5.0 FLOORSPACE NEED ASSESSMENT: METHODOLOGY

Objectives

5.1 This section describes our approach to estimating the quantitative need for additional convenience goods floorspace within Stratford-on-Avon District as a whole and its main centres.

5.2 The analysis estimates the amount of over/under-trading at centres in the base year (2008) by comparing actual (survey-based turnovers) against benchmark turnovers and takes any expenditure “surplus” or “shortfall” into account in determining the available headroom expenditure at the forecast years of 2011, 2016, 2021 and 2026. We consider this is a realistic approach, since it reflects the variability in the present retail performance of centres across Stratford-on-Avon District.

5.3 The assessment provides the following information:

- Estimates of total available convenience goods expenditure within the shopping catchment areas of centres within Stratford-on-Avon District at the base year of 2008 and the forecast years of 2011, 2016, 2021 and 2026.

- Estimates of the convenience goods turnover likely to be ‘retained’ by the centres at each of the forecast years; and

- Estimates of “headroom” expenditure and therefore convenience goods floorspace need within the centres at the forecast years.

5.4 The results of the need assessment will be used by Stratford-on-Avon District Council to help shape and underpin retail policies in the Core Strategy. The results should also assist the Council respond to any emerging food store proposals.

Our Approach

5.5 Our broad approach to estimating the need for (any) additional convenience goods floorspace comprises of seven main steps, which in aggregate cover the three main stages of analysis:

(i) Forecasting consumer demand;
(ii) Forecasting retail supply; and
(iii) The conversion of (any) surplus retail expenditure into a retail floorspace requirement.

5.6 We have sought to provide an analysis that is transparent and which, at the same time, seeks to be robust. The assessment is also presented in a way that enables it to be updated in the future as more up-to-date statistics become available and the emerging pattern of shopping activity becomes more established.

5.7 The quantitative need assessment for convenience goods shopping is supported by a number of tables (spreadsheets) which are reproduced in **Appendix 6B**[1]. In addition, the assessment refers to a number of key assumptions which have already been discussed in Section 3, and are reproduced as **Appendices 1** to **5** inclusive.

Convenience Goods Floorspace Need Assessment

Step 1: Calculate Total Available Expenditure in the Survey Area

5.8 The household survey area is shown in **Figure 3.1** (following page 13) and is defined to encompass the shopping catchment areas of all the main centres in Stratford-on-Avon District. Within this area the quantum of available convenience goods expenditure generated is derived by multiplying (resident) population by average annual expenditure per head (see **Appendix 3B** for the Experian spend per head

[1] **Appendix 6B** sets out the spreadsheets (tables) in relation to our Scenario 1 (as described below). **Appendix 6C** contains the tables for our Scenario 2 (see Section 6).

data). This calculation is carried out for each of the eight zones which comprise the survey area.

5.9 Population estimates by zone and for the survey area as a whole are set out in **Appendix 6B, Table 1**. In addition to estimates for 2008 (the base year), population forecasts for 2011, 2016, 2021 and 2026 are also included.

5.10 **Appendix 6B, Table 2** gives the average annual expenditure per person on convenience goods for residents living in each of the eight zones comprising our survey area. These figures have been obtained from Experian. We have projected the per person expenditure estimates forward to the forecast years of 2011, 2016, 2021 and 2026 by adopting Experian's 2006 – based expenditure forecasts. (see **Appendix 3C**).

5.11 At **Appendix 6B, Table 3** we make deductions to the per person expenditure estimates to account for retail expenditure which does not take place in shops such as that on mail order shopping, door to door salesmen and market and road-side stalls. This form of expenditure also includes e-tailing and is generally known as "special forms of trading" (SFT).

5.12 In presenting expenditure forecasts through to 2026, we are aware that there are currently a number of electronic shopping formats which, should they become widely established, could reduce significantly the proportion of retail expenditure that is now spent in conventional shops. We have reviewed the recently published research on the future growth in e-tailing expenditure (details at paragraphs 3.33 to 3.37 inclusive in Section 3 and at **Appendix 3D**) and concluded that SFT is likely to increase as a proportion of convenience goods retail expenditure over the next five years before levelling off. This important assumption is built into our quantitative need assessment. However, we would stress that this assumption should be reviewed from time to time, since, were it to change significantly, it could have a material impact on future levels of retail floorspace by either reducing or increasing the need for additional shopping provision.

5.13 Our estimates of total available consumer retail expenditure on convenience goods at the base year (2008) are set out in **Appendix 6B**, **Table 4**. Forecasts are also given for the forecast years of 2011, 2016, 2021 and 2026. The increases in available expenditure are due to:-

- The forecast growth in catchment population;
- Real annual increases in consumer convenience goods expenditure per head.

Step 2: Application of "Market Shares" to Determine Amount of Retained Expenditure

5.14 As a consequence of increases in the volume of consumer expenditure per head running in tandem with population growth, we estimate that the "pool" of available expenditure on convenience goods within the survey area will increase (in real terms) by some £44 million between the base year (2008) and the latest forecast year of 2026 (**Appendix 6B, Table 4**).

5.15 However, not all of this growth in consumer expenditure will be spent within Stratford-on-Avon District and is available to support new retail floorspace in its main centres. This is because competitor centres to those within Stratford-on-Avon District also lay claim to the same growing "pool" of expenditure. This requires us to quantify the "market shares" of the centres in Stratford-on-Avon District.

5.16 Existing "market shares" for convenience goods shopping have been derived from the household telephone survey. The survey provides important information on the geographical extent of catchment areas and trade penetration around existing centres by quantifying the pattern and volume of retail expenditure flows from each of our defined zones (where people live and money is generated) to a range of centres and out of centre stores (where people spend their money).

5.17 In addition, and of **critical** importance, our assessment also takes into account the distribution and volume of locally available consumer expenditure (or spending power) so as to ensure that **our retail turnover estimates are balanced against available retail consumer expenditure**.

5.18 The base year (2008) pattern of “market shares” is set out in **Appendix 6B, Table 5**. These market shares have been taken directly from our household telephone survey. The “market shares” are then applied to the 2008 “pools” of available convenience goods expenditure (as set out in **Table 4**). **Appendix 6B, Table 6** gives the monetary amounts of convenience goods expenditure flowing to Stratford-on-Avon District (and its main centres) by zone. The addition of these expenditure totals for each of the eight zones gives the total amount of convenience goods spend flowing to a centre from the survey area. For centres within Stratford-on-Avon District we make allowances (where appropriate) for in-flow expenditure from outside the survey area, including monies originating from visitors/tourists.

Step 3: Determine Whether the Existing Retail Economy is Trading at Equilibrium

5.19 At this stage of the assessment we consider whether the existing convenience goods retail economy of Stratford-on-Avon District (and its main centres) is broadly trading at equilibrium or not. This is important because if the amount of consumer retail expenditure flowing to the area is high in relation to the stock of available retail floorspace and this appears to be causing problems to retailers and / or shoppers, then the area’s retail offer may be described as over-trading. Conversely, if the expenditure flows are low relative to available retail floorspace, then this can result in under-trading of the retail offer. PPS 6 (at paragraph 2.36) states that over-trading may be taken into account in assessing the need for additional retail floorspace.

5.20 If over-trading is occurring in an area (or centre) then it is commonly assumed that the turnover in excess of the equilibrium position is potentially available to support new shopping provision. If this occurs, then this element of expenditure should be added to the headroom expenditure which we later estimate from the future growth in the retail economy. Conversely, if an area (or centre) is under-trading at present, then it is also logical to deduct the amount of turnover shortfall relative to the equilibrium position from the defined headroom expenditures associated with the future growth in the retail economy.

5.21 The problem with this kind of analysis is determining whether an area (or centre) is trading in equilibrium or not. There are two principal difficulties. First, retailers need to achieve a certain trading level to be viable. However, this trading level varies substantially for individual retailers and for the same retailers for different centres across the UK, reflecting differences in type of business, profit margins, site, costs (eg. rents), size, financial structure and other factors. Without detailed financial data on <u>all</u> individual traders in an area it is virtually impossible to determine what the average equilibrium trading level is. The second major difficulty is that even if it can be proven that an area is trading above its retail equilibrium position, this does not automatically mean that problems associated with over-trading occur; these may include retailer operating difficulties, in-store congestion, over-busy streets leading to pedestrian safety and security problems, and congested car parks.

5.22 In estimating whether the Stratford-on-Avon District retail economy (and its centres) is in retail equilibrium at present in relation to convenience goods shopping, we have been handicapped by the unavailability of sales floorspace and trading data on individual shops in each centre. Nevertheless, we have attempted to be as robust as possible, since material conditions of over or under-trading in the base year do suggest there is an under or over-supply of retail floorspace already. In theory, in order to provide an accurate "benchmark" average sales density for a centre, one would require knowledge of the appropriate sales per square metre of each shop comprising the centre. Since this information is not available, we must derive broad estimates based on a range of criteria including:-

- Published company average sales per sq m for individual retailers;
- The breadth and depth of retailers in a centre;
- The number of multiple traders present; and
- The size of a centre (retail floorspace) and its position in the retail hierarchy.

5.23 Our benchmark convenience goods turnover estimates for existing centres within Stratford-on-Avon District are set out at **Appendix 6B, Table 6**[1]. We assume that the smaller centres (other centres/stores) are currently trading at retail equilibrium levels.

[1] The derivation of the benchmark turnover sales densities is set out in full in **Appendix 5B**.

5.24 For convenience goods shopping, the results of the household telephone survey suggest that existing floorspace in Stratford-on-Avon District as a whole is currently trading at close to retail equilibrium level. This indicates that the overall actual turnover closely matches that which is required by retailers in the area to achieve "benchmark" sales levels. At a town level, however, there are some material differences. Stratford-upon-Avon appears to be trading at close to retail equilibrium, whilst the survey suggests there is some over-trading at Shipston-on-Stour and Southam. Lastly, Alcester appears to be under-trading, being hit by major flows of convenience goods expenditure not only to Redditch and Evesham (outside of the District), but also to nearby Stratford-upon-Avon.

5.25 At **Appendix 6B, Table 7** some of the market shares are adjusted to reflect the potential which we believe exists in the future for each of the rural market towns to retain a much higher proportion of locally generated convenience goods expenditure than currently. Thus we assume expenditure leakage from each town's own zone to competing centres (including Stratford-upon-Avon) will reduce. This aim is consistent with the retail planning policy aspirations for these centres and, of course, is also in line with sustainability objectives by reducing the need for people to travel to carry out their food shopping. Similarly, we adjust Stratford-upon-Avon's market share in zones 1 and 6 to reflect the potential which exists for the town to attract more expenditure from these areas and to reduce expenditure leakage outside of the District. We comment further on the market share adjustments in Section 7, when we set out our overall conclusions and recommendations to the Council.

Step 4: Calculate Growth in Retained Expenditure through to the Forecast Years

5.26 Having determined the base year (2008) "market shares" and levels of retained convenience goods expenditure within Stratford-on-Avon District as a whole and its constituent centres, we use the principle of market shares to calculate how much more spending or trade Stratford-on-Avon District (and its main centres) could expect to attract in the future as a result of the forecast growth in available catchment area expenditure.

5.27 For each of the forecast years we apply the adjusted market shares set out in **Appendix 6B, Table 7** to the increased "pools" of available expenditure in each zone. The calculations for the forecast years of 2011, 2016, 2021 and 2026 are set out in **Appendix 6B, Tables 8, 11, 14 and 17** respectively. Due to the increase in demand (as a result of population growth and rising consumer expenditure per head, plus the effect of adjusting some of the market shares) the assessment produces at 2011 higher retail turnover potentials for Stratford-on-Avon District and its constituent centres than in the base year (2008). Similarly, the turnover potentials are even higher for the forecast years of 2016, 2021 and 2026.

Step 5: Determine Level of Potential Headroom Expenditure at the Forecast Years

5.28 It would be wrong to assume that all of the increase in turnover potential within Stratford-on-Avon District (and its main centres) will be available by the forecast year(s) to support additional convenience goods shopping. This is because some of the forecast growth in expenditure must be allocated to existing retailers because the evidence confirms that they increase their sales productivities in real terms over time.

5.29 In **Appendix 6B, Table 9** the turnover allocation for existing retailers is deducted from the 2011 turnover potential for Stratford-on-Avon District as a whole and each centre. This calculation produces an estimate of residual turnover potential for each centre and for Stratford-on-Avon District. The base year (2008) turnovers are then subtracted from the 2011 residual turnovers to determine the quantum of potential headroom expenditure available in 2011 in each centre and for Stratford-on-Avon District as a whole. A similar analysis is carried out in relation to convenience goods for the forecast years of 2016, 2021 and 2026 in **Tables 12**, **15** and **18** respectively.

Step 6: Determine Level of Residual Headroom Expenditure at the Forecast Years

5.30 **Appendix 6B, Table 10** sets out our calculations to estimate the residual headroom expenditure for Stratford-on-Avon District (and its main centres) at the forecast year of 2011 for convenience goods floorspace. The same assessment is carried out for the forecast years of 2016, 2021 and 2026 in **Tables 13, 16** and **19** respectively.

5.31 The first stage is to adjust the potential headroom expenditures calculated for 2011 by taking into account the extent (if any) of any over or under-trading that is occurring at each centre and in Stratford-on-Avon District as a whole at the base year (2008). This is necessary because the headroom expenditures set out so far assume that each centre and a Stratford-on-Avon District is a whole are currently trading in retail equilibrium. We have already commented upon the fact that this assumption may be viewed as unlikely.

5.32 Despite the difficulties of determining the extent of any over or under-trading within Stratford-on-Avon District and its main centres, we consider that including such estimates makes our quantitative need assessment more reliable and robust than ignoring them. Therefore, we use the over/under-trading estimates determined at **Appendix 6B, Table 6** to **"adjust"** our headroom expenditure totals. In practice, if an area (or centre) is estimated to be under-trading at the present time, this will reduce the quantum of headroom expenditure at the forecast year(s) since some of the growth in expenditure should be set-aside to bring the existing retail stock up to a retail equilibrium trading position. Alternatively, if an area or centre is over-trading, this will increase the quantum of headroom expenditure at the forecast year(s) since the 'surplus' sales are assumed to be available to support additional retail floorspace. **Table 10** sets out our calculation for making this adjustment to the 2011 headroom expenditures for convenience goods. **Tables 13, 16** and **19** repeat the calculations for the forecast years of 2016, 2021 and 2026.

5.33 At this stage, in order to convert the adjusted headroom expenditures into residual headroom expenditures at the forecast years of 2011, 2016, 2021 and 2026, we make further (if applicable) deductions to account for that quantum of retail expenditure which is likely to be soaked up by retail floorspace commitments and proposals within Stratford-on-Avon District (commitments are retail developments in the pipeline, which are either under construction or have planning consent, whilst proposals are submitted applications which have yet to be determined).

5.34 From information supplied to us by the District Council, we have produced a schedule of retail commitments and proposals within Stratford-on Avon District. The schedule is reproduced in **Appendix 5C**. This schedule also gives our estimates of the retail turnovers of each commitment and proposal for each of the forecast years. These turnovers are then deducted from the adjusted headroom expenditure totals for each centre as appropriate. This calculation is set out in **Appendix 6B**, **Tables 10,13,16** and **19** for the forecast years of 2011, 2016, 2022 and 2026 respectively.

5.35 The residual headroom expenditure totals for Stratford-on-Avon as a whole and its main centres at the forecast years of 2011, 2016, 2021 and 2026 are summarised in **Appendix 6B, Tables 10,13, 16** and **19** respectively.

5.36 In our view these residual headroom expenditure totals are important because they provide an estimate of the amount of potential turnover which will be available to Stratford-on-Avon District as a whole and each of its main centres by 2011, 2016 and 2021 and 2026. In Section 6, we set out the last step of the assessment, which is to convert these residual headroom expenditures into requirements for additional convenience goods floorspace. The output of this last step involves the application of average sales densities. However, in practice, the quantum of floorspace need will depend on the actual sales densities of the operators taking up the space, since levels of sales per sq m vary considerably between different retailers. Accordingly, we provide 'high', 'mid' and 'low' scenarios in respect of the application of sales densities, in order that their variation on the scale of the floorspace need may be determined. It is as a result of this wide divergence in retailer store productivities that we recommend that appropriate weight is attached to the **residual headroom expenditure** totals.

Summary

5.37 The purpose of this section has been to assess in quantitative terms the likely retail expenditure capacity for additional convenience goods floorspace within Stratford-on-Avon District and its main centres through to 2026. It must be stressed, however, that any quantitative analysis over such a long time-period (18 years from the base year of 2008) may be subject to a significant margin of error, particularly in the later years, since it is based on a number of assumptions which are difficult to forecast accurately. In addition, there are two further key assumptions which have a material bearing on the forecast levels of residual headroom expenditure. These are as follows:

- **Special Forms of Trading** – we have assumed Experian's 'central case' forecast for the growth in non-store retail sales through to 2016. Thereafter, we have assumed no further increase in the proportion of consumer convenience spend by SFT. However, if the actual growth was to exceed these rates, then the projected levels of retail floorspace need would be **less** than those forecast in this report. Alternatively, if SFT growth was less than we have forecast, then the quantums of floorspace need will be **more** than those set out in this report.

- **Over / Under Trading at the Base Year** - our household survey results indicate that Stratford-on-Avon District as a whole is currently trading at close to a retail equilibrium level for convenience goods shopping, although some towns are over/under-trading. These results have been taken into account in our quantitative floorspace need assessment. Clearly if we have over-estimated the amount of over-trading, for example, the retail expenditure capacity estimates will be lower than those set out above; conversely, if we have under-estimated the amount of over-trading the capacity estimates will be higher.

6.0 FLOORSPACE NEED ASSESSMENT: RESULTS

6.1 In this section, we present the results of our assessment of the need for additional convenience goods floorspace within Stratford-on-Avon District as a whole and the constituent towns of Stratford-upon-Avon, Alcester, Shipston-on-Stour and Southam. Our results are presented under two alternative scenarios as follows:-

- **Scenario 1:** we adjust the current (base year) market shares generated by the household telephone survey to reflect what we consider to be appropriate retail planning aspirations for the three rural market towns – in other words, we increase their market shares to realistic levels, which reflect much higher levels of locally retained expenditure consistent with PPS 6 advice on market towns (paragraph 2.60) and the Government's overall sustainability objective to reduce the need for people to travel over long distances for their food shopping. The market shares of Stratford-upon-Avon are also increased in zones 1 and 6 to reflect the potential which exists in these areas to clawback expenditure that currently leaks out of the District.

  This is our recommended forward strategy, although we recognise it is far from easy to develop appropriately sized new food stores within the rural market towns. We return to this important issue later in this section.

- **Scenario 2:** we do not adjust the current (base year) market shares - thus we assume that the existing relative strengths and attractions of centres will continue unchanged through to 2026. Under this scenario, the three rural market towns will continue to leak high volumes of locally generated expenditure to more distant towns, whilst Stratford-on-Avon District as a whole will also continue to leak 38% of its convenience goods spend to centres/stores in surrounding areas.

6.2 Under each scenario, we estimate for each of the forecast years the need for (any) additional convenience goods floorspace assuming 'low', 'mid' and 'high' average sales densities for converting available headroom expenditure into floorspace requirements (see paragraph 3.44 in Section 3). Our 'central case' assumption is the middle sales density equating to £7,500 psm net in the base year (2008).

The District-Wide Convenience Goods Retail Economy

6.3 The household telephone survey indicates that the existing convenience goods floorspace within the District is currently trading at a retail equilibrium level, with actual sales very close to benchmark turnover. However, the survey also reveals that £71 million of the District's available convenience goods spend of £189 million is currently leaking out to centres/stores outside the area. Thus the District is retaining just 62% of its available convenience goods expenditure in 2008. In our view, this is a relatively low proportion for food shopping, which is normally undertaken locally.

6.4 Therefore 38% of the convenience goods spend generated by Stratford-on-Avon District's residents is currently spent at centres in other Districts, mainly at major superstores in Banbury, Evesham, Redditch, Royal Leamington Spa and Warwick. This pattern of shopping is not sustainable, in our view, with many residents currently driving over relatively long distances to do their main food shopping. There is clearly the potential to plan for new food store provision within the District in a manner that is more consistent with the Government's key sustainability objectives of minimising reliance on the car for shopping and reducing the number and length of car journeys.

6.5 Having said this, the population of Stratford-on-Avon District is not huge (just 115,600 in 2008) and these people generate a relatively limited amount of annual spend on convenience goods. Moreover, the growth in the District's population is expected to be no more than 8,800 over the next 18 years (based on current dwelling requirements). Therefore, although the current development of food store commitments within Stratford-upon-Avon should lead to a small reduction in expenditure leakage, the limit to the 'pool' of available spend even by 2026 (the end date of the Core Strategy) means that careful attention should be placed on the number and location of any further new stores.

6.6 The underlying thesis of our **scenario 1** – adjusting the base year market shares – is that Stratford-on-Avon District's overall level of expenditure retention for convenience goods shopping should increase in line with the Government's commitment to sustainability, and that this goal is best achieved by increasing the target market shares for each of the three rural market towns which are located towards the edge of the District and by increasing Stratford-upon-Avon's target market share in zones 1 and 6. The scale of the increase that is realistic to plan for is determined by the geographic shape of the District and the proximity of competing centres. **Figure 6.1** and **Table 6.1** overleaf confirm that many areas of Stratford-on-Avon District closely abut major centres/stores located in other Districts, such as Banbury, Evesham, Royal Leamington Spa, Redditch and Warwick. Thus it is unreasonable to plan for excessively high levels of expenditure retention, since the locations of centres/stores will always attract a significant number of trips out of the District for food shopping.

6.7 Accordingly, we have adjusted upwards the expenditure market shares of the three rural market towns and Stratford-upon-Avon, which taken together increase the District's overall level of spend retention for convenience goods shopping by 19% points. This uplift from the current 62% rate to 81% reflects what we consider to be an appropriate, realistic and achievable target in planning terms.

6.8 The adjustments to the market shares are set out in **Appendix 6B, Table 7**. These directly impact on the need for additional convenience goods floorspace within Stratford-on-Avon District at each of the forecast years. The effects of the adjustments are two-fold:-

- by increasing the District's overall retention rate, we increase the total requirement for additional convenience goods retailing provision in the District as a whole;

- by adjusting the market shares for individual towns within the District, as part of the process, we seek to allocate the available spend to centres in order to better reflect the Government's sustainability objectives and regional/local planning policy to provide food shopping facilities on a more localised basis to further reduce the need to travel by car. The adjustments for individual towns are described below in the relevant sections.

Fig. 6.1. Stratford on Avon District: Location of Major Competitor Food Stores

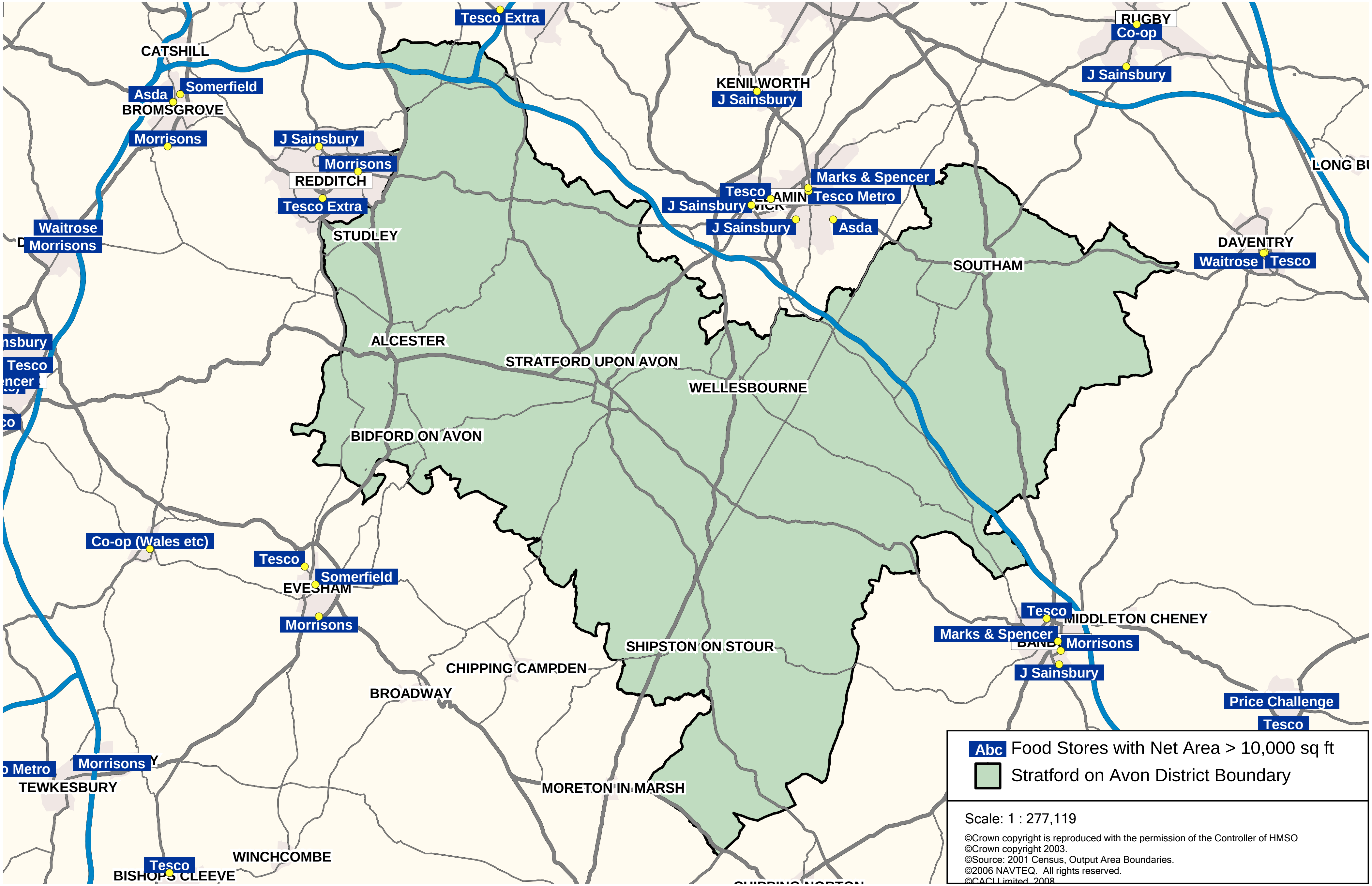

Table 6.1. Details of Major Competitor Food Stores (those shown in Fig. 6.1)

FASCIA	TOWN	GROSS AREA SQ FT	NET AREA SQ FT
Tesco	Banbury	67,500	50,246
J Sainsbury	Banbury	67,159	44,637
Morrisons	Banbury	72,598	32,683
Marks & Spencer	Banbury	47,300	10,379
Tesco	Bishops Cleeve	18,120	16,741
Asda	Bromsgrove	58,660	35,579
Morrisons	Bromsgrove	56,950	27,990
Somerfield	Bromsgrove	14,000	10,500
Tesco	Daventry	47,031	30,518
Waitrose	Daventry	-	20,787
Tesco	Evesham	73,255	47,574
Morrisons	Evesham	45,000	27,900
Somerfield	Evesham	21,027	12,464
J Sainsbury	Kenilworth	28,460	16,506
J Sainsbury	Leamington Spa	75,752	54,080
Asda	Leamington Spa	64,300	46,313
Marks & Spencer	Leamington Spa	52,200	31,800
Tesco Metro	Leamington Spa	38,880	19,246
Co-op (Wales etc)	Pershore	19,500	16,210
Tesco Extra	Redditch	119,078	79,734
J Sainsbury	Redditch	79,985	46,160
Morrisons	Redditch	58,500	31,500
J Sainsbury	Rugby	84,381	51,534
Co-op	Rugby	50,000	42,000
Tesco Extra	Solihull	73,787	49,423
Tesco	Warwick	65,571	45,641
J Sainsbury	Warwick	54,339	28,707

***Source** : Institute of Grocery Distribution, 2008*

6.9 Under Scenario 1, the quantum of additional convenience goods floorspace within Stratford-on-Avon District as a whole at each of the forecast years and for differing assumptions regarding sales densities are as set out in **Table 6.2**.

Table 6.2 Additional Convenience Goods Floorspace Need: Stratford-on-Avon District (Scenario 1)

Forecast Year	Floorspace Need (sq m net)		
	Low Sales Density	Mid Sales Density	High Sales Density
2011	4,840	3,230	2,420
2016	5,510	3,670	2,760
2021	6,470	4,310	3,240
2026	7,400	4,930	3,700

6.10 We therefore conclude (under Scenario 1) that by 2026 (the end date for the Core Strategy), there will be a need to provide for between 3,700 and 7,400 sq m net of additional convenience goods floorspace within Stratford-on-Avon District; the actual level being dependent on the likely sales densities of the operators taking up the space. This equates to a c. 5,700 to 11,400 sq m gross, assuming a net to gross ratio of 65:100. These totals also reflect the distribution of additional floorspace need between the towns as set out below. If the Council were to plan for different levels of need across the District's main towns, then this would have an impact on the overall quantum of need within the District as a whole.

6.11 For our Scenario 2, which assumes constant market shares and therefore no clawback of expenditure from outside of the District, **Table 6.3** overleaf summarises the floorspace need results for Stratford-on-Avon District as a whole through to 2026.

Table 6.3 Additional Convenience Goods Floorspace Need: Stratford-on-Avon District (Scenario 2)

Forecast Year	Floorspace Need (sq m net)		
	Low Sales Density	Mid Sales Density	High Sales Density
2011	- 2460	- 1,640	- 1, 230
2016	- 1,940	- 1,300	- 970
2021	- 1,210	- 800	- 600
2026	- 470	- 310	- 240

6.12 Without the benefit of expenditure clawback, it is clear that after taking into account current retail commitments and proposals (listed in **Appendix 5C**), there is no material need for any additional convenience goods shopping floorspace in the District until beyond 2026.

6.13 The floorspace need requirements set out in **Tables 6.2** and **6.3** assume that all existing convenience goods floorspace in the District continues to trade through to 2026 at viable levels of turnover. In practice, some of the existing convenience goods floorspace stock may naturally fall out of retail use (eg. from relocations, retirements or end of lease etc.) and/or the Council may accept some loss of shops as a result of impact from new store developments. There may also be a dilution of turnover efficiency from a potential over-supply of convenience goods floorspace. All of these factors (if they occur and are considered to be acceptable to the Council) may lift the need for new floorspace above the levels set out in **Tables 6.2 and 6.3**.

Stratford-upon-Avon

6.14 There is an estimated 10,809 sq m net of convenience goods floorspace currently trading in Stratford-upon-Avon generating an estimated (actual) turnover of £107.21 million (**Appendix 6B, Table 6**). This equates to an average sales density of £9,919 psm net, which, in our view, is close to a retail equilibrium level.

6.15 The map at **Appendix 5A** shows the location of the 23 convenience goods shops in the town centre. Together these stores occupy some 3,474 sq m net of floorspace. The key occupiers are a Somerfield, Marks and Spencer Food Hall and a Co-op. Many of the specialist food shops sell items that are aimed at the lucrative visitor/tourist market.

6.16 There are currently two large superstores trading out of centre – a Tesco and a Morrisons. We estimate these two stores together offer some 7,335 sq m net of convenience goods floorspace, which means that around two-thirds of Stratford-upon-Avon's food retail offer is located out of centre.

6.17 Earlier this year, a proposed Marks and Spencer Simply Food Store was granted planning consent on an extension to the Maybird Retail Park. This store will have a convenience goods sales area of 743 sq m net. In addition, a 500 sq m gross Sainsburys Local convenience store is currently being created in a sub-division of the Woolworth store in the town centre, whilst Aldi have submitted an application to develop a 1,500 sq m gross discount food store on the Birmingham Road. All three stores are therefore included in our floorspace need assessment as retail commitments/proposals, although it should not be assumed that Aldi will be granted planning permission.

6.18 The household telephone survey indicates that the three rural market towns of Alcester, Shipston-on-Stour and Southam currently retain relatively low proportions of locally generated convenience goods expenditure. In our view, each offers considerable opportunity to clawback trade that currently leaks out to competitor centres. This would mean more people shopping locally and lead to a reduction in the number of car journeys in line with the Government's sustainability agenda. In practice, this clawback of trade will lead to a reduction of expenditure leaking out of Stratford-on-Avon District, but will also lead to a reduction in the amount of spend generated by the residents of these three towns flowing to Stratford-upon-Avon. As a partial counterbalance to this loss of spend, we increase Stratford-upon-Avon's market shares in zones 1 and 6, since we believe there is scope to reduce the amount of expenditure leakage from these areas to centres/stores outside of the District.

6.19 The household survey also indicates that Stratford-upon-Avon is already retaining 94% of available convenience goods expenditure within zones 3 and 4, which covers the town and its immediate shopping household. We do not consider there is any further scope to increase this level of retention, since some spend will always leak out to other centres on the back of work and comparison goods shopping trips. In addition, given the close proximity of Warwick and Royal Leamington Spa to the north east, and their extensive existing food retailing offers, we do not consider there is scope to materially increase in-flow spend from this area.

6.20 The effect of making these adjustments to the target market shares is that Stratford-upon-Avon's overall market share of available convenience goods expenditure in the District will fall a little. Our assessment indicates that Stratford-upon-Avon's market share of spend will decrease from 43% now (2008) to 42% by 2011.

6.21 In terms of qualitative need, we consider that Stratford-upon-Avon already offers a comparatively wide range of food store operators and convenience goods from a choice of out-of-centre superstores and numerous town centre top-up convenience shops and food specialists. The only potential 'gap' in the offer appears to be for a food discounter, which we have assumed would be filled adequately by the current Aldi proposal on Birmingham Road, should it go ahead.

6.22 Reflecting these many quantitative and qualitative assumptions, our estimates under Scenario 1 of the need for additional convenience goods floorspace in Stratford-upon-Avon are set out in **Table 6.4** overleaf.

Table 6.4 Additional Convenience Goods Floorspace Need in Stratford-upon-Avon (Scenario 1)

Forecast Year	Florspace Need (sq m net)		
	Low Sales Density	Mid Sales Density	High Sales Density
2011	- 2,930	- 1,950	- 1,460
2016	- 2,560	- 1,710	- 1,280
2021	- 2,030	- 1,360	- 1,020
2026	- 1,510	- 1,000	- 750

***Note**: Figures assume the Aldi application on the Birmingham Road is approved/will proceed to be developed.*

6.23 The assessment therefore indicates that there is no material need for any additional convenience goods floorspace (beyond commitments) in Stratford-upon-Avon until beyond 2026. Although the figures show a significant over-supply in the early years, this assumes that the three rural market towns will have already benefited from new food store provision.

6.24 For Scenario 2 (constant market shares), the floorspace need figures for Stratford-upon-Avon are set out in **Table 6.5.**

Table 6.5 Additional Convenience Goods Floorspace Need in Stratford-upon-Avon (Scenario 2)

Forecast Year	Florspace Need (sq m net)		
	Low Sales Density	Mid Sales Density	High Sales Density
2011	- 2,790	- 1,860	- 1,390
2016	- 2,420	- 1,610	- 1,210
2021	- 1,880	- 1,260	- 940
2026	- 1,350	- 900	- 680

6.25 The levels of potential future <u>over-supply</u> of convenience goods floorspace in the town are marginally less than for Scenario 1, because adopting a constant market share produces a slightly higher total of available headroom expenditure pre-commitments. However, it is clearly evident that no further significant provision of convenience goods floorspace is necessary or appropriate in Stratford-upon-Avon even under Scenario 2.

Alcester

6.26 On our estimates there is currently 1,757 sq m net convenience goods floorspace in Alcester generating (actual) sales of £7.8 million. This is equivalent to an average sales density of just £4,423 psm net, which suggests the town's food retailing offer is under-trading (**Appendix 6B**, **Table 6**). The survey suggests this is because of major expenditure leakage not only outside of the District to Redditich and Evesham, but also to nearby Stratford-upon-Avon. In fact, almost 40% of the available convenience goods spend within Alcester's own zone 2 flows to Stratford-upon-Avon. In comparison, Stratford-upon-Avon captures just 28% of available expenditure within Shipston-on-Stour's zone 5 and no spend at all from Southam's zone 7.

6.27 The map at **Appendix 5A** shows the location of the seven convenience goods shops in Alcester town centre. The anchor trader is Somerfield with an estimated sales area of 780 sq m, which accounts for just over half of the town centre convenience goods floorspace (**Appendix 5B**). Out of centre there is also small Tesco Express with an estimated floor area of 289 sq m net. We understand there are currently no convenience goods retail commitments in Alcester.

6.28 The household survey indicates that Alcester is retaining just 27% of the convenience goods expenditure generated within its own zone 2. Thus almost three-quarters is flowing to other centres, including 3% to nearby Bidford-on-Avon. Around half of the spend is leaking out to Stratford-upon-Avon (mainly to Tesco and Morrisons), whilst most of the balance flows to Redditch (Tesco Extra and Sainsburys) and Evesham (Tesco) (**Appendix 1D**). Clearly, there is considerable potential for Alcester to improve its retention rate, which would mean many fewer car journeys being made to Evesham, Redditch and Stratford-upon-Avon for main food shopping.

6.29 We believe that a maximum retention rate of 70% could be achievable for Alcester, since this would still allow for a realistic leakage of 30% of available spend to other centres. This adjustment to Alcester's market share is set out in **Appendix 6B**, **Table 7**. Since the market shares for any zone must continue to sum to 100%, because we have adjusted upwards Alcester's from a current low of 27% to a target of 70%, we have had to adjust downwards the market shares for Stratford-upon-Avon and centres located outside of Stratford-on-Avon District. The effect of increasing Alcester's target market share in zone 2 to 70% will be to produce a higher total of quantitative need for additional convenience goods floorspace in the town in the future.

6.30 In terms of qualitative need, we consider there is scope for extending retail choice to the residents of Alcester and the surrounding hinterland, since the current main food offer consists of just a small Somerfield and even this store is being used extensively for top-up food shopping.

6.31 Reflecting the quantitative and qualitative considerations described above, our estimates of the need for additional convenience goods floorspace in Alcester under our Scenario 1 are set out in **Table 6.6.**

Table 6.6 Additional Convenience Goods Floorspace Need in Alcester (Scenario 1)

Forecast Year	Florspace Need (sq m net)		
	Low Sales Density	Mid Sales Density	High Sales Density
2011	**1,940**	**1,290**	**970**
2016	**2,020**	**1,350**	**1,010**
2021	**2,140**	**1,360**	**1,020**
2026	**2,240**	**1,490**	**1,120**

6.32 We conclude that there is potentially a need for a new main food store in Alcester of between 1,120 sq m net and 2,240 sq m net by 2026. This equates to a store of c.1,700 to 3,500 sq m gross. The actual size of store required will depend on the sales density of the operator taking up the space.

6.33 If we assume that Alcester's market share of available expenditure continues at its current level (our Scenario 2), then the levels of floorspace need will be as set out in **Table 6.7**.

Table 6.7 Additional Convenience Goods Floorspace Need in Alcester (Scenario 2)

Forecast Year	Florspace Need (sq m net)		
	Low Sales Density	Mid Sales Density	High Sales Density
2011	- 410	- 270	- 200
2016	- 380	- 250	- 190
2021	- 340	- 230	- 170
2026	- 300	- 300	- 150

6.34 Under this Scenario, there will be no need to plan for any additional convenience goods floorspace in Alcester through to 2026. As a result, many main food shopping trips will continue to be made to Stratford-upon-Avon and centres outside of the District such as Redditch and Evesham.

Shipston-on-Stour

6.35 We estimate there is currently 1,246 sq m net of convenience goods floorspace trading in Shipston-on-Stour generating (actual) sales of £8.5 million. This equates to an average sales density of £6,882 psm net, which is indicative of a relatively substantial level of over-trading (see **Appendix 6B, Table 6**).

6.36 The map at **Appendix 5A** shows the location of the nine convenience goods shops trading in the town centre. The key food stores are Somerfield and Co-op, but with estimated sales areas of just 325 sq m net and 260 sq m net respectively these units are relatively small. Unlike at Alcester, there are no further food shops located out of centre in Shipston-on-Stour.

6.37 The results of the household survey indicate that the town is currently retaining 39% of the available convenience goods spend in its own zone 5. Thus 61% of spend is currently leaking out of the local area with Stratford-upon-Avon attracting a market share of 28% and the balance of 53% flowing outside of the District, mainly to the Tesco and Morrisons at Banbury, and the Tesco at Stow-on-the-Wold (**Appendix 1D**). We believe there is considerable scope for Shipston-on-Stour to improve its market share from its current level. Given the 'stand alone' location of the town, away from close competitors, we consider a target market share of 75% is likely to be achievable – slightly higher than the 70% we have assumed for Alcester.

6.38 The adjustment to Shipston-on-Stour's market share is set out in **Appendix 6B, Table 7**. As a result of increasing Shipston-on-Stour's market share, we reduce those for Stratford-upon-Avon and centres outside of the District in order that all market shares for zone 5 continue to sum to 100%. Under Scenario 1, we therefore assume that Shipston-on-Stour has the potential to retain three-quarters of its available expenditure with much less leakage to Stratford-upon-Avon and to centres outside of the District. This assumption therefore increases the <u>quantitative</u> need for additional convenience goods floorspace in the town.

6.39 We also consider there are <u>qualitative</u> arguments in support of the need for further convenience good shopping in Shipston-on-Stour. With the largest food store offering only 325 sq m of sales space, it is not surprising that 75% of locally generated <u>main</u> food expenditure leaks outside of the town. Thus most of the retained spend is in fact top-up food shopping. Clearly there is a need to provide for bulky food shopping in Shipston-on-Stour in order that longer distance trips by car are reduced. Moreover, the household survey also shows a considerable degree of over-trading in the town, which suggests there is an existing need for more convenience goods floorspace.

6.40 Taking into account these quantitative and qualitative considerations **Table 6.8** summarises the need for additional convenience goods floorspace in Shipston-on-Stour under our Scenario 1.

Table 6.8 Additional Convenience Goods Floorspace Need in Shipston-on-Stour (Scenario 1)

Forecast Year	Florspace Need (sq m net)		
	Low Sales Density	Mid Sales Density	High Sales Density
2011	2,460	1,640	1,230
2016	2,520	1,680	1,260
2021	2,620	1,750	1,310
2026	2,710	1,810	1,360

6.41 Our assessment therefore indicates that there is a need for a new food store of between 1,400 and 2,700 sq m net in Shipston-on-Stour by 2026. This equates to around 2,100 to 4,200 sq m gross. Due to big variations in operator sales densities, the actual size of the store required will depend on the retailer taking up the space.

6.42 For our Scenario 2, which assumes that Shipston-on-Stour will retain its existing market share of available expenditure, the floorspace need totals are set out in **Table 6.9** overleaf.

Table 6.9 Additional Convenience Goods Floorspace Need in Shipston-on-Stour (Scenario 2)

Forecast Year	Florspace Need (sq m net)		
	Low Sales Density	Mid Sales Density	High Sales Density
2011	500	330	250
2016	530	360	270
2021	580	380	290
2026	620	410	310

6.43 Under this scenario, there is a modest need for further food shopping provision primarily to alleviate the over-trading which the survey suggests is presently occurring in Shipston-on-Stour. Accordingly, large numbers of main food shopping trips will continue to be made to Stratford-upon-Avon and Banbury.

Southam

6.44 We estimate there is currently 1,328 sq m net of convenience goods floorspace in Southam generating an annual turnover of £8.3 million. This equates to a sales density of £6,253 psm net, which indicates a degree of over-trading (**Appendix 6B, Table 6**).

6.45 The map at **Appendix 5A** shows the locations of the seven convenience goods shops trading in the town centre. The three key stores are Budgens (520 sq m net), Co-op (260 sq m net) and Acorn (260 sq m net) (see **Appendix 5B**), although all three are relatively small. There are no food stores located out of centre in Southam.

6.46 The household survey indicates that Southam is currently retaining just 26% of the available expenditure in its own zone, almost as much as Alcester, but less than Shipston-on-Stour. Thus almost three-quarters of available spend is leaking to other centres and because of Southam's location, this means to stores located outside of Stratford-on-Avon District. The main retail destinations are the Asda and Sainsbury's at Royal Leamington Spa and the Sainsbury's at Banbury (See **Appendix 1D**).

6.47 We believe there is considerable scope for Southam to increase its market share to a more realistic level of 70% (see **Appendix 6B, Table 7**). Such an increase would significantly reduce expenditure leakage and trips made outside of the District for main food shopping. Adjusting upward Southam's target market share pushes up the quantitative need for additional convenience goods floorspace.

6.48 We also believe there is a qualitative need to improve Southam's food retail offer. Not only is the existing floorspace over-trading (on our figures) but none of the current stores is of sufficient size to attract material numbers of main food shopping trips – hence the huge leakage of spend. In fact, the survey indicates that 80% of locally generated main food spend is leaking out of the area and the District. Accordingly, the current range of stores in the town centre attract primarily top-up food shopping trips.

6.49 Reflecting both quantitative and qualitative considerations, our estimates of the need for additional convenience goods floorspace in Southam are summarised in **Table 6.10.**

Table 6.10 Additional Convenience Goods Floorspace Need in Southam (Scenario 1)

Forecast Year	Florspace Need (sq m net)		
	Low Sales Density	Mid Sales Density	High Sales Density
2011	3,370	2,250	1,690
2016	3,470	2,310	1,730
2021	3,610	2,410	1,810
2026	3,740	2,490	1,870

6.50 Our assessment (under Scenario 1) indicates there is a potential for a new food store in Southam of between 1,900 and 3,700 sq m net, equivalent to 2,900 to 5,700 sq m gross by 2026. The actual size of the store will be dependent on the operator, due to the wide range of sales densities which different retailers achieve.

6.51 For Scenario 2, which assumes Southam's market share of available expenditure will remain constant through to 2026, the floorspace need estimates are summarised in **Table 6.11.**

Table 6.11 Additional Convenience Goods Floorspace Need in Southam (Scenario 2)

Forecast Year	Florspace Need (sq m net)		
	Low Sales Density	Mid Sales Density	High Sales Density
2011	230	150	120
2016	260	170	130
2021	300	200	150
2026	350	230	170

6.52 Under this scenario, we forecast only a limited need for additional convenience goods shopping in Southam in order to alleviate the over-trading which we estimate is occurring at the present time. As a result, the vast majority of main food shopping trips will continue to be made to competitor centres outside of the District.

7.0 CONCLUSIONS AND RECOMMENDATIONS

7.1 The household survey indicates that almost 40% of convenience goods expenditure generated within Stratford-on-Avon District is currently spent at stores outside the District. This considerable leakage generates high numbers of (relatively) long distance car journeys for main food shopping. Reflecting this pattern of shopping behaviour, it is not surprising that the Council is experiencing some pressure from food retailers for new store representation within the District.

7.2 Our recommended retail strategy for the Council is to actively plan for additional food store provision within Stratford-on-Avon District, but in a way that not only meets the sustainability objectives of reducing expenditure leakage (and trips) to centres outside of the District, but also reduces the need to travel longer distances by car for main food shopping within the District.

7.3 In practice, given the geographical shape of the District and the location of its towns, the best way to achieve the required clawback of expenditure, in our view, is to plan primarily to improve the food store offer in the three peripherally located market towns of Alcester, Shipston-on-Stour and Southam, whilst continuing to recognise the potential for Stratford-upon-Avon to capture a larger share of available spend in nearby zones 1 and 6 (see **Figure 3.2**). This approach underpins our Scenario 1.

7.4 An alternative approach would be to maintain the existing market shares of the towns within the District for convenience goods shopping - our Scenario 2. However, this approach would rule out the need for any major new food stores in the three rural market towns, thus doing nothing to reduce the numerous trips made from these towns to Stratford-upon-Avon and to centres outside of the District for main food shopping. Accordingly, there would be no clawback of expenditure. In addition, maintaining Stratford-upon-Avon's market share would result in only a similar quantum of floorspace need for the town as under Scenario 1.

7.5 A further alternative, planning for an increase in Stratford-upon-Avon's market share, whilst also seeking to maintain the existing market shares of the three rural market towns, is likely to prove difficult to achieve in practice. This is because any significant additional major food store provision in Stratford-upon-Avon (beyond current commitments) is unlikely to be supported by material increases in in-flow spend from outside of the District due to the location of the town. Instead, much of the turnover required to support any major new stores(s) will be drawn from existing retailers in the town (especially Morrisions and Tesco) but also from food stores located throughout the rest of the District. Depending on the location of any new major food store(s) in Stratford-upon-Avon the retail economies of the rural market towns of Alcester and, in particular, Shipston-on-Stour could be undermined by trade diversion.

7.6 If the Council were to receive any applications for additional large food stores in Stratford-upon-Avon, we would therefore recommend that a rigorous retail impact assessment is carried out in order to establish the scale and pattern of any adverse effects.

7.7 Although difficult to quantify, allowing another major food superstore in Stratford-upon-Avon could also dampen the prospects of Alcester and Shipston-on-Stour attracting new main food operators of their own. Such a development in Stratford-upon-Avon is likely to impact upon the scale of any new food stores in these two rural market towns.

7.8 Our preferred **Scenario 1** is about clawing back expenditure currently being lost from the District and providing a more sustainable pattern of food store provision throughout the District. This is best achieved, as noted earlier, by planning for each of the three rural market towns to retain much higher levels of locally generated convenience good expenditure.

7.9 The floorspace need totals set out in **Tables 6.2** to **6.11** earlier give a broad indication of the size of store required in each town, although the exact size will depend on the sales density likely to be achieved by the operators involved. The **key issues** in planning for new food store provision in Alcester, Shipston-on-Stour and Southam are as follows:-

- **Format** - any new food store must be capable of attracting the main food shopping trips of local residents; thus any new provision will largely complement the existing food stores within each town, which cater primarily for top-up food shopping.

- **Size** – our view is that any new store should have a minimum sales floorspace of c.1,300 sq m net in order for it to be of a sufficient scale to attract main food trips (this equates to c. 2,000 sq m gross). This would make any new store almost double the size of the present Somerfield in Alcester (c.780 sq m net), which is currently the largest food store in any of the three rural market towns. Moreover, because regional planning policy states that retail provision should reflect the hierarchy of centres, any new food store which is developed in the rural market towns should not be of size (or level of attraction) that attracts trips from people living in larger centres (eg. Stratford-upon-Avon). We therefore recommend that any new food store in the rural market towns should ideally have a maximum floorspace of c.1,800 sq m net (c. 2,800 sq m gross).

- **Mix** – we would recommend that any new food store is restricted to selling convenience goods; this maximises the food product range for any size of store and limits the availability of comparison goods which could impact on existing town centre shops. For the same reason, we recommend that service uses (eg. post office, dry cleaners, photo developing and pharmacy) do not form elements of these new stores.

- **Location** – ideally, and in line with the sequential approach, any new large food store should be located within the primary shopping area of each town centre. However, given the historic nature of all three rural market towns, it is unlikely that, in practice, appropriate sized sites can be identified in these areas. In these circumstances the sequential approach should be applied to site selection. PPS 6 states that any site within 300 metres of a primary shopping area is defined as edge of centre, with any site beyond this classified as being out of centre.

- **Impact** – the potential negative impact of any new large food store not located in the primary shopping area of a rural market town must be carefully considered. However, the household survey indicates that all the relatively small food stores currently located within the towns are essentially performing a top-up food shopping role for local residents, whilst the vast majority of main food shopping is undertaken at much larger food stores in Stratford-upon-Avon or outside of the District (see **Appendix 1C Table 10**). Therefore, we believe that if any new food store is of sufficient size to cater for, and attract, main food shopping trips, its sales will be derived primarily from the clawback of expenditure to the town and its impact on the existing retail provision will be limited.

- **Linked trips** - The provision of a new food store catering for main food shopping will clawback to each rural market town shoppers who currently carry out their bulk food shop at other centres. It is likely that at least some of these shoppers will go on to support shops and services in the town centre, since they will not be travelling out of the area to do their main food shop. Moreover, the potential for linked trips will also increase amongst shoppers living within the hinterland of each rural market town, whilst an enhanced food retail offer in the rural market towns could attract a modest amount of additional in-flow expenditure from people living outside of Stratford-on-Avon District.

- **The 'do-nothing' approach** – if new food stores are not encouraged to locate in the three rural market towns, is it more likely that pressure for additional large food stores will increase in Stratford-upon-Avon. Any further development here will suck-in even more spend from across the District. Potentially this could undermine the retail economies of these towns.

7.10 Under our preferred Scenario 1, **Table 6.4** summarises the floorspace need results for Stratford-upon-Avon. The **key issues** in planning for the future of food retailing in Stratford-upon-Avon are as follows:-

- there will be an apparent over-supply of convenience goods floorspace by 2011 if all three included commitments and proposals – the Marks and Spencer Simply Food, the Sainsbury's Local and Aldi - open for trading by then, although this over-supply steadily diminishes through to 2026 as a result of slowly rising available expenditure;

- accordingly, there is no apparent quantitative or qualitative need, in our view, for another food superstore through to 2026;

- because of this lack of quantitative need (or available headroom expenditure), any such store, if developed, would have to attract its sales from the following sources:-

  - *in-flow expenditure from outside the District*: given the location of Stratford-upon-Avon within the District and the close proximity of Warwick/Royal Leamington Spa (with its existing strong retail offer) we do not consider there is any scope to attract material amounts of additional trade from this source.

  - *clawback expenditure:* Stratford-upon-Avon already retains 94% of the available convenience goods expenditure in zones 3 and 4 (covering the town and its hinterland) and therefore there is little or no scope to clawback further expenditure from this area.

  - *trade diversion from existing stores in the town:* we believe a large proportion of the turnover of any new food-based superstore in Stratford-upon-Avon will be diverted from existing retail provision, primarily the existing out of centre superstores of Morrisons and Tesco. Competition between out of centre retailers, however, is not of concern to planners. Town centre food shopping – underpinned mainly by the tourist spend and top-up trips – is likely to avoid any material impact.

- *in-flow expenditure from the rest of the District*: it is likely, in our view, that a further superstore in Stratford-upon-Avon would suck-in even more food expenditure at the expense of other centres, mainly the existing rural market towns of Alcester and Shipston-on-Stour, but also small foodstores in other settlements such as Bidford-on-Avon and Wellesbourne. Southam is located a considerable distance from Stratford-upon-Avon and the household survey indicates there is virtually no over-lap in their food catchments. This centre is therefore likely to remain largely unaffected by further food store provision in Stratford-upon-Avon. The scale of any additional expenditure in-flow would be minimised, however, if the rural market towns had already benefited from improved food retail offers themselves. This is because many residents of these towns would be likely to shop locally for their bulk food, once this form of shopping was adequately catered for.