RETAIL, COMMERCIAL LEISURE AND HOTEL STUDY 2018

SUMMARY AND KEY FINDINGS

This Appendix sets out the key findings for each element of the study from both a quantitative and qualitative need perspective.

Retail – Spending Patterns and Market Share of Expenditure

Convenience (Food) Goods

- The resident population of the study area at 2017 generates some £656.8m of convenience goods expenditure which is forecast to rise to £661.3m by 2032 – an increase of £34.5m (0.7%);

- Of the £656.8m convenience goods expenditure generated in the Study Area at 2017 Blackpool Borough claims £264.3m. This equates to a market share of 40.2% which appears low when compared against the 45.7% of the Study Area population resident in Blackpool Borough. However this market share reflects the fact that that there are a number of main foodstores just outside the Borough boundary within easy reach for Blackpool residents eg, Morrisons at Squires Gate Lane in the south and Thornton-Cleveleys in the north. This limits the scope to retain a significantly higher proportion of Blackpool residents' convenience goods expenditure and increase the market share

- The most popular stores within Blackpool Borough are the out-of-centre Tesco Extra at Clifton Road Retail Park and Asda at Cherry Tree Road. Both of these stores have a wide appeal across Blackpool and the wider Study Area, with many residents prepared to travel to these stores. The third most popular convenience goods destination for residents of Blackpool is Morrisons at Squires Gate Lane. Whilst located just outside the Borough within Fylde, this store functions as part of Blackpool. Sainsbury's at Red Bank Road and at Talbot Road are also important convenience goods destinations in Blackpool Borough

- The role of Blackpool Town Centre as a convenience goods destination for the Study Area residents is relatively limited in comparison to out-of-centre and other destinations across the borough. However, it should be noted that Blackpool town centre is likely to benefit from significant convenience goods spending by visitors to Blackpool. Blackpool town centre's convenience goods shopping role is therefore likely to be understated by the findings of our assessment of the Study Area residents shopping patterns, which does not take account of inflow of expenditure from residents outside of the Study Area

- Whilst the Sainsbury's store has improved the local convenience retail provision in Blackpool town centre, the Study indicates that the store has not significantly increased

the attraction of Blackpool Town Centre as a convenience goods destination for residents across the Study Area as a whole. Nevertheless, WYG assess that the store has acted to maintain the convenience market share of Blackpool town centre at around 5.6% (compared to the RTP 2011 Study of 5.7%) in the face of increasing competition elsewhere both in and outside of the borough.

- It would appear that the rise in popularity of discount foodstores (Aldi, Lidl etc); the additional discount retail supermarkets that have opened in the borough since 2010; and what would also appear to be the reluctance of shoppers to change their shopping patterns in the zones surrounding the Town Centre, which potentially relates to brand loyalty, has impacted on the current Town Centre market share.

- The choice of main food shopping destinations in the central and northern part of the borough, (Zones 1, 2, 3 and 6) remains limited.

- With the exception of the lack of choice of supermarkets in the central to north area of the borough (from Blackpool town centre to Bispham), the overall convenience goods provision serving the borough's residents, which includes that located just outside the borough, is meeting the needs of Blackpool's residents.

Comparisons Goods

- The resident population of the study area at 2017 generates some £884.3m of comparison goods expenditure which is forecast to rise to £1,363.7m by 2032 – an increase of £479.4m (55%). This increase is a result of forecast increase in catchment population and in particular, the forecast level of comparison goods expenditure growth over forthcoming years including tourist spend

- Blackpool Town Centre is the main comparison goods shopping destination for the Study Area residents. At 2017 it attracted 30.2% of all spending equating to £267 million. WYG indicate this figure is relatively low considering that Blackpool Town Centre is the sub-regional centre for the Fylde Coast. It has decreased 9% since the 2011 RTP Study which is a concern

- Blackpool Retail Park is the second main destination for comparison goods expenditure in the study area, claiming some £95 million. When taking into account Clifton Retail Park and Cherry Tree Retail Park, the 3 'out of centre' retail parks have an aggregate turnover of £174m a substantial increase from £95m in 2005. Competition from out-of-centre retail destinations in Blackpool is therefore substantial and an issue which is affecting the performance and offer of Blackpool Town Centre

- The shift of expenditure to the out of centre retail parks reflects the diversification of the comparison retail offer and increase in the overall quantity of comparison retail

floorspace in these destinations, as well as the decrease in comparison retail floorspace within Blackpool town centre since 2007.

- Given Blackpool town centre's role as the sub-regional centre, it should be attracting a higher proportion of spending on comparison goods from residents across the Study Area. Whilst the increase in Blackpool town centre's market share of spending on clothing and footwear from 39.9% at 2010 to 44.7% at 2017 is an important achievement and points to a strengthened clothing and footwear offer, this boost is undermined by a substantial decline in Blackpool town centre's overall comparison goods market share.

- WYG consider that there is potential for Blackpool town centre to attract a higher proportion of the comparison goods expenditure of residents within the borough across many of the categories of comparison goods, as well as from its wider Fylde Coast catchment. However, this would require the delivery of a step change in the quality of Blackpool town centre's offer to attract more residents to the town centre and enable the centre to better compete with destinations within the borough, both in and outside of the Study Area.

- Of the Study Area residents' total expenditure on comparison goods, 80.3% is spent in destinations within the Study Area, which WYG consider to be a high retention rate given the proximity of the Study Area to the higher order settlement of Preston, and confirms that comparison retail destinations within Blackpool Borough are drawing in residents from the wider Study Area. The retention rate has increased by 3.8 percentage points since 2010 meaning that more residents are now undertaking their comparison goods shopping locally. This increase has outstripped expectations for the moderate increase in the retention rate scenario tested in the 2011 Fylde Coast Retail Study.

- Much of the increase in the retention rate across the Study Area is attributable to an increase in local shopping by residents in those parts of the Study Area within the Fylde and Wyre local authority area, with Cleveleys, Poulton and Kirkham all increasing their market shares since 2010. Whilst the overall market share of destinations in the Blackpool Zones (Zones 1 to 6, which broadly correspond to Blackpool Borough) has increased slightly since 2010, this is primarily due to the substantial increase in the market share of Blackpool Retail Park, the borough's main out-of-centre retail destination.

- The scope to further improve the market share of Blackpool Borough is limited. The retention of comparison goods expenditure amongst the borough's residents is already high across most of Blackpool Borough (Zones 1 to 5). Whilst a substantial proportion of the comparison goods expenditure of residents in the north of Blackpool Borough (Zone 6) flows to destinations within the Wyre local authority area, this largely reflects the proximity of Cleveleys town centre to Blackpool Borough and its important role in serving residents in the north of Blackpool Borough.

- The retention of residents' expenditure within the Study Area but outside Blackpool Borough has increased significantly since 2010, outstripping expectations for a moderate increase in the retention rate scenario tested in the 2011 Fylde Coast Retail Study. Leakage to destinations outside of the Study Area now accounts for less than a fifth of Zone 7 to 10 residents' total spending on comparison goods. We consider that the potential to clawback further expenditure leaked to destinations outside the Study Area is therefore limited.

Healthchecks

Blackpool Town Centre

- the Houndshill Shopping Centre performs well and accommodates a range of modern retailers, however outside the shopping centre there are significant issues with vacancies, most notably Bank Hey Street and Church Street. This is in part due to operators relocating from these streets to the Houndhill

- High vacancy rates are evident in more peripheral Town Centre locations including Bickerstaffe Square where retail units have remained vacant since construction (It is anticipated that phase 2 of the Council's Talbot Gateway regeneration scheme will generate market interest in this location); and particularly to the east of King Street. In this location alternative uses such as residential should be considered

- There is a prevalence of charity shops and discount stores

- Despite the high proportion of leisure services across the centre, there is a lack of quality dining experiences and family orientated national chains;

- There is a qualitative deficiency in the quality and format of the retail stock located within the Principal Retail Core outside of the Houndshill Shopping Centre, particularly along Bank Hey Street;

- There is a high level of vacant retail units in peripheral parts of the town centre, particularly to the east of King Street. It is unlikely that these units will be let in the coming years and therefore alternative uses such as residential should be considered

- Concerns with anti-social behaviour identified by the on-street survey with the potential to impact the social demographics visiting the town centre.

District Centres

- Although Waterloo Road appears to have a relatively strong comparison goods offer in terms of the number of units when comparing against the national average, there is a

prevalence of low order retailers such as charity shops, pawnbrokers and discount stores as well as a high level of vacancies (25 units)

- The low order nature of the comparison goods offer and the low provision of retail services is possibly linked to the high levels of deprivation within the local catchment. Nevertheless, WYG consider the centre to be performing its designated role as a district centre in terms of meeting the needs of local residents within the catchment by providing facilities for convenience shopping and service uses (hairdressers, health and beauty salons and so on)

- The majority of vacancies are located on Bond Street which WYG consider functions as a secondary area to the main stretch of Waterloo Road. It is recommended that the district centre boundary is consolidated to remove Bond Street and further justification is set out within the healthcheck.

- Further work to enhance the fascias and public realm within the centre could assist in improving the overall vitality of the district centre.

- Bispham, Layton, Whitegate Drive and Highfield Road District Centres are generally vital and viable with healthy and diverse convenience food offers serving the needs of local residents. Vacancy rates are generally low. However WYG consider that Bispham District Centre which comprises Red Bank Road and Bispham Village should be amended with Red Bank Road remaining as a District Centre and Bispham Village, due to its smaller size and separate functionality, be re-designated as a local centre.

Need for Additional Retail Floorspace

The future available retail expenditure that the study identifies across Blackpool and its wider catchment is used to determine the amount of food and non-food retail floorspace that should be planned for in the future in Blackpool Borough after taking into account any existing commitments. Sequentially preferable can then be allocated in the Local Plan to accommodate this additional need.

The Study provides floorspace capacity figures based on a series of assumptions and estimated forecasts over the short, medium and long term. WYG highlight that longer term growth rates and capacity rates should be treated with caution given the inherent uncertainties of predicting the economy in the future.

Quantitative Need - Convenience Goods Sector:

- In quantitative terms taking into account outstanding permissions and existing stores that have opened since the household survey (eg Lidl at Squires Gate Lane), there is no overall need for further convenience floorspace in Blackpool over the plan period

Quantitative Need - Comparison goods sector

The Study identifies indicative figures for additional comparison goods floorspace in Blackpool (over and above existing commitments) as follows:

Year	Residual Comparison Goods Expenditure £m	Floorspace Requirement	
		Min (circa £5,000 per sqm)	Max (circa £3000 per sqm)
2017	-17.4	-3,500	-5,800
2022	-10.9	-2,000	-3,300
2027	47.0	7,700	12,800
2032	125.6	18,300	30,600

- The above Table indicates that there is **no requirement in the short term to 2022 for additional comparison retail floorspace** but up to 2027 there is a floorspace requirement of **between 7,700sqm and 12,800sqm**. While the longer term forecast 2027 to 2032 should be treated with caution, it indicates that there is potential substantial capacity for additional comparisons goods floorspace of around **18,300 to 30,600sqm**.

Qualitative Need – Convenience Goods

- In qualitative terms, WYG suggest that there could be the potential to provide an additional proportionate foodstore towards the north periphery of Blackpool Town Centre should a site within or on the edge of the centre become available. Given its location, this would serve the under-provided area to the north of the town centre, the south of Bispham and the deprived areas surrounding the Town Centre.

Qualitative Need – Comparison Goods

- Blackpool Town Centre benefits from representation from the majority of the mainstream high street clothing and footwear retailers. However, whilst there are many lower and middle market retailers, there are few higher quality fashion multiples such as Ted Baker of French Connection. This is likely to reflect the wider trend for these types of operators to focus their trading in the higher order centres and locations such as Manchester and Liverpool along with the high levels of deprivation across the borough.

- Representation in the children's and general clothing sub-categories is below the UK average, representation in the other clothing, footwear and accessories sub-categories is high. The overall proportion of clothing, footwear and accessories provision is broadly in accordance with the UK average in terms of both the number of outlets and floorspace.

- Whilst Blackpool town centre is meeting residents' comparison goods shopping needs in terms of its traditional high street offer, residents are likely to need to travel to other destinations to purchase many types of comparison goods, most notably furniture, electrical items and recreational goods. As such, there may be opportunities to bring forward larger retail schemes on the edge of the town centre (on available and suitable sites within the town centre boundary for example), to deliver units suitable to accommodate operators who sell furniture, electrical items and recreational goods.

- There are opportunities outside of Houndshill to redevelop and regenerate key areas which are currently in decline and have high vacancy rates to create refurbished bigger units to better meet comparison operators' requirements. Specific areas such as Bank Hey Street, which is a key route through the town centre and forms an important part of the Principal Retail Core, requires substantial investment and regeneration, particularly given its location in proximity to the frontage and the level of footfall it could achieve as a result. There may be instances where the creation of new modern units and opportunities for retailers may result in the shifting of end users from one part of the centre, to another should new retailers not be attracted to the centre. However, this could also create new opportunities for other parts of the centre (where retailers relocate from), to bring forward mixed-used schemes with a more diverse range of uses (including residential and leisure uses).

Commercial Leisure (includes bingo, cinema, ten-pin bowling and health and leisure centres, food and drink)

- other than food and drink there is a limited requirement for additional commercial leisure facilities beyond those facilities which are committed. The assessment indicates that the existing facilities within the Borough and the town centre, are sufficient from a purely quantitative perspective to meet the requirements of existing residents

- The quantitative assessment has not taken account of existing commercial leisure requirements which may arise because of the inflow from tourist visits and spending.

- WYG have identified that from a qualitative perspective, particularly given the current nature and quality of some of the existing commercial leisure facilities (for example, the ten-pin bowling facility on the Promenade), opportunities should be taken to enhance the existing commercial leisure provision within the town centre. There may be opportunities for a joined-up approach between the public and private sector to improve the qualitative provision of such uses within the town

- The market is relatively weak in terms of bringing forward new commercial leisure provision (beyond gyms and larger-format indoor recreation centres such as soft play and trampolining parks), however, improved facilities could have the knock-on benefits of encouraging more visitors and residents into the town centre, increasing the duration of stay for these visitors

- There is a requirement for additional restaurant facilities within the borough particularly within Blackpool Town Centre. The existing offer within the town centre is generally at the lower end and focussed more on cafes and pubs, although there are a series of middle tier national multiple restaurant operators such as Pizza Express an d Nandos.

- Over recent months, the national multiple restaurant sector has seen a significant shift with many operators seeking to contract their operations and dispose of unprofitable branches

- The independent restaurant sector remains relatively positive and there are opportunities to expand and build on the existing offer particularly within Blackpool town centre to serve both visitors and residents. Operators within the North West, are seeking to expand their portfolio and discussions with operators directly would be beneficial to establishing future requirements in Blackpool subject to the right scheme and provision of suitable units

3, 4 and 5* Hotels

- WYG have not identified any quantitative[1] or qualitative requirement for additional hotels in Blackpool beyond those already committed within the town centre, which will offer a wide range and price of hotel rooms across the centre

- An ongoing monitoring of the provision and demand within Blackpool town centre will be important, particularly following the delivery of the Winter Gardens extension and Leisure Quarter scheme, which both have the potential to draw in additional tourists and visitors to those already identified. Furthermore, hotels often form part of wider mixed-use developments, and on this basis, should be supported on appropriate in and edge of centre sites to encourage further investment and development.

Retail and Town Centre Strategy

- The 2013 Town Centre Strategy recognises the pivotal role that the town centre has in driving the local economy and highlights concern, that unless the town centre offer was made more attractive, retail expenditure from the catchment would continue to be captured by competing destinations, undermining regeneration efforts in the town centre

[1] Based on national hotel growth trends

- Since 2013 substantial redevelopment schemes have been permitted, demonstrating the positive progress made to date in bringing forward an enhanced town centre, with an improved commercial offer

- There are inherent difficulties with amalgamating a series of separate developments together under one town centre 'umbrella', and this appears to be the case in Blackpool town centre. A series of development schemes in terms of new floorspace and public realm improvements have come forward in a piecemeal fashion, which has resulted in a somewhat disjointed town centre, which is lacking a cohesive approach.

- Opportunity to create a new Strategy which ties together the progress made to date in the town centre, and takes it a step forward in creating one overall visionary masterplan, based perhaps on relevant agency advice as well as town planning principles.

- the continued growth of Blackpool's out-of-centre/retail parks represent a threat to the future vitality and viability of the defined centres in the Borough. The shift in shopping patterns and preference to shop at out-of-centre destinations (along with the increased offer at the retail parks) needs to be redressed

- inherent difficulties in restricting the incremental increase in out-of-centre floorspace through adhoc planning applications by landowners and retailers, on their own, such applications can demonstrate compliance with the relevant policy tests, but when conjoined, these would clearly come up against substantial resistance due to the potential impact on defined centres

- pressure from retailers to 'jump ship' and relocate to purpose-built out of centre units and floorspace, often due to cheaper rents and readily accessible locations with adjacent surface level parking. In these circumstances, it will be important to establish whether there are any opportunities to provide operators with prime sites within or on the edge of Blackpool town centre in line with the sequential test, providing the nature and scale of floorspace in an accessible location and at a competitive price.

- to resist future out of centre development impose tighter planning controls through planning policy documents (both through the adopted development plan but also standalone guidance documents) including the introduction of local thresholds for impact assessments for retail and leisure development