7	7	7	7
Redruth	9	9	9	8.5	8.5	8	7.5	7	7	7	7
Helston	9.25	9.25	9	8.5	8.5	8	7.5	7	7	7	7
Liskeard	>10	>10	>10	9.5	9	8.5	8	7.5	7	7	7
Exeter	6.5	6.5	6.5	6.0	5.75	5.5	5	4.5	4.5	4.5	5
Plymouth	6.5	6.5	6.5	6	6	5.5	5	4.75	4.5	4.5	4.5

Source: Valuation Office statistics

4.32 Table D above indicates that there has been a falling (i.e. improving) yield in Truro over recent years up until 2008 where a slight increase was experienced. This trend has also occurred within other town centres elsewhere in Cornwall over the same period and reflects the economic downturn. Truro continues to out perform the other centres in Cornwall with a consistently lower yield. Table D also provides yield data for retail property in Plymouth and Exeter and indicates that Truro has over years had similar levels of investor confidence to these larger centres and, in some years, a better yield level. This is a clear positive sign regarding the health of the city centre and the way in which it is perceived by the retail investment market.

4.33 Rental information for Zone A retail space in Truro has also been obtained and indicates that rental levels were at £145/sq m in 2008 and falling to £130/sq m in 2009 (Table E below). This level is more than double the rent of the other main towns in Cornwall and therefore suggests a high level of demand for retail space within the town. The fall in rental levels between 2008 and 2009 is a feature of the effects of the economic downturn and is consistent across all centres featured in Table E.

Table D: Zone A Rental Levels, 1999-2009 (£/sq m)

Centre	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Penzance	45	48	48	50	50	55	55	60	60	60	50
St Austell	42	42	42	45	45	45	45	50	50	50	40
Truro	120	130	130	130	130	130	135	135	145	145	130
Newquay	40	45	45	45	45	50	55	55	60	60	50
Falmouth	35	35	35	40	40	45	50	50	50	50	40

Source: Focus

Retailer Requirements

4.34 Data at Appendix C outlines the scale of retailer requirements for new/additional floorspace Truro. Data was collected in winter 2009/2010 and again in October 2010. However, before current requirements are examined, it is useful to look back at past trends in retailer requirements. Historically, Truro has had the highest levels of requirements across Cornwall, reaching a peak between 2004-2006 when there was over 50 different requirements, which was double the amount found in St Austell, Falmouth, Newquay and Penzance. However, since 2007 there has, like all other retail centres, been a dramatic fall in the level of requirements. The latest data collected for this study indicates that there were 15 requirements in January 2010, falling to 6 in October 2010. The scale of requirements in January 2010 was between 50,000-190,000sq ft gross floorspace, although a significant contributor to this total was one requirement (TJ Hughes) which required between 25,000-150,000sq ft. By October 2010, the scale of requirements had dropped to 10,000sq ft.

4.35 Around the middle part of the past decade the scale of retailer requirements for Truro was one of the driving forces behind efforts to develop significant levels of new retail floorspace in the city centre. At the present time, this factor appears to have fallen away, although this is common amongst most large centres and therefore the ability to provide significant levels of new city centre floorspace in the short has been removed.

Table E: Retailer Requirements, 1997-2010

Year	Truro	St Austell	Bodmin	Newquay	Penzance	Camborne	Liskeard	Falmouth
Oct 2010	6	3	1	4	3	0	0	1
Jan 2010	15	13	7	18	18	4	5	16
2009	20	12	5	21	17	4	4	16
2007	41	26	10	33	25	8	9	27
2006	54	29	12	33	31	8	9	30
2005	52	25	17	28	28	7	9	25
2004	59	17	15	32	21	8	11	22
2003	46	14	10	25	19	5	6	12
2002	50	17	7	24	12	5	6	10
2001	44	10	2	16	11	2	5	8
2000	42	10	5	13	8	7	4	10
1999	34	7	2	7	17	4	3	7
1998	35	3	3	5	5	2	3	5
1997	29	9	2	3	9	3	4	4

Source: Focus

Proportion of Vacant Street Level Property

4.36 In 2006, there were 36 vacant units in Truro town centre. Our re-survey of the town centre in 2009 indicates that vacant units have fallen considerably to 24 units, or 6% of total units within the centre. This proportion is well below the national average of 12% and also below the Cornish average of 10%, indicating that Truro is a very popular location for retailers, service providers and other businesses to locate.

4.37 In line with the fall in the number of vacant units, the amount of floorspace which is vacant has also fallen. At the time of the most recent survey, 2,600sq m gross of city centre retail floorspace was vacant. This represents around 3.5% of the total floorspace stock and is well below the Cornish (5%) and national (10.5%) average levels.

Accessibility

4.38 Given the central location of Truro and its importance to Cornwall, accessibility to the town centre is considered to be good. The City is linked to St Austell by the A390 to the north east and to the west, this leads on to the A30 trunk road with Camborne, Pool, Redruth to the south and Newquay to the north. When accessing the centre by private car, there are a number of routes and parking is available at the following locations:

- Carrick House – 130 spaces;
- Edward Street – 118 spaces;
- Garras Wharf – 336 spaces;
- Moorfield (multi-storey) – 720 spaces;
- Moresk, Oakway – 118 spaces;
- Old Bridge Street – 124 spaces;
- Pydar Street - 93 spaces;
- Viaduct (multi-storey) – 338 spaces.

4.39 The main railway station in Truro is located to the east of the Central Shopping Area within walking distance. It provides local and national services connecting the city to London, Penzance, Plymouth, Falmouth and Bodmin as well as other Cornish towns.

4.40 In relation to bus provision, the main bus station is located at Lemon Quay, within the Central Shopping Area. This provides high frequency bus services which connect Truro to: Falmouth; Hayle; Helston; Newquay; Penryn; Penzance; Perranporth; Pontreath; Redruth; St Agnes; St Austell; St Columb Major; St Ives; St Mawes; and Wadebridge.

Customer Views and Behaviour

4.41 The Cornwall Household Survey (2008) makes survey respondents to identify their main centre and then describe their views towards that centre. 13.5% of all survey respondents indicated that Truro was their main centre, which is the highest response rate for all of the main centres across Cornwall. Respondents were asked to describe their likes, dislikes and suggested improvements for Truro and the following information was obtained from the survey:

- Apart from its convenience, which 42% of visitors to Truro stated was a reason why they liked this centre, Truro scores a particularly high approval rating in terms of its selection and choice of multiple and independent shops. 40% of respondents indicated that they liked the selection/choice of multiple shops and 25% indicated that they liked the selection of independent shops. These levels are significantly higher than similar responses for other centres which typically did not rise above 15%.

- 3.5% of respondents liked the ease of parking in Truro, which is one of the higher levels for this issue across all Cornish centres. At 8.2%, positive attitudes towards the pedestrian friendly environment in the city centre were also one of the highest levels across Cornwall.

- In terms of common dislikes, 20% identified that parking was difficult and 13% found the parking to be expensive. 45% of respondents indicated that there was nothing that they disliked about Truro city centre, which is one of the higher rates across the centres surveyed.

- In terms of suggested improvements to the city centre, the following responses were provided:

    1. 7% of respondents wanted a greater choice of multiple shops – one of the lowest levels across all centres in Cornwall

    2. 4.5% of respondents wanted a greater choice of multiple shops – again, one of the lowest levels across all centres in Cornwall

    3. 3% of respondents wanted more pedestrianised streets

    4. 8% wanted more short terms parking spaces in the city centre and 6% wanted more long term parking spaces

    5. 8% of respondents wanted a reduction in the cost of car parking in the city centre.

    6. A number of respondents wanted a new department store in the city centre, with BHS, Debenhams, Marks & Spencer and John Lewis mentioned.

    7. 43% of respondents indicated that there was nothing in particular which could be provided to encourage them to visit the city centre more often.

State of Town Centre Environmental Quality

4.42 Having regard to the state of the built environment within Truro city centre, the most useful source of information is a historic characterisation report prepared by Cornwall County Council in September 2003. This report divides the central parts of Truro into fourteen different areas, seven of which are within (wholly or in part) the defined city centre area within the Local Plan. We set out below a summary of the characteristics of these areas, along with the recommendations of Cornwall Council regarding the future regeneration of these areas:

- **The Commercial Core** – This area incorporates the Central Shopping Area as defined in the Local Plan. This is regarded as the historic and commercial heart of the city dominated by distinctive, strongly urban streetscapes with a variety of impressive historic buildings, including most of Truro's major landmark structures. The characterisation report indicates the need to maintain and respect the area's historic character as the city centre. It also identifies the improvement of the public realm as a regeneration opportunity along with the redevelopment of poor quality post-war buildings.
- **Cathedral Area - Quay Street** – This area also lies within the Central Shopping Area (apart from the area including and to the north west of the cathedral which falls outside). This is defined as a busy secondary commercial area based on a cluster of narrow, strongly enclosed streets and distinctive, high quality buildings, overlooked by the Cathedral. The characterisation report identifies opportunities for the redevelopment of post-war buildings with development that responds to the existing character of the immediate and wider contexts. Furthermore, it identifies that the public realm should be enhanced and the historic buildings maintained. The report also identifies the opportunity for improvement of visitor experience and maintaining the existing mix of quality and specialist uses and occupiers.
- **Kenwick Street – Calenick Street** – The eastern half of this area (east of Lemon Street) and the northern part (eastern side of Kenwyn Street) lie within the Central Shopping Area. This area is defined as a former medieval and post-medieval suburb with minor industrial areas set around historic route ways. Kenwyn Street retains much of its historic character whereas Calenick Street has been largely reshaped by late twentieth century change with little of the historic street pattern remaining. A substantial area of Calenick Street is now used for parking, access roads and service yards. The Calenick Street area now represents some of the poorest quality townscape in terms of visual appearance. The historic character of Kenwick Street is typically narrow with a tight grain with buildings of two to three storeys.

- **Lemon Street** – Only the far north western element of this historic character area falls within the defined Central Shopping Area as shown in the adopted Local Plan. The Lemon Quay area is known for its distinctive high quality townscape with views up and down the sloping street that provide some of the key views within Truro. At the lower end of Lemon Street there is a developing upmarket retail, arts and leisure presence. Although originally built for residential purposes, the area is typically now accommodated by office space. However, there is a recognised growing evening economy based around the cinema, wine bars and restaurants.
- **Frances St, Ferris Town & St George's Road** – The far southern ends of Edward Street and Castle area falls within the defined Central Shopping Area. This area is defined within the historic characterisation report as an area developed from the late 1820s and which includes some of the best streetscapes within the City. There is a varied mix of uses in this area with many of the large townhouses now utilised for office space or for guesthouse/hotel accommodation. There are also a significant number of secondary retail units which has been recognised as offering the potential for the area to become a specialist shopping destination.
- **Upper Pydar Street** – The Area to the south of Clement Street falls within the defined Central Shopping Area with a large part of the area (area bound by Pydar Street, Clement Street and Oak Way) allocated for mixed use development (Policy 7D of the Local Plan). The allocation details the provision of retail and office development accompanied by 50 residential units. This area as a whole has been subject to major change in the twentieth century with little of the historic fabric remaining. This area accommodates public buildings including the Law Courts, government and council offices. Streetscapes are dominated provision for traffic with poor pedestrian connectivity.
- **Morlaix Avenue – Trafalgar Square** – The majority of this character area is located within the Central Shopping Area. The area is described within the report as being dominated by roads, parking and large-scale retail development. The overall perceived character is described as that of a 'bypass, superstores and industrial estate'. The area lacks a sense of enclosure and offers little connectivity for the pedestrian.

Conclusions

4.43 Truro city centre is a healthy and very successful centre. It holds the clear position of largest retail centre in Cornwall and performs at the top end of expectation across a number of health check indicators which have been surveyed. Notable attributes for Truro are its high number of national multiple retail and service businesses, its wide range of multiple and local independent retailers, the rental levels for prime retail floorspace and range of other town centre uses. Historically, Truro has also attracted the highest number of retailer requirements for all centres in Cornwall, although the recent economic downturn and future economic outlook means that the scale of requirements has (like all other centres in Cornwall) reduced dramatically. Nevertheless, investor confidence in Truro remains high, with the city being able to match, and sometimes even out-perform, the largest centres in Devon: Plymouth and Exeter. Across the wider sub-region in Devon and Cornwall, Plymouth and Exeter pose the main competition for Truro in terms of its higher-order retail destination status. These centres have benefitted from large city centre retail development schemes in recent years which will have intensified this ongoing competition. Nevertheless, overall Truro is the highest ranking centre in Cornwall which should be reflected in its position in the retail hierarchy.

Bude Town Centre

Structure of the Town Centre

4.44 Bude is located on the north coast of Cornwall. It is a seaside resort and benefits from the tourism market and is also an important focus for the local population. The main retail area is on a hill which leads up from the town beaches. The town is relatively isolated in North Cornwall with the A39 linking the town to Bideford to the north and Camelford and the most southern Cornish towns to the south. Launceston and the A30 trunk road are accessed via the A3072 and the B3254. The railway station in Bude closed in 1966.

4.45 A key sector in the Bude area is tourism with parts of the retail offer directed towards this seasonal market. There is also an existing industrial estate within the town.

4.46 Within Bude, the interim planning policy comprises of saved policies contained within the North Cornwall Local Plan (1999). This identifies a Primary Commercial Area within Bude, the purpose of which is the identification of an area which forms the heart of the shopping centre and contains the main concentration of shops and other town centre activities. This area includes Belle Vue, Belle Vue Lane, Queen Street, Lansdown Road and The Strand. Policy SAF1 permits proposals for retail, leisure, public service and residential (Use Classes A1, B1, C3 and D1) within the Primary Commercial Area providing that there is no overall loss of car parking for short stay visitors and that piecemeal development does not compromise the scope for a comprehensive town centre scheme. Furthermore, the policy specifies that ground floor change of use from commercial to residential uses will not be permitted where they are likely to undermine the vitality of commercial activity within the Primary Commercial Area.

State of Town Centre Environmental Quality

4.478 Fowey's medieval importance as a port and historic market town and its late 19th century residential continues to shape its special character today. The town's relationship with the river and the wider estuary setting is central to its character. The high quality natural environment is matched by the quality and completeness, richness and interest of Fowey's built environment. The town core is still largely defined by its tight-knit medieval layout of narrow streets tightly flanked by densely packed three storey buildings. The concentration of nationally significant buildings includes important groups of surviving medieval structures, merchant's houses, prestigious townhouses and industrial structures.

Conclusions

4.479 Fowey's unique, ancient and atmospheric character sets it apart as a very special place that contributes to the town's popularity and success. The town offers a focus for its local population in terms of some day to day convenience shopping and service uses, although a number of businesses in Fowey are orientated towards the visitor/tourist market, leading to local residents travelling to St Austell for their wider shopping needs.

Leisure Provision in the Main Centres in Cornwall

4.480 In the preceding parts of this section we have outlined the scale and type of leisure provision in each of the main centres in Cornwall. We now bring this information together and summarise the quantity of leisure provision in each centre, highlighting those centres with good levels of provision and those centres with deficiencies. The analysis concentrates upon food and drink uses, cinemas, bingo halls, sports centres and ten pin bowling facilities.

4.481 In Cornwall, the scale and type of leisure uses present in a number of centres is designed to meet the needs of not only the local population but also the large amount of tourists visiting Cornwall. Data from South West Tourism indicates that in 2008 tourists spend around £450m on food and drink in Cornwall, with a further £177m spent on attractions and entertainment. This is in addition to over £330m spent on shopping in Cornwall.

4.482 In their own right, these are sizable financial contributions to the Cornwall economy although their importance is shown when they are compared with the spending of local residents. Data from Experian indicates that Cornwall residents spend £510m of food and drink (i.e. restaurant, cafes, take aways etc) which is only £60m higher than the contribution of tourists. Local residents also spend £266m on leisure and entertainment, which is around £90m higher than tourist spending on this type of leisure services.

4.483 In the future, Experian predicts spending on leisure services to rise by 1.7% per annum. Therefore, there will be an extra £216m of expenditure from local residents on food and drink and an £190m from tourists. There will be an extra £75m of expenditure from tourists on entertainment and attractions and an extra £115m from local residents. This increase in expenditure offers significant potential for the town centres in Cornwall, which should aim to attract this expenditure in order to reinforce and improve the performance of existing facilities and also attract new ones.

4.484 Table AQ below outlines the scale of leisure provision in the main centres in Cornwall.

Table AQ: Summary of leisure provision in the main Cornish centres, 2010

Settlement	Food & Drink Uses in Centre Units	Food & Drink Uses in Centre Floorspace (sq ft gross)	Cinema	Bingo	Sports Centre	Ten Pin Bowling
Truro	52 13.1%	61,200 7.6%	1 (4 screens – 581 seats)		1	1
Bude	29 17.0%	25,800 11.1%	1 (1 screen – 300 seats)		1	1
St Ives	37 17.4%	30,600 16.7%	1 (3 screens – 430 seats)		1	
Penzance	43 12.6%	43,100 8.9%	1 (3 screens – 310 seats)	1	1	
Camborne	19 9.8%	19,600 5.9%		1	Nearest centre in Pool	
Redruth	17 10.5%	17,600 7.4%	1 (4 screens – 1,000 seats)		Nearest centre in Pool	
Liskeard	9 6.5%	9,600 4.7%			1	
Newquay	54 23.0%	49,300 13.4%	1 (to be opened in summer 2011) (4 screens – 600 seats)	1	1	2
Falmouth	53 19.8%	67,500 17.9%	1 (1 screen – 199 seats)		1	1
Helston	16 12.1%	22,700 8.8%	1 (2 screens – 140 seats)		1	
St Austell			1 (4 screens – 790 seats)	1	1	1
Launceston	15 10.4%	14,200 8.7%			1	1 (3 miles west of Launceston)
Saltash	9 9.7%	9,500 6.7%			1	
Hayle	n/a	n/a				
Wadebridge	n/a	n/a	1 (2 screens – 316 seats)		1	
Bodmin	17 11.6%	23,500 10.9%			1	

Notes: National and Cornish averages for food & drink units in a town centre is 15.63% and 13.7%

National and Cornish averages for floorspace occupied by food & drink uses in a town centre is 10.6% and 10.1% respectively

4.485 The above analysis shows those centres in Cornwall which have higher than average proportions of food and drink uses/floorspace. These are Bude, St Ives, Newquay, Falmouth and (for the number units only) Penzance and it is no coincidence that these same centres are also major tourism centres. Unsurprisingly, Newquay has the highest proportion of food and drink uses, although Falmouth and St Ives have the largest proportions of food and drink floorspace. Conversely, centres such as Bodmin, Launceston, Liskeard, Camborne and Redruth have lower than average proportions of food and drink uses/floorspace and it is these centres were a qualitative deficiency exists.

4.486 Interestingly, whilst Truro is, by a considerable margin, the largest retail centre in Cornwall, it does not out-perform other large centres in Cornwall in terms of its food and drink uses. Falmouth town centre has more food and drink floorspace (67,500sq ft gross) than Truro (61,200sq ft gross), whilst similar levels of food and drink uses are found in Newquay (54 units) and Falmouth (53 units) to those in Truro (52 units).

4.487 In relation to cinema provision, most of the main centres posses a cinema. Generally, existing facilities in Cornwall are modest in size, containing up to 4 screens, and being housed in historic buildings. The new cinema to be opened in summer 2011 in Newquay town centre will also have 4 screens although this will be one of the few modern cinemas in Cornwall. The other modern cinema is within the White River Place shopping centre, which also has 4 screens.

4.488 The centres which do not have a cinema, and where a qualitative deficiency exists, are Camborne (although there is a cinema closeby at Redruth), Liskeard, Launceston, Saltash, Hayle and Bodmin.

5. ASSESSMENT OF NEED FOR ADDITIONAL RETAIL FLOORSPACE IN CORNWALL

Introduction

5.1 A key element of the evidence base for the Cornwall Local Development Framework is the assessment of need and capacity for additional retail development in the main settlements. PPS4 (2009) notes that the evidence base should assess the detailed need for main town centre uses (including retail uses) over the plan period, identifying any deficiencies in the provision of local convenience shopping and other facilities which serve people's day-to-day needs. When assessing the need for retail development, PPS4 asks local planning authorities to take account of both quantitative and qualitative factors for different types of retail provision and plan pro-actively to promote competitive town centre environments and provide consumer choice.

5.2 Conventionally, the need for town centre uses is considered in terms of 'quantitative need' and 'qualitative need'. Both have a role to play in reaching an overall judgement about the scale and form of development which should be planned for and facilitated through development plans:

- Quantitative need is conventionally measured as expenditure capacity, i.e. the balance between the turnover capacity of existing facilities and available expenditure in any given area. Expenditure capacity, or 'quantitative need' can arise as a result of forecast expenditure growth (either through population growth or increases in spending), or by identification of an imbalance between the existing facilities and current level of expenditure available in an area.
- Qualitative need, on the other hand, includes more subjective measures. These include, for example, consumer choice, the appropriate distribution of facilities and the needs of those living in deprived areas. 'Over trading' is also identified as a measure of qualitative need, although evidence of significant over crowding etc. may also be an indicator of quantitative need.

5.3 In the analysis which follows, we have first undertaken an assessment of the current shopping patterns across Cornwall in relation to the main settlements. This will inform the qualitative assessment of need and also act as a base for the quantitative assessment of retail floorspace capacity in the main settlements.

Quantitative Assessment of Shopping and Expenditure Patterns

Introduction

5.4 In this section we establish the current performance of town centre and out-of-centre retail facilities in the main settlements in Cornwall, as the basis for a forecast of the need for further retail floorspace over the period 2009-2031 (which encompasses the lifespan of the Cornwall LDF, which runs to 2030).

5.5 In order to assess current expenditure flows, based upon the 2008 Cornwall household survey, we have used a conventional, widely accepted step by step methodology to model the existing flow of expenditure for each main retail destination. In the analysis which follows we have used the following step by step approach:

- Step 1: Definition of an appropriate geographical area of analysis for the quantitative assessment, hereafter know as the Study Area.
- Step 2: Calculation of the 2009 population and expenditure available within the Study Area and forecast of future population and expenditure growth over a specific period. In this instance, we have used the period up to 2031 to tie in with the LDF plan period.
- Step 3: Calculation of the levels of convenience expenditure and comparison expenditure flowing to stores and centres within the Study Area, using a market share analysis, based on the results of the Cornwall Shopping Survey undertaken by NEMS Market Research.

5.6 The collection of spreadsheets which comprise the quantitative assessment are very large documents and therefore can be found in separate technical annexes. As will be outlined later in this section, four separate quantitative assessment scenarios have been produced and therefore four separate technical annexes are provided, each with its own separate reference. However, for ease of reference, summary capacity tables for convenience and comparison retailing in each settlement are reproduced in the separately bound appendices (Appendices Q – T) to this report.

5.7 In the analysis which follows, the following assumptions and data sources have been used:

- All monetary values have been indexed to 2007 prices to provide for consistency across the assessment.
- Having regard to best practice, the assessment has been carried out on a goods basis, rather than a business basis. This method of assessment matches guidance contained within the Practice Guidance document accompanying PPS4.
- Data on current shopping patterns has been derived from the Cornwall Shopping Survey 2008. Survey respondents are spread across all socio-economic status groups and across all age ranges.
- The Study Area for the assessment has been set to match the Cornwall Shopping Survey area. A plan of the study area is contained at Appendix A. However, an allowance has also been made for net inflow of expenditure into the Study Area, which is described in more detail later in this section. Existing population levels for the Study Area have been derived from Experian Business Strategies (EBS) data.
- Per capita retail expenditure data for convenience and comparison goods spending, which is the basis for the quantitative assessment, has been provided by EBS. The base per capita expenditure data has been projected forward (to 2031) using GVA Grimley's own in-house view (prepared by our Research team) which takes into account the latest forecast data contained within Experian Retail Planner Briefing Note 8.1 (August 2010) and Pitney Bowes Retail Expenditure Guide (September 2010).
- Within the expenditure forecasts, account has also been taken of special forms of trading within the survey area and expenditure estimates. The special forms of trading sector includes sales from mail order companies, sales from the internet, market stalls and sales direct from the producer and manufacturer and out allowance for this type of shopping takes account of likely increases in this sector over the lifetime of the assessment. The proportion of expenditure attributed to special forms of trading is outlined in the notes to Table 2 in each of the four quantitative assessments (contained in the separate technical annexes). The reasons for excluding special forms of trading are explained below.
- When assessing the current trading performance of existing convenience retail facilities, reference has been made to company average sales density figures within Retail Rankings (published by Mintel) and Verdict research. Estimates of company performance take into account non-store sales, where applicable.

5.8 There are four separate quantitative analyses supporting this study, based upon the various population growth scenarios provided by Cornwall Council. However, the base year 2009 shopping patterns and expenditure forecasts are common amongst all of the four scenarios and therefore reference in the remainder of this sub-section to shopping patterns and turnover levels does not alter (at 2009 levels). The four quantitative need assessments are contained in separate technical annexes to this report and are described in more detail later in this section.

5.9 For the avoidance of doubt, the floorspace capacity levels which are outlined in this summary section are cumulative i.e. the forecasts for a particular date include the forecasts for the previous dates and are not additional to the previous forecasts.

Steps 1 & 2 - Study Area Definition, plus Current Population and Expenditure Estimates

5.10 In order to provide detailed factual information on shopping patterns in and around Cornwall, a new household interview survey covering 4,000 households was commissioned. GVA Grimley designed the survey questionnaire in consultation with the former Kerrier District Council officers and NEMS Market Research, who undertook interviewing and data processing in 2008. The area for the household survey has been set to cover the whole of Cornwall plus the areas of west Devon to ensure that all potential regular users of retail facilities in Cornwall are included within the survey. The survey area has been based on postcode sectors and is shown on the plan attached at Appendix A.

5.11 The survey results identify shopping patterns for households for both convenience and comparison goods. Where necessary, the survey results have been re-based to remove responses such as internet, catalogue or mail order shopping which are collectively known as special forms of trading. The reason for removing these categories of special forms of trading is that sales from these sources do not in some cases require a physical presence on the high street. Particularly in relation to comparison goods, sales from the internet and mail order companies are via warehouses rather than actual stores in town centres or on retail warehouse parks. Therefore, given that this study is primarily aimed at assessing the health of town centres and forecasting for additional physical retail floorspace across Cornwall, there is a need to remove expenditure on items not sold from physical retail stores. For convenience goods shopping, the situation is a little more complicated as internet grocery sales are still picked from actual supermarkets rather than warehouses. The exceptions to this are companies like Ocado (who are current expanding in the South West) and niche independent retailers, although on the whole internet sales from retailers such as Tesco, Sainsburys and ASDA originate from existing supermarkets in the local area. Therefore, this study does not exclude all expenditure on grocery interest sales given that physical supermarket units are still required to provide this service.

5.12 For convenience goods, the household survey includes questions on main food and top-up shopping. The results of these two types of food expenditure have been merged through the application of a weight[3] which reflects the fact that the majority of people spend a higher proportion of their convenience goods expenditure on main/bulk-food shopping. In other words, main food shopping takes a larger share of the total available expenditure on convenience goods.

5.13 The survey also includes 7 groups of questions on specific comparison goods types which coincide with Experian Business Strategies definitions of comparison goods expenditure. Comparison shopping patterns are split up in to the following sub-categories:

- Clothing, footwear and other fashion goods.
- Furniture, floor coverings and textiles.
- DIY and hardware products.
- Domestic appliances
- Smaller electrical products.
- Personal and luxury goods.
- Recreational goods.

5.14 The population estimates for each zone are contained in Table 1 in each separate technical annex volume. For 2009, the population estimates for each zone are identical for each scenario and have been derived from EBS postcode sector data. Latter parts of this section explain how the population growth for each section for 2009-2031 has been derived.

5.15 In Table 2 (in all appendices), the per capita expenditure figures obtained from EBS are broken down into convenience and various sub categories of comparison goods. For each goods category account has been taken of special forms of trading ('SFT') (internet, catalogue and mail order shopping) and future growth and expenditure (per annum). The individual rates for future projections and special forms of trading are contained in the notes to Table 2 (in all five quantitative assessment appendices) and comprise the GVA Grimley in-house view on SFT and expenditure growth, which takes account of forecasts contained within Experian Retail Planner Briefing Note 8.1 (August 2010) and Pitney Bowes Retail Expenditure Guide

[3] 69% of total convenience goods expenditure directed to main food shopping trips and the remaining 31% of convenience goods expenditure directed towars top-up food shopping trips

(September 2010). It should be noted that expenditure growth projections for the longer term should be treated with a degree of caution. Indeed, it would be appropriate, in any event, to review these expenditure figures of part of a wider review of the retail study. We recommend regular reviews after every five years.

5.16 By combining the population of per capita expenditure rates (Table 2), Tables 3a to 3i set out the total retail expenditure within each zone in the study area by goods type.

Step 3 - Existing Flows of Retail Expenditure

5.17 The next stage of the quantitative assessment is to estimate current flows of retail expenditure within and surrounding Cornwall. Separate analyses for convenience and comparison retail expenditure are provided and the comparison retail category is also split into 7 sub-categories of expenditure (to match the questions used within the Cornwall Shopping Survey).

5.18 Tables 4a and 4b (in all appendices) set out the market share of convenience goods retail facilities, indicating the market penetration rate of each store/centre across each of the 26 survey zones. When analysing convenience shopping habits, the household survey has obtained patterns of main food (table 4a) and top-up (table 4b) food shopping in order to ensure that different types of convenience shopping and the differing functions of existing stores are taken into account in the quantitative assessment. Tables 5a to 5j in each of the four quantitative assessment appendices translate the market shares of all existing stores/centres in to turnover levels. This is done by applying a particular store's/centre's market share in each survey zone to the total available of available expenditure. By way of example: if a particular store/centre had a 50% market share in a zone and the total level of spending in that zone was £10m, then that store/centre would attract £5m from that zone.

5.19 In order to gain the most accurate estimate of expenditure flows for convenience shopping, the proportion of total convenience goods expenditure flow to main and top-up food shopping destinations has been weighted to allow for the fact that more money spent on main/bulk-food shopping trips than top-up food shopping trips. Tables 5a and 5b in all appendices outline the 2009 study area derived turnover levels for all main convenience facilities across Cornwall, showing the levels of expenditure which is attracted from the study area zones separately for both main food and top-up food shopping. In order to inform the quantitative assessment of need later in this report Tables 5c-5j (in all appendices) outline future main food and top-up food study area derived turnover levels for 2014, 2021, 2026 and 2031. The turnover calculations in these tables assume that individual facilities maintain the same market share in each of the survey zones across the assessment period (2009-2031).

5.20 The collection of tables prefixed 6 to 12 (in all separate technical volumes) outline the market share and study area derived turnover of comparison goods shopping facilities in the main settlements in Cornwall. Like the convenience assessment, turnover levels are provided for 2009, 2014, 2021, 2026 and 2031. In order to provide a robust analysis, and in order to take into account the dominance of the larger centres such as Truro, Falmouth, Penzance and St Austell, the household survey and quantitative analysis has been designed to obtain first and second choice shopping destinations for each of the seven comparison goods categories. In other words, each survey respondent was asked where they did most of the shopping for each of the 7 comparison goods categories and was then asked whether there were any other destinations which they visited for comparison goods shopping. These provide market shares for the main settlements are shown (separately) in the tables referenced 'A' and 'B' within the collection of tables prefixed 6 to 12. Study area derived turnover data for first and second choice comparison shopping destinations is shown in the tables labelled 'C' to 'L' for the years 2009-2031 in Tables 6-12 (in all separate technical annexes). The method of translating market shares into turnover levels for each of the survey area zones is the same as the convenience retail assessed (as described above).

5.21 Based upon the findings of our quantitative analysis plus the household survey and the town centre health checks, the next section of the report outlines our assessment of the potential options for the need for additional retail floorspace in each of the main settlements in Cornwall.

Assessment of Need

5.22 As noted in Section 2 of this report, Policy EC1 of PPS4 asks for an assessment of need as part of the evidence base for local authority development plan documents. An assessment of need should focus upon quantitative and qualitative factors and each is considered in turn, for both convenience and comparison goods retailing for each of the following settlements:

- Falmouth-Penryn
- Bodmin
- Penzance-Newlyn
- Liskeard
- Wadebridge
- Helston
- Camborne, Pool and Redruth

- Newquay
- Launceston
- Bude
- St Austell
- Saltash
- Hayle
- Truro

5.23 The quantitative assessments of potential future floorspace capacity in each of the above settlements are contained in Tables 15 and 16 in each of the separate technical annexes and are also reproduced at Appendices Q-T to this report. Each settlement has its own version of Table 15, for convenience retail floorspace provision, and Table 16 for comparison retail floorspace provision. Each settlement is clearly identified at the top of each assessment table.

5.24 However, before we proceed to examine the potential need for additional retail floorspace in each of the above settlements, it is important that we outline the basis for our quantitative assessment of retail capacity and the future growth scenarios across Cornwall. At the time of preparing this study, the Council has not proposed a preferred growth strategy for residential development. Such a strategy will take into account two important factors. First, the total level of residential development planned for the whole of Cornwall up to 2026. Second, the distribution of residential development across Cornwall within the chosen level of total residential development growth. Clearly, both of these factors will influence how population growth will occur across Cornwall in the coming years.

5.25 As a result of these uncertainties, we have discussed with Council officers the most appropriate alternative scenarios for population growth. Four scenarios have been provided by the Council:

1. **High (NHPAU) growth scenario**. This scenario assumes that the size and distribution of population growth is influenced by the development of circa 80,000 new residential units up to 2031, as shown in recent National Housing and Planning Advice Unit (NHPAU) data for Cornwall.
2. **Population and household growth scenario**. Size and distribution of future population growth and residential development influenced by past population growth trends in Cornwall. This is broadly equivalent to 63,000 new dwellings up to 2031.

3. **Trend-based growth scenario.** Size and distribution of future population growth and residential development influenced by past residential unit development trends in Cornwall. This is broadly equivalent to 45,000 new dwellings up to 2031.

4. **Zero development**. Size and distribution of population change influenced by zero new residential development across Cornwall.

5.26 The above four residential development / population growth scenarios have formed the basis for four alternative quantitative retail capacity scenarios for this study. The detailed statistical tables for these scenarios can be found in the following separate technical annexes, with the summary capacity tables for each scenario reproduced at Appendices Q-T:

- Technical Annex 1 – High (NHPAU) growth scenario (capacity tables at Appendix Q)
- Technical Annex 2 – Trend based growth scenario (capacity tables at Appendix R)
- Technical Annex 3 – Population and household growth scenario (capacity tables at Appendix S)
- Technical Annex 4 – Zero new development scenario (capacity tables at Appendix T)

5.27 It should be noted that these population growth scenarios were developed by Cornwall Council and GVA during the course of this study and at a time when the housing development growth options for the forthcoming LDF Core Strategy Options consultation. As a consequence of this timing and the likely content of the Options consultation, it is likely that the trend based growth and the population/household growth scenarios are the best fit with content of the Core Strategy Options consultation. As a consequence, when we outline the quantitative capacity levels for each settlement, specific reference is made to the trend and population/household growth forecasts, with separate references to the NHPAU growth forecasts.

5.28 As a starting point, each scenario assumes that existing convenience and comparison goods shopping patterns across each of the study area zones will continue across the assessment period. These patterns, when applied to the differing levels of total expenditure growth across each of the zones (as a result of the different population growth scenarios provided by the Council) will provide different future quantitative retail capacity predictions.

5.29 However, since the completion of the household shopping survey informing this analysis, a number of retail development proposals having either been completed (and are now trading – e.g. White River Place in St Austell town centre) or have received planning permission (e.g. a new Sainsburys store and an extension to the existing Tesco store in Helston). Such proposals have the potential to alter the shopping patterns observed by the 2008 household survey. Where such a potential exists, either by removing previously identified retail capacity and/or changing the attractiveness of a particular centre (via its market share), this is taken into account by our need analysis.

5.30 Towards the bottom of each quantitative need analysis table a residual expenditure figure is provided. Where the residual figure is a positive number, this indicates that a quantitative need potentially exists for additional retail floorspace. Conversely, a deficit (minus figure) indicates that there is a potential oversupply of existing retail floorspace. Where a surplus level of expenditure exists, Tables 15 and 16 convert the residential expenditure level into a floorspace equivalent. In order to accomplish this task an average sales density is used. For convenience goods shopping, a sales density of £10,000/sq m at 2009 is used (projected forwards over the period 2009-2031 assuming annual increases in floorspace efficiency in line with existing retail floorspace). For comparison goods, a density of £5,000/sq m is used (and again project forward over the period 2009-2031 assuming increases in floorspace efficiency). Both of these sales densities are averages and retail performances of individual operators can vary, particularly for convenience goods operators. For example Asda and Tesco and other larger grocery operators have sales densities in excess of £10,000 per square metre. In contrast, smaller discount operators such as Lidl and Aldi have sales densities below £5,000 per square metre. In addition, extensions to existing retail facilities also have individual specific sales density requirements which may, in certain circumstances, be below the normal sales density for a particular operator. Therefore, the sales density figure for new retail floorspace should only be used as a guide and reference should also be made to the residual expenditure levels for each settlement.

5.31 Prior to the quantification of retail need across the main settlements in Cornwall, it should be noted that assessments such as this tend to focus on expenditure growth and demand. However, it is axiomatic that any new development will have some impact on existing facilities either by diverting existing sales or diverting future sales which would otherwise arise as a result of future growth. In these circumstances, forecasts of retail need should not be regarded as prescriptive, and inevitably involve judgements and ultimately policy choice, which raise related impact considerations. Therefore, the quantitative need forecasts contained within this chapter should be read in the context of other parts of this study.

5.32 Indeed, there are a number of key variables, involving judgements, which will influence the level of need (if any) which is likely to arise over the study period:

- Apportioning growth. When assessing future needs, based on forecast spending growth, a judgement is needed as to what proportion of this growth should be made available to support more floorspace and how much should be safeguarded to enable existing floorspace to increase its sales performance.

- Existing 'baseline' performance. A judgement must be reached on the current balance between the turnover of existing facilities and their floorspace to determine whether (at current sales) there is any need for more floorspace. In practice at the base year existing facilities may be underperforming or trading at levels suggesting an existing surplus, which has a bearing on whether any further need arises.
- Changes to market share. In the case of any centre, when considering alternative strategies it may be relevant to examine the implications of a declining market share, or to test the potential to increase market share. Forecasts are often based on the assumption that all centres simply retain their current market share, to preserve the 'status quo', but if a new development secures an increased share of available spend, in theory more floorspace would be supportable.

5.33 Where there are significant development opportunities identified, there may be scope to increase the market share of an existing centre, or to plan for new/ expanded centres in order to recapture a higher proportion of current/future spending generated in an area. This may apply in circumstances where there are major new residential developments planned, and/or existing under-served markets, or where a particular centre has potential to expand to enhance its role within the wider hierarchy. This may be justifiable in order to deliver a more sustainable network of 'higher order' centres, and 'claw-back' arguments are frequently used to underpin strategies for different centres/areas. However, when developing the appropriate approach in a particular area, a number of factors need to be considered:

- There is evidence to suggest that a polarisation of retail activity in the UK. In may be more appropriate in some cases to seek to redirect growth to smaller centres (where they have capacity/demand) to achieve a more sustainable network of centres. However, this depends on the availability of suitable opportunities in such centres.
- Infrastructure capacity and the availability of central sites will determine the extent to which different centres are capable of accommodating future retail and other main town centre uses.
- The maintenance of current market shares may in some instances perpetuate deficiencies in the retail network, particularly in underserved markets. A low market share (or expressed differently, a significant expenditure 'leakage') may be indicative of a need for more or better shopping provision. An appropriate retail strategy may be to seek to enhance the market share of some centres, and to relieve pressure on others where

there are limited opportunities for further development. This illustrates the importance of qualitative factors

- Existing out of centre developments may account for a significant share of available expenditure, but it would not necessarily be appropriate to plan for further growth at existing successful out of centre locations where these locations do not meet other key policy objectives e.g. accessibility etc. In these circumstances, it may be appropriate to proactively plan to reinforce the offer of other existing centres in order to 'recapture' market share from less sustainable retail locations.

5.34 We now turn to the forecast needs arising in the largest settlements across Cornwall.

Falmouth & Penryn

Qualitative Assessment – Convenience Floorspace

5.35 Within the Falmouth and Penryn area, convenience retail provision is dominated by the ASDA store in Penryn which was been subject to recent extensions in its sales area. The ASDA significantly out-performs the other main stores including Sainsburys (previously Co-op) and town centre stores in Falmouth: Tesco, Iceland and Marks & Spencer. The ASDA provides the best range of products although there is some choice and competition available from the town centre Tesco and out of centre Sainsburys stores. This choice will be extended by the committed Lidl discount foodstore in Penryn, although we consider that there is potential for choice and competition to be improved. Overall, however we do not consider that there is a deficiency in the availability of convenience goods floorspace across Falmouth & Penryn as a whole, although further analysis of the different parts of this area is provided below.

5.36 In terms of trading performance against company or assumed average levels, our quantitative analysis indicates a mixed performance, with the ASDA and Iceland trading slightly below company average (albeit that the ASDA has a very high turnover level), the M&S and Tesco trading slightly above average and other convenience floorspace (including space within the centre's of Penryn and Falmouth) trading below our notional benchmark level. However, none of these differences are considered to be significant. It should also be borne in mind that at the time of the household survey in 2008 the Sainsburys store was trading as a Co-op store and therefore the change in operator may have had some effect upon shopping patterns. In addition, the provision of a new Sainsburys store and an expanded Tesco store in Helston may also reduce the level of expenditure which is flowing from surrounding areas to Falmouth & Penryn (although this is primarily focused upon the ASDA store in Penryn).