



Final Report

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Wirral Retail Study Update

Wirral Borough Council

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1. INTRODUCTION

- 1.1 GVA was appointed by Wirral Council in October 2011 to prepare an update to the existing Town Centres, Retail and Commercial Leisure Study (December 2009). The study specifically seeks to update the existing quantitative retail assessment through applying the latest population data and expenditure growth projections (*Experian*) to the existing household telephone survey results to take account of ongoing economic conditions. The update study is intended to provide a sound basis on which to continue progress with the emerging Local Development Framework (LDF).
- 1.2 The conclusions of the update study represent a '*point-in-time*' assessment of performance and opportunity. The quantitative need identified should be used to inform policy which will endure over the short to medium term as required. It will however be important that the Council continues to monitor the health of its principal centres through its forward planning function, adopting and revisiting the strategy to address changing circumstances as the LDF progresses.
- 1.3 The methodological differences between the 2009 Study and this quantitative-based update exercise are set out in the next section prior to concluding on forward need and policy strategy across the Borough.

2. RETAIL CAPACITY METHODOLOGY

2.1 The quantitative assessment adopts a conventional step-by-step methodology, drawing upon the results of the existing household telephone survey (NEMS, March 2009) to understand existing shopping patterns and to model existing flows of available expenditure to the main retail destinations in and around the Borough. Having established the baseline position, the quantitative capacity modelling exercise goes on to establish the performance of the town centre and its main stores. The methodology, data inputs and assumptions adopted in the assessment exercise are set out below.

1) STUDY AREA DEFINITION / HOUSEHOLD SURVEY

2.2 The study area and individual survey zones defined in the 2009 Study remain unchanged so as to enable a comparative assessment against the latest population and expenditure data from *Experian* (based ONS 2010 mid-year estimates)¹.

2.3 The NEMS household survey (weighted and filtered version) has however been re-run as part of the study update to remove 'Internet / Home Catalogue', 'Don't Know / Varies', 'Don't Do' and 'Don't Buy' responses. The removal of the internet / home catalogue responses ensures that there is no 'double counting'. However, the market shares identified in the updated capacity exercise is increased from the existing baseline survey position reported in the 2009 Study. The increase in market share by virtue of the differing methodological approach is counter-balanced by the significant increase in SFT deductions applied between this study update and the previous 2009 Study.

¹ Experian Retail Planner Note 9 (September 2011)

2) DATA VARIABLES

Estimates of Population in the Survey Area

2.4 The population estimates and forecasts for each of the survey zones are derived from the *Experian Micromarketer* database (2010 ONS and Price Base). The population estimates (Table 1, Appendices 1- 2) are based on trend-line projections from the 2001 Census results and are calibrated to Local Authority District targets on the most recently available Government household and population data. The population estimates are updated annually to allow for changes in housing stock and residual population.

Wirral Waters (East Float New City Neighbourhood)

2.5 Consistent with the 2009 Study, the retail capacity modelling work (Appendices 2 and 4) has been based on two population scenarios as follows:

- **Scenario 1** - Experian Baseline (ONS trendline).
- **Scenario 2** - Baseline with Wirral Waters (East Float) proposal.

2.6 The East Float proposal specifically seeks to deliver a new city neighbourhood consisting of new urban quarters with a maximum of 13,521 residential units²; this is in addition to a significant quantum of employment uses, retail (convenience and comparison), leisure and infrastructure.

2.7 As part of the study update, the latest population trajectory / build-out rates for the East Float scheme have been obtained from the applicant's planning agent and apportioned to survey zones 3A and 4A (as per 2009 Study approach) to understand future needs arising (Table 1, Appendices 2 and 4). The table below details the additional population generated by the East Float scheme.

² APP/09/06509 - Peel Land and Property (Ports) Limited

Additional Population	Total	Zone 3A	Zone 4A
2014 - Additional	205	105	100
2018 - Additional	3,425	1,713	1,712
2019 - Additional	1,076	538	538
2021 - Additional	2,152	1,076	1,076
2030 - Additional	12,606	6,303	6,303

2.8 As the table indicates, it is projected that there will be an additional 12,606 local residents by 2030 above and beyond the Experian baseline (ONS base). Whilst this level of population uplift would generate significant additional need, the new proposed retail provision within the East Float scheme will go some way to meeting needs. The implications of East Float on retail needs are considered later in detail.

Available Expenditure in the Survey Area

Expenditure Per Capita

- 2.9 The latest *Experian Micromarketer* data (Briefing Note 9, September 2011) has been used to provide up-to-date estimates of per capita expenditure on convenience and comparison goods in 2010 prices.
- 2.10 When the latest available (headline) expenditure per capita figures are compared against the 2009 Study (based on MapInfo 2006 data), the study update identifies a significant uplift in available convenience expenditure (2011) in each survey zone (Table 2, Appendices 1 and 2).

Catchment	CONVENIENCE		COMPARISON	
	2009 Study (2011)	2011 Update (2011) ³	2009 Study (2011)	2011 Update (2011)
Zone 1 - West Kirby / Hoylake	£1,766	£2,187	£3,588	£3,392
Zone 2a – Moreton / Leasowe	£1,663	£1,886	£3,178	£2,610
Zone 2b – Upton	£1,683	£1,972	£3,279	£2,766
Zone 3a – Wallasey	£1,561	£1,840	£2,947	£2,320
Zone 3b – New Brighton	£1,716	£2,068	£3,382	£2,976
Zone 4a – Birkenhead North	£1,492	£1,727	£2,722	£2,035
Zone 4b – Birkenhead South	£1,563	£1,932	£2,943	£2,438
Zone 4c – Birkenhead West	£1,682	£1,952	£3,289	£2,763
Zone 5a – Bromborough	£1,712	£2,013	£3,320	£2,808
Zone 5b – Bebington	£1,738	£2,156	£3,471	£3,164
Zone 6 - Heswall	£1,765	£2,396	£3,547	£3,639

- 2.11 The significant increase in convenience expenditure per capita figures for each survey zone is however counterbalanced by reduced expenditure growth rates, as set out below (Table 3, Appendices 3 and 4).
- 2.12 The available comparison per capita figures are however less in the study update than the original 2009 Study (2006 prices); the reduced figures potentially reflect the impact of the recession (i.e. local residents spend on non-essential (non-food) goods).

Expenditure Growth

- 2.13 The following up-to-date growth rates recommended by Experian (September 2011) are applied to the baseline population and expenditure (per capita) figures⁴ (Convenience - Table 2, Appendices 1 and 2; Comparison – Table 3, Appendices 3 and 4):

³ 2011 Study Update Figures (Convenience and Comparison) exclude SFT deductions

⁴ Based on Experian Briefing Note 9 (September 2011)

	2011	2012	2012-2018	2019-2026
Convenience Goods Growth	-0.3%	-0.4%	0.5% (p.a.)	0.6% (p.a.)
	2011	2012	2013	2014-2026
Comparison Goods Growth	0.5%	1.6%	2.1%	3.0% (p.a.)

2.14 The current growth rate figures reflect the current economic climate and are more conservative (particularly in the short to medium term) than the figures used in the 2009 Study (2006 prices), which are set out below:

	2008 - 2016	2016 – 2021	2021 - 2026
Convenience Goods Growth	0.23% (p.a.)	0.85% (p.a.)	0.45% (p.a.)
	2008 - 2016	2016 – 2021	2021 - 2026
Comparison Goods Growth	1.80% (p.a.)	5.85% (p.a.)	4.25% (p.a.)

Special Forms of Trading (SFTs)

2.15 Experian currently advise the following deductions for special forms of trading (e.g. expenditure not available to spend in the shops⁵) (Convenience - Table 2, Appendices 1 and 2; Comparison – Table 3, Appendices 3 and 4):

2011 Study Update	2011	2012	2014	2021	2026
Convenience SFT Deduction	4.2%	4.6%	5.4%	6.3%	6.8%
Comparison SFT Deduction	10%	10.9%	12.3%	12.7%	12.7%

2.16 The SFT figures are applied to the 2009 Study are as follows:

2009 Study	2011	2014	2014-26
Convenience SFT Deduction	2.4%	3.95%	4.05% ⁶
Comparison SFT Deduction	11.7% ⁷	13.9%	13.9%

⁵ Experian define SFTs as expenditure that does not take place in shops, such as that via mail order houses, door to door salesmen and stalls and markets. It also includes spending using digital TV and over the Internet.

⁶ Assumed to project forward from 2016

⁷ Assumed on basis of average across survey zones derived from household survey results

2.17 It is clear in comparing the two respective studies that the SFT deductions for convenience (food) goods are higher than the 2009 Study (reflecting the ongoing expansion in home delivery services by the mainstream operators). However, the comparison SFT deductions are lower, potentially reflecting increasing maturity and consolidation of the internet shopping market, shopper frustrations with the delivery process (disparity between goods descriptions and actual product) and that some stores source sales from existing retail floorspace rather than dedicated stores (including shoppers visiting stores to physically view a product before making the ultimate purchase online).

Sales Density Improvements (Trading Efficiency)

2.18 The following efficiency improvements have been modelled in the 2011 Study Update on the basis of the latest published *Experian* information (Convenience – Table 8, Appendices 1 and 2; Comparison – Table 11b, Appendices 3 and 4):

Growth	2011-2012	2012-2018	2019-2026
Convenience Goods Sales Density (£/m ²)	0% (p.a.)	0.4% (p.a.)	0.2% (p.a.)
Comparison Goods Sales Density (£/m ²)	0% (p.a.)	1.7% (p.a.)	1.7% (p.a.)

2.19 In contrast, the 2009 Study adopts the following assumptions:

Growth	2011-2016	2016-2021	2021-2026
Convenience Goods Sales Density (£/m ²)	0.16% (p.a.)	0.6% (p.a.)	0.32% (p.a.)
Comparison Goods Sales Density (£/m ²)	0.34% (p.a.)	1.1% (p.a.)	0.8% (p.a.)

2.20 On the basis of the above, it is clear that the performance of existing convenience floorspace is projected to be less than assumed for the 2009 Study. This is attributable to two factors; firstly the continuing negative economic climate and potential stagnation in spend post recession (longer than initially projected) and secondly the significant expansion of convenience retail provision (delivery of new modern convenience floorspace).

2.21 The comparison sales density rate is projected to increase as the continuing trend towards more modern, higher density stores following the demolition of older inefficient floorspace continues; the rates are however significantly reduced from the 'boom' periods at the turn of the century and are likely to potentially flat-line going forward due to constraints on delivery of new floorspace (development stagnation).

Benchmark Turnovers

2.22 In order to review the current performance of principal convenience stores in the Borough, we have firstly modelled existing performance and turnover through the household survey data, and secondly compared their existing turnover with estimates of trading at company average levels (Table 6, Appendices 1 and 2).

2.23 The company average trading levels have been calculated from average (goods-based) sales density figures obtained from *Mintel Retail Rankings* and *Verdict*.

3) Available Expenditure

2.24 On the basis of the revised population and expenditure figures, the overall revised expenditure capacity is detailed below:

Catchment	CONVENIENCE			COMPARISON		
	2009 Study (2011)	2011 Update (2011) ⁸	DIFF.	2009 Study (2011)	2011 Update (2011)	DIFF.
Zone 1 - West Kirby / Hoylake	£45.5m	£53.4m	£7.9m	£92.4m	£77.8m	-£14.6m
Zone 2a – Moreton / Leasowe	£43.2m	£45.9m	£2.7m	£82.5m	£59.8m	-£22.7m
Zone 2b – Upton	£47.5m	£53.8m	£6.3m	£92.5m	£70.8m	-£21.7m
Zone 3a – Wallasey	£46.7m	£50.8m	£4.1m	£88.1m	£60.1m	-£28m
Zone 3b – New Brighton	£49.7m	£57.8m	£8.1m	£97.8m	£78.1m	-£19.7m
Zone 4a – Birkenhead North	£27.8m	£35.8m	£8m	£50.7m	£39.6m	-£11.1m
Zone 4b – Birkenhead South	£48m	£54.7m	£6.7m	£90.4m	£64.9m	-£25.5m
Zone 4c – Birkenhead West	£59.1m	£70.4m	£11.3m	£115.5m	£93.7m	-£21.8m
Zone 5a – Bromborough	£48m	£52.2m	£4.2m	£93m	£68.4m	-£24.6m
Zone 5b – Bebington	£50.7m	£56.3m	£5.6m	£101.2m	£77.6m	-£23.6m
Zone 6 - Heswall	£53.7m	£63.5m	£9.8m	£108m	£90.6m	-£17.4m

⁸ 2011 Study Update Figures (Convenience and Comparison) includes SFT deductions

2.25 The impact of the uplift in residential numbers associated with the planned Wirral Waters development on available expenditure capacity is set out below (based on 2021 date given initial projected build-out period):

CONVENIENCE EXPENDITURE (2021)

2021 – Available Expenditure	Zone 3A	Zone 4A
2009 Study (Baseline)	£49.6m	£29.6m
2009 Study (Wirral Waters)	£56.6m	£41.7m
2011 Study Update (Scenario 1 - Baseline Experian)	£53.4m	£38.2m
2011 Study Update (Scenario 2 – Wirral Waters)	£59.6m	£44.0m

COMPARISON EXPENDITURE (2021)

2021 – Available Expenditure	Zone 3A	Zone 4A
2009 Study (Baseline)	£129.1m	£74.2m
2009 Study (Wirral Waters)	£147.2m	£104.7m
2011 Study Update (Scenario 1 - Baseline Experian)	£79.2m	£53.0m
2011 Study Update (Scenario 2 – Wirral Waters)	£88.3m	£61.0m

2.26 The impact of the residential uplift generated by the projected Wirral Waters build out is however tempered by supporting large-scale retail uses (East Float and Northbank commitments identified later in the report).

4) Summary Conclusions

2.27 As the comparative analysis identifies, there are substantial changes in available spend (increase for convenience and decrease for comparison) between the 2009 Study and this Update; the changes are primarily attributable to:

- The significant increase in available convenience expenditure per capita relative to the 2009 Study figures (counter balances the projected lower growth rates).

- The significant decrease in available comparison expenditure per capita relative to the 2009 Study figures (reflecting the current economic climate with less expenditure per person available for non-food goods).
- The significant decrease in projected comparison retail expenditure growth since the 2009 Study (growth rate reduced from 5.85% p.a. (2016 – 2021); Experian only project a 3.0% p.a. growth rate (2014 – 2026)).

2.28 The implications of forward strategy are considered in the proceeding section.

3. CONVENIENCE RETAIL ANALYSIS

- 3.1 Applying the results of the existing household telephone survey (March 2009) to population, expenditure and floorspace data inputs detailed in the previous section, it is possible to model the performance and market share of existing town centres, main foodstores and retail park destinations.
- 3.2 However, the retail analysis represents a ‘point-in-time’ assessment and three new mainstream foodstores (Sainsbury’s Neston, Asda Birkenhead and Morrison’s New Brighton) have opened since the 2009 Study. These openings therefore need to be borne in mind when considering the market share analysis summarised below. The likely impacts of the commitments are considered later in the report (para. 3.11). Ultimately a new household survey exercise would be required to draw definitive conclusions on market share and store performance.

1) MAIN FOOD

- 3.3 As detailed above, the market shares are identified on the basis of a household survey which was undertaken prior to the opening of new foodstores both within and outside of the Wirral catchment. The main headline findings (Table 5a, Appendix 1) are however set out in summary below on a zonal basis:
- **Zone 1 (West Kirby / Hoylake);** existing provision retains 57% (£22.8m) of main food expenditure arising within its immediate catchment. The Morrison’s West Kirby is the principal store destination (51.2% / £20.5m) whereas Hoylake retains a minor market share (5% / £2m). The main outflows are to Sainsbury’s Upton (17.4% / £7m) and Tesco Extra Bidston (6.6% / £2.6m). Existing convenience provision in the Borough retains 99.8% (£40m) of main food expenditure arising in Zone 1.
 - **Zone 2a (Moreton);** Moreton claims a 25.8% (£8.9m) market share from its immediate catchment. The main outflows are to a variety of mainstream foodstores including Morrison’s West Kirby (7.3% / £2.5m), Asda Arrowe Park (5.6% / £1.9m), Sainsbury’s Upton (8.9% / £3.1m), Asda Liscard (8.9% / £3.1m) and Tesco Extra Bidston (29% / £10m). Existing convenience provision in the Borough retains 97.5% (£33.6m) of main food expenditure arising in Zone 2.

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- **Zone 2b (Upton);** existing provision (Asda Arrowe Park and Sainsbury's Upton) secure 75.2% (£30.3m) from the catchment. The principal outflow is to Tesco Extra Bidston (6.2% / £2.5m). Existing convenience provision in the Borough retains 98.7% (£39.8m) of main food expenditure arising within the zone.
 - **Zone 3a (Wallasey);** existing provision in Wallasey / Liscard retains 72.7% (£27.7m) of expenditure arising within its catchment. However, Asda Liscard dominates catchment spend (55.4% / £21.1m overall). The main outflow is to Tesco Extra Bidston (14.9% / £5.7m). Existing convenience provision in the Borough retains 96.7% (£36.8m) of all main food expenditure arising within the zone.
 - **Zone 3b (New Brighton);** the main destinations are Asda Liscard (71.5% / £31m) and Tesco Extra Bidston (17.1% / £7.4m). Existing convenience provision in the Borough retains 99.8% (£43.3m) of main food expenditure arising within the zone.
 - **Zone 4a (Birkenhead North);** existing provision in Birkenhead only retains 29.5% (£7.9m) of expenditure arising within its catchment. The main alternative destinations are Asda Liscard (9.5% / £2.5m), Tesco Extra Bidston (26% / £7m). Existing convenience provision in the Borough retains 100% (£26.8m) of main food expenditure arising within the zone.
 - **Zone 4b (Birkenhead South);** existing provision in Birkenhead only retains 9.6% (£3.9m) of expenditure arising within its catchment. The main alternative destinations are Asda Arrowe Park (14.4% / £5.9m), Sainsbury's Woodchurch (11.2% / £4.6m) and Tesco Metro Rock Ferry (18.4% / £7.6m). Existing convenience provision in the Borough retains 91.2% (£37.4m) of main food expenditure arising within the zone.
 - **Zone 4c (Birkenhead West);** Birkenhead only retains 5.4% (£2.9m) of expenditure arising within its catchment (Birkenhead Outer retains 47.4% (£25m)). The main destinations are Asda Arrowe Park and Sainsbury's Woodchurch (both 27.5% / £14.5m) and Tesco Extra Bidston (16% / £8.5m).
 - **Zone 5a (Bromborough);** existing provision in the catchment retains 90.4% (£35.4m). The majority of this expenditure is directed to Asda Croft Business Park (71.2% / £27.9m). The Borough as a whole retains 96% (£37.6m) from the zone.

- **Zone 5b (Bebington);** Asda Croft commands the greatest market share from the catchment (54.5% / £23m). The main alternative destination is Sainsbury's Woodchurch (5.3% / £2.2m). The Borough as a whole retains 94% (£39.7m) from the zone.
- **Zone 6 (Heswall);** existing provision in Heswall retains 68% (£32.3m) of expenditure arising within the catchment. Tesco Heswall is the main destination (58.5% / £27.8m). The main outflows are to Sainsbury's Upton and Asda Arrowe Park (both 9.6% / £4.6m). The Borough as a whole retains 99.6% (£47.4m) from the zone.

2) TOP-UP FOOD SHOPPING

3.4 Top-up food shopping is by its very nature highly localised with shoppers either visiting local shops in close walking proximity to home or provision which is conveniently located in relation to travel-to-work patterns (i.e. drive-by trade). The market shares are therefore highly dissipated.

3.5 The survey results (Table 5B, Appendix 1) identify the following headline market share performance:

- **Zone 1 (West Kirby / Hoylake);** existing provision in Hoylake retains 27.3% (£3.6m) of top-up spend arising in its immediate catchment. West Kirby (including Morrison's) retains 45.7% (£6.1m). A total of 73% (£9.7m) is retained within the catchment.
- **Zone 2a (Moreton);** existing provision in Moreton retains 69.4% (£6.8m) of top-up spend arising in its immediate catchment. Provision in Wallasey / Liscard claims 11% (£1.3m).
- **Zone 2b (Upton);** the main destinations are Sainsbury's Upton (23.1% / £3.1m) and Asda Arrowe Park (16.3% / £2.2m). Greasby secures 14.4% (£1.9m) whilst Upton Village secures 7.7% (£1m).
- **Zone 3a (Wallasey / Liscard);** existing provision retains 64.9% (£8.2m) of spend arising in the catchment. Seacombe secures 11.3% (£1.4m).
- **Zone 3b (New Brighton);** existing provision in Wallasey / Liscard retains 69.3% (£10m) of spend arising in the catchment. New Brighton retains 10.2% (£1.5m). Tesco Extra Bidston claims 6.1% (£0.9m).

- **Zone 4a (Birkenhead North);** Birkenhead claims a 57.5% (£5.1m) market share from its immediate catchment. A further 11% (£1m) is secured by provision in the Birkenhead Outer area (principally Tesco Extra Bidston). Claughton Village secures 8.2% (£0.7m).
- **Zone 4b (Birkenhead South);** Birkenhead claims a 29.9% (£4.1m) market share. Existing convenience provision in the Birkenhead Outer area secures 42.5% (£5.8m).
- **Zone 4c (Birkenhead West);** Birkenhead claims a 21.4% (£3.8m) market share. Provision in the Birkenhead Outer area secures a 49.1% (£8.6m) market share.
- **Zone 5a (Bromborough);** existing provision in Bromborough area claims a 76.4% (£10m) market share. Stores in the Birkenhead zones (4a-c) claim 4% (£0.5m).
- **Zone 5b (Bebington);** existing provision in the Bromborough / Bebington area claims a 66.7% (£9.4m) market share.
- **Zone 6 (Heswall);** Heswall retains 64% (£10.2m) of convenience expenditure arising in its immediate catchment. There are minor outflows to the West Kirby catchment (6.5% / £1m).

3) OVERALL MARKET SHARE (MAIN AND TOP UP COMBINED)

3.6 The market share analysis for main food and top-up shopping can be combined together to provide a composite (overall) market share (Table 5C, Appendix 1). In summary, the analysis identifies the following:

Zone	Overall Convenience Market Share
Zone 1 (West Kirby / Hoylake)	61% (£32.6m).
Zone 2a (Moreton)	41.3% (£19m)
Zone 2b (Upton)	69.6% (£37.4m)
Zone 3a (Wallasey / Liscard)	70.8% (£35.9m)
Zone 3b (New Brighton)	76.5% (£44.2m) ⁹
Zone 4a (Birkenhead North)	62% (£22.2m)

⁹ Wallasey / Liscard market share

Zone 4b (Birkenhead South)	55.9% (£30.6m)
Zone 4c (Birkenhead West)	57.2% (£40.3m)
Zone 5a (Bromborough)	86.9% (£45.4m)
Zone 5b (Bebington)	72.1% (£40.6m)
Zone 6 (Heswall)	67% (£42.5m)

3.7 When the overall market share of all convenience provision in Wirral is cumulatively added together, the assessment identifies that the total borough-wide retention level is 95.4% (£567.6m).

4) INDIVIDUAL STORE PERFORMANCE

3.8 On the basis of the main food and top-up expenditure patterns identified through the household survey exercise, the capacity modelling exercise (Table 6, Appendix 1) identifies the following trading performance of main foodstores in Wirral Borough.

3.9 Whilst the survey-based assessment identifies the turnover performance of existing local independent shops within respective town and local centres, it is not possible to accurately estimate the 'expected' sales performance of local independents given the lack of published sales data.

Store	Survey Turnover	Performance
Morrison's (West Kirby)	£32.2m	+£12.1m
Sainsbury's (Upton)	£50m	+£7.8m
Asda (Arrowe Park)	£46.2m	+£4.2m
Asda (Liscard)	£70.6m	+£30m
Sainsbury's (Woodchurch)	£28.8m	+£10.4m
Tesco Metro (Rock Ferry)	£17.4m	+£7.3m
Tesco Extra (Bidston)	£52.9m	-£21.9m
Asda (Croft Business Park)	£67.9m	+£29.9m
Tesco (Heswall)	£36.1m	+£3m

3.10 Whilst the survey-based assessment identifies that the majority of mainstream foodstores in the Borough are overtrading there have been a number of foodstore developments which have come forward over the past few years which will reduce

the trading performance and alter shopping patterns identified in the original household survey.

5) CONVENIENCE COMMITMENTS

3.11 There are three foodstore schemes which have opened for trading since the 2009 Study and are likely to have had an impact on store performance and market share of particular existing stores in Wirral Borough as follows:

- **Sainsbury's (Neston);** new in-centre foodstore (1,710 m² net convenience). The store is likely to have drawn some main food trade away from Tesco Heswall, thereby reducing existing overtrading.
- **Asda (Birkenhead);** new in-centre foodstore (2,555 m² net convenience). The store is likely to draw trade from a number of stores including the in-centre Asda Liscard (significantly overtrading) and the out-of-centre Asda Croft and Tesco Extra Bidston stores (no policy protection); and
- **Morrison's (New Brighton);** new foodstore (2,246 m² net convenience). The store is likely to draw trade from a number of stores including the in-centre Asda Liscard (significantly overtrading) and the out-of-centre Tesco Extra Bidston store (no policy protection).

3.12 Whilst the Sainsbury's in Neston may have slightly increased expenditure leakage from the south and western parts of the overall borough catchment, the effect of the commitments, particularly at Birkenhead and New Brighton, will be to re-apportion existing spend rather than generate significant changes in overall market share (the new stores effectively compete directly with existing provision with limited scope for market share increase via clawback).

3.13 There have also been a number of convenience store fascia changes which have taken place since the 2009 Study (i.e. Asda replacing Netto at Bidston, Somerfield acquired by Co-Op) which may have had localised impacts on identified market shares. It would however not be possible to accurately quantify the changes in local market share (particularly for top-up shopping) associated with the fascia changes that have taken place.

3.14 In addition to the new foodstore provision and fascia changes which has come forward since the 2009 Study was completed, there are two major convenience commitments relating to the Wirral Waters proposals, as follows:

- **Northbank**; new foodstore (2,000 m² net convenience).
- **East Float Quay**; maximum convenience floorspace of 8,400 m² net.

3.15 The two Wirral Waters proposals are expected to primarily serve residential population associated with planned new city neighbourhoods. Therefore, for the purposes of the quantitative assessment, the commitments are projected to come forward in 2018 when a substantive residential population is established at East Float. The two commitments are not included in the Scenario 1 (Experian Baseline) Assessment.

6) CAPACITY ASSESSMENT

3.16 On the basis of forward population and growth, and taking account of the relevant commitments, the capacity assessment under both scenarios (1 and 2) identify no quantitative need for the Council to plan for new convenience provision across the Borough in the emerging Core Strategy period to 2030.

3.17 Whilst the assessment identifies that several foodstores in the Borough are overtrading beyond benchmark, the committed foodstore schemes in the Borough (Morrison's New Brighton and Asda Birkenhead) in addition to Sainsbury's Neston are likely to have enhanced competition and choice for local residents, thereby reducing overtrading towards more sustainable levels. The proposed new convenience provision at Wirral Waters (Northbank and East Float), whilst linked to the potential large new residential population, would further increase competition in the east of the Borough in particular.

3.18 In addition, there is no realistic scope to enhance overall convenience market share beyond current retention levels. The quantitative assessment identifies that existing convenience provision within the Borough retains 95.4 % of all local residents' convenience expenditure arising within it. More specifically, the retention levels for main food (less dissipated in nature than top-up shopping for example) in each defined catchment zone are all above 90% with extremely limited leakage to competing convenience provision outside of the Borough.

- 3.19 The overall position should however be monitored through future updates to this assessment, including commissioning a new household telephone survey so that the trading impacts and market share changes arising from the Asda Birkenhead and Morrison's New Brighton schemes in particular can be accurately confirmed once trading patterns have settled down.
- 3.20 Any new foodstore proposals which come forward outside of the formal LDF process should be supported by robust up-to-date survey evidence. The Council must be satisfied through any assessment that new provision would not adversely impact on existing provision.
- 3.21 In this respect, on the basis of this capacity assessment, it is recommended that the Council seeks to establish a locally-based floorspace threshold for impact assessments. The floorspace threshold should be established having regard to any qualitative (healthcheck) update for relevant centres (town, district and local centres).

4. COMPARISON RETAIL ANALYSIS

- 4.1 In contrast to convenience shopping patterns which tend to be more localised in nature, comparison shopping is destination based with shoppers prepared to travel further to undertake shopping for clothing, fashion and personal items (i.e. Liverpool One); these sectors are therefore key drivers and the primary determinants in consumers choice of destination. Expenditure is therefore more mobile and less restricted to a local catchment or particular centre.
- 4.2 This increased mobility has partially contributed to the relative decline in 'comparison' performance of smaller towns in dynamic retail hierarchies as high street retailers have begun to concentrate provision within fewer, larger centres and retail parks where they can benefit from critical mass of fellow retailers and higher pedestrian flows.
- 4.3 A summary of the main comparison shopping trends are set out below prior to concluding on need and strategy.

1) Market Share Analysis

- 4.4 Whilst the market share analysis represents a '*point-in-time*' assessment, the household survey results which underpin the 2009 Study are unlikely to have significantly altered given that there has been little substantive change in comparison retail provision both inside the borough and in competing centres in the intervening period (the impact of Liverpool One already picked up in the 2009 Study).
- 4.5 The overall market shares identified are therefore unlikely to have substantively changed aside from localised flows associated with non-food floorspace coming forward in foodstore developments (i.e. Asda Birkenhead).

Clothing

- 4.6 There is a total of £212.8m of clothing expenditure (£149m primary destination total; £63.8m secondary destination) arising within the Borough (zones 1 – 6). The capacity modelling assessment (Scenario 1) identifies the following:

- Birkenhead Town Centre claims a total of £80.5m of clothing expenditure available within the Borough (primary and secondary destination combined).
- All of the principal town, district and local centres in Wirral (including Birkenhead) claim £109.3m of clothing expenditure arising within the Borough.
- Out-of-centre retail warehouse provision in the Borough secures £17.3m of available clothing expenditure within the Borough (primary and secondary destination combined).
- The principal outflows of clothing expenditure (primary and secondary) are to:
 - Liverpool - £42.5m trade draw from Wirral.
 - Chester - £15.1m.
 - Cheshire Oaks - £11.8m.

4.7 Overall the survey exercise finds that existing comparison provision in Wirral (defined centres, foodstores and out-of-centre retail parks) retain 61.3% (£130.5m) of clothing expenditure arising in the Borough. Whilst this is a reasonable market share performance, the proceeding section on forward LDF strategy will consider whether there is realistic scope to secure further market share uplift.

Furniture

4.8 Given the bulky nature of furniture, the survey exercise identifies that out-of-centre retail warehouse parks perform a more significant shopping function than in relation to clothing for example. The main findings of the capacity assessment (Scenario 1) are as follows:

- There is a total of £108.3m of furniture expenditure arising within the Borough.
- Birkenhead secures a 25% (£27.1m) market share overall from the Borough zones.
- All centres in the Borough (town, district and local) secure a 42.4% (£45.9m) market share from the Borough zones.

- Out-of-centre retail warehouse parks claim a 19.5% (£21.1m) market share from the Borough.
- The principal outflows of expenditure from the Borough as a whole are to:
 - Chester (City Centre and Retail Parks) – 11.8% (£12.8m) market share.
 - Liverpool – 13.5% (£14.6m) market share.

4.9 Overall, existing retail provision in the Borough (principal centres, foodstores and retail parks) secure a 62.7% (£67.9m) market share of total furniture based expenditure arising in the Borough (£108.3m).

DIY Goods

4.10 As with furniture shopping, the major DIY store destinations in the Borough are located at out-of-centre retail warehouse locations. This is reflected in the capacity modelling findings (Scenario 1) detailed below:

- There is a total of £75.4m of DIY expenditure (primary and secondary combined) arising within the Borough.
- Birkenhead claims a 7.9% (£6m) market share from the Borough as a whole.
- All centres in the Borough (town, district and local) secure a 24.1% (£18.1m) market share from the Borough as a whole.
- Out-of-centre retail warehouse parks in the Borough command a 68.7% (£57.8m) market share from the Borough zones.

4.11 The Borough as a whole (all centres, foodstores and retail parks) retains 93% (£70.1m) of DIY expenditure arising within the Borough (zones 1 – 6). The result of this relatively high retention level is that there is an extremely low level of expenditure leakage to competing destinations (centres and retail parks) outside of the Borough.

Domestic Goods

4.12 Domestic Goods including Audio-Visual and White Goods (washing machines etc.) are increasingly sold in large format foodstores as well as traditional centres and out-

of-centre retail warehouse parks. The main findings of the capacity modelling assessment are as follows:

- There is a total of £178.2m of expenditure (primary and secondary combined) arising within the Borough.
- Birkenhead claims a 16.5% (£29.4m) market share from the Borough as a whole.
- All centres in the Borough (town, district and local) secure a 29.6% (£52.7m) market share from the Borough as a whole.
- Foodstores secure a 3.8% (£6.9m) market share; the majority of this is directed to the large format Tesco Extra store at Bidston Moss (£5m trade draw).
- Out-of-centre retail warehouse parks in the Borough command a 45.6% (£81.3m) market share from the Borough zones. Croft Retail Park in Bromborough is the principal destination (£73.8m trade draw).

4.13 The Borough as a whole (all centres, foodstores and retail parks) retains 79% (£140.9m) of Domestic Goods expenditure arising within the Borough (zones 1 – 6). The result of this relatively high retention level is that there is an extremely low level of expenditure leakage to competing destinations (centres and retail parks) outside of the Borough.

Specialist Goods

4.14 The 2009 Study defined specialist goods as comprising a wide range of items including games, toys, hobbies goods, bicycles, recording media and books¹⁰. The capacity modelling assessment (Scenario 1) identifies the following:

- There is a total of £206.6m of expenditure (primary and secondary combined) arising within the Borough.
- Birkenhead claims a 36.2% (£74.8m) market share from the Borough as a whole.

¹⁰ Specialist Goods defined in accordance with Experian spend categories to include Games, Toys, Hobbies, Jewellery, Clocks, Watches, Bicycles, Books and Stationary, Recording Media (CDs / DVDs), Other Personal Effects and Medical Products (excluding prescriptions).

- All centres in the Borough (town, district and local) secure a 55.2% (£114m) market share from the Borough as a whole.
- Out-of-centre retail warehouse parks in the Borough command a 12.8% (£26.9m) market share from the Borough zones.
- The main outflows outside of the Borough are to:
 - Chester (City Centre and Retail Parks) - £14.8m.
 - Liverpool - £30.5m.

4.15 Overall, existing provision in the Borough (centres, foodstores and out-of-centre retail parks) secure 69.8% (£144.2m) of expenditure arising in the Borough itself (zones 1 – 6).

Overall Market Share

4.16 Combining the total market shares for the individual comparison goods categories (high street and bulky based), the Borough as a whole commands the following:

- The overall comparison goods expenditure pot within the Borough is £781.4m.
- Birkenhead secures a 27.9% (£217.8m) market share from the Borough.
- All centres (town, district and local) claim a 43.5% (£340m) market share.
- Foodstores only secure a 2% (£15.5m) market share.
- Out-of-centre retail parks claim a 25.3% (£198m) market share.
- The overall leakage from the Borough is principally to:
 - Chester (City Centre and Retail Parks) - £41.2m.
 - Liverpool - £111.4m.

4.17 Existing comparison retail provision in the Borough as a whole (principal centres, foodstores and retail parks) secures 70.8% (£553.5m) of comparison expenditure arising within the Borough zones (1 – 6).

2) Capacity

4.18 On the basis of forward population and expenditure growth, and assuming that the current overall comparison market share remains constant, the capacity modelling assessment identifies capacity on both a town centre (Birkenhead) and Borough-wide basis below.

1) Birkenhead Town Centre

4.19 Projecting forward the turnover of the town centre as a whole, the assessment (Table 11, Appendix 3) identifies extremely limited quantitative capacity in the period to 2018. Additional need is however identified for the latter stages of the emerging Core Strategy timeframe as follows (figures rounded up):

YEAR	2021	2030
CAPACITY (GROSS)	6,300 m ² (gross)	13,700 m ² (gross)
CAPACITY (NET)	4,400 m ² (net)	9,600 m ² (net)

4.20 This baseline capacity position does represent a 'do-nothing' scenario and does not respond to the existing levels of expenditure leakage to other centres in the retail hierarchy, nor does it factor in the effects of current comparison commitments including the Hind Street retail development in Birkenhead (8,500 m² gross; 5,950 m² net sales) which is predominantly bulky goods orientated.

4.21 Whilst the identified figures should be treated as indicative, if sequentially compliant proposals emerge outside of the LDF process then there is scope to support new comparison retail provision subject to the Council being genuinely satisfied that any proposals will be genuinely achieve qualitative improvements in the town centre retail offer (i.e. named operators) rather than simply replicating the existing offer (new speculative floorspace).

2) Wirral Borough

4.22 Projecting forward the overall turnover of existing comparison provision (all centres, foodstores and out-of-centre retail parks) in the Borough as a whole, the modelling assessment (Table 12, Appendix 3) identifies the following capacity (rounded up):

YEAR	2018	2021	2030
CAPACITY (GROSS)	6,100 m ² (gross)	12,900 m ² (gross)	33,250 m ² (gross)
CAPACITY (NET)	4,300 m ² (net)	9,000 m ² (net)	23,300 m ² (net)

- 4.23 However, when existing comparison commitments across the Borough are accounted for in the assessment (Table 13, Appendices 3 and 4), there is no formal need identified until 2030 when there is a requirement to plan to accommodate 18,850 m² (gross) / 13,200 m² net floorspace.
- 4.24 Prior to concluding on capacity and thereafter the retail strategy for the latter phases of the emerging Core Strategy, it is important to take firstly account of the implications of the planned Wirral Waters scheme (New City Neighbourhood).

3) Wirral Waters Implications (Scenario 2)

- 4.25 As detailed in the methodology section of the report, the planned Wirral Waters scheme would deliver a significant uplift in residential population within the Borough (particularly on the eastern side around Birkenhead and Wallasey) in the latter stages of the emerging Core Strategy timeframe to 2030.
- 4.26 The result of the projected residential uplift in quantitative terms (available expenditure) against the baseline population scenario is as follows:

YEAR	2018	2021	2030
BASELINE	£903.6m	£989.8m	£1,289.8m
WIRRAL WATERS	£911.9m	£1,007m	£1,353.8m
DIFFERENCE (£)	+£8.3m	+£17.2m	+£64m

- 4.27 The need / capacity generated by the increased available expenditure arising from the Wirral Waters population uplift is as follows for the Borough as a whole (need figures rounded up):

YEAR	2018	2021	2030
CAPACITY (GROSS)	7,600 m ² (gross)	15,800 m ² (gross)	42,700 m ² (gross)
CAPACITY (NET)	5,300 m ² (net)	11,100 m ² (net)	29,900 m ² (net)

4.28 The capacity figures identified above however do not take account of existing commitments in the Borough and also the comparison retail floorspace proposed as part of the Wirral Waters scheme as follows:

- **East Float Quay** – c. 14,400 m² net comparison floorspace (*GVA project turnover would be in the order of £72m if open for trading in 2011*); and
- **Northbank** – c. 2,260 m² net comparison floorspace (*GVA project turnover would be in the order of £11.3m if open for trading in 2011*).

4.29 When all relevant comparison retail commitments are accounted for in the capacity assessment (Tables 13 and 14, Appendix 4), there is no need for new floorspace provision in the Borough until 2030 (4,600 m² gross; 3,200 m² net) under the emerging Core Strategy timeframe.

4) Forward Comparison Retail Strategy

4.30 Although the capacity assessment identifies some need for new comparison retail provision in the Borough during the latter phases of the emerging Core Strategy (to 2030), there are a number of significant comparison retail commitments which would soak up existing capacity if ultimately constructed (particularly the Wirral Waters and Hind Street commitments).

4.31 Whilst the Hind Street commitment is unlikely to draw a significant quantum of trade away from Birkenhead town centre given the nature of comparison retail provision (predominantly bulky goods and controlled by restrictive planning conditions), the Wirral Waters commitment could potentially draw trade away from the town centre if the new provision is not qualitatively distinguishable from the existing retail offer.

4.32 The nature of the Wirral Waters retail provision is however unknown at this stage and will be dependent in part on the timescales for delivery of the new residential

neighbourhoods but also commercial demand for operators to locate in the wider Birkenhead environs.

- 4.33 Whilst ordinarily there would be significant potential for market share uplift in order for Birkenhead town centre to better serve its catchment and respond to the potential competition arising from the Wirral Waters scheme in particular, having regard to the realities of operator demand and market conditions, it may be a significant challenge for the town centre to attract the quality comparison retailers required to facilitate further enhancements and enable it to fully compete with Liverpool City Centre following the opening of the Liverpool One development.
- 4.34 Whilst the emerging Core Strategy (preferred option) strongly reaffirms that Birkenhead town centre remains the principal destination for future retail development even in light of Wirral Waters, there is formal policy recognition of the need to qualitatively diversify the town's retail offer.
- 4.35 Therefore, it is our view that the conclusions and strategic recommendations of the Integrated Regeneration Strategy (IRS) for Birkenhead Town Centre and Wirral Waters, prepared by GVA in June 2010, remain appropriate and that the Council should engage relevant town centre stakeholders and regeneration bodies in order to commence preparation of an integrated masterplan for the town centre as a whole to address the following issues / deficiencies:
- The town centre is in decline and needs a new purpose through becoming multi-functional (qualitative diversification);
 - The configuration of the retail centre does not meet the accommodation requirements of national multiples; new modern floorplates need to be delivered in the town centre;
 - There needs to be a more sustainable mix of uses in the town centre;
 - There has been a lack of substantive investment in the town centre (particularly on the private sector side);
 - The market is poorly configured, lacks a focus and is a priority for revitalisation;

- The physical and visual relationship between the town centre and Conway Park station needs to be substantially improved (weak urban form and townscape); new development would enable town centre diversification and sustain greater activity and animation whilst strengthening the role and function of the retail precinct; and
- Establish better connections between the town centre and Woodside area.

4.36 Subject to the masterplan review, potential town centre (sequentially compliant) sites for the latter phases of the emerging Core Strategy could be identified.

4.37 In the meantime therefore, it is our view that there is no need for the Council to identify additional sites outside of the town centre or indeed any other defined centres to meet needs. Additional out-of-centre comparison retail provision should be directed to sequentially preferable locations.

4.38 As with the conclusions in relation to convenience retail, the Council should seek to establish local floorspace thresholds for impact assessments on the basis of the capacity assessment and any qualitative (healthcheck) reviews.