WYG Planning

part of the WYG group

Warrington Borough Council

Warrington Retail and Leisure Study

Final Report

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7.0 Retail Capacity in Warrington Borough

7.01 We have examined the need for new convenience and comparison goods floorspace over the five year reporting periods to 2030 (i.e. at 2015, 2020, 2025 and 2030). At the outset, it is important to note that an assessment in the long term should be viewed with caution, due to the obvious difficulties inherent in predicting the performance of the economy and shopping habits over time. In any event, any identified capacity should not necessarily be viewed as justification of new retail floorspace outside of centres as this could prejudice the implementation of any emerging town centre redevelopment strategies and the development of more central sites which may be currently available or which could become available over time.

7.02 A complete series of quantitative capacity tables are provided at Appendix 5 to provide further detail in terms of the step-by-step application of our quantitative assessment methodology.

Capacity Formula

7.03 For all types of capacity assessment, the conceptual approach is identical, although the data sources and assumptions may differ. The key relationship is Expenditure (£m) (allowing for population change and retail growth) *less* Turnover (£m) (allowing for improved 'productivity') *equals* Surplus or Deficit (£m).

7.04 **Expenditure (£m)** – The expenditure element of the above equation is calculated by taking the population within the defined catchment and then multiplying this figure by the average annual expenditure levels for various forms of retail spending per annum. The expenditure is estimated with reference to a number of factors, namely:

- Growth in population;
- Growth in expenditure per person per annum; and
- Special Forms of Trading (e.g. the internet, catalogue shopping and so on).

7.05 **Turnover (£m)** – The turnover figure relates to the annual turnover generated by existing retail facilities within the Study Area. The turnover of existing facilities is calculated using Mintel Retail Rankings and Verdict UK Grocery Retailers reports – independent analysis which lists the sales densities for all major multiple retailers.

7.06 **Surplus / Deficit (£m)** – This represents the difference between the expenditure and turnover figures outlined above. A surplus figure represents an effective under provision of retail facilities within the Study Area (which, all things being equal, would suggest that additional floorspace could be supported), whereas a deficit would suggest a quantitative overprovision of retail facilities.

7.07 Although a surplus figure is presented in monetary terms, it is possible to convert this figure to provide an indication of the quantum of floorspace which may be required. The level of floorspace will vary dependent on the type of retailer proposed and the type of goods traded. For example, in the case of comparison goods, non-bulky goods retailers tend to achieve higher sales densities than bulky goods retailers. However, within the bulky goods sector itself there is significant variation, with electrical retailers tending to have a much higher sales density than those selling DIY or furniture goods.

Capacity for Future Convenience Goods Floorspace

7.08 In order to ascertain the likely need for additional convenience goods floorspace in Warrington, it is first necessary to consider the performance of the current provision. Given the geography of the Borough and its reasonable retention of convenience goods expenditure, it is assumed that the future convenience goods expenditure available to Warrington will be commensurate with its current market share.

7.09 Table 7.1 sets out the current convenience goods trading position compared against the 'benchmark' (or anticipated) turnover of existing convenience goods floorspace and projects this forward to 2030. The 'benchmark' turnover differs for each operator based on its average turnover per square metre throughout the country. Although robust up-to-date information is available in terms of the convenience goods floorspace provided by large foodstores, it can be more difficult to quantify the extent of local convenience provision as there is no single comprehensive database to rely upon. Where we have been unable to verify the exact quantum of floorspace provided by existing smaller-scale convenience stores, we have assumed that stores are trading 'at equilibrium' (i.e. the survey-derived turnover equates to the expected level of turnover).

7.10 For each convenience goods retail destination, consideration has been given as to whether any of its turnover is likely to be derived as 'inflow' from outside the Study Area. However, the Study Area is relatively extensive in its scope and we consider it unlikely that residents of areas further afield (such as Liverpool, St Helens and Wigan) will travel to Warrington in very significant numbers to undertake food shopping. Notwithstanding this, we consider that some convenience goods retailers in the town centre and food superstores within the wider Warrington administrative area will benefit from some trade which results from visitors and commuters from outside the area. Accordingly, we have estimated that these convenience goods shopping destinations will benefit from an additional 5% of their turnover being derived from outside of the Study Area. In addition, we note that there are some facilities at the periphery of the Study Area, which could benefit from a greater level of inflow, but such facilities are generally of a small scale (local convenience grocery stores or farm shops) and have limited bearing on the results of the assessment as a whole. We set out all our assumptions in this regard within Table 5 of Appendix 5.

7.11 Our assessment is based upon a 'goods based' approach, which disaggregates expenditure by category type, and it is important to recognise that major foodstore operators generally sell an element of non-food goods such as books, compact discs, clothing and household goods. To account for this, the typical ratio between convenience/comparison goods provision for each operator[35] has been applied to the estimated net floorspace of each foodstore[36]. This provides an indication of the likely sales area dedicated to the sale of convenience goods at each store.

7.12 Whilst survey results are commonly accepted as a means by which to identify existing shopping patterns, their findings should be treated with a 'note of caution' as they can have a bias towards national multiple retailers and, as a consequence, may understate the role of smaller stores and independent retailers.

7.13 Our assessment identifies that taking all convenience goods retail facilities in Warrington Borough together, the expected turnover of provision is £439.54m per annum at 2015, which is greater than the identified survey-derived turnover of £402.63m. This suggests that, taken cumulatively, existing convenience goods turnover is marginally 'undertrading' when compared to its expected turnover. Accordingly, it would appear that the existing food retail provision is broadly appropriate to meet the existing quantitative need.

7.14 However, there are instances where specific facilities trade very strongly or relatively poorly. For example, the Aldi store at Crosfield Street in Zone 6 has an estimated convenience goods benchmark turnover of £7.16m, but turns over an estimated £18.13m of convenience goods expenditure.

[35] Derived from Verdict UK Food & Grocery 2014 Company Briefing Reports. Where Verdict data is not available or is considered not to appropriately reflect how a store trades in practice, we have applied professional judgement in the manner set out in the notes to Table 5 of Appendices 5

[36] Net sales areas have been sourced from the Warrington Retail and Leisure Study 2009 or from Storepoint database of food retailers. Where such data is not available, we have applied professional judgement in the manner set out in the notes to Table 5 of Appendix 5

Another Aldi store, at Dewhurst Road in Birchwood in Zone 7, has an estimated convenience goods benchmark turnover of £6.68m, but turns over an estimated £15.33m of convenience goods expenditure. The Asda store in Westbrook district centre in Zone 8 has an estimated convenience goods benchmark turnover of £42.52m, but turns over an estimated £49.88m of convenience goods turnover.

7.15 By way of contrast, the convenience goods turnover of the Asda store at Cockhedge Way and the Tesco Extra store at Winwick Road (both within Zone 6) turn over £20.08m and £30.30 less than their respective benchmark turnovers of £35.11m and £52.60m.

7.16 Whilst we have no doubt that the Aldi stores are performing very strongly indeed and that the abovementioned Asda and Tesco stores are performing significantly below benchmark level, it should be noted that the estimation of stores' turnover is subject to a number of assumptions. For example, in apportioning main and top up convenience goods expenditure using the household survey, it is assumed that each person within a zone spends the zonal per capita average amount on such items. However, in actuality, it is likely that the typical discount foodstore customer spends a lesser amount that the typical 'main four' foodstore shopper. Accordingly, there is the possibility that the turnover of certain discount foodstores may have been overestimated and that the turnover of certain 'main four' foodstores may have been underestimated. However, across the Study Area as a whole, the methodology acts to balance out any such discrepancies.

7.17 The individual performance of each of the main convenience goods facilities is identified at Table 5 of Appendix 5.

7.18 In order to appraise the need for additional convenience goods retail floorspace, it is necessary to consider how the performance of stores will be affected by future growth in expenditure. Accordingly, Table 7.1 also sets out the anticipated increases in expenditure which will be available to the Borough's convenience goods retail facilities, assuming that the current market share of 54.2% is maintained. It is also assumed that the turnover of existing floorspace will improve through improvements in floorspace efficiency as set out in Experian Retail Planner Briefing Note 12.1. Following this exercise, we then consider the effect extant planning commitments will have in addressing any identified convenience goods shopping needs under each of the growth scenarios.

7.19 Table 7.1 indicates that, after taking into consideration future increases in both population and expenditure, an effective convenience goods expenditure deficit of -£36.90m is identified at 2015. By 2020, after increases in population and expenditure are considered against changes in floorspace productivity[37], we estimate that there will still be an expenditure deficit of -£15.16m. By 2025, we estimate that there will be a modest expenditure surplus of £5.26m, increasing thereafter to £22.96m at 2030.

Table 7.1: Quantitative Need for Convenience Goods Floorspace in Warrington Borough

Year	Benchmark Turnover (£m)[1]	Available Expenditure (£m)[2]	Surplus Expenditure (£m)
2015	439.54	385.68	-36.90
2020	434.29	401.48	-15.16
2025	435.15	421.87	5.26
2030	437.33	440.91	22.96

Source: Table 6A of Appendix 5
[1] Benchmark turnover to increase in line with improvements in turnover efficiency set out in Table 4a of Addendum to Experian Retail Planner 12.1 (October 2014)
[2] Assumes constant market share of Study Area expenditure (54.2%) claimed by facilities across whole of Study Area
2013 Prices

7.20 We estimate that extant retail planning permissions[38] would, if implemented, provide an estimated 1,876 sq.m of convenience goods sales floorspace across the Borough. As set out at Table 7.2, we estimate that these commitments will have a combined benchmark turnover of £10.06m if they were operational at base year 2015. Notable food retail development is proposed through the extant permissions to extend the Aldi at Liverpool Road (planning permission reference 2013/22557), to provide a small foodstore at Rushgreen Road in Lymm (planning permission reference 2014/23897) and to provide a new Lidl store at Thewlis Street to the west of Warrington town centre (planning permission reference 2014/24841). Press reports[39] suggest that the Lymm store is to be operated by Netto and we have estimated its likely future turnover on this basis. Other convenience goods commitments are of a very small scale (providing substantially less than 200 sq.m gross floorspace) and are not considered to be of material consequence to a Borough-wide study of this nature.

[37] Account has been made for the turnover efficiency of existing convenience goods floorspace to change (on the basis that operators have historically been able to make their existing floorspace more productive over time) in accordance with the projections set out in Table 4a of Experian Retail Planner Briefing Note 12.1 (these being -0.3% at 2015, -0.4% at 2016, -0.2% per annum between 2017 and 2021, and +0.1% between 2022 and 2030)
[38] As reported by the Council in its email to WYG of January 2015
[39] As reported in The Guardian article headlined 'Netto announces two store openings', dated 17 March 2015

Table 7.2: Extant Convenience Commitments in Warrington Borough

Zone	Location	Planning Application Reference	Proposal	Net Conv Sales (sq.m)	Conv Sales Density (£ per sq.m)	Estimate Turnover at 2015 (£m)	Status
6.	Crosfield Street	2013/22557	Extension to existing discount foodstore	232	8,602	2.00	Extant planning permission
6.	Thewlis Street	2014/24841	New Lidl foodstore with adjacent restaurant unit	1,100	3,522	3.87	Extant planning permission
10.	Rushgreen Service Station	2014/23897	Outline planning permission for foodstore (to be occupied by Netto)	544	6,363	3.46	Extant planning permission
Total				1,876		10.06	

Source: Table 6d of Appendix 5
2013 Prices

7.21 Full details of the assumptions made in estimating the turnover of commitments are provided in the notes which accompany Table 6d of Appendix 5. The turnover which would be claimed by convenience goods commitments acts to extinguish any expenditure surplus which exists to support additional convenience goods retail floorspace across the period to 2025. Accordingly, after taking account of commitments, a residual of £12.96m is identified at 2030. The surplus equates to a convenience goods floorspace requirement of between 1,000 sq.m and 1,900 sq.m at 2030 (depending on format and operator), which is set out below at Table 7.3. Accordingly, the quantitative need for additional convenience goods floorspace is modest, even over the longer term, given the current performance of facilities and the fact that existing commitments extinguish much of the capacity identified.

Table 7.3: Quantitative Need for Convenience Goods Floorspace in Warrington Borough

Year	Convenience Goods				
	£m			Floorspace Requirement (sq.m net)	
	Surplus (£m)	Commitments (£m)	Residual (£m)	Min[1*]	Max[2*]
2015	-36.90	10.06	-46.96	-3,600	-6,700
2020	-15.16	9.99	-25.15	-2,000	-3,600
2025	5.26	9.99	-4.73	-400	-700
2030	22.96	10.00	12.96	1,000	1,900

Source: Table 6c of Appendix 5
[1] Average sales density assumed to be £12,524 per sq.m at 2015 (based on the average sales density of the leading four supermarket operators as identified by Verdict 2013)
[2] Average sales density assumed to be £7,000 per sq.m at 2015 (based on the average sales density of discount food retailers)
2013 Prices

Capacity for Future Comparison Goods Floorspace

7.22 Turning to comparison goods capacity, it is first important to note that our methodology deviates from that which has been deployed in respect of convenience goods for two principal reasons. Firstly, it can be extremely difficult to attribute an appropriate benchmark turnover to existing comparison goods provision. Secondly, there tends to be greater disparity between the trading performance of apparently similar comparison goods provision depending on its location, the character of the area and the nature of the catchment. As a consequence, we adopt the approach with comparison goods floorspace that it is trading 'at equilibrium' (i.e. our survey derived turnover estimate effectively acts as benchmark) at 2015.

7.23 We assume that there is therefore a nil quantitative need for any additional floorspace across the Borough at 2015. Once again, it has generally been assumed that the future performance of Warrington's facilities will be commensurate with its current market share. However, we do consider that Warrington town centre, its retail parks and standalone large format retail units will attract some custom from outside the Study Area.

7.24 Through consideration of the in-street shopper surveys, which noted the home postcode of respondents, we have identified that:

- 17.2% of visitors to Warrington town centre reside outside the Study Area;
- 8.0% of visitors to Stockton Heath district centre reside outside the Study Area; and
- 13.0% of visitors to Westbrook district centre reside outside the Study Area.

7.25 Accordingly, we have allowed for inflow to these centres on this basis. We have typically allowed for out of centre destinations in proximity to Warrington town centre to secure 5.0% of their turnover as inflow. For Birchwood, given its proximity to the business park, we estimate that around 15.0% of its turnover could be derived through inflow.

7.26 However, for Gemini Retail Park, whilst we acknowledge that a very significant proportion of its trade will originate from outside the Study Area (particularly for Ikea), we make only limited allowance (equating to 5% of the turnover of retailers at Gemini) for this expenditure. This is because much of the inflow to Gemini Retail Park will come from across a large part of the North West of England and it does not necessarily accord with the 'town centre first' aspiration of planning policy to assume that future expenditure growth arising from visitors to Gemini is legitimately available to Warrington

Borough as a whole. Indeed, in order to secure such growth, it would be necessary to assume that Gemini would expand further in the future. The figure of 5% inflow has been used to account for the fact that a limited level of inflow will come from the immediate surrounding area and from visitors who are already in the Warrington area.

7.27 Accordingly, whilst our approach is somewhat cautious, it is considered to be wholly appropriate in the context of the Study, which principally seeks to consider the needs of those that reside within the Study Area. However, as a consequence of our approach, should planning proposals come forward in the future to provide additional floorspace at Gemini, such floorspace would not, in its entirety, act to reduce Warrington Borough's capacity to support additional comparison goods floorspace.

7.28 We set out all our detailed assumptions in respect of inflow within Table 5 of Appendix 5.

7.29 The inflow allowance has the net effect of increasing Warrington's identified comparison goods survey derived turnover from £626.01m to £713.17m at 2015 (inflow therefore representing 12.2% of total turnover).

7.30 The £626.01m of comparison goods expenditure claimed by facilities in Warrington from inside the Study Area at 2015 equates to a market share of 59.7% of all comparison goods expenditure generated by residents of the Study Area. Our assessment 'rolls forward' this market share to examine the likely level of comparison goods floorspace required to maintain the role and function of Warrington's comparison goods retail facilities going forward[40].

7.31 By 'rolling forward' this market share and making provision for inflow deriving from visitors to the Study Area, we estimate that facilities in Warrington Borough will attract £713.17m of comparison goods expenditure at 2015, increasing to £820.61m at 2020, to £983.95m at 2025 and to £1,037.02m at 2030.

7.32 Given the forecast increases in comparison goods expenditure and population and allowing for year on year increases in the productivity of existing floorspace, we estimate that by 2020 there will be an expenditure surplus of £30.89m to support additional comparison goods floorspace within Warrington Borough. As set out in Table 7.4, this surplus is forecast to increase sharply to £105.18m at 2025 and then to £201.62m at 2030. Account has been made for the turnover efficiency of existing comparison

[40] Accepting the qualification we have provided at paragraph 7.26 in respect of Gemini Retail Park

goods floorspace to increase (on the basis that operators are generally able to make their existing floorspace more productive over time)[41].

Table 7.4: Quantitative Need for Comparison Goods Floorspace in Warrington Borough

Year	Benchmark Turnover (£m)[1]	Available Expenditure (£m)[2]	Surplus Expenditure (£m)
2015	713.17	713.17	0.00
2020	789.72	720.32	30.89
2025	878.77	983.95	105.18
2030	979.78	1,181.40	201.62

Source: Table 26A of Appendix 5
[1] Turnover of existing stores to increase in line with improvements in turnover efficiency set out in Table 4b of Experian Retail Planner 12.1 (October 12.1)
[2] Assumes constant market share (59.7%) claimed by facilities within the Study Area
2013 Prices

7.33 Once again, this initial analysis does not take into account existing commitments, which we set out in Table 7.5 and which we estimate will have a combined estimated turnover of £27.90m at 2013 prices, if it were to be assumed that each was operational at 2015. We have again taken account of known commitments that provide a gross floorspace greater than 200 sq.m. Such commitments comprise two extant planning permissions to provide additional comparison goods retail floorspace at Alban Retail Park (planning permissions reference 2011/18583 and 2014/23937) and an extant planning permission for a new unit at Riverside Retail Park (planning permission reference 2014/23846).

7.34 We are aware that there are further significant planning permissions provide for a mixed-use development (including cinema, retail and leisure units, hotel, residential units and primary care trust building) at the Wireworks site at Winwick Street and for the redevelopment of a site centred around the existing Warrington Market at Bridge Street for retail and leisure purposes (the Bridge Street scheme also includes a cinema). We do not account for these developments within the commitments as planning permission for the first scheme is about to lapse (with no indication whatsoever that it is to be implemented) and the second scheme provides a replacement market hall and no substantial uplift in comparison goods floorspace when compared to the current level of provision.

[41] Such increases have been derived from the projections set out in Table 4b of the Addendum to Experian Retail Planner Briefing Note 12.1 (these being +2.3% at 2016, +2.0% per annum between 2017 and 2021, and +2.2% between 2022 and 2031)

Table 7.5: Extant Comparison Commitments within the Study Area

Zone	Location	Planning Application Reference	Proposal	Net Comp Sales (sq.m)	Comp Sales Density (£ per sq.m)	Estimate Turnover at 20135(£ m)	Status
6.	Riverside Retail Park	2011/18583	Construction of new A1 retail unit	944	5,000	4.72	Extant planning permission
8.	Alban Retail Park	2014/23937	Erection of two retail units	390	5,000	1.95	Extant planning permission
8.	Alban Retail Park	2011/18583	New retail and leisure units and refurbishment of existing	4,246	5,000	21.23	Extant planning permission
Total				5,580		27.90	

Source: Table 26d of Appendix 5
2013 Prices

7.35 The estimated £27.90m turnover of comparison goods commitments is relatively substantial and extinguishes much of the need for additional comparison goods floorspace in Warrington Borough in the period to 2020. A very limited positive residual of £1.56m is identified at 2020 increasing to £73.42m at 2025 and to £167.86m at 2030. The surplus could support between 300 sq.m and 500 sq.m at 2020, increasing to between 12,000 sq.m and 20,100 sq.m at 2025, and to between 24,700 sq.m and 41,100 sq.m at 2030. The minimum figure is based on the identified need being met through the delivery of high street floorspace and the maximum figure relates to need being met by bulky goods retailers or in smaller town centres (which both generally accommodate operators which achieve lesser sales densities). The requirement in respect of additional comparison goods floorspace is set out below at Table 7.6.

Table 7.6: Quantitative Need for Comparison Goods Floorspace in Warrington Borough

Year	Comparison Goods				
	£m			Floorspace Requirement (sq.m net)	
	Surplus	Extant	Residual	Min[1*]	Max[2*]
2015	0.00	27.90	-27.90	-5,600	-9,300
2020	30.89	29.11	1.78	300	500
2025	105.18	30.98	74.20	12,000	20,100
2030	201.62	32.27	169.36	24,700	41,100

Source: Table 26c of Appendix 5
[1] Average sales density assumed to be £5,000 per sq.m at 2015
[2] Average sales density assumed to be £3,000 per sq.m at 2015
2013 Prices

7.36 In considering the level floorspace which could be supported by the identified expenditure surplus, we again note that Warrington town centre currently accommodates a high level of vacant floorspace. In this regard, we consider that it would be prudent to plan for the reuse, refurbishment or redevelopment of these existing premises wherever possible rather than grant planning permission for additional comparison goods floorspace outside of a centre.

7.37 Our survey of November 2014 identified a total of 23,020 sq.m of vacant floorspace in Warrington town centre, equating to 17.1% of the total stock of commercial premises in the centre. We note that the national average vacancy rate equates to 9.3% of all vacant commercial floorspace. If the national average figure were to be applied to Warrington centre (we are unaware of any reasons why such a vacancy level could not be achieved), this would require 10,528 sq.m of floorspace to be brought back into active use. This would reduce the identified minimum floorspace requirement identified above to circa 14,000 sq.m.

7.38 Accordingly, in considering future floorspace requirements, the Council should give appropriate consideration to the ability of existing vacant floorspace to meet the need identified in Table 7.6 (accepting that there may be a need for this floorspace to be refurbished, reconfigured or redeveloped in order for it to be attractive to future tenants).

Changes in Market Share of Expenditure and the Scope for Warrington Borough to Increase its Market Share

7.39 We provided our analysis in respect of the market share of *trips* secured by retail venues within or proximate to the Study Area at Section 4 of our report. However, in this regard, we note that the previous 2009 Warrington Retail and Leisure Study provided some analysis of the market share of *expenditure* attracted to particular destinations. Accordingly, we have used the quantitative capacity tables provided at Appendix 5 to ascertain the market share of expenditure claimed by the principal retail destinations and provide our assessment below in respect of how the position has changed since 2009.

7.40 In this regard, it should be noted that the two household surveys (undertaken in 2009 and 2014 respectively) are not identically worded and that we increased the size of Zone 4 in order that it includes Helsby and the area which immediately surrounds it. Accordingly, given that the survey incorporates a slightly extended area, it might be expected that its market share may reduce slightly as a result. The below analysis should be viewed in this context.

7.41 Table 7.7 sets out the market share of convenience goods expenditure claimed by retail venues in Warrington at 2009 and 2014. The principal trend evident from the comparison of market share over this five year period is that discount foodstores have performed very strongly over this period, gaining significant market share at the expense of large superstores. By way of example, the market share of expenditure claimed by the Aldi at Crosfield Street has increased from 0.4% of Study Area total convenience goods expenditure at 2009 to 2.5% of total expenditure at 2014. Similarly, the market share of expenditure claimed by the Aldi at Dewhurst Road has increased from 0.4% of Study Area total convenience goods expenditure at 2009 to 2.2% of total expenditure at 2014. Whilst the increases in market share are very substantial indeed, they are a consequence of the wider trend of more shoppers being attracted to discount foodstore and then buying a larger 'basket' of goods from such stores. Accordingly, households are increasingly turning to discount foodstores as the principal destination for their main food shop and the improvements in Aldi's market share in Warrington are a consequence of this.

7.42 In contrast, the market share of expenditure claimed by the Asda at Cockhedge Way has decreased from 6.2% of Study Area total convenience goods expenditure at 2009 to 2.0% of total expenditure at 2014. The Tesco Extra at Winwick Road has been the subject of a similarly marked reduction in market share and other large foodstores have similarly lost market share (though not to the same degree).

7.43 However, viewing the convenience goods provision in Warrington as a whole (and noting once again that the Study Area boundary has been slightly enlarged), it is evident that Warrington Borough market share of Study Area convenience goods of 58.6% at 2009 has reduced to 54.2% at 2014. In our view, this reduction can be attributed to the slightly larger Study Area and also to the implementation of major convenience goods retail facilities outside Warrington Borough but inside the Study Area boundary (including the Tesco Extra at Widnes).

7.44 In considering this market share, we again note that the population of Warrington equates to 58.3% of the overall 2015 Study Area population. Whilst the secured market share of convenience goods expenditure is below this level, the retention rate is not considered to be problematic as any 'leaked' expenditure generally travels to locations that are proximate to where the expenditure is drawn from (i.e. such shopping trips are broadly sustainable). Accordingly, we do not consider there to be a need for policy intervention specifically to 'claw back' convenience goods expenditure which is currently directed to destinations outside Warrington or the Study Area as a whole.

Table 7.7: Market Share of Convenience Goods Expenditure Claimed by Retail Facilities in Warrington Borough at 2009 and 2014

Zone	Address	Study Area 2009	Study Area 2014
6.	Aldi, Crosfield Street	0.4%	2.5%
	Asda, Cockhedge Way	6.2%	2.0%
	Sainsbury's Church Street	6.5%	6.0%
	Tesco Extra, Winwick Road	6.1%	3.0%
	Warrington town centre	2.2%	0.8%
7.	Aldi, Dewhurst Rd, Birchwood	0.4%	2.2%
	Asda, Dewhurst Rd, Birchwood	6.7%	5.8%
8.	Asda, Westbrook Centre	11.1%	6.7%
9.	Morrisons, Greenalls Avenue	8.5%	7.5%
	Warrington Authority Total	58.6%	54.2%
	Study Area Total	95.9%	93.3%
	Leakage Outside Study Area	4.1%	6.7%

Source: MT Planning Warrington Retail Study 2009 and WYG Table 3, Appendix 5

7.45 Turning to comparison goods, Table 7.8 below identifies that there has been a significant reduction in Warrington town centre's market share of comparison goods Study Area expenditure between 2009 and 2014. We attribute a limited part of this reduction to the extension of the Study Area, but also note that Gemini Retail Park has significantly improved its offer over this period (most notably through the opening of the Next Home and Garden store) and that this will have had some detrimental impact on Warrington town centre. It should also be noted that, at the time of the household survey, the Council was working towards the implementation of the Bridge Street retail and leisure proposal and, as a consequence, the Bridge Street area was the subject of a number of vacancies and was perhaps not contributing to the overall vitality and viability of Warrington town centre as successfully as it could. Accordingly, we anticipate that the successful implementation of the Bridge Street scheme could be of benefit to Warrington town centre's overall market share in the future.

7.46 In this context, we note that the principal beneficiary of the reduction in market share of comparison goods expenditure has been Gemini Retail Park, which increased its market share from 4.9% to 9.6%. This improvement in performance accounts for the majority of the 7.7 percentage point reduction in Warrington town centre's market share of Study Area comparison goods expenditure (from 38.8% at 2009 to 31.1% at 2014). We also note that the market share of expenditure claimed collectively by comparison goods facilities in Warrington Borough has actually increased from 59.0% at 2009 to 59.7% at 2014. Accordingly, we do not consider it necessary for Warrington to plan for a further significant town centre development (beyond that proposed at Bridge Street) as other retail facilities –

albeit some in out of centre locations – within the Borough are helping to meet the needs of its residents.

Table 7.8: Market Share of Comparison Goods Expenditure Claimed by Retail Facilities in Warrington Borough at 2009 and 2014

Zone	Address	Study Area 2009	Study Area 2014
6.	Warrington town centre	38.8%	31.1%
7.	Birchwood district centre	1.9%	1.9%
8.	Alban Retail Park	2.7%	2.3%
	B&Q Warehouse, Newton Rd	1.6%	1.7%
	Gemini Retail Park	4.9%	9.6%
	Westbrook district centre	2.0%	1.5%
9.	Stockton Heath district centre	0.8%	1.4%
	Warrington Authority Total	59.0%	59.7%
	Study Area Total	81.0%	76.5%
	Leakage Outside Study Area	19.0%	23.5%

Source: WYG Table 11, Appendix 5

Qualitative Need

7.47 As we set out at paragraph 7.13 of this section, convenience goods retail facilities in Warrington Borough turn over £402.63m at 2015, which is less than their expected benchmark turnover of £432.79m. However, in examining the performance of specific stores, it is evident that smaller, discount supermarkets (operated by the likes of Aldi and Lidl) are generally performing better in Warrington than food superstores[42] operated by the 'main four' (relative to their expected 'benchmark' performance).

7.48 In this regard, Table 7.13 below provides an overview of the current performance of existing foodstores (which provide an estimated net sales area of 632 sq.m or more[43]) with reference to their expected trading performance. The six food superstores in Warrington Borough collectively turn over £232.15m, which is less than their anticipated benchmark turnover of £251.95m.

7.49 The food superstore with the strongest performance is the Morrisons at Greenalls Avenue, which has an estimated convenience goods benchmark turnover of £39.61m and an estimated survey derived

[42] Defined as having a net sales area of more than 2,500 sq.m
[43] Which equates to the net sales area of the smallest discount supermarket operated by either Aldi or Lidl, this being the Aldi at Dewhurst Road in Zone 7

turnover of £56.44m (it is therefore effectively overtrading by £16.83m). By way of contrast, the Tesco Extra at Winwick Road has a convenience goods benchmark turnover of £52.60m and an estimated survey derived turnover of just £22.30m (it is undertrading by £30.30), and the Asda at Cockhedge Way has a convenience goods benchmark turnover of £35.11m and an estimated survey derived turnover of just £15.03m (it is undertrading by £20.08m).

7.50 Whilst the trading performance of the Tesco Extra and Asda stores are unusually poor, the difference between the benchmark turnovers and the identified trading performance of other superstores operated by the 'main four' are not considered to be particularly unusual. Benchmark performances are clearly representative of a company's average performance and numerous stores will undertrade or overtrade in relation to benchmark without significant issues arising.

7.51 Notwithstanding this, when taken as a whole, the performance of the big food superstores in Warrington is such that there does not appear to be any pressing requirement for another store of this format in the Warrington administrative area. This is consistent with the current strategy of the 'main four' operators who are currently very circumspect in terms of their appetite to bring forward additional large superstores.

7.52 We do, however, note that discount foodstores in the Borough are performing strongly. This is particularly the case with the four Aldi stores in the Borough, which cumulatively overtrade by £26.37m. The Borough's two Lidl stores cumulatively overtrade by £5.82m. As set out at Section 2 of this report, both discount operators have substantially improved their share of the national grocery market in recent years. Notwithstanding this, the very strong performance of the discount sector in Warrington suggests that it may currently be underprovided for and that the Council could expect further planning applications for such uses in the short to medium term (potentially including proposals to extend existing stores). These should be considered having regard to the qualitative benefits which may result from the delivery of additional convenience goods retail facilities but also with regard to the impacts which may arise at any existing centre.

7.53 In terms of the spatial distribution of convenience goods facilities, there are, in our view, two areas of relative deficiency in the Borough, these being the area around Lymm and Warrington town centre itself. In respect of the former, we note the extant planning permission to provide a foodstore at Rushgreen Road in Lymm (planning permission reference 2014/23897). We understand that this store will be operated by Netto and its implementation will allow a far greater proportion of convenience goods expenditure that originates in the Lymm area to be spent locally. Accordingly, we do not envisage that, subsequent to the implementation of this planning permission, that there will be such a pressing requirement to provide additional convenience goods facilities in Lymm.

Table 7.9: Performance of Convenience Goods Floorspace of Principal Foodstores in Warrington at 2015

Zone	Store	Gross Floor-space (sq.m)	Estimated Net Con. Floor-space (sq.m)	Sales Density (£ per sq.m)	Bench-mark Turnover (£m)	Survey Derived Turnover (£m)	Over-trading (£m)
2.	Sainsbury's, Santa Rosa Boulevard	3,436	1,288	12,684	16.34	13.59	-2.74
6.	Aldi, Crosfield Street	1,143	609	11,748	7.16	18.13	10.97
	Asda, Cockhedge Way	6,540	2,526	13,901	35.11	15.03	-20.08
	Lidl, Fennel Street, Warrington	1,319	882	3,522	3.11	7.11	4.00
	Lidl, Thelwall Lane, Latchford	1,234	825	3,522	2.91	4.73	1.82
	M&S Food Hall, Sankey Street	2,245	1,285	11,578	14.88	2.69	-12.19
	Sainsbury's Church Street	8,147	2,714	12,684	34.42	45.18	10.76
	Tesco Extra, Winwick Road	12,698	4,348	12,099	52.60	22.30	-30.30
7.	Aldi, Dewhurst Rd, Birchwood	1,141	569	11,748	6.68	15.33	8.64
	Asda, Dewhurst Rd, Birchwood	10,055	3,431	13,901	47.69	43.33	-4.36
	Sainsbury, Culcheth	1,754	692	12,684	8.78	9.30	0.52
8.	Asda, Westbrook Centre	9,459	3,059	13,901	42.52	49.88	7.36
	Aldi, Chiltern Road	1,418	698	11,748	8.20	8.96	0.75
	Co-op, Fearnhead Cross	1,095	581	8,146	4.74	1.02	-3.72
9.	Aldi, Walton Rd, Stockton Heath	1,115	594	11,748	6.98	12.99	6.01
	Co-op, Forge Shopping Centre	1,581	793	8,146	6.46	0.48	-5.97
	Morrisons, Greenalls Avenue	7,506	2,958	13,388	39.61	56.44	16.83

Source: Table 5 of Appendix 5 (Extract providing details of foodstores with a net sales area of 690 sq.m or above, which correlates to the estimated net sales area of the smallest discount supermarket in both authority areas, this being the Aldi at Meridian Way in Blaby)
2013 Prices

7.54 With regard to Warrington town centre, its market share of Study Area convenience goods expenditure (as identified by the household survey) is considered to be low at just 0.8% of overall expenditure. The edge of centre Asda at Cockhedge Way secures a further 2.0% of Study Area convenience goods expenditure. Whilst the principal role of Warrington is to provide for comparison goods and service needs, its convenience goods shopping role is currently modest. Indeed, comparison between the current and 2009 household surveys suggests that its convenience goods shopping role has diminished in the intervening period. Accordingly, we consider that there would be a qualitative benefit in providing additional convenience goods provision in Warrington town centre in order to serve the requirements of those that work and shop in the centre. We envisage that any such provision would likely take the form of the smaller formats operated by food retailers.

7.55 We plot the distribution of the supermarket and food superstores set out at Table 7.9 at Appendix 6.

7.56 Turning to comparison goods, the importance and relative dominance of Warrington town centre as a comparison goods shopping venue means that other centres in Warrington's hierarchy have a significantly more localised role and function. Given the location and relative accessibility of Warrington (and of additional comparison goods venues such as Liverpool city centre and the Trafford Centre), this is not in itself problematic. Moreover, as we identified as Section 4 of this report, the market share of shopping trips claimed by facilities in the Warrington administrative area is considered broadly appropriate and indicates that most of the comparison goods shopping needs of Warrington's residents are met within the authority area.

7.57 Accordingly, we do not consider there to be significant qualitative deficiencies in respect of comparison goods shopping in Warrington Borough which need to be addressed. However, we again note that Warrington town centre's market share of Study Area comparison goods expenditure has decreased by a relatively substantial amount between 2009 and 2014. Whilst the emerging development at Bridge Street should act to considerably improve Warrington's offer (and therefore improve its market share), careful consideration should be given to the location of any additional comparison goods floorspace and how this may impact on the performance of the town centre. In accordance, with 'town centre first' principles, we anticipate that Warrington town centre will be the preferred venue for any further substantial comparison goods floorspace in order to enhance its vitality and viability and ensure that it remains the dominant location for comparison goods retail in the Study Area.