

Ryedale District Council

Ryedale Retail Capacity and Impact Assessment Update

Volume 1: Main Report



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CONTENTS

LIST OF ABBREVIATIONS USED IN THE REPORT

1	INTRODUCTION.....	1
	Purpose of the Update Report.....	1
	Structure of the Report.....	2
2	NATIONAL POLICY REQUIREMENTS	3
	Introduction.....	3
	PPS4: Planning for Sustainable Economic Growth (December 2009).....	3
	PPS12: Local Spatial Planning (June 2008)	5
	The Budget 2011 and The Plan for Growth.....	6
3	CURRENT PATTERNS OF RETAIL SPENDING	9
	Household Survey Methodology and Catchment Area	9
	Comparison Goods Spending Patterns in 2011	12
	Conclusions in Relation to Patterns of Retail Expenditure	22
	Leisure and Cultural Services	23
4	UPDATED ASSESSMENT OF EXPENDITURE CAPACITY	27
	Introduction.....	27
	Methodology for Assessing Retail Expenditure Capacity.....	27
	Findings in Relation to Quantitative Retail Need	36
5	ASSESSMENT OF QUALITATIVE NEEDS	41
	Introduction.....	41
	Performance Analysis of Malton Town Centre	42
	Assessment of Qualitative Need	49
	Conclusion in Relation to Qualitative Need	52
6	OPPORTUNITIES FOR MEETING IDENTIFIED QUANTITATIVE AND QUALITATIVE NEEDS	53
	Introduction.....	53
	Site Assessments.....	54
	Site Assessments – Conclusion	59
7	RETAIL IMPACT ASSESSMENT.....	61
	Introduction.....	61
	Impact Assessment.....	62
	Conclusion in Relation to our Impact Assessment.....	69
8	OVERALL SUMMARY AND RECOMMENDATIONS	71
	Introduction.....	71

Current Shopping Patterns and Key Qualitative Needs	71
Quantitative Retail Needs.....	72
Opportunities for Meeting Identified Needs	74
Impact Assessment	75
Overall Conclusion	76

SEPARATELY BOUND VOLUME 2 – APPENDICES TO THE MAIN REPORT

List of Abbreviations Used in the Report

Abbreviation	
DPD	Development Plan Document
LDF	Local Development Framework
LPA	Local Planning Authority
MHE	Management Horizons Europe
NPPF	National Planning Policy Framework
OCA	Overall Catchment Area
ONS	Office for National Statistics
OE	Oxford Economics
PBBI	Pitney Bowes Business Insight
PPS	Planning Policy Statement
RRCS	Ryedale Retail Capacity Study
RTP	Roger Tym & Partners
SFT	Special Forms of Trading
sq.m	Square Metres
VOA	Valuation Office Agency

1 INTRODUCTION

Purpose of the Update Report

- 1.1 Roger Tym & Partners (RTP) undertook the Ryedale Retail Capacity Study (RRCS) in 2005/06, and we submitted our final study outputs to the District Council in May 2006. The study identified the floorspace requirements and qualitative needs for both the convenience and comparison retail sectors in the period up to 2015, and provided advice on opportunities to meet the identified quantitative and qualitative needs.
- 1.2 Since 2005, RTP has provided the Council with ongoing advice on the need for additional retail floorspace in the District, particularly in the convenience retail sector, as well as advice regarding potential strategies to meet identified needs. Our advice to the Council on these issues is set out in the following reports:
 - Ryedale Retail Capacity Study Update, September 2008;
 - Supplementary Advice on Convenience Retail Provision, December 2009;
 - Supplementary Advice on Convenience Retail Provision within Ryedale, July 2010; and
 - Advice on Local Threshold for PPS4 Assessment of Impacts within Ryedale, July 2010.
- 1.3 A draft Core Strategy – known as The Ryedale Plan – was published for consultation until 5 November 2010. Paragraph 5.20 of the consultation document refers to the floorspace capacity figures that we identified in our reports of September 2008 and December 2009. However, since we completed those reports, new information has been published in relation to population growth projections, special forms of trading and floorspace efficiency changes.
- 1.4 Moreover, our 2008 study pre-dated the economic recession, and the latest expenditure growth forecasts from Pitney Bowes Business Insight (PBBI)¹ and Experian are more subdued than the forecasts which underpinned our previous work. Furthermore, as well as the findings from the last District-wide household survey now being six years old, various permissions for foodstore schemes in the District have also been granted (and in some cases implemented) in the intervening period including an extension of Sainsbury's at Monks Cross, a new Morrisons store and a recently opened Waitrose store (both at Foss Island in York), an extension of the Morrisons store in Malton and a new Lidl store in Norton.
- 1.5 Accordingly, to inform the final draft of the Core Strategy, the Council has asked us to undertake a further update of our District-wide retail capacity assessment, underpinned by a new household survey of shopping patterns and taking account of the requirements of PPS4, which was published on 29 December 2009. As part of this update, we also reconsider the qualitative need for additional retail floorspace in the District, focusing in particular on the scope to diversify and enhance retailer representation in Malton, which is

¹ PBBI was previously known as MapInfo

the largest centre in Ryedale with the greatest physical capacity to accommodate retail growth.

- 1.6 A key part of our current instruction is to consider which specific sites could best meet identified needs. We have therefore undertaken a sequential assessment of six sites which have been put forward for retail use (or mixed-use, including retail) as part of the consultation process for the emerging Core Strategy and the Facilitating Development DPD. We have also undertaken an assessment of the impacts likely to be associated with the best-performing sites, as required by Policy EC5 of PPS4.
- 1.7 This update of our retail capacity and impact work – taking into account the latest available data inputs, assumptions, and site specific information – will ensure that Ryedale’s Core Strategy is underpinned by a sound, up-to-date and robust retail evidence base as it progresses towards its final submission draft.

Structure of the Report

- 1.8 Our report is structured as follows:
- **Section 2** provides a resumé of the requirements of current and proposed national policy documents insofar as they relate to town centres and the location of town centre uses, planning for sustainable development, and the nature of site allocations DPDs.
 - **Section 3** contains our analysis of current shopping patterns in the comparison and convenience retail sectors, based on the survey of households which was undertaken by NEMS Market Research in February 2011.
 - **Section 4** provides our assessment of quantitative need in the retail sector up to 2026.
 - **Section 5** considers qualitative needs, drawing on the findings from our updated health check of Malton Town Centre.
 - **Section 6** assesses the potential offered by six sites to accommodate the identified needs, reflecting the guidance on the sequential approach to site selection in PPS4.
 - **Section 7** assesses the impacts likely to be associated with new convenience retail development, taking into account the identified expenditure capacity identified and our assessment of specific sites.
 - **Section 8** draws together our conclusions and sets out our recommendations to the Council.
- 1.9 This main report is accompanied by a separate volume entitled Appendices to the Main Report, which contains the household survey questionnaire, the retail capacity and impact spreadsheets and various health check tables and figures.

2 NATIONAL POLICY REQUIREMENTS

Introduction

- 2.1 Since we completed our last district-wide assessment of retail capacity for the Council, the policy context within which local authorities should prepare their evidence bases has changed. Of most relevance to the preparation of the Ryedale Core Strategy, and associated DPDs, is PPS4 and the accompanying Practice Guidance, which were published in December 2009. PPS12, which was published in June 2008, is also important. The key requirements of PPS4 and PPS12 are outlined below.

PPS4: Planning for Sustainable Economic Growth (December 2009)

Planning for Sustainable Economic Growth

- 2.2 PPS4 outlines the Government's overarching objective for sustainable economic growth. In seeking to achieve this, the Government's objectives for planning are to:
- build prosperous communities by improving the economic performance of cities, towns, regions, sub-regions and local areas;
 - reduce the gap in economic growth rates between regions, promoting regeneration and tackling deprivation;
 - deliver more sustainable patterns of development;
 - promote the vitality and viability of town and other centres; and
 - raise the quality of life and environment in rural areas.

Plan Making Policies

- 2.3 In promoting positive planning, PPS4 advises that through their development plan, LPAs should prioritise areas with high levels of deprivation for regeneration, identify a range of sites to accommodate a broad range of economic development, and encourage new uses for vacant or derelict buildings (Policy EC2).
- 2.4 In planning for their centres, PPS4 requires LPAs to set flexible policies that define a network and hierarchy of centres, make choices about which centres will accommodate any identified need – taking into account the need to avoid an over-concentration of growth – and plan proactively to promote competitive town centre environments, which provide consumer choice (Policy EC3).
- 2.5 Policy EC4 encourages LPAs to proactively plan to promote competitive town centres and provide consumer choice by:
- supporting a diverse range of uses;
 - planning for a strong retail mix, so that the range and quality of the comparison and convenience retail offer meets the needs of the local catchment;
 - supporting small scale economic uses in local centres and villages;
 - identifying sites in the centre or, failing that, on the edge of the centre, capable of accommodating larger format developments where a need has been identified;

- retaining and enhancing existing markets; and
- taking measures to conserve and, where appropriate, enhance the established character and diversity of their town centres.

2.6 When identifying sites for main town centre uses, LPAs should ensure that: there is a need for the development; the development is of an appropriate scale; the sequential approach has been applied to site selection; the impact on existing centres has been assessed; and that regeneration benefits have been considered. When selecting sites, PPS4 also gives preference to sites that best serve the needs of deprived areas (Policy EC5).

Development Management Policies

- 2.7 PPS4 advises that LPAs should adopt a positive and constructive approach towards planning applications for economic development². All planning applications for economic development should be assessed against the following impact considerations:
- whether the proposal will limit carbon dioxide emissions, and minimise vulnerability and provide resilience to climate change;
 - the accessibility of the proposal by a choice of means of transport;
 - whether the proposal secures a high quality and inclusive design;
 - the impact on economic and physical regeneration in the area; and
 - the impact on local employment.
- 2.8 In determining planning applications for main town centre uses that are not in an existing centre, and not in accordance with an up to date development plan, LPAs should ensure that applicants have had regard to the sequential assessment as set out in Policy EC15.
- 2.9 Policy EC16.1 of PPS4 requires that planning applications for main town centre uses which are not in a centre and not in accordance with an up to date development plan be assessed against the following impacts:
- impact on investment in centres located within the catchment of the proposal;
 - impact on town centre vitality and viability;
 - impact on allocated sites outside town centres;
 - impact on in centre trade / turnover and on trade in the wider area;
 - whether the proposal is of an appropriate scale; and
 - any locally important impacts on centres under Policy EC3.1.e.
- 2.10 Policy EC17.1 requires LPAs to refuse planning permission where an applicant fails to demonstrate compliance with the sequential approach under Policy EC15, or where there is clear evidence that the proposal is likely to lead to significant adverse impacts in terms of any one of the impacts set out under Policies EC10.2 and EC16.1. However, where no significant adverse impact has been identified, Policy EC17.2 requires LPAs to exercise a

² For the purposes of PPS4, economic development includes development within the B Use Classes, public and community uses and main town centre uses. Main town centre uses include retail development, leisure, offices and arts, culture and tourism development.

balancing approach, taking account of the positive and negative impacts of the proposal in terms of Policies EC10.2 and EC16.1, and any other material considerations.

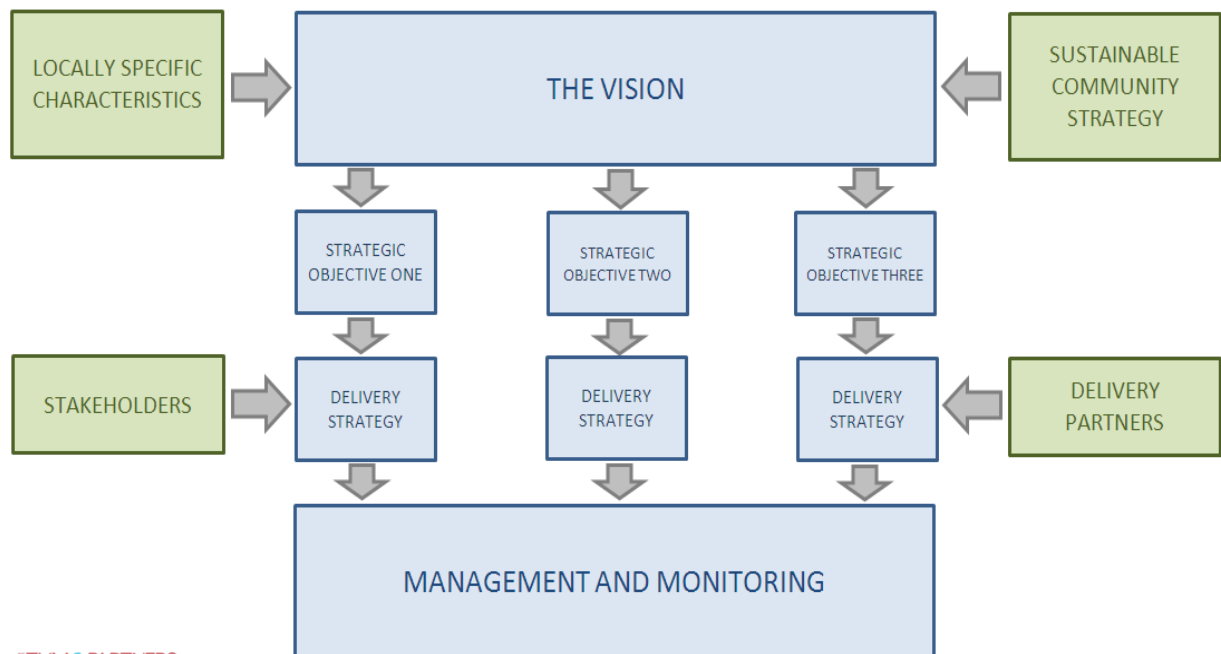
PPS4 Practice Guidance – Need, Impact and the Sequential Approach

- 2.11 The PPS4 Practice Guidance on Need, Impact and the Sequential Approach (hereafter referred to simply as the PPS4 Practice Guidance) was published alongside PPS4 in December 2009. The Guidance does not constitute a statement of Government policy, but forms guidance to support and inform the policy contained within PPS4. Wherever appropriate, we cross-refer to the PPS4 Guidance in subsequent sections of our report.

PPS12: Local Spatial Planning (June 2008)

- 2.12 Paragraph 4.1 of PPS12 requires each core strategy to include:
- an overall **vision** which sets out how the area and the places within it should develop;
 - **strategic objectives** for the area, focusing on the key issues to be addressed;
 - a **delivery strategy** for achieving these objectives, which should set out how much development is intended to happen, where, when and by what means it will be delivered and with locations for strategic development indicated on a key diagram; and
 - clear arrangements for **managing and monitoring** the delivery of the strategy.
- 2.13 The vision should closely relate to the Sustainable Community Strategy (paragraph 4.2 of PPS12), and the strategic objectives should form the link between the vision and the delivery strategy (paragraph 4.3 of PPS12). This relationship is illustrated graphically in Figure 2.1 below.
- 2.14 PPS12 emphasises that the delivery strategy is central to the process. Paragraph 4.4 advises that a delivery strategy must:
- show how the objectives will be delivered, whether through actions taken by the Council as planning authority, such as determining planning applications, or through actions taken by other parts of the Council, or other bodies;
 - set out, as far as is practicable, when, where and by whom these actions will take place;
 - demonstrate that the agencies/partners necessary for its delivery have been involved in its preparation, and that the resources required have been given due consideration; and
 - have a realistic prospect of being provided in the life of the strategy.
- 2.15 If any of these are not possible, the core strategy will be considered undeliverable. Paragraph 4.6 of PPS12 states that core strategies may allocate strategic sites for development, provided these sites are ‘...*considered central to achievement of the strategy*’.

Figure 2.1 The Nature of Core Strategies, as Required by PPS12



ROGER TYM & PARTNERS
Planners and Development Economists

- 2.16 Paragraph 4.54 of PPS12 sets out a test of soundness for core strategies. To be considered ‘sound’, a core strategy should be justified, effective and consistent with national policy. ‘Justified’ means that the document must be founded on a robust and credible evidence base, and that the document contains the most appropriate strategy when considered against the reasonable alternatives. ‘Effective’ means that the document must be deliverable, flexible and able to be monitored.
- 2.17 Thus, the guidance contained within PPS12, insofar as it relates to the preparation of core strategies, places emphasis on the need for DPDs to:
- ‘...demonstrate that the plan is the most appropriate, when considered against reasonable alternatives.’ (Paragraph 4.38 of PPS12, our emphasis); and
- ‘...show how the vision, objectives and strategy for the area will be delivered and by whom, and when.’ (Paragraph 4.45 of PPS12, our emphasis).

The Budget 2011 and The Plan for Growth

- 2.18 The Coalition Government presented its Budget on 23 March 2011, together with an accompanying document entitled The Plan for Growth, which runs to 131 pages. Various changes to the planning system were announced which will have a bearing on planning for retail development and town centres more generally. In the remainder of this section of our report we outline some of the Government’s key proposals for the planning system.

Presumption in Favour of Sustainable Development

- 2.19 The Government proposes to introduce a new presumption in favour of ‘sustainable development’, so that the default answer to development is ‘yes’, except where this would compromise the key sustainable development principles set out in national planning policy.

National Planning Policy Framework

- 2.20 The proposed National Planning Policy Framework (NPPF) will combine all national planning policies into one document. The NPPF will provide clarity on the Government's planning policy and set out the Government's key economic, social and environmental objectives alongside the planning policies to deliver them. The Government intends to finalise the new NPPF by the end of 2011. Local authorities will be required to identify and plan for development, with a clear role for market signals in assessing the need for development.
- 2.21 For development plans, deliverability will remain a key test of soundness. Local authorities seeking to introduce the Community Infrastructure Levy will be legally required to assess the economic viability of the rates they set. Through the NPPF, the Government will also ensure that local authorities will not be able to adopt plans that block the delivery of required development by imposing unsupportable burdens on developers.

Neighbourhood Planning

- 2.22 The Government has already indicated that it intends to provide an opportunity for neighbourhoods to put forward plans for development. Neighbourhood plans will be able to shape development, but not to block it. The Government will set out clear requirements for any neighbourhood forum or parish council to consult and engage local business and take into account their views in preparing neighbourhood development plans and orders. Neighbourhood plans will only be adopted if they are consistent with the local authority's statutory plans and with national planning policy, and where they show that representations from business have been considered.

Planning Applications and Related Consents

- 2.23 The Government intends to introduce a number of measures to streamline the process for dealing with planning applications and related consents. This will include a 12 month guarantee for the processing of all planning applications, including any appeals. The intention is that no planning application should take longer than one year to reach a decision.

Retail

- 2.24 Building on the 'town centres first' thrust of PPS4, the Government intends to bring in a package of measures that support thriving town centres. The Government will work to identify examples of what currently works well at the local level, thereby providing best practice guidance to local authorities and businesses on the potential benefits of Business Improvement Districts and how LPAs can use Compulsory Purchase Orders to help re-invigorate their town centres.

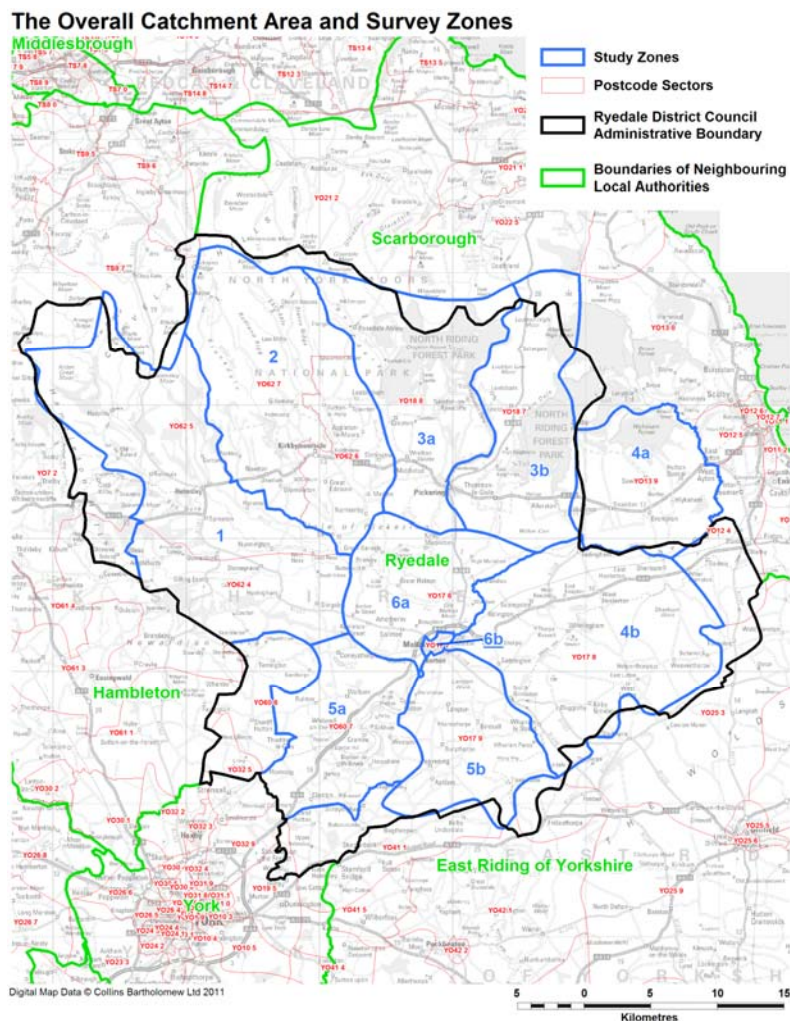
3 CURRENT PATTERNS OF RETAIL SPENDING

Household Survey Methodology and Catchment Area

- 3.1 The last comprehensive District-wide survey of shopping patterns was undertaken six years ago, and so the Council has decided to commission a new household survey to provide up-to-date evidence of current shopping patterns for the emerging Core Strategy. Accordingly, our assessment of local patterns of comparison and convenience retail spending, as set out in this section of our report, is based on a telephone survey of 1,002 households undertaken by NEMS Market Research in February 2011.
- 3.2 We have used the same overall catchment area (OCA) for Ryedale's centres that we defined for the 2006 Ryedale Retail Capacity Study (RRCS). There have been various food superstore schemes since the 2006 study, including an extension of Sainsbury's at Monks Cross, a new Morrisons store and a recently opened Waitrose store (both at Foss Island in York), as well as an extension of the Morrisons store in Malton and a new Lidl store in Norton. However, whilst these schemes are significant, they are unlikely to have materially affected the overall size, scope or definition of the catchment area, which only usually occurs as a result of substantial comparison retail schemes.
- 3.3 Nevertheless, we have sub-divided some of the six zones that were used for the 2006 study in order to improve the survey results. Zones 3, 4, 5 and 6 have been sub-divided into sub-zones 3a/3b, 4a/4b, 5a/5b and 6a/6b, while maintaining the overall zone boundaries. The catchment area and the constituent zones are shown on Figure 3.1 below.
- 3.4 A minimum of 100 interviews were completed in each zone and the results of the survey were weighted according to the actual population in each zone. The zones are based on postcode sector boundaries, as listed in Spreadsheet 1 in Appendix 2³.

³ All subsequent references to spreadsheets in our report relate to the spreadsheets that are contained in the separately bound Volume 2.

Figure 3.1 Catchment Area and Study Zones



Questions on Comparison Retail Shopping

- 3.5 The survey questionnaire (reproduced in Appendix 1) sought to establish patterns of comparison goods shopping based on the locations of the last two purchases of:
- clothes and shoes;
 - furniture, carpets and soft household furnishings;
 - DIY, decorating or gardening items;
 - electrical items;
 - health beauty or chemist items;
 - recreational goods; and
 - other non-food items such as books or CDs.
- 3.6 For the household survey which informed the RRCS – which was undertaken in 2005 – respondents were asked to name the centre or store where they had spent ‘*most money*’, the ‘*second most money*’ and the ‘*third most money*’ for each comparison goods category. For the 2011 survey, we refined the questionnaire so that respondents were asked to specify the **locations** of the last **two purchases** of each category of comparison goods.

The purpose of this change was to provide a better representation of actual consumer behaviour, and minimise the potential for responses to be biased towards large centres, which tends to happen when people are asked to think in terms of money.

- 3.7 The composite patterns of spending for comparison goods was calculated on the basis of MapInfo/Oxford Economics expenditure data in relation to the seven aforementioned categories of spend, as shown in Table 3.1.

Table 3.1 Composite Patterns of Comparison Goods Spend

	Percentage Weighting
Clothing and footwear	25.61%
Furniture, carpets and soft furnishings	14.07%
DIY and decorating goods	8.23%
Electrical goods	15.64%
Health beauty and chemist items	12.51%
Recreational goods	14.37%
Other non-food items	9.57%
All Comparison Goods	100%

Questions on Convenience Retail Shopping

- 3.8 The survey questionnaire was designed to reduce the problem inherent in household surveys of over-recording the turnover of the largest foodstores, and under-recording the turnover of the smaller foodstores and local shops within centres. Thus, the survey asks questions about the frequency of visit and amount of spend on three categories of spending – ‘main food’, ‘top-up’ food and small shops – and the results are weighted accordingly. The benefit of this approach is that some residents will make several visits per week to a small convenience store, perhaps spending little on each occasion, so that if the results are weighted according to frequency of visit and amount spent, the importance of small shops to these residents is better reflected.
- 3.9 The composite pattern of spending on convenience goods was achieved on the basis of the mean weekly household spend findings, as shown in Table 3.2.

Table 3.2 Composite Patterns of Convenience Goods Spend

	Mean Weekly Household Spend	Percentage Weighting
Main food and groceries	£73.44	77.7%
Top-up food and groceries	£12.46	13.2%
Small local shops	£8.64	9.1%
All Convenience Goods	£94.54	100.0%

Questions on Leisure and Cultural Activities

- 3.10 The survey questionnaire also sought to identify patterns of spending on the following leisure services and cultural activities, based on the locations where households spend the most money on:
- restaurants/cafés;
 - pubs/bars/nightclubs;
 - cinema;
 - museums/art galleries;
 - family entertainment centres, such as ten pin bowling/skating;
 - health and fitness;
 - bingo/casino/bookmaker; and
 - theatre/concerts.

Comparison Goods Spending Patterns in 2011

- 3.11 The population of the OCA in 2011, disaggregated by zone, is shown in the second row of figures in Spreadsheet 2. The overall population in the 2011 base year amounts to approximately 53,900 persons, which is derived by applying the ONS's 2008-based Local Authority Population Projections to the mid-year 2008 zonal estimates provided by MapInfo/Oxford Economics.
- 3.12 Spreadsheet 3 shows that per capita comparison expenditure in all of the OCA survey zones falls some way short of the GB average.
- 3.13 The total amount of comparison goods spending for residents of the whole of the OCA in 2011 is £143.8m (Spreadsheet 4), of which £16.6m, or 11.5 per cent, is spent on special forms of trading (SFT) – catalogue, TV and internet shopping – according to the household survey.
- 3.14 Spreadsheet 5 shows the market shares that each zone of the OCA achieves of the total spend on comparison goods by residents of each zone within the OCA. Malton Town Centre's comparison goods market share is highest in Zone 6a (37.5 per cent) and Zone 6b (31.1 per cent), and Malton also achieves a comparison market share over 20 per cent in Zones 4b, 5a and 5b. Pickering Town Centre's comparison market share is highest in Zone 3a (20.6 per cent) and Zone 3b (21.7 per cent), although Pickering does not achieve a comparison market share in excess of 5 per cent in any other zone, reflecting its limited comparison retail offer and focus as more of a tourist centre.
- 3.15 Helmsley and Kirkbymoorside Town Centres both achieve their highest comparison market share in their own zones, at 12.7 per cent and 16.1 per cent, respectively. However, the two centres achieve a very low market share in all of the other zones. Norton Town Centre does not achieve a material market share in any zone. These figures are discussed in further detail below.
- 3.16 Table 3.3, which is derived from the final column of Spreadsheet 6, summarises the main broad destinations for comparison goods expenditure within and outside the OCA. Malton

Town Centre accounts for 16.6 per cent of the available spend on comparison goods from residents of the OCA, or £23.9m. Other town centres and freestanding stores located within the OCA account for a further £19.4m of comparison goods expenditure (13.5 per cent). Thus, overall, 30.1 per cent of expenditure on comparison goods available to the OCA's residents is spent at existing retail facilities within the OCA. This is known as the aggregate retention rate. We consider that 30.1 per cent is a low level of retention for the Ryedale OCA, even allowing for the number of large competing centres that are outside of, but close to the OCA.

- 3.17 In addition to the 11.5 per cent that is spent on SFT, the main destinations for the 70 per cent of expenditure 'leakage' are York City Centre, Scarborough Town Centre, Monks Cross Shopping Park in York and Clifton Moor Shopping Centre, also in York, which collectively account for almost half of the comparison goods expenditure available to residents of the OCA.

Table 3.3 Broad Destinations for Comparison Goods Expenditure

Broad Destinations for Comparison Goods Expenditure	£m	%
Malton Town Centre	23.9	16.6
Pickering Town Centre	9.1	6.3
Other destinations within the OCA	10.3	7.2
Total Retained Expenditure	43.3	30.1
York City Centre	20.7	14.4
Scarborough Town Centre	19.7	13.7
Monks Cross Shopping Park, Huntington, York	16.6	11.6
Clifton Moor Shopping Centre, Rawcliffe, York	11.6	8.1
Other locations outwith the OCA	15.2	10.6
SFT	16.6	11.5
Total Leakage	100.4	69.9
TOTAL	143.8	100.0

- 3.18 The market shares and estimated comparison goods turnovers of the main centres and within the OCA, prior to allowing for any expenditure inflow from those who are resident beyond the OCA, are set out in the last two columns of Spreadsheet 6 and are summarised in Table 3.4. The five town centres listed in Table 3.4 account for £42.4m of the £43.3m of comparison retail expenditure that is retained within the catchment area. There are no other significant centres, freestanding non-food stores or retail parks in Ryedale.

Table 3.4 Comparison Goods Expenditure Retained Within the OCA

Town Centres Within the OCA	£m	%
Malton Town Centre	23.9	16.6
Pickering Town Centre	9.1	6.3
Helmsley Town Centre	3.8	2.6
Kirkbymoorside Town Centre	3.4	2.3
Norton Town Centre	2.2	1.5

- 3.19 Table 3.4 confirms that Malton Town Centre is the main comparison shopping destination in the OCA, with a comparison goods turnover – derived from catchment area residents – of £23.9m, and a market share of 16.6 per cent. No other destinations in the OCA achieve comparison retail turnovers in excess of £10m from residents of the OCA, with the nearest to that figure being Pickering Town Centre, which achieves a comparison retail turnover of £9.1m from residents of the OCA. The latter figure confirms that Pickering Town Centre is much less significant than Malton Town Centre in comparison retail terms. The other four defined town centres in Ryedale have a collective market share for comparison shopping of 12.7 per cent, with a combined turnover of approximately £18.5m.
- 3.20 The destinations which account for more than £1m of comparison expenditure leakage, again as shown in the last two columns of Spreadsheet 6, are summarised in Table 3.5. Each of the four principal destinations for comparison goods expenditure leakage – York City Centre, Scarborough Town Centre, Monks Cross Shopping Park and Clifton Moor Shopping Centre – attracts more comparison retail expenditure from residents of the OCA than Pickering Town Centre does. York City Centre and Scarborough Town Centre each attract almost as much of the OCA's available comparison expenditure as Malton Town Centre does.

Table 3.5 Main Destinations for Comparison Goods Expenditure Leakage

Town/City Centres Outside the OCA	£m	%
York City Centre	20.7	14.4
Scarborough Town Centre	19.7	13.7
Retail Parks and Freestanding Stores Outside the OCA	£m	%
Monks Cross Shopping Park, Huntington, York	16.6	11.6
Clifton Moor Shopping Centre, Rawcliffe, York	11.6	8.1
B&Q/Seamer Road Retail Park, Seamer Road, Scarborough	2.9	2.0
B&Q, Hull Road, York	1.5	1.0
York Designer Outlet, Fulford, York	1.2	0.8

Comparison Goods Market Shares

- 3.21 Below, we provide a more detailed analysis of the comparison goods market shares achieved by the five defined town centres in Ryedale. We also briefly examine a number of other significant centres outwith the OCA.

Malton Town Centre

- 3.22 Malton Town Centre achieves a comparison goods market share of 37.5 per cent and 31.1 per cent in its 'own' zones (Zones 6a and 6b), and also achieves comparatively high market shares in three other zones close to the town centre: 23.4 per cent in Zone 4b; 21.7 per cent in Zone 5a; and 28.7 per cent in Zone 5b. Malton also achieves a double-digit market share in Zone 1 (11.0 per cent) but its comparison market share is low in the four zones in the northern half of the OCA, namely Zone 2 (6.8 per cent), Zone 3a (7.3 per cent), Zone 3b (6.3 per cent) and Zone 4a (4.6 per cent).
- 3.23 Zone 5a is situated between York and Malton, and so it is unsurprising that York City Centre and Monks Cross Shopping Park each achieve a significant share of the comparison retail expenditure that is available in that zone. York and Clifton Moor also achieve higher market shares in Zone 1 than any of the Ryedale centres. Similarly, Zone 4a in the eastern part of the OCA is closer to Scarborough than it is to Malton and this explains, in part, why Scarborough Town Centre attracts more than half of the available comparison expenditure from Zone 4a. Scarborough also achieves the second highest market share in Zones 3a and 3b (after Pickering Town Centre), and in each of these zones Scarborough's market share is more than twice the market share achieved by Malton.

Pickering Town Centre

- 3.24 Pickering Town Centre achieves its highest comparison goods market shares of 20.6 per cent and 21.7 per cent in Zones 3a and 3b, as would be expected. However, in no other zone does the proportion of expenditure spent in Pickering Town Centre exceed 5 per cent. Furthermore, even in Zone 3b, Pickering Town Centre's comparison market share is only slightly higher than the market share achieved by Scarborough Town Centre. This evidence confirms that Pickering is not a particularly significant centre of comparison goods retailing, albeit it is clearly the second biggest comparison centre in Ryedale, by a considerable margin.

Helmsley, Kirkbymoorside and Norton Town Centres

- 3.25 Helmsley Town Centre achieves a comparison goods market share of 12.7 per cent in its own zone (Zone 1), but its market share is less than 4 per cent in all of the other zones. Kirkbymoorside Town Centre similarly achieves a comparison market share in Zone 2 of 16.1 per cent, but in all of the other zones it fails to achieve a comparison market share of 2 per cent or above. The highest comparison market shares achieved by Norton Town Centre are only 3.7 per cent (Zone 5b) and 3.1 per cent (Zone 4b), but in all of the other zones Norton achieves negligible market shares, indicating that it is not really performing the role of a 'town centre' in the true sense.

York City Centre

- 3.26 York City Centre attracts more than 10 per cent of the comparison retail expenditure from all zones except Zone 4a – in the extreme eastern part of the OCA – where it still manages to achieve a market share of 9.1 per cent. The market shares are highest from Zone 1 – where residents have fairly easy access to York via the A170 and the A19 – and Zones 5a and 6b, with residents in these zones able to access York via the A64.

Monks Cross Shopping Park and Clifton Moor Shopping Centre

- 3.27 Monks Cross Shopping Park and Clifton Moor Shopping Centre, both of which are located in York, also attract an appreciable share of the expenditure on comparison goods from most of the OCA zones. The two destinations together account for more than 10 per cent of the comparison retail expenditure from all zones except Zone 4a, where they still collectively account for 9.2 per cent of the comparison expenditure that is available in the zone.

Scarborough Town Centre

- 3.28 Scarborough Town Centre achieves a comparison goods market share of 51.6 per cent in Zone 4a. Some 15.0 per cent, 19.7 per cent and 17.0 per cent of the expenditure from residents of Zones 3a, 3b and 4b, respectively, also flows to Scarborough Town Centre, but elsewhere within the OCA, Scarborough Town Centre does not achieve a market share above 10 per cent.

Overlapping Comparison Goods Catchments

- 3.29 Table 3.6 presents an analysis of ‘dominant’ centres/out-of-centre retail parks – defined for this exercise as instances where the comparison goods market share exceeds 20 per cent – and centres of ‘subsidiary’ influence, which are defined on the basis of having comparison goods market shares of between 10 per cent and 20 per cent. Table 3.6 reveals that:
- i. Malton Town Centre is the dominant comparison shopping destination in five zones, and has a subsidiary influence in one other zone.
 - ii. Pickering Town Centre is the dominant centre in two zones, but it does not have a subsidiary influence in any other zones.
 - iii. Helmsley and Kirkbymoorside Town Centres are not the dominant centre in any zones, but they each have a subsidiary influence in their own zone.
 - iv. Norton Town Centre is not the dominant centre in any zone, nor does it have a subsidiary influence in any zone.
 - v. York City Centre is the dominant centre in one zone, and it has a subsidiary influence in eight of the remaining nine zones.
 - vi. Scarborough Town Centre is the dominant centre in one zone, and it has a subsidiary influence in a further three zones.
 - vii. Monks Cross Shopping Park is not the dominant centre in any zone, but it exerts a significant influence in six of the ten zones. Clifton Moor Shopping Centre also has a subsidiary influence in three zones.

viii. In six of the 10 zones, there is one dominant centre and at least one other significant centre, and in one zone there are two dominant centres. There is only one zone in which there is one dominant centre and no other significant centre. In the remaining two zones, there is no dominant centre and a number of significant centres compete for the available expenditure. Ryedale's town centres therefore have to vie with a number of competing centres including York, Scarborough, Monks Cross and Clifton Moor.

Table 3.6 Dominant Comparison Goods Centres/Retail Parks and Centres/Retail Parks of Subsidiary Influence

Zone	Dominant Centres/Retail Parks (Market Share 20%+)*	Other Centres/Retail Parks of Significant Influence (Market Share 10% to 20%)*
1		York City Centre, Clifton Moor Shopping Centre, Helmsley Town Centre, Malton Town Centre
2		Kirkbymoorside Town Centre, York City Centre, Monks Cross Shopping Park, Clifton Moor Shopping Centre
3a	Pickering Town Centre	Scarborough Town Centre, Monks Cross Shopping Park, York City Centre
3b	Pickering Town Centre	Scarborough Town Centre
4a	Scarborough Town Centre	
4b	Malton Town Centre	Scarborough Town Centre, York City Centre
5a	Malton Town Centre	York City Centre, Monks Cross Shopping Park
5b	Malton Town Centre	Monks Cross Shopping Park, York City Centre, Clifton Moor Shopping Centre
6a	Malton Town Centre	York City Centre, Monks Cross Shopping Park
6b	Malton Town Centre, York City Centre	Monks Cross Shopping Park

* Centres are listed in the table in order of the market share that they achieve in a particular zone. For instance, in Zone 5a, York City Centre and Monks Cross Shopping Park both have a 'subsidiary influence' but York City Centre appears first because it has a higher market share in that zone.

Comparison Goods Sub-Sectors

- 3.30 The expenditure that is available for each of the various comparison goods sub-sectors in the OCA is set out in Spreadsheets 7a and 7b. Briefly, these are as follows:
- clothes and shoes, which account for £33.8m of the comparison goods spending of the OCA's residents;
 - furniture, carpets, and soft household furnishings, which account for £20.2m;
 - DIY and decorating goods, which account for £12.4m;
 - electrical items and domestic appliances, which account for £21.5m;
 - health, beauty and chemist items, which account for £19.3m;
 - recreational goods (for example, sports equipment and musical instruments), which account for £22.5m; and

- specialist/other comparison items (for example, books, CDs, jewellery, glass and china items), which account for £14m of the comparison goods expenditure available to residents of the catchment area.

3.31 The shopping patterns in each of the seven comparison goods sub-sectors are set out in Spreadsheets 8a to 8n. Below, we describe the patterns of spend in the clothes and shoes sub-sector, which has a critical influence on the overall performance of town centres.

Clothes and shoes

- 3.32 Overall, 16.6 per cent of the expenditure on clothes and shoes available to the OCA's residents is spent within the catchment area (see final column of Spreadsheet 8b). This is a very low retention level for basic comparison needs even allowing for the strong competition in the surrounding area.
- 3.33 The most significant element of the expenditure retained by the OCA is that spent in Malton Town Centre, which accounts for £3.5m of the £5.6m of clothes and shoes expenditure that is retained in the OCA. However, this only equates to a market share of 10.3 per cent, with just £3.5m of the £33.8m of clothes and shoes expenditure being attracted to Malton. The only other destinations in Ryedale which achieve a clothes and shoes market share in excess of 2 per cent are Helmsley Town Centre and Pickering Town Centre, but they only account for £1.3m and £0.8m, respectively, of the clothes and shoes expenditure available within the OCA. York City Centre, Scarborough Town Centre and Monks Cross Shopping Park are the main destinations for clothes and shoes expenditure, as shown in Table 3.7 below.

Table 3.7 Main Destinations for Clothes and Shoes

Destination	Clothes & Shoes Expenditure (£m)	Market Share (%)
<i>Within the OCA</i>		
Malton Town Centre	3.5	10.3
Helmsley Town Centre	1.3	3.7
Pickering Town Centre	0.8	2.2
<i>Outwith the OCA</i>		
York City Centre	8.4	25.0
Scarborough Town Centre	6.2	18.4
Monks Cross Shopping Park, Huntington, York	6.1	18.2
Clifton Moor Shopping Centre, Rawcliffe, York	1.1	3.3
York Designer Outlet, Fulford, York	0.9	2.7

3.34 We consider that Malton Town Centre's clothes and shoes market share is notably low given that it is the highest-order centre in Ryedale. Indeed, a strong clothes and shoes offer serves as the foundation for an attractive comparison retail offer, and is vital in attracting the expenditure of residents. A significant amount of clothes and shoes

expenditure will inevitably always flow to York, Scarborough and Monks Cross, but even so we consider that there must be scope to improve Malton’s market share in this key retail category.

Convenience Goods Spending Patterns in 2011

- 3.35 Spreadsheet 10 shows that all of the ten survey zones in the OCA have convenience goods spending levels below the GB average, of £1,756 per capita in 2011. The total amount of convenience goods spending for residents of the OCA in 2011 is £82.1m (Spreadsheet 11). The pattern of expenditure flows for the convenience goods sector as a whole, as revealed by the new survey of households, is set out in Spreadsheets 12 and 13.
- 3.36 Table 3.8 – which is derived from the final column of Spreadsheet 13 – reveals that, overall, £54.4m, or 66.2 per cent, of the expenditure on convenience goods available to residents of the OCA is spent at locations within the catchment area. A further 29.4 per cent of convenience expenditure (equating to £24.2m) flows to convenience retail facilities located outside of the OCA, with the remaining 4.4 per cent (£3.6m) accounted for by SFT⁴

Table 3.8 Broad Destinations for Convenience Goods Expenditure

Broad Destination for Convenience Goods Expenditure	£m	%
Destinations within the OCA	54.4	66.2
Total Retained Expenditure	54.4	66.2
Destinations outside the OCA	24.2	29.4
SFT	3.6	4.4
Total Leakage	27.8	35.8
OVERALL TOTAL	82.1	100.0%

Main Destinations for Food and Grocery Shopping

- 3.37 The estimated convenience goods turnovers of the main foodstores located within the study area, prior to making any allowance for any expenditure inflow from those who are resident beyond the OCA, are set out in the penultimate column of Spreadsheet 13, and are summarised in Table 3.9.
- 3.38 Table 3.9 shows that the most popular destination for food and groceries shopping within the OCA, by a considerable margin, is the Morrisons store at Castlegate in Malton Town Centre, which has a convenience goods turnover, derived from the residents of the OCA, of around £29.4m and a market share of 35.8 per cent. This finding is not surprising given that Morrisons is the only food superstore in Ryedale. The Co-operative store in Pickering Town Centre is the second most popular destination for convenience shopping within the OCA, but with a convenience turnover of £3.9m and a market share of 4.8 per cent it is dwarfed by Morrisons in Malton. The third and fourth most popular foodstores within the

⁴ In Section 3 of this report we set out in more detail the allowances we have made to account for SFT in 2011 and in each of the forecast years.

OCA are the Netto store at Norton Road (convenience goods turnover of approximately £2.4m and a market share of 2.9 per cent) and the Lidl store in Norton (convenience goods turnover of approximately £2.0m, market share of 2.5 per cent).

Table 3.9 Main Destinations for Convenience Goods Expenditure Retained within the OCA

Foodstores/Centres within the OCA	Convenience Goods Expenditure Retained within the OCA (£m)	Market Share (%)
Morrisons, Castlegate, Malton Town Centre	29.4	35.8
Co-operative, Champley Mews, Pickering Town Centre	3.9	4.8
'Other' convenience facilities, Malton Town Centre	3.2	3.9
Netto, Norton Road, Malton Town Centre ⁵	2.4	2.9
Lidl, Welham Road, Norton	2.0	2.5
Co-operative, Piercy End, Kirkbymoorside Town Centre	1.9	2.3
Co-operative, Marketplace, Helmsley Town Centre	1.1	1.3
Sainsbury's Local, Newbiggin, Malton Town Centre	0.9	1.0

3.39 The only other facilities within the OCA which achieve a convenience market share of 1.0 per cent or above are the Co-operative stores in Kirkbymoorside and Helmsley Town Centres, and 'other' convenience facilities in Malton Town Centre.

3.40 The main leakage destinations for convenience goods expenditure, again as shown in the penultimate column of Spreadsheet 13, are set out in Table 3.10, which shows that six stores each account for 2.0 per cent or more of the OCA's total convenience expenditure.

Table 3.10 Main Destinations for Convenience Goods Expenditure Leakage

Stores Outside the OCA	Convenience Goods Expenditure Leakage (£m)	Market Share (%)
Morrisons, Dunslow Road, Eastfield	5.6	6.8
Asda, Monks Cross, Huntington, York	3.8	4.7
Sainsbury's, Monks Cross, Huntington, York	3.6	4.3
Sainsbury's, Falsgrave Road, Scarborough	2.5	3.0
Tesco Extra, Clifton Moor Shopping Centre, York	1.9	2.3
Tesco, Station Road, Thirsk Town Centre	1.7	2.0

⁵ Technically, the Netto store is located outside of the Malton Town Centre boundary although it is effectively part of the wider Malton Town Centre area.

Retention level by zone

- 3.41 The OCA's retention level by zone – that is, the proportion of expenditure on convenience goods available to residents in a specific zone which is spent in town centres and stores located within the OCA (see Spreadsheet 12, 'Total Inside Catchment Area' row) – does not exceed 90 per cent in any of the ten survey zones. The retention level by zone is over 80 per cent in three zones (5b, 6a and 6b), and in Zones 2, 3a and 3b it is close to 70 per cent, although we expect that this will improve when the commitment for a new Lidl store in Pickering is implemented.
- 3.42 In the remaining survey zones – Zones 1, 4a and 5a – the retention level by zone is relatively low, at 59 per cent, 22 per cent and 48 per cent, respectively. In Zone 1 this can be explained by the relatively easy access to Thirsk, which has a Tesco store, via the A170. Zones 4a and 5a do not have any defined centres, and so some expenditure leakage to the foodstores in York, Eastfield and Scarborough is inevitable. Nevertheless, in our assessment there is scope to improve the retention level in these zones through an enhancement of Ryedale's convenience retail offer, which would help to stem the loss of a significant amount of convenience expenditure to large-format foodstores outside of the District.

Convenience Goods Market Shares

- 3.43 In Table 3.11, we present an analysis of convenience goods market shares, showing 'dominant' stores with a zonal market share of over 25 per cent, and stores with shares between 10 and 25 per cent, which therefore have more of a 'subsidiary' influence.
- 3.44 The analysis in Table 3.11 and Spreadsheet 12 shows that:
- One of the ten survey zones lacks a dominant store with a market share of over 25 per cent, this being Zone 1, although there are three stores which have a subsidiary influence within the zone (Co-operative in Helmsley, Morrisons in Malton and Tesco in Thirsk).
 - None of the survey zones has two dominant stores.
 - The Morrisons store in Malton is dominant in eight zones, and has a subsidiary influence in one of the two remaining zones.
 - No other store in Ryedale is dominant in any of the ten survey zones, although the Co-operative stores in Helmsley, Kirkbymoorside and Pickering Town Centres have a subsidiary influence in their own zones.

Table 3.11 Dominant Convenience Goods Stores, and Stores with Subsidiary Influence

Zone	'Dominant' Stores (Market Share of >25%)	'Subsidiary' Stores (Market Share of 10% to 25%)
1		Co-operative, Market Place, Helmsley Town Centre Morrisons, Castlegate, Malton Town Centre Tesco, Station Road, Thirsk Town Centre
2	Morrisons, Castlegate, Malton Town Centre	Co-operative, Piercy End, Kirkbymoorside Town Centre
3a	Morrisons, Castlegate, Malton Town Centre	Co-operative, Champley Mews, Pickering Town Centre
3b	Morrisons, Castlegate, Malton Town Centre	Co-operative, Champley Mews, Pickering Town Centre Morrisons, Dunslow Road, Eastfield
4a	Morrisons, Dunslow Road, Eastfield	Sainsbury's, Falsgrave Road, Scarborough Tesco, Westwood, Scarborough Town Centre
4b	Morrisons, Castlegate, Malton Town Centre	Morrisons, Dunslow Road, Eastfield Asda, Monks Cross Shopping Park, York Sainsbury's, Monks Cross Shopping Park, York
5a	Morrisons, Castlegate, Malton Town Centre	
5b	Morrisons, Castlegate, Malton Town Centre	
6a	Morrisons, Castlegate, Malton Town Centre	
6b	Morrisons, Castlegate, Malton Town Centre	

3.45 The survey findings confirm that Morrisons in Malton is by far the most significant foodstore in Ryedale, reflecting its position as the District's only food superstore.

Conclusions in Relation to Patterns of Retail Expenditure

Comparison Goods Spending

3.46 Overall, just 30 per cent of the comparison goods expenditure available to residents of the OCA is retained in Ryedale. Malton Town Centre is the main comparison retail destination within the OCA, by a considerable margin, securing £24m of the residents' comparison goods expenditure. The next most significant destination in Ryedale for comparison shopping is Pickering, although it accounts for just £9m of the total comparison expenditure within the OCA. Ryedale's three other defined town centres each attract between £2m and £4m of the OCA's comparison expenditure.

3.47 Thus, some 70 per cent of total comparison goods expenditure available within the OCA flows out of the District, and 83.4 per cent of available clothes and shoes expenditure is lost as leakage, which is a very high figure even allowing for the strong competition in the surrounding area. The District's principal centre, Malton, only attracts £3.5m of the £33.8m of clothes and shoes expenditure available within the OCA, equating to a very low market share of 10.3 per cent for this key goods category.

3.48 Leakage to places like York City Centre, Scarborough Town Centre, Monks Cross Shopping Park and Clifton Moor Shopping Centre in York accounts for approximately 59 per cent of residents' comparison goods expenditure. The remaining 11 per cent of comparison goods expenditure is spent on SFT.

3.49 The findings described above suggest the need to promote quality developments in town centre locations, targeted at comparison goods retailers that are presently missing from Ryedale.

Convenience Goods Spending

3.50 The aggregate retention of convenience goods expenditure by centres and freestanding stores located within the OCA is 66.2 per cent, which is low given the desirability of meeting convenience goods retail needs on as localised basis as possible. Morrisons in Malton is by far the most significant foodstore in Ryedale, reflecting its position as the District's only food superstore.

3.51 Morrisons accounts for almost 36 per cent of the convenience goods expenditure available to OCA residents. The next most significant foodstore in Ryedale is the Co-operative store in Pickering, but its market share is substantially lower than that achieved by Morrisons, at 5 per cent. The District's other supermarkets each have a convenience market share of between 1 per cent and 5 per cent. The OCA's retention level by zone does not exceed 90 per cent in any of the ten survey zones, and in three zones it is below 60 per cent.

3.52 Overall, whilst some expenditure leakage to large-format foodstores outside of the District is inevitable, in our assessment there is scope to significantly improve the level of convenience expenditure retention across the District from its low base position. We consider quantitative and qualitative needs, and opportunities for meeting these needs, in subsequent sections of our report.

Leisure and Cultural Services

3.53 As noted at the beginning of this section, the household survey questionnaire also sought to identify patterns of spending on various leisure and cultural services. The most popular destinations for these different activities for residents of each survey zone are set out in Table 3.12, and are described below in order to provide an insight into whether any of the study centres have additional roles/functions to play in the provision of leisure and cultural services.

3.54 It is notable that for each of the leisure and cultural services, the '*don't do this activity/don't know/it varies*' category received the highest number of responses.

Restaurants and Cafés

3.55 The most popular destination for visits to restaurants and cafés is Malton Town Centre (24 per cent) followed by York City Centre (11 per cent), and then Pickering Town Centre (9 per cent), Scarborough Town Centre (8 per cent), Helmsley Town Centre (4 per cent) and Kirkbymoorside Town Centre (2 per cent). No other destination accounts for more than 2 per cent of respondents. A total of 32 per cent of responses were in the '*don't do this activity/don't know/it varies*' category.

3.56 Malton Town Centre is the most popular destination for visits to restaurants and cafés for residents of five of the 10 survey zones (Zones 4b, 5a, 5b, 6a and 6b). The most popular destination for residents of Zone 1 is Helmsley Town Centre. For residents of Zone 2, Kirkbymoorside Town Centre is the most popular destination, whereas for residents of Zones 3a and 3b, Pickering Town Centre is the most popular destination, and Scarborough Town Centre is the most popular destination for visits to restaurants and cafés by residents of Zone 4a. These patterns reflect the fairly localised nature of visits to restaurants and cafés.

Pubs, Bars and Nightclubs

3.57 As was the case with restaurants, it is Malton Town Centre (11 per cent) which is the most popular destination for pubs, bars or nightclubs, followed by Pickering Town Centre (5 per cent), York Town Centre (4 per cent), Kirkbymoorside Town Centre (3 per cent) and Scarborough Town Centre (also 3 per cent). No other destination accounts for more than 3 per cent of respondents. A total of 56 per cent of responses were in the ‘*don’t do this activity/don’t know/it varies*’ category.

3.58 Malton Town Centre is the most popular destination for visits to pubs and bars for residents of four of the ten survey zones (Zones 4b, 5b, 6a and 6b), with Pickering Town Centre being the most popular destination for residents of Zones 3a and 3b. The most popular destinations for the remaining zones, which are set out in Table 3.12, reflect the localised nature of spending in pubs and bars.

Cinemas

3.59 The most popular cinema destinations are Malton Town Centre (12 per cent) and the Palace Cinema in Malton Town Centre (10 per cent). These two given destinations must amount to the same facility – the Palace Cinema – which is the only cinema in Malton, and indeed in Ryedale. The Vue at Clifton Moor Shopping Centre (9 per cent) is the next most popular destination for cinema trips. A total of 50 per cent of responses were in the ‘*don’t do this activity/don’t know/it varies*’ category.

Family Entertainment Centres (i.e. Ten Pin Bowling, Skating and so on)

3.60 The most popular family entertainment centre destination, such as ten pin bowling alleys and skating rinks, was York City Centre (7 per cent). The next most popular destinations were the MegaBowl at Clifton Moor Shopping Centre (5 per cent) and the wider Clifton Moor Shopping Centre (4 per cent). No other destination accounts for more than 2 per cent of respondents. A total of 77 per cent of responses were in the ‘*don’t do this activity/don’t know/it varies*’ category.

Theatres/Concerts

3.61 The most popular destinations for visits to theatres or concert halls were York City Centre (21 per cent) and Scarborough Town Centre (10 per cent). The next most popular destinations were Helmsley Town Centre (3 per cent) and London (also 3 per cent). No other destination accounts for more than 3 per cent of respondents. A total of 50 per cent of responses were in the ‘*don’t do this activity/don’t know/it varies*’ category.

Museums & Art Galleries

- 3.62 The most popular destination for visits to museums and art galleries was York City Centre (21 per cent). The next most popular destinations were London (5 per cent) and Scarborough Town Centre (3 per cent). No other destination accounts for more than 3 per cent of trips. A total of 62 per cent of responses were in the '*don't do this activity/don't know/it varies*' category.

Bingo/Casinos/Bookmakers

- 3.63 The most popular destination for activities which involve gambling, such as visits to bingo halls, casinos and bookmakers, was Scarborough Town Centre (2 per cent). No other destination accounts for more than 2 per cent of trips. A total of 92 per cent of responses were in the '*don't do this activity/don't know/it varies*' category.

Health and Fitness Centres

- 3.64 Malton Town Centre was the most popular destination for health and fitness activities (5 per cent). The next most popular destinations were Pickering Town Centre (4 per cent), Norton town centre (3 per cent) and Scarborough Town Centre, York City Centre and Ampleforth (all 2 per cent). Some 79 per cent of responses were in the '*don't do this activity/don't know/it varies*' category.

Nearest Town Centres

- 3.65 The household survey questionnaire also asked a number of questions in relation to the respondent's nearest town centre. Malton was considered to be the nearest town centre for 45 per cent of respondents, Pickering Town Centre for 27 per cent, Helmsley Town Centre for 8 per cent, Kirkbymoorside Town Centre for 8 per cent, Norton Town Centre for 6 per cent, 'other' for 4 per cent and 1 per cent didn't know.
- 3.66 Respondents were asked to name the best features of their nearest town centre. Considering all zones in aggregate, the most frequently cited best features were near/convenient (23 per cent), nothing in particular (17 per cent), selection/choice of independent/specialist shops (17 per cent), character and atmosphere (13 per cent) and selection/choice of multiple shops (9 per cent).
- 3.67 Respondents were then asked to name the worst features of their nearest town centre. Across all survey zones, in aggregate, the most frequently cited features were nothing in particular (31 per cent), general lack of choice of multiple shops (16 per cent), general lack of independent/specialist shops (10 per cent), difficulties in parking (10 per cent) and too many empty shops (9 per cent). The most popular suggestions as to how the nearest town centre named by respondents could best be improved, across all zones, were better choice of shops in general (18 per cent), new shops (15 per cent), don't know (11 per cent), more parking (10 per cent) and better quality of shops (8 per cent).
- 3.68 Respondents were then asked whether there were any types of leisure services their nearest town centre was lacking in. Some 24 per cent answered no, 63 per cent answered yes and the remaining 13 per cent didn't know. Across all zones, the most commonly cited leisure facilities lacking in the nearest town centre cited by respondents were a cinema

(20 per cent), a leisure centre (19 per cent), a swimming pool (16 per cent), a health and fitness club (13 per cent) and a youth club/something for young people (10 per cent).

- 3.69 For those respondents who didn't name Malton as their nearest town centre, the most popular suggestions for improvement to Malton Town Centre were don't know (28 per cent), better choice of shops in general (14 per cent), new shops (12 per cent), other (7 per cent) and more parking (6 per cent).

Table 3.12 Most Popular Destinations for Expenditure on Leisure and Cultural Services

Main Destination by Category of Leisure Pursuit								
Survey	Restaurants /Cafes	Bars/ Clubs & Pubs	Cinema	Family Entertainment	Theatre & Concerts	Museum & Art Gallery	Bingo, Casino & B'maker	Health & Fitness
1	Helmsley	Helmsley	Vue - Clifton Moor Shopping Ctr	Mega Bowl - Clifton Moor Shopping Ctr	York	York	Outside Study Zone	Ampleforth
2	K'moorside	K'moorside	Vue - Clifton Moor Shopping Ctr / Helmsley	York	York	York	K'moorside	K'moorside / Pickering
3a	Pickering	Pickering	Clifton Moor Shopping Ctr	Clifton Moor Shopping Ctr	York	York	Pickering	Pickering
3b	Pickering	Pickering	Malton	York	Scarborough	York	Pickering	Pickering
4a	Scarborough	Scarborough	Scarborough	Scarborough	Scarborough	York / Scarborough	Scarborough	Scarborough
4b	Malton	Malton	Malton	Clifton Moor Shopping Ctr / York	York	York	Scarborough	Norton
5a	Malton	York	Vue - Clifton Moor Shopping Ctr	Mega Bowl - Clifton Moor Shopping Ctr / York	York	York	York / Outside Study Zone	York
5b	Malton	Malton	Palace Cinema - Malton	York	York	York	Norton	Malton
6a	Malton	Malton	Palace Cinema - Malton	Mega Bowl - Clifton Moor Shopping Ctr	York	York	Scarborough	Malton
6b	Malton	Malton	Malton	York	York	York	Malton / Scarborough	Malton
Main Spend (all zones)	Malton	Malton	Malton	York	York	York	Scarborough	Malton

4 UPDATED ASSESSMENT OF EXPENDITURE CAPACITY

Introduction

- 4.1 A draft Core Strategy – known as The Ryedale Plan – was published for consultation until 5 November 2010. Paragraph 5.20 of the consultation document refers to the floorspace capacity figures that we identified in our reports of September 2008 and December 2009, of 2,800 sq.m additional convenience sales area floorspace across the District by 2026 and around 21,500 sq.m of additional comparison sales area floorspace over the same period.
- 4.2 Policy CS7 of the draft Core Strategy states that 70 per cent of the additional comparison floorspace should be directed to Malton/Norton, with 15 per cent being directed to Pickering and the remaining 15 per cent to Kirkbymoorside and Helmsley. Draft Policy CS7 indicates that all of the identified convenience retail floorspace capacity should be directed towards Malton, to address the qualitative need for a higher-order foodstore in the town.
- 4.3 However, there have been some key changes since our last comprehensive capacity assessment in September 2008, which will have knock-on consequences for the identified retail floorspace requirements. In particular:
- expenditure growth forecasts have been revised downwards since 2008, for both the convenience and comparison sectors, in response to the recession and the period of economic uncertainty that is expected to continue into the medium-term;
 - the latest 2008-based ONS population growth projections predict a slower rate of population growth in Ryedale than was previously indicated by the 2006-based population projections; and
 - various foodstore schemes both within and outside of but close to the District have either been implemented or have extant permission, including an extension of the Sainsbury's store at Monks Cross, a new Morrisons store and a recently opened Waitrose store (both at Foss Island in York), an extension of the Morrisons store in Malton, and new Lidl stores in Norton and Pickering.
- 4.4 In this section of our report, we update our assessment of the capacity both for additional convenience and comparison retail floorspace in Ryedale to reflect the changes in circumstance described above. Our work is also informed by the findings from the new household survey of shopping patterns which was undertaken in February 2011.

Methodology for Assessing Retail Expenditure Capacity

- 4.5 Section 3 and Appendix B of the PPS4 Practice Guidance provide advice on the assessment of quantitative and qualitative need. We note, however, that the Practice Guidance states that it does not '*...seek to prescribe a single methodology...*' and that '*...alternative approaches may be equally acceptable, provided they are compliant with national policy objectives and clearly justified, transparently presented and robustly evidenced*' (paragraph 1.22). We accept, also, the advice given in paragraph B3 to the effect that '*...forecasts of 'retail need' should not be regarded as prescriptive...*' and that they '*...inevitably involve judgments and ultimately policy choices...*'

- 4.6 Thus, we have refined the five step approach set out in Appendix B of the Practice Guidance into 8 steps, as follows:
- i. Establish the appropriate catchment area for the highest order centre being considered, in this case Malton.
 - ii. Assess the existing level of population and existing volume of retail expenditure for those resident within the defined catchment area.
 - iii. Establish where the expenditure of the catchment area's residents is currently spent, through the use of an empirical survey of households in the catchment area, and thereby establish the proportion of expenditure which is currently retained by town centres and freestanding stores located within the catchment – that is, the current retention rate.
 - iv. Apply forecasts of population change and per capita expenditure growth, so as to establish the overall level of projected growth in expenditure for residents of the catchment area and an assessment of growth in retained expenditure, using, initially, a constant retention assumption.
 - v. Allow for 'claims' on the growth in retained expenditure as a result of:
 - floorspace efficiency change (that is, the growth in turnover of existing retailers within existing floorspace);
 - growth over time in special forms of trading (SFT), mainly e-tail growth; and
 - planning commitments.
 - vi. Calculate the initial residual expenditure pot which is potentially available for new retail floorspace, based on steps iv) and v) above.
 - vii. Make an allowance for under-trading or over-trading in the base year, if this is justified.
 - viii. Develop alternative scenarios for calculating growth in residual expenditure, based on:
 - increases or decreases in the projected retention level; and
 - sensitivity testing of key assumptions.
- 4.7 Steps i. to iii. are described in Section 3 of our report and so we only cover them briefly in this section of our report.

Step 1 – Definition of the Catchment Area

- 4.8 The overall catchment area is split into 10 zones based on postcode boundaries, as shown in Figure 3.1 of this report and Spreadsheet 1 in Volume 2.

Step 2 – Establish Existing Level of Population and Expenditure

- 4.9 We have sourced 2008-based population and per capita expenditure data from PBBI and Oxford Economics ('OE'), which are the latest data available. Our assessment uses a 2008 price base. We have then projected the 2008 population and per capita expenditure data forward to the 2011 base year, using:
- ONS 2008-based Sub-National Population Projections (published 27 May 2010); and
 - the latest expenditure growth forecasts, which we describe in detail under Step 4.

- 4.10 The total pot of comparison and convenience expenditure at the 2011 base year, for each of the ten survey zones, is set out in the top rows of Spreadsheets 4 and 11, respectively. In total, £143.8m of comparison expenditure and £82.1m of convenience expenditure is available to residents of the catchment area in 2011.

Step 3 – Establish Existing Retail Spending Patterns

- 4.11 Next we use the household survey findings to establish current patterns of expenditure and the current retention rate, as described in Section 3 of our report. The current pattern of expenditure and the current retention rate for comparison goods is as set out in Spreadsheet 6, with the overall retention rate for comparison goods being 30.1 per cent. For convenience goods, the pattern of expenditure and the current retention rate is as set out in Spreadsheet 13, which reveals an overall convenience goods retention rate of 66.2 per cent. As we explained in Section 3, we consider that the retention rates in the comparison and convenience sectors are both capable of improvement.

Step 4 – Forecast Growth in Expenditure and Growth in Retained Expenditure

- 4.12 The next steps are to apply forecasts of population change and per capita expenditure growth, so as to establish the overall level of projected growth in expenditure for all residents of the catchment area, and then an assessment of growth in retained expenditure using, initially, a constant retention assumption.

Population growth

- 4.13 Population change is based on the mid-2008 Sub-National Population Projections, from the ONS, as set out in Spreadsheet 2. Using this method, the resident population across the OCA is forecast to increase from 53,873 persons at the 2011 base year, to 59,885 persons in 2026. This equates to a relatively high total population increase of 11.2 per cent over the entire study period, although it represents a more subdued level of growth than was previously predicted using the 2006-based ONS population projections, which underpinned our RRCS Update, and which equated to an 18.7 per cent rise between 2008 and 2026.

Expenditure growth

- 4.14 The expenditure growth rates estimated by Experian in August 2010⁶ and PBBI/OE in September 2010⁷ are relatively low between 2008 and 2011. The legacy of the severe economic recession of 2008/09 is expected to be a period of high unemployment, weak consumer confidence, reduced availability of credit and a severe fiscal squeeze although, to date, unemployment has remained notably low in Ryedale District.
- 4.15 The per capita comparison and convenience goods expenditure growth rates that we have adopted for the 12 year period from 2008 to 2020 are the mid-points of the estimates and forecasts provided by Experian and PBBI/OE, and are set out for each forecast year in are set out in full in the footnotes to Spreadsheet 3 (for comparison goods) and Spreadsheet 10 (for convenience goods) in Appendix 2. PBBI/OE do not provide any forecasts for growth in

⁶ Experian, 'Retail Planner Briefing Note 8.1' (August 2010).

⁷ PBBI/Oxford Economics, 'Retail Expenditure Guide, 2010/11: Product Guide' (September 2010).

per capita expenditure beyond 2020. We have therefore assumed that the per capita expenditure growth rate for the period 2020 to 2026 will be the mid-point of Experian's forecast for the same period and PBBI/OE's forecast for the year 2019 to 2020. This equates to 3.3 per cent, per capita, per annum, for comparison goods and 0.7 per cent, per capita, per annum, for convenience goods.

- 4.16 The latest published forecasts of convenience and comparison expenditure growth, which have informed our updated capacity assessment, predict lower rates of growth than the earlier forecasts which informed our RRCS Update of 2008⁸. The amount of money spent on comparison goods, per capita, is much higher than the amount spent on convenience items, and so the implications of subdued expenditure forecasts – in terms of reduced expenditure capacity – are most noticeable in the comparison sector.

Total expenditure pot

- 4.17 Spreadsheet 4 is the product of Spreadsheets 2 and 3 and it sets out the total growth in comparison goods expenditure for all residents in the OCA. Spreadsheet 11 sets out the corresponding data for growth in convenience goods expenditure for all residents in the OCA.

Step 5 – 'Claims' on Growth in Retained Expenditure

- 4.18 The next step is to make an allowance for 'claims' on the growth in retained expenditure, which are:
- growth in floorspace efficiency (growth in the turnover of existing retailers within their existing floorspace);
 - growth over time in SFT; and
 - an allowance for the predicted turnover of planning commitments.

Growth in floorspace efficiency

- 4.19 In making an allowance for growth in floorspace efficiency (Row D of comparison Spreadsheets 9a and 9b, and convenience Spreadsheets 14a and 14b), we adopted the rate of floorspace efficiency change set out in Table 4.1 below. We have tied the rate of comparison and convenience goods floorspace efficiency change to the expenditure forecasts for the assessment period in question, using a ratio of 37.9 per cent for comparison goods and 46.2 per cent for convenience goods. These ratios represent the 'underlying trend' of floorspace efficiency improvements between 1987 and 1999 (as recommended by Experian in its Retail Planner Briefing Note 6.1 of January 2009), of 2.2 per cent for comparison goods and 0.6 per cent for convenience goods, as a proportion of the expenditure growth over the same period of 5.8 per cent and 1.3 per cent respectively. Our approach is in line with the PPS4 Practice Guidance, which states at paragraph B.48, that: *'It is ... important that selected rates of growth in floorspace productivity are compatible with assumptions about the growth in per capita expenditure'*.

⁸ Our 2008 RRCS Update used the MapInfo/Oxford Economics forecasts, as set out in Table 2 of its Information Brief 07/02 (August 2007).

Table 4.1 Rates of Floorspace Efficiency Change, 2011 to 2026

Study Period	Average Rate of Floorspace Efficiency Change, Per Annum	
	Comparison	Convenience
2011 - 2026	1.3%	0.3%

Allowance for growth in special forms of trading (SFT)

- 4.20 We have based our allowance for increases in expenditure claimed by SFT over the study period on the forecasts set out in Appendix 3 of Experian’s Retail Planner Briefing Note 8.1 (August 2010). In the comparison goods sector, Experian estimates that ‘non-store retail sales’ will account for 11.7 per cent of total comparison expenditure at 2011, rising to 13.9 per cent at 2016, before falling back slightly to 13.6 per cent at 2021 and to 13.3 per cent at 2026.
- 4.21 The household survey of February 2011 found that 11.5 per cent of OCA residents’ expenditure on comparison goods is spent via SFT, which tallies almost exactly with Experian’s prediction for 2011 of 11.7 per cent. On that basis, we have allowed for the same SFT ‘leakage’ that is predicted by Experian for the forecast years of 2016, 2021 and 2026, as described above.
- 4.22 In the convenience goods sector, Experian forecasts that SFT will rise to 9.4 per cent by 2016, to 10.1 per cent by 2021, and 10.7 per cent by 2026. However, Experian explains that the SFT estimates for the convenience sector are ‘over-stated’, given that supermarkets often ‘...source internet goods sales from store space’. We consider it appropriate, therefore, to halve the proportions of expenditure accounted for by SFT (as estimated by Experian), to reflect the fact that a proportion of the convenience items bought over the Internet are supplied from shelves in local supermarkets, rather than from distribution warehouses. Thus, we estimate that non-store convenience goods sales will account for 4.7 per cent of total convenience expenditure in 2016, rising to 5.1 per cent in 2021 and to 5.4 per cent in 2026.

Allowance for retail planning commitments

- 4.23 The next step is to allow for the future turnover requirements of commitments for new comparison and convenience retail floorspace, having made an assessment of how much of the commitments’ turnovers will be derived from residents of the catchment area.
- 4.24 Three new planning permissions have been granted for foodstore schemes since we completed the RRCS Update in 2008, as follows:
- an extension of the existing Morrisons store at Castlegate, Malton, which was approved in November 2009 (planning application reference: 08/01144/MFUL);
 - a Lidl supermarket at Welham Road, Norton, which was also approved in November 2009 (planning application reference: 09/00282/MOUT); and
 - a Lidl supermarket at Southgate/Vivis Lane, Pickering, which was granted permission on appeal in April 2010 (planning application reference: 08/01096/MFUL).
- 4.25 We took the three aforementioned retail schemes into account as commitments in our Supplementary Advice on Convenience Retail Provision (July 2010). However, the

extended Morrisons store is fully open and began trading at the start of 2011, and the Lidl store in Norton also opened prior to the household survey of February 2011. Accordingly, there is no need to treat the Morrisons extension or the new Lidl store in Norton as commitments in the current retail capacity exercise because these existing retail facilities have been picked up as existing retail facilities in the recent household survey.

- 4.26 Under the terms of the permission for the approved Lidl store in Pickering, various highway works will need to be implemented before the store can start trading. Our understanding is that these works cannot take place over the summer months due to the high seasonal traffic, and so Lidl intends to start work on site at the end of 2011. We therefore expect Lidl to start trading in Pickering during 2012. Approximately four-fifths of the sales area floorspace at the Lidl store will be used for convenience goods, with the remaining floorspace used for comparison goods.
- 4.27 There is also one other planning application for retail development that is relevant to consider, which relates to a site at Welham Road, Norton (planning application reference: 09/00282/MOUT), close to the recently opened Lidl store. Aldi was originally lined up to occupy the proposed unit but the landowner/applicant has written to the Council to advise that Aldi is no longer interested in Norton. However, we understand that the landowner still intends to proceed with the scheme on the basis of the terms of a Section 106 agreement which was signed on 17 May 2011, and so the permission will be issued imminently.
- 4.28 Permission ref. 09/00282/MOUT authorises a foodstore, meaning that a new permission would be required for the unit to be operated by a non-food retailer, and so we have assumed that the unit will be occupied by a foodstore operator. Morrisons and Sainsbury's are already represented in nearby Malton Town Centre, which will also have an Asda store when the Netto unit is converted later this year, and Lidl is already trading at Welham Road in Norton. Accordingly, for the purposes of our capacity assessment, we have identified the notional turnover of the proposed store using the average sales densities for the foodstore operators that are not already represented in Malton/Norton. If it subsequently transpires that no foodstore operator is attracted to the site then the capacity assessment will have to be updated at some future date.
- 4.29 The expected turnovers of the foodstore commitment in Norton and the commitment for a Lidl store in Pickering are derived from Verdict's '*UK Food & Grocery Retailers 2010*⁹'.

Step 6 – Residual Expenditure Potentially Available for New Floorspace

- 4.30 Row H of Spreadsheets 9a and 9b (comparison sector) and Spreadsheets 14a, 14b and 14c (convenience sector) sets out the residual expenditure pot potentially available for new floorspace, having allowed for all of the claims on the growth in retained expenditure – that is, growth over time in SFT, growth in floorspace efficiency and retail commitments.
- 4.31 Row I of the same spreadsheets then converts the residual expenditure to a floorspace requirement expressed as a net sales area, having divided the residual expenditure by an

⁹ The Verdict report was published in September 2010, and a revised version was issued in November 2010. We have used the most recent version.

average sales density for comparison goods of £3,523 per sq.m sales area at 2011 and an average sales density for convenience goods of £10,115 per sq.m sales area at 2011. Finally, we convert the sales area requirement to a gross floorspace requirement, as set out in Row J of Spreadsheets 9a, 9b, 14a, 14b and 14c, using a net to gross ratio of 70 per cent for comparison goods and 65 per cent for convenience goods.

Step 7 – Adjustments for Under-trading/Over-trading in the Base Year

- 4.32 In the RRCS of 2006 and the 2008 Update, we did not make any adjustments for under-trading or over-trading in the convenience or comparison sectors at the base year. This stems from the fact that – within the planning profession generally – there has always been a degree of uncertainty regarding how under/over-trading should be measured, whether it is an indicator of quantitative or qualitative need and, thus, how it should be treated within a capacity assessment.
- 4.33 PPS4 and the accompanying Practice Guidance – which were published in December 2009, thereby post-dating our 2006 and 2008 work – have provided some clarity on these issues. Paragraph B.41 of the Practice Guidance indicates that ‘...*the use of benchmarks is encouraged*’, although it also notes that benchmarks should not be used prescriptively, or in isolation, to indicate a measure of ‘need’. In considering whether to make an adjustment for under/over-trading at the base year, we have therefore compared the survey-derived turnover results with company average benchmarks, but we have also visited the relevant stores, to identify other indicators of under-performance or strong trading.
- 4.34 It should be noted that we have only undertaken a detailed analysis of benchmark turnovers in the convenience sector. Whereas published information in relation to benchmark sales densities for the major foodstore operators is available, there are no published data on sales densities for independent non-food stores, which predominate in Ryedale’s centres.

Comparison goods sector

- 4.35 Spreadsheet 6 reveals an estimated comparison goods turnover for Malton Town Centre of approximately £23.9m, excluding any expenditure inflow from those who live outside of the District. It is our professional judgment that around 15 per cent of the comparison turnover of the town centre is likely to be derived from beyond the catchment area; that is, from people who live outside the District, but travel into Malton for work, and also from day-trippers and long-stay tourists. Taking into account this level of inflow, the total comparison turnover of Malton Town Centre rises to £27.5m at 2011.
- 4.36 Using the latest data from Experian GOAD, we estimate that there is around 11,500 sq.m of comparison sales floorspace in Malton Town Centre, which would imply a comparison sales density of £2,390 per sq.m (i.e. £27.5m/11,500 sq.m sales floorspace). This is a relatively low comparison sales density for a market town such as Malton, particularly given its status as the District’s Principal Town.
- 4.37 Notwithstanding this, our view – which is based on numerous visits in recent years – is that Malton is a generally busy centre. Pedestrian flow data collected by the Council appear to back this up as the data indicate that footfall within the centre has remained fairly steady since April 2009. We consider, therefore, that Malton is a vital and viable centre. It is our opinion that the low comparison sales densities referred to above reflect the restricted

quality of retail property available in the town centre. As we explain in more detail in Section 5, we consider that there is a lack of medium-sized, regular-shaped, purpose-built non-food units in Malton; the existing units are generally small and compromised, resulting in inefficiencies for operators. The PPS4 Practice Guidance advises that such under-performance suggests a qualitative need to improve the quality of existing stock or the performance of stores, rather than representing an existing over-supply of comparison retail floorspace.

Convenience goods sector

- 4.38 For the two main foodstores in Ryedale – the Morrisons at Castlegate, Malton, and the Co-operative store at Market Place, Pickering – we have made a comparison of survey-based turnover estimates with ‘benchmark’ turnovers, which assume that the stores are trading at company average levels. The analysis is set out in Table 4.2.

Table 4.2 Comparison of Survey-Based Turnover Estimates and Benchmark Turnover Estimates for the Main Foodstores in the Catchment Area, at 2010

Main Foodstores within Catchment Area	Location of Store (In, edge or out-of-centre)	Floorspace	Sales Density	Turnover				
		Convenience Sales Area (sq.m)	2011 Company Average Convenience Sales Density (2008 Price Base)	Benchmark Turnover 2011 (Company Average) (£m)	Estimate of Proportion of Turnover Drawn from Catchment Area Residents	Benchmark Convenience Turnover 2011 Drawn from Catchment Area	Actual Convenience Goods Turnover 2011 Drawn from Catchment Area (£m)	Quantum of Under/ Over Trading (£m)
Co-operative, Market Place, Pickering	In	744	8,962	6.7	80%	5.3	3.9	-1.4
Morrisons, Castlegate, Malton	In	2,086	12,828	26.8	85%	22.7	29.4	6.7
Total								5.2
Over-Trading' Allowance (half of Total)								2.6

- 4.39 Table 4.2 indicates that, according to the household survey findings, the Co-operative store in Pickering is trading below its company average, whereas the extended Morrisons store at Castlegate in Malton is trading above its company average, by around £6.7m. This is not surprising given that Morrisons is the only food superstore in the District¹⁰, albeit Morrisons is still at the smaller end of the superstore size spectrum even after its extension.
- 4.40 We found evidence of the strong trading performance of the Morrisons store during our recent visits to Malton, as the car park which serves the store was almost full, the store was busy, and there were fairly lengthy queues at the check-outs. Peacock and Smith, in the Retail Statement that it prepared in support of the (then) planned extension, explained that the Morrisons store suffers from congestion at peak times, and that the existing store is ‘*very popular with customers*’ and is ‘*one of the best performing Morrisons within the region.*’
- 4.41 We consider that the level of over-trading at the Morrisons store referred to above is an indicator of the quantitative and qualitative need for additional convenience floorspace provision in the catchment area. Although the existing Morrisons store is located within a defined town centre, where strong trading performance is to be welcomed, it is also clear that maintaining the existing level of ‘over-trading’ is not a sustainable option for local residents. We acknowledge that the extension of the Morrisons store will have improved

¹⁰ Morrisons became a ‘superstore’ in PPS4 terms when it was extended, which resulted in a sales area floorspace at the store of 2,513 sq.m.

the shopping conditions at the store, but we consider that the provision of additional convenience floorspace in the District would further enhance local consumer choice.

- 4.42 We therefore propose – as a sensitivity test – that half of this ‘over-trading’ (i.e. £2.6m) should be considered as ‘expenditure capacity’ available to support additional convenience floorspace in town centre locations (but not out-of-centre provision), whilst the remaining half should continue to support the strong trading performance of existing town centre foodstores. Our sensitivity test is set out in Spreadsheet 14c in Appendix 2.

Step 8 – Sensitivity Test Alternative Scenarios for Calculating Growth in Retained Expenditure

Increase or decrease in the geographical size of the catchment area

- 4.43 Alternative scenarios for calculating growth in residual expenditure can be based on an increase or decrease in the geographical size of the catchment area, where this is justified as part of a strategy to raise the role and function of the centre(s) as part of the local development plan process.
- 4.44 However, there are no strategic proposals to change the role or function of Ryedale’s main market towns, or to alter their position in the sub-regional retail hierarchy. Therefore, in seeking to develop a strategy for Ryedale’s centres, the appropriate sensitivity test is to increase the centres’ market share of expenditure generated by residents within the existing catchment area, rather than seeking to increase the geographical size of the catchment area itself. We undertake this exercise below.

Changes to the retention level

Comparison goods sector

- 4.45 In Spreadsheet 9a, we set out a ‘constant retention rate’ scenario, in which we assume that the overall level of comparison goods expenditure that is accounted for by centres and stores within the catchment area will remain constant at 30.1 per cent between 2011 and 2026.
- 4.46 In Spreadsheet 9b, we test a scenario whereby the overall retention level increases by about 10 percentage points over the study period, from 30.1 per cent in 2011, to 35 per cent by 2016, then to 40 per cent by 2021, remaining at this level until 2026. We examined a similar ‘rising retention’ scenario in the 2006 RRCS and in the 2008 Update, modelling the effects of the comparison sector retention sector improving from 24.6 per cent (from the 2005 household survey) to 35 per cent. In order to achieve a 10 percentage point uplift in market share, it will be necessary to secure new comparison retail development within the catchment area of a quality that will boost the overall attractiveness of the District’s retail offer vis-à-vis the competing retail locations elsewhere in the sub-region.

Convenience goods sector

- 4.47 In Spreadsheet 14a, we model the effects of a ‘constant retention rate’ scenario, in which we assume that the overall level of convenience goods expenditure that is retained by centres and stores located within the catchment area will remain constant at 66.2 per cent between 2011 and 2026.

- 4.48 In Spreadsheet 14b, we test a scenario in which the overall retention level increases from 66.2 per cent in the year 2011, to 85 per cent by 2021, remaining at 85 per cent thereafter. This represents an improvement to the aggregate convenience sector retention rate of almost 20 percentage points, which is significantly higher than the 10 percentage point improvement that we have tested in the comparison sector. It is more difficult to substantially improve the retention rate in the comparison sector given the strong competition posed in the surrounding area by centres such as York, Scarborough, Monks Cross Shopping Park and Clifton Moor Shopping Centre, which means that there will inevitably always be a significant amount of comparison retail expenditure leakage out of the District. However, people are generally less prepared to travel long distances for their convenience shopping and so there is more scope to significantly improve the overall retention rate in the convenience sector through an enhancement to the offer in Ryedale.
- 4.49 Accordingly, in our view, improving the aggregate level of convenience expenditure retention across the Ryedale to 85 per cent, whilst ambitious, is a realistic and achievable target. This is a level of expenditure retention that is typically achieved in similar locations elsewhere and we believe that the District Council should not be content with the current retention level, which at 66 per cent is unacceptably low.
- 4.50 We have assumed that the convenience retention rate can be improved to the mid-point of the current retention rate (66.2 per cent) and the predicted 2021 level (85 per cent) by 2016, which gives a retention rate of 75.6 per cent at 2016. In Spreadsheet 14c, we test a scenario in which the overall retention rate increases to 75.6 per cent by 2016 and to 85 per cent by 2021, as in Spreadsheet 14b, but in this scenario we also make an allowance for £2.6m of the 'over-trading' at existing foodstores in the catchment area to be counted towards capacity.

Findings in Relation to Quantitative Retail Need

Comparison Goods Sector

- 4.51 Spreadsheets 9a and 9b in Appendix 2 set out the quantitative comparison goods retail need under the 'constant' and 'rising' retention rate scenarios, respectively. These quantitative needs are set out in terms of residual comparison expenditure capacity in Row G, and as requirements for additional comparison sales floorspace and gross floorspace in Rows H and I. The capacity arising under the two scenarios – in terms of sales area floorspace – is summarised in Table 4.3 below.

Table 4.3 Quantitative Need in the Comparison Goods Sector (sq.m sales area)

	Scenario 1 Constant Retention	Scenario 2 Rising Retention
2011 - 2016	-649	1,627
2011 - 2021	373	5,684
2011 - 2026	1,616	7,706

- 4.52 Table 4.3 shows that the comparison floorspace requirements arising under the constant retention scenario are negative in the period to 2016, and very modest even over the

longer-term periods to 2021 and 2026. In the rising retention scenario, however, Table 4.3 shows that there is capacity for approximately 5,700 sq.m of additional comparison sales area floorspace in the period to 2021 across the District, and around 7,700 sq.m in the overall 2011-26 study period.

- 4.53 The retention rate achieved in the comparison sector by existing shops and centres in Ryedale is low, at 30 per cent. Whilst we acknowledge that some comparison retail expenditure will always leak outside the District, to higher-order centres such as York and Scarborough, we consider that there is clear scope to claw-back some of this lost expenditure. Capturing a greater proportion of expenditure will only be achievable through the provision of new retail floorspace in appropriate locations, of a sufficient quality to bolster the vitality and viability of Ryedale’s centres and encourage more sustainable patterns of shopping. We therefore recommend that the Council should adopt the floorspace requirements arising out of the rising retention rate scenario as its policy aspiration.
- 4.54 The capacity identified for additional comparison sales floorspace, as shown in Table 4.3 above, is materially different to our previous estimate of comparison capacity (made in 2008), which informed the Summer 2010 Consultation version of the emerging Core Strategy. Indeed, the capacity for additional comparison sales floorspace in the period up to 2026 has fallen significantly, from 21,500 sq.m to 7,700 sq.m. This change is mainly due to the fact that our updated capacity assessment is based on forecasts of comparison expenditure growth that are considerably more subdued than the forecasts which underpinned our previous work.
- 4.55 Nevertheless, there is still sufficient expenditure capacity, under the rising retention rate scenario, to support major comparison retail development within the District. The updated requirement – for an additional 7,700 sq.m of comparison sales floorspace by 2026 – will allow for the provision of a range of modern new non-food units. This scale of floorspace will help to bolster existing provision, plug deficiencies in the offer and increase the attraction of Ryedale’s centres.

Convenience Goods Sector

- 4.56 Spreadsheets 14a and 14b in Appendix 2 set out the quantitative convenience goods retail need under the constant and rising retention rate scenarios, respectively, and in Spreadsheet 14c we sensitivity test the effect of making an allowance for the ‘over-trading’ of existing town centre supermarkets. The capacity in terms of sales floorspace arising under the three scenarios is summarised in Table 4.4.

Table 4.4 Quantitative Need in the Convenience Goods Sector (sq.m sales area)

	Scenario 1 Constant Retention	Scenario 2 Rising Retention	Scenario 3 Increase in Retention + Allowance for ‘Over- Trading’
2011 - 2016	-703	99	353
2011 - 2021	-435	1,260	1,515
2011 - 2026	-155	1,636	1,890

- 4.57 Table 4.4 shows that for the catchment area as a whole, the quantitative need in the periods to 2016, 2021 and 2026 is negative under Scenario 1. However, we do not advocate this scenario because the floorspace requirements arising under it reflect a perpetuation of the current aggregate retention rate in Ryedale, which at 66 per cent is too low, in our assessment. Furthermore, the retention rate will inevitably improve when the commitment for a Lidl store in Pickering is implemented and so planning on the basis of a constant retention rate would be a flawed approach.
- 4.58 We therefore consider it a sound policy aspiration for the Council to seek to increase the overall level of convenience expenditure retention in order to encourage food shopping to be undertaken on as localised a basis as possible. There is scope for 1,260 sq.m of additional convenience sales area floorspace across Ryedale in the period to 2021 under our rising retention rate scenario, or approximately 1,500 sq.m when an allowance for over-trading is made (Scenario 3). In the longer term period to 2026, there is scope for between approximately 1,650 sq.m and 1,900 sq.m of additional convenience sales area floorspace under Scenarios 2 and 3, respectively.
- 4.59 It is worth reiterating the advice in PPS4 that it is valid to take into account the performance of existing foodstores in the capacity assessment. Only half of the identified 'over-trading' has been factored into the capacity assessment and so we recommend that the floorspace requirements arising under Scenario 3 should be used to inform Ryedale's emerging Core Strategy.
- 4.60 The floorspace capacity estimates set out in Rows H and I of Spreadsheets 14a, 14b and 14c (summarised in Table 4.4 above) have been derived by applying an average convenience sales density of approximately £10,000 per sq.m to the surplus convenience expenditure that we have identified. This is the average of the convenience sales densities for Tesco, Sainsbury's, Co-operative, Marks & Spencer, Waitrose, Iceland and Aldi. We have not factored-in the sales density of Morrisons, which is already represented in Malton, or Asda, which will soon also be represented in Malton/Norton when it converts the Netto store. Similarly, we have not taken account of Lidl in deriving the 'average' sales density figure just over of £10,000 per sq.m, because Lidl is already trading in Norton and will also soon be represented in Pickering. We have, however, included Sainsbury's because although the operator already has a store in Malton, it is a very small outlet and it is possible that Sainsbury's might be interested in a larger store if an opportunity was to arise.
- 4.61 In practice the 'big four' supermarket operators would achieve higher convenience sales densities, of around £13,400 per sq.m, on average, whilst discount supermarkets or 'basket stores'¹¹ would achieve lower sales densities of £8,000 per sq.m¹². It is useful, therefore, to also briefly consider the residual convenience expenditure pot available at 2026, and how

¹¹ The term 'basket store' is not defined in PPS4 and is used in this report to mean a small store which would primarily cater for top-up convenience shopping needs, as opposed to a supermarket or superstore which would cater for both top-up and main shopping needs.

¹² The figure of £8,800 per sq.m is the average convenience sales density figure for Co-operative, Marks & Spencer, Waitrose, Iceland, Aldi and Lidl (2011, in 2008 prices).

this might translate into a floorspace requirement in practice, given the particular qualitative needs in Ryedale.

- 4.62 Table 4.5 thus summarises the surplus convenience expenditure that is available at 2026 to support additional floorspace in the District. The table shows that, if the Council pursues a strategy to improve Ryedale’s convenience retention rate, in line with our advice, there will be between £17.3m and £20.0m of surplus expenditure capacity available at 2026 to support the development of new convenience floorspace, in addition to the existing retail commitments in the District.
- 4.63 As we explain in Section 5, we consider that there is a qualitative need for a higher-order convenience retail offer in Ryedale generally and in Malton particularly. The expenditure capacity arising under Scenarios 2 and 3 should therefore ideally be used to support quality schemes in appropriate locations which would fill this qualitative gap.

Table 4.5 Summary of Surplus Convenience Expenditure Capacity Available at 2026

	Scenario 1 Constant Retention	Scenario 2 Rising Retention	Scenario 3 Increase in Retention + Allowance for ‘Over-Trading’
2011 - 2026	-£1.6m	£17.3m	£20.0m

- 4.64 For illustration purposes, Table 4.6 shows the development options that could be available based on the convenience expenditure capacity referred to above. We have assumed that any new store would derive 15 per cent of its turnover from beyond the study area (to take into account inflow from people who live outside the District, but travel in for work, and also from tourists). The identified expenditure capacity could support 1,425 sq.m of convenience sales floorspace within a new food superstore¹³, which we estimate could have with a turnover of approximately £19.4m in 2016, with about £16.5m derived from residents within the OCA. Alternatively, the identified expenditure capacity could support 1,200 sq.m of convenience sales floorspace within a smaller supermarket, in addition to a 375 sq.m ‘basket store’.

Table 4.6 Potential Development Options – Convenience Sector

	Convenience Sales Floorspace	Average Convenience Sales Density at 2011	Total Convenience Turnover at 2026	Convenience Turnover from the Study Area	Notes
Scenario A	1,425 sq.m	£13,400 per sq.m	£20.0m	£17m	A food superstore, providing 1,425 sq.m of convenience sales floorspace
Scenario B	1,200 sq.m 375 sq.m	£13,400 per sq.m £8,000 per sq.m	£16.8m £3.1m	£14.3m £2.7m	A food supermarket Basket convenience store
Total	1,575 sq.m		£20.0m	£17.0m	

¹³ This would equate to a food superstore with approximately 3,500 sq.m of gross floorspace, assuming a gross to net ratio of 65 per cent and a typical split between food and non-food sales area floorspace for food superstores.

5 ASSESSMENT OF QUALITATIVE NEEDS

Introduction

- 5.1 PPS4 makes clear in Policy EC1.4 that when assessing the need for retail development, local planning authorities should ‘...take account of both the quantitative and qualitative need for additional floorspace’ (our emphasis). The PPS4 Practice Guidance explains that, although qualitative need is a subjective concept, there are five main factors that are frequently identified, as follows:
- deficiencies or ‘gaps’ in existing retail provision;
 - consumer choice and competition;
 - overtrading, congestion and overcrowding of existing stores;
 - location specific needs such as deprived areas and underserved markets; and
 - the quality of existing provision.
- 5.2 In this section, we consider the qualitative need for additional convenience and comparison retail floorspace in the District. We focus primarily on Malton Town Centre, which – as the largest centre in Ryedale – is the most likely centre to attract interest from operators and developers, and which also has the most physical capacity to accommodate new floorspace. Major retail development would not be appropriate in the smaller centres of Pickering, Kirkbymoorside and Helmsley, which have more of a ‘village’ feel and are constrained by conservation areas and other heritage constraints. Reflecting these characteristics, paragraph 5.23 of the Summer 2010 Consultation version of the emerging Core Strategy stated that:
- ‘In reflection of Malton’s role as the main retail centre serving Ryedale, this strategy will look to direct most new retailing and other Town Centre uses to Malton in order to support and promote its role as a shopping destination, employment, leisure and cultural centre for Ryedale’.*
- 5.3 We first provide an update of the current performance, or ‘health’, of Malton Town Centre, in order to identify the key strengths of Malton as well as its deficiencies and areas that would benefit from improvement. In doing so, we consider how Malton has changed over the last three years, based on a review of the ten key indicators that formed the basis of our 2008 health check. We then conclude by reflecting on the five specific indicators of qualitative need that are listed in the PPS4 Practice Guidance. All of the health check data (tables and figures), referred to below, are presented in Appendix 4.

Performance Analysis of Malton Town Centre

Indicator 1 – Movement in the Retail Rankings

- 5.4 We charted the movement in the national retail rankings experienced by Malton Town Centre, the other town centres in Ryedale District, and various comparator centres¹⁴ as part of our 2008 RRCS Update. The movements are shown in Table 1 of Appendix 4, using time-series data from Management Horizons Europe's (MHE) *UK Shopping Index 2008*. MHE advises that it will publish a further update of its retail rankings later in 2011, but at the time of writing, the 2008 Index is the latest available.
- 5.5 We emphasised in our 2008 Update that the MHE Shopping Index is based on a count of national multiple outlets, with no credit given for the presence of independent operators. Thus, if comparison multiple retailers have recently moved into centres which previously ranked slightly below Malton (for instance), then those centres will have improved their positions in the Index, at the expense of Malton where few comparison multiples have opened recently. In short, analysis of a centre's movement in the national retail rankings can be a rather blunt tool, and so other indicators – which consider the presence and quality of independent operators – are also of utility in assessing the health of small and medium-sized centres.
- 5.6 The retail rankings indicate that Malton Town Centre's position slipped between 2001 and 2008. Malton ranked 880th nationally in 2001, but the centre slipped to 912th position by 2004, and it slipped a further 148 places to 1,095th position in 2008. Whilst Malton's slippage in the rankings is not unique, with only two of the centres that feature in Table 1 of Appendix 4 (Beverley and Driffield¹⁵) actually improving their positions since 2004, Malton's slippage is quite severe (with only Thirsk experiencing greater slippage than Malton between 2003/04 and 2008).
- 5.7 The slippage of Malton in the national retail rankings reflects the continued low representation from national multiple operators.

Indicator 2 – Diversity of Uses

- 5.8 We have assessed the diversity of uses in Malton Town Centre using data from Experian's latest GOAD survey of Malton Town Centre (undertaken in June 2009), which we subsequently updated to an October 2010 base date following our own on-foot survey of the centre. The GOAD boundary for Malton Town Centre is presented in Figure 1 of Appendix 4, and is slightly wider than the boundary of the centre, as defined on the Proposals Map of the adopted Local Plan.

¹⁴ The comparator centres that we provided benchmark data for are Northallerton, Thirsk, Whitby, Driffield and Selby, which are comparable in size and relatively close to Malton; and other prominent centres in Yorkshire and the Humber, namely York, Scarborough, Harrogate and Beverley.

¹⁵ Driffield's improvement in the national retail rankings is particularly significant as the centre is a similar size to Malton, and ranked only 112 places above Malton in MHE's 2004 Index. However, whilst Driffield has slightly improved its position in the retail rankings, Malton's position has slipped, and Driffield ranked 298 places above Malton in 2008 (thus the gap between the two towns in the rankings almost tripled over the course of four years).

- 5.9 Malton Town Centre contained 20 convenience outlets in October 2010 (Table 2 of Appendix 4), equating to 9.1 per cent of the total units in the centre, close to the UK average of 9.5 per cent. Table 2 also shows that the 20 convenience outlets together provide a total of 9,960 sq.m of gross floorspace, which represents 26.9 per cent of all retail/service floorspace available in the town centre, above the UK average of 17.5 per cent. However, 2,370 sq.m of the identified convenience floorspace is accounted for by the livestock market buildings – which are counted as convenience floorspace by Experian¹⁶, although the market does not sell food and grocery items to members of the public – and if this floorspace is excluded from the assessment, then the proportion of convenience floorspace in Malton Town Centre reduces to 21.9 per cent, which is still above the national average.
- 5.10 We thus consider that Malton Town Centre has a reasonably sized convenience sector and provides a range of food and grocery outlets, including the recently extended Morrisons store, a Sainsbury's Local store and a Netto supermarket (which will soon be converted into an Asda outlet), in addition to four bakeries, two butchers, two greengrocers, a health food shop, a frozen food retailer, and a delicatessen.
- 5.11 We note, however, that whilst Malton now contains a food superstore¹⁷ following the recent extension of Morrisons, the extended store is at the lower end of the superstore size spectrum, with 2,513 sq.m of sales floorspace. We also note that the majority of existing convenience operators in Malton tend towards the low or discount end of the market. Accordingly, there is scope to diversify the convenience offer through the provision of a higher-order supermarket or foodstore, in order to enhance consumer choice.
- 5.12 Table 2 in Appendix 4 shows that Malton Town Centre contains 102 comparison goods outlets, equating to 46.4 per cent of total units, which is just above the UK average of 42.5 per cent. Malton has a reasonable range of comparison goods stores, including 7 footwear shops, 14 furniture/carpets/textiles stores, 7 stationers, 6 gift shops, 6 shops selling hardware and household items, 7 jewellers, and 7 chemists/opticians. Malton's comparison retail offer is, therefore, varied and meets a number of local needs, particularly for more day-to-day comparison goods items (such as pharmaceutical goods and small household items). It is also notable that Malton is relatively well-represented by specialist or niche retailers, and has above the UK average representation in the following sub-categories: '*gifts, china, glass and leather goods*'; '*florists and gardens*'; '*sports, toys, cycles and hobbies*'; and '*jewellers, clocks & repair*'.
- 5.13 However, the performance of the clothing and footwear sub-categories is especially important in determining a town centre's attractiveness to shoppers and we note that this is a key deficiency in Malton's retail offer, which reduces the attractiveness of Malton as a comparison shopping destination. Centres which benefit from a good mix of clothing and

¹⁶ Experian classifies all markets as convenience floorspace within GOAD sub-category G1C ('greengrocers & fishmongers'). It is not appropriate, however, to consider Malton's cattle market within this category, as the market relates to the sale of livestock only.

¹⁷ Annex B of PPS4 provides the following definition of superstores: '*Self-service stores selling mainly food, or food and non-food goods, usually with more than 2,500 sq.m trading floorspace, with supporting car parking*'.

footwear retailers are likely to attract more shoppers than centres that have a weaker fashion retail offer. Malton has below-average representation (in terms of both the proportion of units and floorspace) in all three of the clothing sub-categories (*'men's and boy's wear'*, *'women's, girls, children's clothing'* and *'mixed and general clothing'*).

- 5.14 The proportion of service outlets in Malton is close to the UK average, with such uses accounting for 32.7 per cent of town centre units, compared to the UK average of 34.3 per cent (and accounting for 22.9 per cent of town centre floorspace, compared to a UK average of 22.1 per cent). Malton benefits from good representation from banks and building societies (including Barclays, Lloyds TSB, NatWest, HSBC, Nationwide and Santander), many hairdressers and beauty salons, as well as national travel and estate agents. However, Malton is under-represented in the *'restaurants, cafés, coffee bars, fast food and take-aways'* sub-category, which are required to meet the needs of local residents and also the passing tourist trade. Indeed, outlets in this sub-category equate to only 9.6 per cent of total town centre units, compared to a UK average of 15.2 per cent.
- 5.15 Malton Town Centre also benefits from some other non-retail/service uses, which are key attractions in their own right, such as the Palace Cinema and the Malton Museum and Art Gallery.

Indicator 3 – Presence of National Multiples and High Profile Retailers

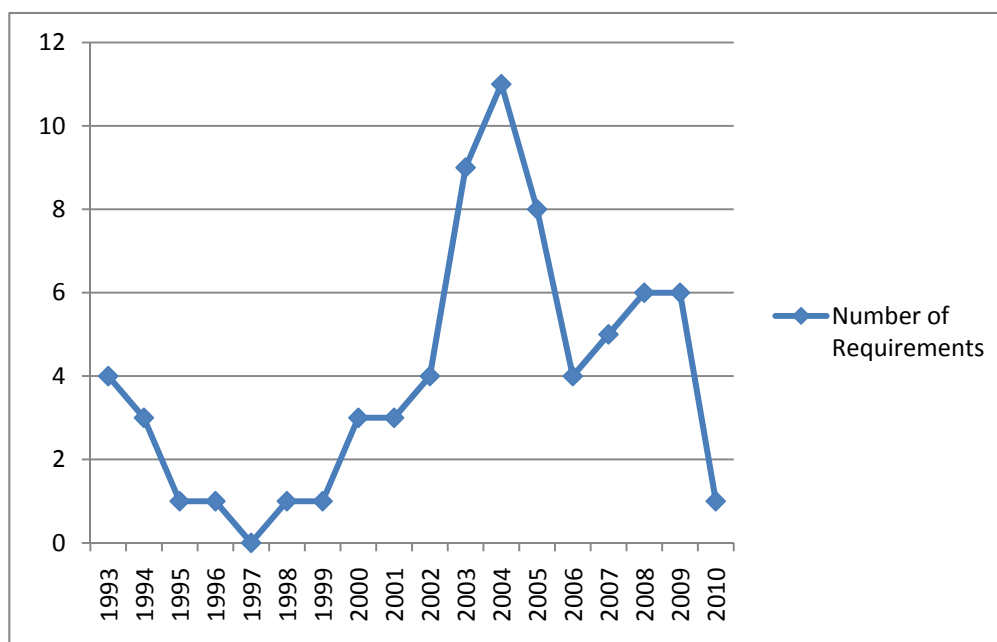
- 5.16 Malton's convenience goods offer includes five national multiple operators, namely Morrisons, Netto (soon to become an Asda), Heron Frozen Foods, Sainsbury's Local and Thorntons, albeit the latter is a confectioners rather than a more traditional 'convenience retail' outlet. Whilst there is a slightly wider range of comparison retail multiples in the town centre, representation is still limited, with operators including Stead and Simpson, M & Co, WHSmith, Boots, Lloyds Pharmacy, Scrivens, Specsavers and Superdrug, as well as The Works, which is now trading from the former Currys unit.
- 5.17 Furthermore, the majority of the comparison shops in Malton, including the fashion stores, are focused at the high and low ends of the market. There is some representation from boutique clothing stores and specialist comparison shops, and also from 'value' or 'discount' stores, but there is limited representation from the middle-order fashion outlets, with only a small range of 'high street' operators, and few shops for younger residents. Indeed, the 'Fashion Count' in MHE's 2008 Shopping Index indicates that 83 per cent of Malton's 'fashion' retailers, can be described as 'lower-middle' order, and 17 per cent represent 'value' fashion. Malton thus attains a 'lower' fashion market rating in the Shopping Index.
- 5.18 The town centre contains a better range of service sector multiples, with several banks occupying premises along Wheelgate and Yorkersgate, together with a national travel agency, an estate agency, a dry cleaners and a Post Office. However, there is no representation from national fast food, restaurant, café or pub/bar chains, although a new Costa Coffee outlet opened at numbers 44-46 Wheelgate on 8 June 2011.

Indicator 4 – Operator Demand

- 5.19 The most recent FOCUS Town Report for Malton (October 2010) shows that the number of published retail requirements currently stands at one. The number of requirements has

fluctuated between five and six for the last couple of years, but has declined since the historic high of 11 requirements identified in the April and October 2004 FOCUS reports (as shown in Figure 5.1).

Figure 5.1 Change in the Number of Retailer Requirements for Malton, 1993 to 2010



Source: FOCUS, October 2010

- 5.20 Table 3 of Appendix 4 compares the requirements for Malton with the number of published requirements for the comparator centres (October 2010). This demonstrates that whilst each of the comparator centres, other than Selby, has a greater number of requirements, each of the comparator centres has seen a significant decline in the number of published retail requirements over the last three years.
- 5.21 In our 2008 Update we identified published requirements from clothing chain Bon Marché, variety stores Argos and The Original Factory Shop, Costa Coffee and a charity shop. As noted above, a new Costa Coffee outlet opened recently at 44-46 Wheelgate, although the other operators referred to above no longer have a published requirement for Malton in the FOCUS database. The remaining national multiples that are no longer listed in the FOCUS database are not yet represented in the town centre. These operators would have to be contacted direct to ascertain whether they still have an interest in Malton, although this is not part of our current instruction.
- 5.22 It should be noted that the level of operator demand for any centre is always influenced by whether any new development is proposed. The apparent level of operator interest in a centre – as indicated by the number of published requirements – should therefore be treated with a degree of caution.

Indicator 5 – The Retail Property Offer

- 5.23 The majority of stores in Malton (with the exception of the town’s supermarkets) are accommodated in converted residential/commercial buildings, rather than purpose-built

retail units. Indeed, many retail units are located within historic buildings, within the town centre conservation area, and thus offer limited scope for extension. The majority of the retail property, however, appears to be well-maintained and in generally good condition.

- 5.24 The 102 comparison retail units in Malton Town Centre have an average size of only 150 sq.m (1,614 sq.ft) gross, which translates to an 'average' net sales area of approximately 105 sq.m (1,130 sq.ft). Units of this size are significantly below the floorspace requirements of most comparison goods multiple operators, although they may be attractive to independent traders. Accordingly, there remains a qualitative need for new, larger floorplate units in Malton, if the key deficiency in the town's comparison retail sector (namely the provision of mainstream clothing stores) is to be addressed.

Indicator 6 – Retail Yields

- 5.25 Published data from the Valuation Office Agency (VOA) on yields¹⁸ are no longer available for Malton Town Centre. Following a review of the VOA Property Market Report, data are now only available for major centres. We have therefore updated the trends for retail yields based on the last published data in July 2008.
- 5.26 Figure 3 in Appendix 4 illustrates a seven-year trend for prime yield in Malton and the comparator centres of York, Scarborough, Beverley, Northallerton, Selby, Ripon, Driffield and Thirsk. Prime retail yields steadily improved in Malton from 8.5 per cent in April 2003 to 6.5 per cent in July 2008, putting Malton's yields on a par with the comparator centres of Scarborough and Selby, and lower (better) than Beverley and Driffield (all of these centres are ranked higher than Malton in the national retail rankings).
- 5.27 However, it is important to note that a significant proportion of the retail property in Malton Town Centre is held in single, private ownership by Fitzwilliam (Malton) Estates. As a result, the VOA's retail yield data for Malton are based on a limited number of property transactions. Caution must therefore be exercised when directly comparing the Malton data with yields achieved in the comparator centres.

Indicator 7 – Changes in Prime Zone A Shopping Rents

- 5.28 No published time-series rental data are available for Malton Town Centre¹⁹.

Indicator 8 – Proportion of Vacant Street Level Property

- 5.29 There were 25 vacant units in Malton at the time of our on-foot survey of the town centre (October 2010), which equates to a vacancy rate of 11.4 per cent (just below the UK average vacancy rate of 12.5 per cent). Similarly, only 8.6 per cent of town centre floorspace was vacant in October 2010 which is also below the national average of 10.9 per cent.

¹⁸ Yield is a measure of the confidence of investors in the long term profitability of the town centre for retail and other commercial developments; the lower the yield the greater the level of investment confidence.

¹⁹ It was not part of our brief to undertake consultations with local stakeholders and property market agents, who could perhaps provide some anecdotal evidence on local rental levels in the absence of published data.

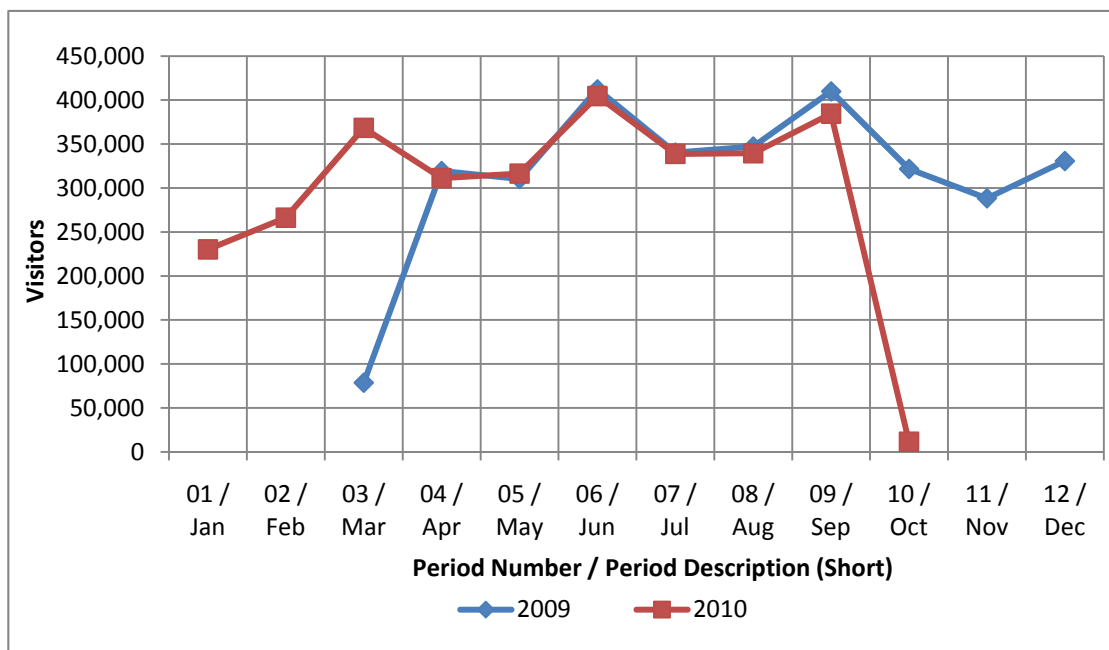
- 5.30 It is evident, however, that the number of vacant units has risen since our survey of the centre in 2008, when there were 20 vacant units. The rise in vacancies can in part be explained by the period of recession and economic uncertainty which affected the whole country since 2008, and which has resulted in the closure of many chain stores and independent shops nationwide. Indeed, this is reflected by the fact that the UK average vacancy rate rose from 10.6 per cent in January 2007, to 11.1 per cent by January 2008, and then to 12.5 per cent by October 2010.
- 5.31 Despite the rising number of vacancies in Malton, it is evident that the units are generally dispersed throughout the town centre, as shown in Figure 2 of Appendix 4, with no major concentrations of vacancies. Furthermore, there are no large vacant units within the town centre²⁰, and only a limited amount of long-term vacant property. It is also notable that several of the vacant unlet units have been temporarily put into active community use. For example, one unit (at the Yorkersgate/Castlegate/Wheelgate crossroads) has been transformed into an art gallery, another unit (at Wheelgate) was hosting an exhibition by the local heritage society at the time of our last visit to the town centre, and other units have boards advertising the opportunities on offer in Malton. The vacant units do not therefore exert a significant negative image on the town centre (although it would clearly be beneficial if the units could be filled), and it is encouraging to see that alternative uses have been sought for several of the units, albeit on a temporary basis.

Indicator 9 – Pedestrian Flows

- 5.32 The Council, in association with Yorkshire Forward and Fitzwilliam (Malton) Estate, has had footfall counters installed in Malton. The counters have been installed in five key locations, with two in the Market Place, one on either side of Wheelgate and one on Water Lane. The data do not represent the 'total number of people' in the town centre, but can be used to monitor overall pedestrian activity on the main routes around the town centre. It should be noted at the outset that the data have been collected over a relatively short time period and strong trends will only emerge after several years. Nevertheless, the footfall data collected, during 2009 and 2010 – which are shown in Figure 5.2 – provide a good initial snapshot.

²⁰ The largest vacant unit is 500 sq.m gross in size, and the average vacant unit size in Malton Town Centre is 127 sq.m gross.

Figure 5.2 Malton Town Centre Pedestrian Count, 2009 and 2010



5.33 Figure 5.2 shows that footfall within Malton Town Centre fluctuates throughout the year, with highs of activity in June and September. Interestingly, the measured pedestrian flow during 2010 closely resembles the data collected in 2009, although footfall appears to have dropped off slightly in September 2010.

5.34 Table 4 of Appendix 4 shows the breakdown of footfall by location. The busiest area in Malton, in both 2009 and 2010, is St Michael Street followed by Wheelgate South. We found the centre to be busy during our on-foot surveys of the centre, in terms of pedestrians, with pedestrian activity particularly concentrated along Wheelgate and around the Market Place.

Indicator 10 – State of Town Centre Environmental Quality

5.35 As we reported in the 2006 RRCS and the 2008 Update, Malton Town Centre presents an attractive physical environment, which is clean and with no evidence of litter, graffiti or vandalism. With the exception of some poor-quality premises along Wheelgate, most shop frontages are well-maintained and the architectural quality is high, reflecting the significant number of listed buildings in the centre and its conservation area status.

5.36 Less positively, the location of the A64 creates accessibility and environmental problems because adequate access from the dual carriageway to Norton and to Norton Grove Industrial Estate to the east of Malton, and York Road Industrial Estate to the west, is not provided. The result is that a substantial amount of through traffic, including heavy goods vehicles, must pass through Malton Town Centre to reach its destination, causing congestion and noise and reducing the appeal of the shopping environment (particularly around the Wheelgate/Yorkersgate/Castlegate junction).

5.37 However, the District Council, North Yorkshire County Council and the Highways Agency are putting in place an extra slip road at Brambling Fields (the junction of the B1248 Scarborough Road and the A64), which will make it a full movement junction and allow

traffic from York to turn to Norton and vice versa. This will be undertaken in tandem with complementary measures in the town centre which are intended to encourage people to use it. Overall, the improvements will take out some of the through-traffic travelling through Malton and Norton, thereby reducing congestion and improving the visitor experience.

Summary of the Vitality and Viability of Malton Town Centre

- 5.38 Overall, we consider that Malton continues to be a healthy town centre, with no acute indicators of decline. Malton is a generally attractive, busy market town, which benefits from a varied convenience and comparison retail offer, good representation from financial service providers, regular markets and low (good) retail yields. Notwithstanding this, there are some indications that Malton's performance has diminished slightly since our last health check of the town centre, in 2008. In particular, we note that the number of vacant units has risen and the demand for representation within the centre, from national multiple retailers, has dropped off. We consider, however, that these changes reflect the economic downturn which has affected many town centres across the country in a very similar way over the last two years.
- 5.39 Nevertheless, we still consider that there are some distinct weaknesses in Malton's retail offer, which are also holding back the performance of the town centre. For example, whilst Malton does boast some good quality independent retailers, particularly in The Lanes Shopping Mall, there remains a shortfall in representation from national multiple retailers. Plugging this gap would help to reduce the significant level of comparison expenditure leakage to nearby competitor centres, such as York City Centre and Scarborough Town Centre.
- 5.40 As such, we believe that Malton is not yet performing to its full potential. As in 2006 and 2008, we note that particular deficiencies in the retail offer in Malton are the lack of a higher-order supermarket chain and the lack of breadth and depth in the clothing sub-sector, with only a small number of outlets and a limited range of middle-order operators. The latter deficiency may in part be due to the shortfall of large, modern retail units in the centre to accommodate 'high street' multiples. We therefore consider that a number of new, larger units are required in Malton to attract such operators, which would enable Malton to better meet the needs of local residents and compete with other centres.

Assessment of Qualitative Need

- 5.41 We have visited Malton Town Centre on many occasions since our original RRCS in 2005/06, and so we have a good understanding of its vitality and viability, and how the centre has performed over the years. It is our observation that Malton's performance has remained relatively static over the last few years, and we note that there has been limited new development and no major changes in retailer representation in the centre, particularly in the comparison sector. As such, many of the qualitative needs that we identified in the 2006 RRCS still remain, and must be addressed if Malton's performance is to improve so as to better meet the needs of the District's residents.
- 5.42 Below, we consider in turn the five main factors of qualitative need, as identified in the PPS4 Practice Guidance, drawing on the findings of our updated health check of Malton, where appropriate.

Deficiencies and 'Gaps' in Existing Provision

- 5.43 Although Malton Town Centre essentially remains healthy, it is currently not performing to its full potential. As in 2006, our survey of the centre has found that the comparison goods sector is relatively limited in terms of the range and quality of outlets. A key deficiency is the lack of breadth and depth in the clothing sub-sector, with only a small number of units and a limited range of middle-order operators. The deficiency is in large part due to the shortfall of large, modern retail units to accommodate 'high street' multiples.
- 5.44 As a consequence, Malton Town Centre only accounts for 17 per cent of the comparison goods expenditure available to residents in the catchment area, a low level of retention for a centre such as Malton, which is reasonably accessible and is the District's principal centre. Whilst we acknowledge that residents will inevitably continue to be attracted to the shopping facilities in the higher-order centres of Scarborough and York, we note that these centres are both approximately 20 miles from Malton. Malton should be able to better meet basic comparison goods needs, and so we suggest that the main priority in the comparison sector is to support the provision of additional 'high street' stores in Malton.
- 5.45 There is also a deficiency, across the District as a whole, in DIY and 'bulky goods' retail provision. Ryedale has no retail parks or retail warehouses, and a significant proportion of expenditure available for this type of retail therefore currently leaks from the District to the B&Q Warehouse at Hull Road in York and to Scarborough Town Centre. We consider, therefore, that some of the comparison expenditure capacity identified should be used to support the provision of retail warehouse units, to claw-back expenditure on DIY goods and other large household items which currently leaks out of the District.
- 5.46 Finally, in the convenience sector, it is notable that although there is a reasonable range of small-scale food and grocery stores in Ryedale, there is only one food superstore to serve the main food and grocery shopping needs of the District. Although the Morrisons store was recently extended, it is at the low end of the size spectrum for food superstores, with 2,513 sq.m of sales floorspace in total.

Consumer Choice and Competition

- 5.47 We consider that widening consumer choice and providing new competition – particularly in the convenience sector, but also in the comparison sector – is a key issue in Ryedale. Indeed, the findings from the telephone household survey of February 2011 show that 36 per cent of all convenience expenditure available to residents in the catchment area is currently spent in one store (Morrisons in Malton).
- 5.48 The household survey also shows that one third of the available convenience expenditure within the OCA leaks out of the District (albeit we acknowledge that the retention rate has improved recently, probably as a result of the implementation of the Morrisons and Lidl schemes in Malton and Norton). The most effective way to claw-back expenditure that currently leaks out of the catchment area and encourage more localised food shopping trips is to encourage new retail development and secure representation from operators that are currently not located within the District.
- 5.49 The lack of a higher-order foodstore is a key deficiency in the convenience sector. Although a Sainsbury's Local store has opened in Malton Town Centre since our last

comprehensive capacity update (in the former Jacksons unit), the store is not large enough to address the qualitative need for a higher quality foodstore which offers a full range of food and grocery products.

- 5.50 Accordingly, we consider that there is a qualitative need for a second food superstore or large-format supermarket in Ryedale – which would inject additional competition into the local convenience sector and thereby enhance consumer choice – along with some modern comparison retail units to attract some of the non-food retailers that are presently missing.

‘Over-trading’, Congestion and Overcrowding of Existing Stores

- 5.51 The PPS4 Practice Guidance explains that the extent to which the turnover of existing stores significantly exceeds benchmark turnovers may be a qualitative indicator of need, and can also inform quantitative need considerations. This is again a consideration which is of more relevance in the convenience sector than the comparison sector in Ryedale. Our analysis in Section 3 shows that the Morrisons store in Malton is trading significantly above its company average benchmark level, by approximately £6.7m. This is not surprising given that Morrisons is the only food superstore in the District. We consider that the level of over-trading that we have identified is a clear indicator of the quantitative and qualitative need for additional convenience floorspace provision in the catchment area.

Location-Specific Needs – Deprived Area Considerations

- 5.52 This factor is not relevant to Ryedale District, which has no concentrations of multiple deprivation.

Quality of Existing Provision

- 5.53 As we explain above, the majority of stores in Malton (with the exception of the town’s supermarkets) are accommodated in converted residential/commercial buildings, rather than purpose-built retail units. Indeed, many retail units are located within historic buildings, situated within a conservation area, and thus offer limited scope for extension. Malton’s retail property offer is therefore characterised by relatively small, constrained retail units, which do not meet the requirements of modern ‘high street’ comparison retail operators. This undoubtedly is a significant reason for more than two-thirds of the OCA’s available comparison retail expenditure leaking out of the District.
- 5.54 We therefore consider that there remains a qualitative need for new, larger floorplate units in Malton, if the key deficiency in the town’s comparison retail sector (namely the provision of clothing and other mid-market ‘high-street’ stores) is to be addressed. This is in line with the PPS4 Practice Guidance, which advises that: *‘Where the quality of existing provision does not match occupier requirements, this will usually be corroborated by indicators, such as ... significant ‘leakage’ of trade to other (more distant) centres’.*

Conclusion in Relation to Qualitative Need

- 5.55 Taking into account the findings of our updated Malton Town Centre health check, and the five indicators of qualitative need listed in the PPS4 Practice Guidance, we have identified a particular qualitative need for:
- the provision of some modern retail units to accommodate the requirements of ‘high street’ comparison operators. The lack of choice in certain key categories of non-food goods, such as clothing and shoes, is a major deficiency in Malton’s retail offer, which is resulting in a high level of expenditure leakage and unsustainable shopping patterns;
 - a new large-format foodstore to widen consumer choice and reduce expenditure leakage. There appears to be a particular requirement for a higher-order convenience store, because existing convenience provision is focused towards the low and discount end of the market; and
 - some retail warehouse units to accommodate DIY and ‘bulky goods’ retail operators, given that Ryedale currently has no retail warehouses.

6 OPPORTUNITIES FOR MEETING IDENTIFIED QUANTITATIVE AND QUALITATIVE NEEDS

Introduction

- 6.1 Having identified the quantitative and qualitative need for additional convenience and comparison floorspace in the District, it is necessary to consider what opportunities exist to meet the needs identified.
- 6.2 In this respect, Policy EC1 of PPS4 (Using Evidence to Plan Positively) advises that – at the local level – the evidence base should assess the existing and future supply of land available for economic development, and assess the capacity of existing centres to accommodate new town centre development, taking into account the role of centres in the hierarchy.
- 6.3 As we explained in Section 5, we consider that Malton, which is the largest centre in Ryedale, is the town centre that is most likely to attract interest from operators and developers. Malton also has the greatest physical capacity to accommodate new retail floorspace. Major retail development would be inappropriate in the smaller centres of Pickering, Kirkbymoorside and Helmsley, which in any event are constrained by conservation areas and other heritage constraints. As such, we confine our search for development opportunities to the Malton area.
- 6.4 Policy EC5 of PPS4 sets out in more detail the approach that LPAs should take to site selection and land assembly for main town centre uses. Policy EC5.1 explains that: *‘Local planning authorities should identify an appropriate range of sites to accommodate the identified need, ensuring that sites are capable of accommodating a range of business models in terms of scale, format, car parking provision and scope for disaggregation’*
- 6.5 Policy EC5.2 of PPS4 then advises that sites for main town centre uses should be identified through a sequential approach to site selection. Under the sequential approach, LPAs should identify sites that are suitable, available and viable, in the following order:
- locations in appropriate existing centres, where sites and buildings for conversion are, or are likely to become, available within the plan period;
 - edge-of-centre locations, with preference given to sites that are or will be well-connected to the centre; and
 - out-of-centre sites, with preference given to sites which are or will be well-served by a means of transport and which are closest to the centre and have a higher likelihood of forming links with the centre.
- 6.6 We understand that six sites, which are identified as having potential for retail development – either on their own or as part of a mix of uses – have been submitted as part of the consultation process on the Council’s emerging Local Development Framework (LDF). In this section, we consider the availability, suitability and viability of each of the six sites in turn, taking into account the requirements of PPS4 and the sequential approach to site selection. It can be noted from the outset that, because each site has been put forward for consideration by a willing landowner/developer, they can all be considered ostensibly

‘available’ for redevelopment, albeit the Council will need to take into account the different timescales involved in the development of each site.

- 6.7 We have previously visited and assessed four of the six sites, as part of our 2006 and 2008 retail advice to the Council. Nevertheless, we visited each site again in October 2010, in order to identify any changes to the sites – in terms of status, context, occupancy, and so on – that might have occurred since our last assessment. However, none of the four sites that we previously assessed have materially altered and as such our advice remains similar in content to that reported in our 2008 RRCS Update.
- 6.8 Before we assess the six aforementioned sites, it is worth mentioning a further site, at Welham Road in Norton, for which planning permission was recently granted for a foodstore (reference: 09/00282/MOUT). As we explained in Section 4, Aldi was originally lined up to occupy the proposed unit but the landowner/applicant has written to the Council to advise that Aldi is no longer interested in Norton. However, the extant permission authorises the development of a foodstore and we understand that the landowner still intends to proceed with the scheme on the basis of the terms of a Section 106 agreement which was signed on 17 May 2011. For the purposes of our retail capacity exercise we have therefore assumed that the permitted unit will be occupied by a foodstore operator. However, if it subsequently transpires that no foodstore operator is attracted to the site then it might be worth considering the potential for some bulky comparison goods retail at the site, given the general deficiency in this category of goods across the District.

Site Assessments

Site 1 – Cattlemarket, Horsemarket Road

- 6.9 The boundary of the Cattlemarket site is difficult to define precisely but in general terms the site is bounded to the west by Horsemarket Street, to the north by Spitalfield Court, and to the east by the rear of properties that front Market Place. The southern part of the site extends to the rear of the premises at 3 Cattlemarket. The Cattlemarket Site is situated immediately adjacent to the western extremity of Malton’s ‘Town Centre Commercial Limits’ boundary, as defined on the adopted Local Plan Proposals Map, and is therefore technically edge-of-centre for the purposes of the PPS4 sequential test.
- 6.10 However, the Cattlemarket site is well-connected to the retail core of Malton Town Centre, which can be easily accessed by pedestrians via The Shambles or Spital Street/Newgate. Indeed, the site lies just to the rear of existing retail/service units at Market Place, which – in our professional judgement – is part of the primary shopping area of Malton (although we recognise that the Proposals Map does not formally define a primary shopping area). We therefore consider that the Cattlemarket site, if developed for town centre uses, would form a natural extension of the town centre, and that it represents the most sequentially preferable opportunity in Malton.
- 6.11 The site covers an area of approximately 0.87 ha and includes cattle ‘gates’, a large shed – where livestock auctions are held twice-weekly – and a number of smaller adjacent buildings. As such the site is relatively free of built development, is generally flat, and is suitable for retail redevelopment.

- 6.12 Any development at the site would require the relocation of the livestock market, which is greatly valued by the local farming community and many local residents. There are, however, several suitable sites towards the outskirts of the town that could potentially accommodate a relocated livestock market. We understand that significant discussions are taking place around the possible relocation of the livestock market to identify suitable relocation opportunities, and any sites identified would need to be considered carefully as part of any planning application and/or the emerging Sites DPD. Relocating the livestock market would also have the benefit of alleviating traffic congestion in Malton Town Centre, which can be considerable on market days.
- 6.13 If the market was to relocate, then the site would appear to offer excellent potential for retail uses because of its close proximity to the town centre core. In particular, we consider that the site would be an ideal location for a development providing a small number of unit shops to attract the type of 'high street' comparison retail outlets that are presently missing from Malton's offer. The non-food units could potentially form part of a mixed-use development, which could include a basket foodstore, and/or residential/office uses. However, whilst we consider that a foodstore at the Cattlemarket site could be acceptable as part of a mix of uses, we do not advocate a supermarket-only scheme at the site because this would rule out the prospect of attracting high street comparison retailers, which in our assessment the site is ideally suited to.
- 6.14 In summary, we consider that the well-located Cattlemarket Site is suitable for retail uses and that a retail-led scheme would be viable at the site, which could be made available for redevelopment within the LDF plan period subject to the relocation of the livestock market. The site is of sufficient size to accommodate significant retail-led development, and represents the most sequentially preferable opportunity in Malton, which could form a natural extension of the existing town centre. We anticipate that a high-quality retail development on this site would help to claw-back comparison goods expenditure that currently leaks to destinations beyond the District, and that the additional footfall generated would benefit the town centre as a whole.

Site 2 – Wentworth Street Car Park, Wentworth Street

- 6.15 This Council-owned site is located approximately 160 metres to the north-east of the Town Centre Commercial Limits, and is therefore edge-of-centre for the purposes of PPS4. The shops and services in Malton Town Centre can be accessed from the site via Wentworth Street and Pump Lane or Princess Road, and we would expect that any retail development at the Wentworth Street car park site could encourage linked trips with the town centre.
- 6.16 Although sight lines and levels from Wentworth Street to the town centre are not ideal, we consider that measures could be implemented to improve these matters and encourage shoppers to make linked trips from the site to the town centre. It is also possible that following a redevelopment at the Wentworth Street site, changes in nearby land uses would follow which would further improve these linkages between the site and the town centre.
- 6.17 The site comprises two distinct parts; the majority of the site accommodates a surface-level public car park, whilst an adjacent higher-level site is used on Tuesdays as an overspill facility for the car park (but stands vacant for the remainder of the week). The site,

although on two levels, is otherwise generally flat and of a sufficient size to accommodate a substantial retail development scheme. Vehicular access to the site from the south/west is not ideal because the roads off Wheelgate are narrow. Nevertheless, we suspect that the Wentworth Street site could be satisfactorily accessed from the north via Pasture Lane, although further detailed analysis of the potential access points and necessary junction improvements would be required as part of any future development proposals.

- 6.18 The Wentworth Street car park represents an important (albeit under-utilised) source of long-stay parking for the town centre and so any proposal to redevelop the site would need to take this issue into consideration and ensure that sufficient parking spaces will remain available following the site's redevelopment.
- 6.19 Finally, it is notable that the site is publicly owned. At its Extraordinary Meeting on 29 July 2010, the Council voted to invite seven parties to submit informal tenders for the purchase of part of the Wentworth Street car park site and adjoining land. The Council selected a preferred bidder in November 2010 (Holbeck Land Ltd) and so it would appear that the site may become available for redevelopment within the foreseeable future. Our understanding is that Holbeck has not yet specified the likely end user of the site.
- 6.20 Overall, we consider that the Wentworth Street car park site appears to be available, viable and suitable for retail redevelopment, if the highways and traffic constraints outlined above can be overcome. We suggest that the site is more suited to convenience rather than comparison retail development, because new high-street stores should be focused on the Cattlemarket site as the first priority, given its closer proximity to the primary shopping area. For that reason, we do not advocate the use of the well-located Cattlemarket site for a supermarket-only scheme, which would preclude the site for new, modern, well-configured comparison retail units, which is a key deficiency in Malton's offer.

Site 3 – Former Showfield, Pasture Lane

- 6.21 Pasture Lane is located to the north of Malton Town Centre, immediately adjacent to the Showfield Lane Industrial Estate. The site is flat and mainly comprises a field edged by trees and shrubbery, which is used for the grazing of animals.
- 6.22 The site is out-of-centre in terms of the PPS4 definition²¹, and is also located beyond the 'Development Limit' of Malton, as defined by the adopted Local Plan. Furthermore, the site is designated in the Local Plan as a 'Visually Important Undeveloped Area' and, as such, retail development at the site would appear to conflict with current planning policy.
- 6.23 The site has reasonable vehicular linkages with the town centre, which can be accessed from Pasture Lane via Wentworth Street, or more directly via Newbiggin. However, although it is possible to walk from the Showfield to Malton Town Centre, at 550m it is a significantly longer walk than from Wentworth Street. In our assessment it is unlikely that many shoppers would walk from the Showfield site to make linked trips with the town centre stores and services. Furthermore, the site is raised and in a prominent position, and

²¹ The site is approximately 550 metres from the northern-most tip of the defined Town Centre Commercial Limits boundary (route by foot or by vehicle, rather than the actual linear measurement).

opportunities for intensive redevelopment are constrained by the site's environmental sensitivities.

- 6.24 Nevertheless, we consider that there may be scope for redevelopment of a section of the land, particularly the land adjoining the existing industrial estate, which is perhaps marginally less environmentally sensitive than the sloping land to the rear of the site. The Pasture Lane site may be a possible candidate for the relocation of the livestock market, thereby allowing the market to remain relatively close to Malton Town Centre. The relocation of the livestock market from the town centre might result in a reduction in spin-off trade for town centre businesses. However, any loss of town centre trade is likely to be offset by the alleviation of town centre congestion on market days, which might actually make the town centre more attractive to shoppers and other visitors, particularly if the Cattlemarket site was redeveloped to provide 'high street' comparison retail uses.
- 6.25 There may also – or alternatively – be scope to provide some 'bulky goods' retail warehouses on a section of the site, potentially as an extension of the existing Showfield Industrial Estate, which already includes some ancillary retail uses (a carpet and a tile shop, in addition to trade counters). The development of retail warehouses in this location would not be incongruous with the adjoining units on the industrial estate, and there is potential for some linked trips to be made with the town centre. However, any proposal for retail development would require careful assessment of the visual impact on the surrounding landscape.
- 6.26 Overall, we consider that the site is available, viable and potentially suitable for some form of retail development. Notwithstanding this, the site is not suitable for 'high street' retail units or a foodstore, which could both be accommodated on sites closer to the town centre. However, the Showfield site may offer potential accommodation for the relocated livestock market, or possibly 'bulky goods' retail warehouses, subject to the Council's concerns regarding the visual impact of the development on the landscape (and any other specific concerns, for example relating to vehicular access) being adequately addressed.

Site 4 – Extended Woolgrowers Site, Norton

- 6.27 The site put forward as part of the consultation on the emerging Ryedale LDF comprises the land often referred to as the 'Woolgrowers' site, but also extends further west (to the railway line) and south (to the Malton and Norton Golf Club). The site thus covers an extensive area, which incorporates a wide mix of existing uses, including derelict factories, a bowling green, some small workshops, and agricultural land holdings.
- 6.28 Harrison Developments is currently promoting the site, and is attempting to drive forward the site's development in collaboration with others, through a consortium approach (although we understand that the consortium has not yet been formalised). Harrison Developments anticipates a largely residential-led scheme, which would form a major urban extension of Norton, and could also potentially include employment uses, live-work units, a retail opportunity, a primary school, leisure facilities and public open space. The developer has also indicated that major infrastructure improvements would be delivered as part of such a scheme, including a new link road from York Road (providing easy access to the A64), and a bridge crossing of the railway and River Derwent.

- 6.29 There will be many constraints involved in the development of such an extensive site. For example, the site is constrained by: its susceptibility to flooding and difficulties with surface water drainage; nature conservation issues; multiple ownerships; problems faced by the loss of agricultural land; contamination issues; the substantial infrastructure costs involved in creating new access/highways improvements; and by the landscape and ecological impact of any new link road and river crossing. Certainly, development of the type proposed by Harrison Developments will need to be phased and it represents a long-term development opportunity.
- 6.30 In terms of the site's potential for retail development, we note that the site is out-of-centre for the purposes of PPS4, and there are currently no opportunities for forming links with the town centre, given the site's location on the opposite side of the railway line and the River Derwent. We understand that Harrison Developments has suggested the development of a 50,000 sq.ft superstore on the site, and the receipt from the sale of this land would enable the bridge link to be constructed at the outset of the scheme. We note, however, that there is not a quantitative and qualitative need for a superstore of this size in the Malton/Norton area, and also that – even with the bridge link – there are other sites that are sequentially preferable for the provision of convenience retail floorspace. If a superstore is not provided on the extended Woolgrowers site, the bridge link could potentially still be cross-funded by residential development, albeit this would involve a time lag of around six years, as indicated by Harrison Developments.
- 6.31 If, however, the site is allocated for major residential development, as part of a plan to provide an urban extension of Norton over the long-term, then there may be scope for some limited retail provision within the site, of an appropriate scale, to serve the new community. This would need to be assessed in detail, once the long-term vision for the area is established, or if a planning application is submitted.

Site 5 – Land between Beverley Road and Scarborough Road, Norton

- 6.32 As with the extended Woolgrowers site, the development of land between Beverley Road and Scarborough Road would represent a major urban extension of Norton. The site comprises an extensive area of land to the east of the existing built-up area of Norton, to the east and south of the Norton Grove Industrial Estate.
- 6.33 The site is seemingly less constrained than the extended Woolgrowers site, as it consists entirely of open pasture land, and involves fewer individual parcels of land. The site is beyond the Development Limits of Norton, as defined on the Proposals Map of the adopted Local Plan.
- 6.34 The site was forwarded to the Council for consideration by The Land and Development Practice, which suggested in its submission that the site could accommodate around 1,530 residential units (including a retirement village), in addition to a convenience store on the Beverley Road frontage.
- 6.35 With regards to the proposed retail provision, we note that the site is out-of-centre (and out-of-town) for the purposes of PPS4. The site is located on the periphery of the built-up area and is inappropriate in its present form for any type of retail development. However, as with the extended Woolgrowers site, if the area is allocated for major residential development,

as part of a plan to provide an urban extension of Norton over the long-term, then there might be scope for some limited retail/service provision within the site to serve the new community, although any such development would need to be of an appropriate scale. This would need to be considered carefully in detail, once the long-term vision for the area is established, or if a planning application is submitted.

Site 6 – Land North and South of Edenhouse Road, Old Malton

- 6.36 This site is located adjacent to the Eden Camp Modern History Museum, and forms two separate parcels of undeveloped land, bisected by Edenhouse Road, both of which are seemingly not in active use. The sites are level and of regular shape, and are relatively unconstrained by physical factors, although a row of electricity pylons runs along the boundary of the site to the south of Edenhouse Road.
- 6.37 However, the site is located out-of-centre and out-of-town, for the purposes of PPS4. Indeed, the site is quite detached from the built-up area of Malton, being situated to the north of Old Malton, and on the opposite side of the A64. The land lies outside the Development Limits of Malton, as defined on the Proposals Map of the adopted Local Plan. The site lies also within a predominantly open and agricultural area; there are no residential dwellings, employment or other community uses nearby, with the exception of the Eden Camp tourist attraction.
- 6.38 We do not consider, therefore, that the site is appropriate for any form of built retail development. There is no scope for any linked trips to be made between the site and Malton Town Centre by foot, although it is possible that visitors could travel between the two destinations by car or possibly public transport (and we note that there is a bus stop adjacent to the site). We consider it more likely, however, that most visitors to this site would be passing traffic or tourist trade, given the site's easy access to and from the A64.
- 6.39 The only 'retail' use (of sorts) that may potentially be acceptable on this site is the relocated livestock market, which would not be incongruous with the site's agricultural setting. However, we note that opportunities for visitors to the market to make linked trips with the town centre would be more limited than if the market was relocated to the Pasture Lane site.

Site Assessments – Conclusion

- 6.40 We have assessed six sites in terms of their potential to meet the quantitative and qualitative retail needs identified in Sections 3 and 4 of our report. All six sites, by virtue of their submission to the Council for consideration as part of the LDF process, can be considered to be ostensibly available for redevelopment (albeit the relocation of existing uses is required, in some cases), and all of the sites could be suitable and viable for some form of retail development (to the extent that all of the sites are relatively free of major physical and land ownership constraints, with the exception of the extended Woolgrowers site).
- 6.41 However, PPS4 requires sites for main town centre uses to be identified through a sequential approach to site selection. We consider the following sites to be the most

sequentially preferable, and suggest that these sites offer potential to meet the majority of the District's convenience and comparison retail needs over the LDF plan period.

- i. **Cattlemarket Site** – this presently edge-of-centre site is the most sequentially preferable opportunity, and offers potential to form a natural extension of Malton Town Centre. Given the site's close proximity to the retail core, and the opportunities that exist to create strong linkages with the Market Place, we consider that it is particularly suitable for the provision of some modern retail units to accommodate the type of 'high street' comparison retail stores that are currently missing from the town centre offer. The non-food units could form part of a mixed-use development, which could include a foodstore, and/or residential/office uses. We do not advocate a supermarket-only scheme at the site because this would rule out the prospect of attracting high street comparison retailers, which in our assessment the site is ideally suited to.
- ii. **Wentworth Street Car Park** – this is also an edge-of-centre site, within easy walking distance of existing shops and services, and there is scope for development on this site to generate linked trips with the town centre (albeit the physical connection with the town centre is not as strong as with the Cattlemarket site). We consider that this site is more suitable for convenience rather than comparison retail floorspace, and that the site could accommodate a foodstore, to address the quantitative and qualitative need for additional convenience retail provision in the town.
- iii. **Former Showfield, Pasture Lane** – of the four out-of-centre sites that we have assessed, the Pasture Lane site is the closest to the town centre. albeit at 550m from the centre it is not well-suited to convenience retail uses or 'high street' comparison retail development, particularly given the closer proximity to the centre of the Cattlemarket and Wentworth Street car park sites. If the environmental constraints can be overcome, this site could potentially accommodate the relocated livestock market and/or some retail warehouse units, to address the qualitative need for some 'bulky goods' provision within the District.

7 RETAIL IMPACT ASSESSMENT

Introduction

7.1 Policy EC5.1 of PPS4 explains that – after applying the sequential approach to site selection – LPAs should ‘...*assess the impact of sites on existing centres*’ (EC5.1.d). Further guidance on the impact assessment is provided in Policy EC5.4 of PPS4, which states that:

‘In assessing the impact of proposed locations for development under EC5.1.d, local planning authorities should:

- a) Take into account the impact considerations set out in Policy EC16, particularly for developments over 2,500 sq.m or any locally set threshold under EC3.1.e, ensuring that any proposed edge-of-centre or out-of-centre sites would not have an unacceptable impact on centres within the catchment of the potential development;*
- b) Ensure that proposed sites in a centre, which would substantially increase the attraction of that centre and could have an impact on other centres, are assessed for their impact on those other centres; and*
- c) Ensure that the level of detail of any assessment of impacts is proportionate to the scale, nature and detail of the proposed development’.*

7.2 In this section, we therefore assess the impacts that are likely to be associated with retail development at the edge-of-centre sites that we considered in Section 6. Our assessment considers, in turn, the impacts that are likely to arise in relation to each of the six criteria listed in Policy EC16 of PPS4.

7.3 It should be noted from the outset that our assessment focuses on the impacts that are likely to be associated with additional convenience retail development in Malton, rather than additional comparison retail floorspace, given the more limited expenditure capacity that exists in the convenience sector and because there is greater pressure for convenience retail development.

7.4 We test the two alternative scenarios for meeting convenience retail development that we described at the end of Section 4, as set out in Table 7.1 below. We assume that the new convenience retail floorspace will be developed on the Cattlemarket site and/or the Wentworth Street car park site, these being the two most sequentially preferable opportunities for retail development in Malton and therefore the most appropriate locations for the new convenience retail floorspace.

7.5 Most, if not all, new foodstores are likely to contain some comparison goods floorspace, the possible exception being the smallest basket stores. For the purposes of our impact assessment, however, we focus on the impact of the convenience element of the potential foodstore(s) because, in advance of a detailed schemes coming forward and operators being identified, it is very difficult to estimate the likely quantum of comparison floorspace. If and when a planning application is submitted for a new foodstore, the Council should consider carefully the impacts that are likely to be associated with the entire scheme.

Table 6.1 Two Potential Scenarios for Meeting the Identified Quantitative and Qualitative Convenience Needs

	Convenience Sales Floorspace	Average Convenience Sales Density at 2011	Total Convenience Turnover at 2016	Convenience Turnover from the Study Area at 2016	Notes
Scenario A	1,425 sq.m	£13,400 per sq.m	£19.4m	£16.5m	A food superstore, providing 1,425 sq.m convenience sales floorspace.
Scenario B	1,200 sq.m	£13,400 per sq.m	£16.3m	£13.9m	A food supermarket.
	375 sq.m	£8,000 per sq.m	£3.1m	£2.6m	Basket convenience store
Total	1,575 sq.m		£19.4m	£16.5m	

7.6 For the purposes of our impact assessment we have tested impacts at 2016. It is, however, possible that new development schemes at the Cattlemarket site and/or the Wentworth Street car park site might not be implemented until a later date, in which case the impacts would be lower than the impacts we have identified.

Impact Assessment

Policy EC16.1(a) – Impact of the Proposal on Existing, Committed and Planned Public and Private Investment

- 7.7 Neither of the convenience development scenarios outlined in Table 6.1 would threaten any proposals or commitments for public and private investment in Malton or any other centres within the study area. The extension of the Morrisons store in Malton has already been implemented and there are no extant permissions for other significant retail schemes within any of the District’s defined centres.
- 7.8 Scenario A (food superstore) and Scenario B (food supermarket and basket store) would both actually help to realise one of the key recommendations of the ‘Strategy for Malton Town Centre’, which was commissioned by the Council and Yorkshire Forward. The Strategy identifies four key sites in Malton (Livestock market area, Market Place, Wentworth Street Car Park and Wheelgate), which together present significant opportunities to improve the retail health and public realm of the town centre. The Strategy clearly states that: ‘...a mid to high quality supermarket is essential’.
- 7.9 Both development options, outlined in Table 6.1, could also be in line with the Wentworth Street Car Park Development Brief (prepared by WSP and Atisreal), if the food superstore/supermarket is developed on the Wentworth Street Car Park site. The Development Brief identifies the car park site for the provision of a new mid to high quality supermarket, as the preferred development option. The Brief explains that the development of this site for a supermarket would generate new pedestrian flows between the car park, the livestock market, Wheelgate and Market Place, with the latter once again becoming a focal point for the town.
- 7.10 The preferred development option in the Brief proposes the following for the Wentworth Street car park site: ‘...the use of a sensitively designed car parking deck to accommodate a new mid to high quality chain supermarket (20-35,000 sq.ft) while retaining the parking provision beneath in Phase 1. Phase 2 proposes new housing to be provided on the

eastern upper level of the site, if and when appropriate'. However, the Council resolved on 17 November 2010 to retain ownership of the upper level of the car park in order to provide long-stay parking for the town and the farmers' market. Accordingly, there is no longer a requirement for space to accommodate uses other than a new foodstore and car parking.

Policy EC16.1(b) – Impact of the Proposal on Town Centre Vitality and Viability, Including Local Consumer Choice

- 7.11 We considered the vitality and viability of Malton Town Centre in detail in Section 5 and we concluded that the centre is generally healthy, with no acute indicators of decline. However, we did identify some particular weaknesses in Malton's retail offer, which we consider are holding back the performance of the town centre. In relation to the convenience sector, we concluded that although there is a reasonable range of food and grocery stores in Malton – and Ryedale as a whole – there is only one food superstore, which is a key deficiency. Following its recent extension, the Morrisons store in Malton became a superstore in PPS4 terms, although with a sales area of 2,513 sq.m it is at the lower end of the size spectrum for superstores.
- 7.12 Widening consumer choice and increasing competition in the convenience sector is therefore a key issue in Ryedale. Indeed, the 2011 telephone household survey shows that 36 per cent of all convenience expenditure available to residents of the study area is currently spent in just one store – Morrisons in Malton – and that 34 per cent of the convenience expenditure available within the OCA 'leaks' out of the District.
- 7.13 Furthermore, the majority of existing convenience operators in Ryedale, and in Malton in particular, tend towards the low or discount end of the market. We therefore consider that there is a qualitative need to diversify and enhance the convenience retail offer through the provision of a second main foodstore in Malton, preferably of the sort operated by the likes of Booths, M&S Simply Food, Sainsbury's and Waitrose.
- 7.14 Both of the scenarios outlined in Table 6.1 could potentially address the qualitative deficiencies in the local convenience offer that we have identified, by enhancing the provision of a new high-quality foodstore in Malton. Indeed, we consider that both Scenarios would have a positive impact on the vitality and viability of Malton Town Centre, by meeting the identified qualitative need, relieving congestion in existing town centre stores, enhancing consumer choice, and clawing back expenditure leakage, with consequent spin-off benefits for footfall within the town centre and linked trips with other retailers and service-sector businesses in the town centre.
- 7.15 It is important for the future vitality and viability of Malton that the opportunity to redevelop the Cattlemarket site is not missed, because this site offers the greatest potential in the town centre to enhance Malton's comparison retail offer. As we explained in Section 6, we do not advocate a supermarket-only or a supermarket-dominated scheme at the Cattlemarket site – which in our assessment is better-suited to a scheme dominated by non-food retail units – although the main comparison retail component of the scheme could be complemented by a basket foodstore.
- 7.16 Overall, therefore, we consider that Scenario B is slightly advantageous to Scenario A, because the provision of a new supermarket (at Wentworth Street) and a basket store (at

the Cattlemarket site) will enhance consumer choice to a greater extent than the provision of a food superstore alone, as in Scenario A. Furthermore, the inclusion of an element of convenience retail at the Cattlemarket site is also likely to improve the viability of the overall scheme.

Policy EC16.1(c) – Impact of the Proposal on Allocated Sites Outside Town Centres

- 7.17 We are not aware of any out-of-centre sites within the study area that are either allocated for retail development or proposed for allocation. No adverse impacts will therefore arise against this impact criterion under either scenario.

Policy EC16.1(d) – Impact of the Proposal on In-Centre Trade/Turnover and on Trade in the Wider Area

- 7.18 We have undertaken an assessment of the impacts that are likely to be associated with Scenarios A and B, in terms of the diversion of trade/turnover from existing centres and stores, both within and outside the study area. Our detailed assessment is presented in Spreadsheets 15 to 20 in Appendix 2. As we explained above, we have assessed the trade diversion impacts at 2016, under an assumption that both Scenarios A and B could be progressed in the short-term. The impacts would, however, be lower than the impacts that we have identified, if one or both of the development options were implemented later in the LDF plan period.

- 7.19 Our assessment of impacts follows a standard step-by-step methodology, which can be summarised as follows

- First, we estimate the convenience turnover which will be generated under the two Scenarios, as set out in Table 6.1 above, and also in Spreadsheet 15. We estimate that the development options set out under each scenario would generate a total convenience turnover of around £19.4m at 2016, of which 85 per cent (or £16.5m) will be derived from study area residents.
- Second, we undertake an assessment of the likely trade diversions – arising under both scenarios – from stores and centres located both within and beyond the catchment area. Our assessment of solus convenience trade diversion takes into account: the existing spending patterns of residents within the study area, as shown by the household survey of February 2011; the type of retail floorspace proposed, recognising that trade will primarily be diverted from other similar-sized foodstores whose offer is most closely comparable to that of the development option; and the location of the different stores/centres in relation to the potential development sites (i.e. the Cattlemarket and Wentworth Street Car Park). The pattern of solus trade diversion in relation to both Scenarios A and B is set out in Spreadsheet 18.
- Third, we undertake a similar process with respect to the two convenience retail commitments in the study area (for a new Lidl store in Pickering and for a further foodstore in Norton). We have calculated the convenience turnover of each commitment, using the latest information available on their company average sales densities, as set out in Spreadsheet 16, and the trade diversions associated with each of the commitments is shown in Spreadsheet 19.

- Fourth, we then assess the incremental trade diversion to Scenarios A and B, based on the pattern of spend with the committed schemes in place. The cumulative impacts of Scenarios A and B, with the commitments in place, are set out in Spreadsheet 20.
- Fifth, we derive the convenience turnovers of the various stores and centres in the absence of any development at the Wentworth Street car park site and at the Cattlemarket site (i.e. the 'no development' scenario). For this, we utilise the pattern of spend revealed by the 2011 household survey. It should be noted that the identified convenience turnovers relate only to the turnover generated by residents of the study area, and not the total turnover of the stores (which would require an estimate to be made of the turnover drawn from outside the study area, for each destination). The convenience turnovers (from the study area) of each store and centre at 2016, under the 'no development scenario', are shown in Spreadsheet 17, and also in the first columns of Spreadsheets 18 and 20.
- Finally, we express the resultant trade diversions as a proportion of the convenience turnover of each centre and store at 2016 under the 'no development' scenario. The resultant trade impacts are highlighted in red in Spreadsheet 18 (solus impacts) and in Spreadsheet 20 (cumulative impacts).

Solus impact

- 7.20 From the outset, it is important to note that the trade diversion impacts associated with both Scenario A and Scenario B will be very similar, since both scenarios propose a similar quantum of additional convenience floorspace, which will generate the same level of convenience turnover, and – by virtue of the close proximity of the two potential development sites – will also impact upon the same centres and stores.
- 7.21 We have assumed that between 44 per cent (Scenario B) and 45 per cent (Scenario A) of the turnover of the proposed convenience floorspace will be drawn from competing destinations located beyond the District, such as the Morrisons at Eastfield, the Asda and Sainsbury's stores at Monks Cross, the Tesco Extra store at the Clifton Moor Centre, and the Sainsbury's and Tesco stores in Scarborough.
- 7.22 It is reasonable to assume that a new superstore or supermarket will primarily compete with similar-sized, large format foodstores and so we anticipate that a relatively large proportion of the turnover of each development option will be derived by clawing-back expenditure that currently leaks out of Ryedale. Indeed, if the foodstores proposed under Scenarios A or B are eventually occupied by one (or more) of the supermarket operators already represented outside the District, it is very likely that residents will choose to visit the more local store, rather than continue to travel beyond Ryedale to visit a store operated by the same retailer. As shown in Spreadsheet 18, however, the impacts on stores outside the District are distributed across several destinations, and we do not consider that either Scenario A or B will result in a significant level of trade diversion from any of these existing foodstores.
- 7.23 We estimate that the highest level of trade diversion, from both Scenarios A and B, will be from the Morrisons store at Castlegate, Malton, which is the only similar-sized foodstore within the District. The Morrisons store is located in relatively close proximity to both of the potential development sites, and so it can be expected to compete directly with any new

foodstore provision in these locations. We estimate that around £6m of convenience turnover would be diverted from the Morrisons store, which equates to a solus convenience impact on the Morrisons of between -20 per cent (Scenario A) and -21 per cent (Scenario B). Although this is seemingly quite a high level of impact on an anchor town centre store, we note that the Morrisons store is currently trading strongly, and it would continue to perform only just below its company average benchmark, even with this level of trade diversion. We are therefore confident that the Morrisons store would be able to withstand the solus convenience impacts identified under both Scenarios A and B.

- 7.24 The Sainsbury's Local store at Newbiggin in Malton Town Centre has a low convenience retail turnover, of £0.85m (as derived from residents of the OCA) according to the household survey of February 2011. We have therefore not sought to identify the level of impact on the Sainsbury's store and have instead incorporated it within the 'other, Malton Town Centre' category. Nevertheless, if the supermarket/superstore assessed under Scenarios A and B was occupied by a mid to high-quality supermarket operator such as Waitrose, then we would expect strong competition with the existing Sainsbury's store, which provides a similar offer, albeit on a very small-scale and with a limited product range.
- 7.25 In our assessment it is therefore possible that the existing Sainsbury's store could close down, and we would expect this to be the outcome if the new supermarket/superstore was operated by Sainsbury's, as there would be no need for the retailer to continue operating its smaller outlet at Newbiggin. However, we do not consider that this would have an adverse impact on the vitality and viability of the town centre overall, because Malton would benefit from a new, larger, high-quality foodstore, which would have a net positive effect on consumer choice.
- 7.26 We also expect that some trade will be diverted from the existing Netto store at Norton Road. However, this is a special case because Netto is expected to become an Asda store imminently. It is therefore spurious to model the 'impact' of new retail development at the Cattlemarket site and/or the Wentworth Street Car Park site on Netto as the turnover of the store will inevitably increase when it is converted to an Asda fascia. Spreadsheet 20 shows that whilst the development that is being considered under Scenarios A and B would divert some trade from the store, the net effect on the store's 2011 turnover will be positive once the increase associated with the unit's conversion to Asda is factored in. We also note that Netto/Asda is situated in an edge-of-centre location, and so it does not benefit from any policy protection from PPS4.
- 7.27 There is also likely to be some diversion of trade from the other 'local shops' in Malton, Norton and Pickering, which includes some national multiple chains (such as the Co-operative in Pickering), but mostly specialist independent stores. Malton benefits from several butchers, bakeries, greengrocers and general grocery stores, which provide product ranges that would be either partly or wholly available in new foodstores, such as raw and cooked meat, cheese, bread, cakes, sandwiches, vegetables, sauces and condiments. There is scope, therefore, for the development options proposed under each Scenario to divert some trade from these local shops, as shown in Spreadsheets 18 and 20. Whilst we acknowledge that some of the existing traders in the town centre will be less resilient than others, we note that these local shops currently attract trade despite direct competition with

the existing Morrisons store, as well as other foodstores located beyond the District, and so we would not expect a new supermarket to have a significantly adverse effect on their trade.

- 7.28 Finally, we note that the test of impact, as set out in PPS4, relates to centres as a whole, and not to individual traders. In this regard, our impact assessment has identified a solus convenience impact of -19 per cent on Malton/Norton Town Centre, and -11 per cent on Pickering Town Centre, under Scenario A. Under Scenario B, the solus convenience impact rises slightly to -21 per cent on Malton/Norton Town Centre, but reduces to -9 per cent on Pickering Town Centre.
- 7.29 Notwithstanding the above, it is important to note that the development options presented in Scenarios A and B would themselves represent new investment on the edge of Malton Town Centre. There is potential for a foodstore scheme on either of the two potential development sites, but particularly the Cattlemarket site, to form close linkages with the existing shopping streets, and function as an extension of the town centre offer. As such, the overall impact of Scenarios A and B on the 'functional town centre'²² would be a positive uplift of 22 per cent and 20 per cent, respectively.
- 7.30 Moreover, we consider that the implementation of Scenarios A or B would also have other positive benefits for Malton Town Centre. The provision of a new food superstore, or a supermarket plus basket store, could potentially address the qualitative need for a mid to high-quality foodstore in the District. Both Scenarios would improve consumer choice for local residents, and claw-back expenditure that currently leaks to destinations beyond the District. By attracting shoppers back to Malton Town Centre, the new foodstore(s) would have additional 'spin off' benefits for other town centre traders, by increasing town centre footfall and creating potential for 'linked trips' with other town centre traders. We therefore expect that both Scenarios A and B could have positive benefits for the 'busyness' and overall vitality and viability of Malton Town Centre, and there is potential for job creation in the new stores.
- 7.31 Thus, in summary, we have identified material levels of trade diversion, arising under both Scenarios A and B, from Malton/Norton Town Centres and also – to a lesser degree – from Pickering Town Centre. However, we consider that the negative impacts of trade diversion will be outweighed to an extent by the positive impacts that would be likely to arise from the provision of new, high-quality retailer floorspace, in terms of widening consumer choice, generating employment opportunities, clawing back expenditure leakage, and encouraging new investment in the 'functional town centre'. All of these benefits could in turn help to attract investment interest from comparison retail developers and operators, as well as service-sector traders.
- 7.32 Finally, we note that we do not consider there to be a material difference in the solus impacts identified in association with Scenario A and Scenario B.

²² This takes account of the potential for the 'town centre' to extend slightly beyond the Commercial Limits, as currently defined on the Proposals Map of the adopted the Local Plan, to incorporate new retail development on its edge.

Cumulative impact

- 7.33 In assessing cumulative impacts (Spreadsheet 20), we have taken into account the planned development of a Lidl store in Pickering and a further new store in Norton, as well as the effects of the imminent conversion of the Netto store at Norton Road to an Asda fascia. As expected, the cumulative impacts are higher than the impacts arising under the solus position. The cumulative impact on Malton/Norton Town Centre is between -28 per cent (Scenario B) and -29 per cent (Scenario A), and the cumulative impact on Pickering Town Centre is -16 per cent under both Scenarios.
- 7.34 Again, however, it is important to consider the overall impact of Scenarios A and B on the ‘functional town centre’. Given the close proximity of the Cattlemarket site and the Wentworth Street car park site to the existing boundary of Malton Town Centre, the overall effect of providing the new convenience retail floorspace tested above would be a positive uplift in turnover of 23 per cent.
- 7.35 Turning to Pickering, the location of the proposed Lidl site adjacent to the boundary of the Commercial Limits means that there is potential for the store to function as part of the town centre. Accordingly, the cumulative effect of the Lidl scheme will be to outweigh the negative effects of trade diversion associated with new retail schemes in Malton, such that there will be a small net uplift in convenience turnover for the functional town centre. We therefore do not have any concerns regarding the cumulative impact of Scenarios A and B on Pickering Town Centre.
- 7.36 Table 7.2 summarises the solus and cumulative convenience impacts identified under Scenarios A and B.

Table 6.2 Summary of the Solus and Cumulative Impacts Arising under Scenarios A and B, at 2016

	Scenario A (Superstore only)		Scenario B (Superstore + Basket Store)	
	Solus Impact	Cumulative Impact	Solus Impact	Cumulative Impact
Malton/Norton TC	-19%	-29%	-21%	-28%
Malton/Norton Functional TC	+22%	+23%	+23%	+23%
Pickering TC	-11%	-16%	-9%	-16%
Pickering Functional TC	-11%	+10%	-10%	+10%

Policy EC16.1(e) – Whether the Proposal is of an Appropriate Scale

- 7.37 PPS4 explains that if an application site is located ‘in or on the edge of a town centre’, it is necessary to consider whether the proposal is of an appropriate scale (in terms of gross floorspace) in relation to the size of the centre and its role in the hierarchy of centres.
- 7.38 We do not consider that the quantum of convenience floorspace under Scenarios A and B would be of an inappropriate scale for Malton Town Centre. The floorspace identified under both scenarios has been derived from a quantitative and qualitative needs assessment, and is not expected to materially affect the role and function of Malton Town Centre, or affect its position in the sub-regional retail hierarchy. We therefore consider that neither scenario will result in adverse impacts in relation to this criterion of Policy EC16.1.

Policy EC16.1(f) – Locally Important Impacts on Centres

- 7.39 Policy EC3 of PPS4 sets the context for the final criterion of EC16.1 and explains that LPAs, when formulating their development plan strategies, should ‘*define any locally important impacts on centres which should be tested*’. However, as such local impacts are yet to be defined by the Council, this test is not yet applicable.

Conclusion in Relation to our Impact Assessment

- 7.40 In conclusion, we do not consider that either Scenario A or Scenario B will have a significant adverse impact on Malton Town Centre, or any other centre located within or beyond Ryedale District. Although there will inevitably be some diversion of trade from existing town centre stores, we do not consider that this will reach an unacceptable level. Moreover, we suggest that the positive benefits that are likely to derive from the development options will outweigh the negative effects of trade diversion. These positive benefits include: widening consumer choice; generating employment opportunities; addressing identified qualitative needs; contributing towards delivery of the strategy for Malton Town Centre, as identified by the Council in 2008; attracting new investment to the town centre; and clawing back expenditure leakage. All of this would have ‘spin off’ benefits for the vitality and viability of Malton Town Centre as a whole.
- 7.41 We have assessed the impacts associated with two different development options, which we have termed ‘Scenario A’ (a food superstore) and ‘Scenario B’ (a food supermarket plus a basket store). We have found that the impacts identified under both scenarios are very similar. Overall, however, we consider that Scenario B is slightly advantageous to Scenario A, because the provision of a new supermarket and a basket store will go further towards enhancing consumer choice than the provision of a food superstore alone.

8 OVERALL SUMMARY AND RECOMMENDATIONS

Introduction

- 8.1 The purpose of this study is to provide a robust evidence base on the capacity for additional retail development across the District in forthcoming years, the findings from which can be used by the District Council to inform the preparation of its Core Strategy and the Facilitating Development DPD, and as evidence for determining planning applications. In order to ensure that the final submission draft of Ryedale's Core Strategy is underpinned by a sound, up-to-date and robust retail evidence base, our work is based on the latest available data inputs and site specific information, as well as the findings from a new household survey of shopping patterns.
- 8.2 Below, we set out the principal findings from the various lines of research and analysis that informed our study. Thus, we summarise current shopping patterns in the comparison and convenience retail sectors and key quantitative and qualitative needs, and we provide our recommendations regarding potential locations for accommodating the identified retail needs, focusing on the scope to diversify and enhance retailer representation in Malton, which is the largest centre in Ryedale, with the greatest physical capacity to accommodate retail growth. We also summarise the findings from our assessment of the impacts likely to be associated with the best-performing sites, as required by Policy EC5 of PPS4.

Current Shopping Patterns and Key Qualitative Needs

Comparison Goods Shopping Patterns

- 8.3 Overall, just 30 per cent of the comparison goods expenditure available to residents of the overall catchment area (OCA) is retained in Ryedale. Malton Town Centre is the main comparison retail destination in Ryedale, by a considerable margin, securing £24m of the £144m of comparison retail expenditure available to residents within the OCA. The next most significant destination in Ryedale for comparison shopping is Pickering, although it accounts for just £9m of the total comparison expenditure within the OCA. Ryedale's three other defined Town Centres – Helmsley, Kirkbymoorside and Norton – each attract between £2m and £4m of the OCA's comparison retail expenditure.
- 8.4 Some 70 per cent of total comparison goods expenditure available within the OCA therefore flows out of the District, and 83.4 per cent of available clothes and shoes expenditure is lost as leakage, which is a very high figure even allowing for the strong competition in the surrounding area. Malton – the District's main centre – only attracts £3.5m of the £33.8m of clothes and shoes expenditure available within the OCA, equating to a very low market share of 10.3 per cent for this key goods category.
- 8.5 Leakage to places like York City Centre, Scarborough Town Centre, Monks Cross Shopping Park and Clifton Moor Shopping Centre in York accounts for approximately 59 per cent of residents' comparison goods expenditure. The remaining 11 per cent of comparison goods expenditure is spent on SFT.

Convenience Goods Shopping Patterns

- 8.6 Centres and freestanding stores located within the OCA account for 66.2 per cent of the convenience goods expenditure that is available within the OCA, which in our assessment is unacceptably low given the desirability of meeting convenience goods retail needs on as localised basis as possible.
- 8.7 Morrisons in Malton is by far the most significant foodstore in Ryedale, reflecting its position as the District's only food superstore, accounting for almost 36 per cent of the convenience goods expenditure available to OCA residents. The next most significant foodstore in Ryedale is the Co-operative store in Pickering, but its market share is substantially lower than that achieved by Morrisons, at 5 per cent. The District's other supermarkets each have a convenience market share of between 1 per cent and 5 per cent. The OCA's retention level by zone does not exceed 90 per cent in any of the ten survey zones, and in three zones it is below 60 per cent.

Key Qualitative Needs

- 8.8 Taking into account the findings from the household survey, our health check of Malton Town Centre and the five indicators of qualitative need listed in the PPS4 Practice Guidance, we have identified a particular qualitative need for:
- the provision of some modern retail units to accommodate the requirements of 'high street' comparison operators. The lack of choice in certain key categories of non-food goods, such as clothing and shoes, is a major deficiency in Malton's retail offer, which is resulting in a high level of expenditure leakage and unsustainable shopping patterns;
 - a new large-format foodstore to widen consumer choice and reduce expenditure leakage; and
 - some retail warehouse units to accommodate DIY and 'bulky goods' retail operators, given that Ryedale currently has no retail warehouses.

Quantitative Retail Needs

Comparison Retail Sector

- 8.9 In Section 4, we presented two scenarios for establishing comparison retail need in the District up to 2026. The first scenario is based on a constant level of expenditure retention (at 30.1 per cent), and in the second scenario we assume that the aggregate retention rate can be improved to 35 per cent by 2016 and again to 40 per cent by 2021, remaining at that level in the period to 2026.
- 8.10 The retention rate achieved in the comparison sector by existing shops and centres in Ryedale is unacceptably low, at 30 per cent, even allowing for the reality that some comparison retail expenditure will always leak to higher-order centres outside of the District such as York and Scarborough. Accordingly, we do not advocate a strategy based on the floorspace requirements arising under the constant retention scenario. Instead, we recommend that the Council should adopt the floorspace requirements arising out of the rising retention rate scenario as its policy aspiration.

Table 8.1 Quantitative Need in the Comparison Goods Sector (sq.m sales area)

	Scenario 1 Constant Retention	Scenario 2 Rising Retention
2011 - 2016	-649	1,627
2011 - 2021	373	5,684
2011 - 2026	1,616	7,706

- 8.11 Table 8.1 shows that there is capacity for approximately 5,700 sq.m of additional comparison sales area floorspace in the period to 2021 across the District, and around 7,700 sq.m in the overall 2011-26 study period, under the rising retention scenario. This scale of floorspace is sufficient to allow for the provision of a range of modern new non-food units, which will help to bolster existing provision and plug key deficiencies in the offer.

Convenience Retail Sector

- 8.12 We have provided three scenarios for establishing convenience retail needs in the District up to 2026. The first scenario is based on the maintenance of a constant convenience rate of retention (at 66.2 per cent), whereas in the second scenario, the overall retention level improves from 66.2 per cent in the year 2011, to 85 per cent by 2021, remaining at 85 per cent thereafter. We have assumed that the retention rate can be improved to the mid-point of the current retention rate (66.2 per cent) and the predicted 2021 level (85 per cent) by 2016, which gives a retention rate of 75.6 per cent at 2016. In the third scenario, the overall retention rate rises to 75.6 per cent by 2016 and to 85 per cent by 2021, as in the second scenario, but we also make an allowance for some of the 'over-trading' at existing foodstores in the catchment area to be counted towards capacity. The floorspace requirements arising under the three scenarios are summarised in Table 8.2 below.

Table 8.2 Quantitative Need in the Convenience Goods Sector (sq.m sales area)

	Scenario 1 Constant Retention	Scenario 2 Rising Retention	Scenario 3 Increase in Retention + Allowance for 'Over-Trading'
2011 - 2016	-703	99	353
2011 - 2021	-435	1,260	1,515
2011 - 2026	-155	1,636	1,890

- 8.13 The quantitative need arising in the periods to 2016, 2021 and 2026 for the OCA as a whole is negative under Scenario 1. However, we do not advocate this scenario because the floorspace requirements arising under it reflect a perpetuation of the current aggregate retention rate in Ryedale, which at 66 per cent is too low, in our assessment. Furthermore, the retention rate will inevitably improve when the commitment for a Lidl store in Pickering is implemented and so planning on the basis of a constant retention rate would be a flawed approach.
- 8.14 We therefore consider it a sound policy aspiration for the Council to seek to increase the overall level of convenience expenditure retention, given that food shopping to be undertaken on as localised a basis as possible. There is scope for 1,260 sq.m of additional convenience sales area floorspace across Ryedale in the period to 2021 under our rising

retention rate scenario, or approximately 1,500 sq.m when an allowance for over-trading is made. In the longer term period to 2026, there is scope for between approximately 1,650 sq.m and 1,900 sq.m of additional convenience sales area floorspace under Scenarios 2 and 3, respectively.

- 8.15 Only half of the identified 'over-trading' has been factored into the capacity assessment under Scenario 3. Reflecting the advice in PPS4 that it is valid to take into account the performance of existing foodstores in the capacity assessment, we therefore recommend that the floorspace requirements arising under Scenario 3 should be used to inform Ryedale's emerging Core Strategy.
- 8.16 In order to achieve an aggregate retention rate of 85 per cent, this will require the provision of a new foodstore in Malton that is sufficiently large to offer a genuine alternative to the Morrisons store, which is the District's only food superstore. There might also be potential for a new, high-quality smaller 'basket' store.

Summary

- 8.17 We consider that the indicative floorspace requirements we have identified in this study provide a very useful starting point for the assessment of individual planning applications. However, the floorspace requirements that we have identified should be treated as indicative guidelines. It will be necessary to carefully consider the merits of individual proposals as and when they arise, taking account of factors including the specific operator, likely sales densities, local 'need' factors, and the scale of the proposal (in accordance with the requirements of PPS4).

Opportunities for Meeting Identified Needs

- 8.18 In Section 6, we assessed six sites in terms of their potential to meet the quantitative and qualitative retail needs that are set out in Sections 3 and 4 of our report and summarised above. All six sites can be considered to be available for redevelopment (albeit the relocation of existing uses is required, in some cases), and all of the sites could be suitable and viable for some form of retail development because, with the exception of the extended Woolgrowers site, they are relatively free of major physical and land ownership constraints.
- 8.19 However, PPS4 requires sites for main town centre uses to be identified through a sequential approach to site selection. We consider the following sites to be the most sequentially preferable, and suggest that these sites offer potential to meet the majority of the District's convenience and comparison retail needs over the LDF plan period.
- i. **Cattlemarket Site** – this presently edge-of-centre site is the most sequentially preferable opportunity, and offers potential to form a natural extension of Malton Town Centre. Given the site's close proximity to the retail core, and the opportunities that exist to create strong linkages with the Market Place, we consider that it is particularly suitable for the provision of some modern retail units to accommodate the type of 'high street' comparison retail stores that are currently missing from the town centre offer. The non-food units could form part of a mixed-use development, which could include a foodstore, and/or residential/office uses. We do not advocate a supermarket-only

scheme at the site because this would rule out the prospect of attracting high street comparison retailers, which in our assessment the site is ideally suited to.

- iv. **Wentworth Street Car Park** – this is also an edge-of-centre site, within easy walking distance of existing shops and services, and there is scope for development on this site to generate linked trips with the town centre (albeit the physical connection with the town centre is not as strong as with the Cattlemarket site). We consider that this site is more suitable for convenience rather than comparison retail floorspace, and that the site could accommodate a food foodstore, to address the quantitative and qualitative need for additional convenience retail provision in the town.
- v. **Former Showfield, Pasture Lane** – of the four out-of-centre sites that we have assessed, the Pasture Lane site is the closest to the town centre, albeit at 550m from the centre it is not well-suited to convenience retail uses or ‘high street’ comparison retail development, particularly given the closer proximity to the town centre of the Cattlemarket and Wentworth Street car park sites. If the environmental constraints can be overcome, this site could potentially accommodate the relocated livestock market and/or some retail warehouse units, to address the qualitative need for some ‘bulky goods’ provision within the District.

Impact Assessment

- 8.20 In Section 7, we assessed the potential impacts associated with a new food superstore in Malton (Scenario A) and the impacts associated with an alternative strategy of meeting identified convenience retail needs in the form of a smaller main supermarket in Malton along with a ‘basket’ store (Scenario B). The solus and cumulative convenience impacts identified under Scenarios A and B (at 2016) are summarised in Table 8.3.

Table 8.3 Summary of the Solus and Cumulative Impacts Arising under Scenarios A and B, at 2016

	Scenario A (Superstore only)		Scenario B (Superstore + Basket Store)	
	Solus Impact	Cumulative Impact	Solus Impact	Cumulative Impact
Malton/Norton TC	-19%	-29%	-21%	-28%
Malton/Norton Functional TC	+22%	+23%	+23%	+23%
Pickering TC	-11%	-16%	-9%	-16%
Pickering Functional TC	-11%	+10%	-10%	+10%

- 8.21 Table 8.3 shows that the cumulative impact on Malton/Norton Town Centre is between -28 per cent (Scenario B) and -29 per cent (Scenario A), and the cumulative impact on Pickering Town Centre is -16 per cent under both Scenarios. On the face of it, these impact figures are high. However, the new convenience retail floorspace would be provided at the Cattlemarket site and/or the Wentworth Street car park site, both of which are close to the existing boundary of Malton Town Centre. Accordingly, the overall effect of providing the new convenience retail floorspace that we tested in our impact assessment would be a positive uplift in the convenience retail turnover of the ‘functional town centre’ of 23 per cent under both Scenarios.
- 8.22 Turning to Pickering, the location of the proposed Lidl site adjacent to the boundary of the Commercial Limits means that there is potential for the store to function as part of the town

centre. Accordingly, the cumulative effect of the Lidl scheme will be to outweigh the negative effects of trade diversion associated with new retail schemes in Malton, such that there will be a small net uplift in convenience turnover for the functional town centre.

- 8.23 In summary, we have assessed the impacts associated with two different development options, which we have termed 'Scenario A' (a food superstore) and 'Scenario B' (a food supermarket plus a basket store). In our assessment, neither option would have a significant adverse impact on Malton Town Centre, or any other centre located within or beyond Ryedale District. Although there will inevitably be some diversion of trade from existing town centre stores, in our assessment this is unlikely to reach an unacceptable level. Moreover, we suggest that the positive benefits that are likely to derive from the development options will outweigh the negative effects of trade diversion. These positive benefits include: widening consumer choice; generating employment opportunities; addressing identified qualitative needs; attracting new investment to the town centre; and clawing back expenditure leakage. All of this would have 'spin off' benefits for the vitality and viability of Malton Town Centre as a whole.
- 8.24 We have found that the impacts identified under both scenarios are very similar. Overall, however, we consider that Scenario B is slightly advantageous to Scenario A, because the provision of a new main foodstore along with a 'basket' store will go further towards enhancing consumer choice than the provision of a food superstore alone.

Overall Conclusion

- 8.25 We recommend that the most appropriate way of meeting the District's identified needs for comparison and convenience retail floorspace will be to exploit the redevelopment opportunities presented by the Cattlemarket site and the Wentworth Street car park site, both of which are close to Malton's existing town centre boundary.
- 8.26 In our assessment the Cattlemarket site is an ideal candidate for providing some modern retail units to accommodate the type of 'high street' comparison retail stores that are currently missing from the town centre offer, potentially complemented by a basket foodstore and/or residential/office uses. We do not advocate a supermarket-only scheme at the site, however, because this would rule out the prospect of attracting high street comparison retailers, which in our assessment the site is ideally suited to.
- 8.27 Wentworth Street car park is also an edge-of-centre site, within easy walking distance of existing shops and services, and there is scope for development on this site to generate linked trips with the town centre (albeit the physical connection with the town centre is not as strong as with the Cattlemarket site). We consider that this site is more suitable for convenience rather than comparison retail floorspace, and that the site could accommodate a foodstore, to address the quantitative and qualitative need for additional convenience retail provision in the town.

