CYNGOR SIR YNYS MÔN ISLE OF ANGLESEY COUNTY COUNCIL

CYNGOR GWYNEDD COUNCIL

Gwynedd Council
and
The Isle of Anglesey County Council
Joint Local Development Plan

Gwynedd and Anglesey Retail Study

Executive Summary

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CHARTERED TOWN PLANNING CONSULTANTS

GWYNEDD AND ANGLESEY RETAIL STUDY: EXECUTIVE SUMMARY

Introduction

Applied Planning were appointed to carry out a Retail Study on behalf of Gwynedd Council and the Isle of Anglesey County Council which will be used to inform the policies of the Joint Local Development Plan which is currently being prepared. The Study assesses the need for additional retail floorspace in 25 centres over the Plan Period to 2026. Volume 1 of the Study contains the policy background, detailed study methodology and assessment of the six main centres in the study area; Bangor, Caernarfon, Holyhead, Llangefni, Pwllheli and Porthmadog. Volume 2 contains an analysis of the remaining 19 Local Centres, Volume 3 provides the Study's Conclusions and Recommendations and Volume 4 contains the Technical Appendices consisting of the data which underpins the Study.

Why is a retail study important? A retail study strives to assess the amount and type of retail floorspace required to best meet the shopping needs of a population. Too little space and the community will be deprived of the best range and quality of shops that can be provided by the market. Conversely, if too much space is provided there is a risk that there will not be enough trade to support these shops leading to a reduced quality and high levels of vacancy leading to unattractive, poorly maintained centres.

These needs change over time. As populations and incomes increase there is a demand for more and better quality shops and during times of recession there is less disposable income to support retail businesses. Whilst the effect of economic cycles are relatively short-term, other factors are structural and permanent as the amount of retail space needed is dictated by market forces and changing fashions.

The growth of large supermarkets has had a major effect on a wide range of businesses many of which have in the past been at the heart of many towns and local centres. This has not only changed the way that we buy groceries with butchers, greengrocers and fishmongers becoming rare or non-existent in many areas but also other businesses such as newsagents, bookshops, tobacconists, off-licenses and florists have dramatically reduced in numbers. Supermarkets are also accounting for a greater amount of sales in areas such as clothing and electrical goods.

Retail warehouses, usually located outside town centres, account for a high proportion of the sales of so called 'bulky goods'. These include DIY stores, furniture, carpets and large electrical appliances where retailers require large, relatively cheap floorspace to display their products. In some areas there has been a more recent growth of other out-of-centre retail stores selling clothing and footwear, soft furnishings, pet products, sportswear and equipment and health and beauty products. Another major change has been the growth of mail order shopping. What was once catalogue shopping that accounted for relatively modest levels of expenditure has grown dramatically through the widespread use of the internet. Clearly all these changes can have a significant effect on the demand for space in town centres.

Policy Issues

The Plan must be in accordance with the Welsh Government's guidance as set out in Planning Policy Wales unless there is robust evidence to justify a deviation away from national planning policy and guidance. The objectives of this guidance are to:

- secure accessible, efficient, competitive and innovative retail provision for all the communities of Wales, in both urban and rural areas;
- promote established town, district, local and village centres as the most appropriate locations for retailing, leisure and other complementary functions;
- enhance the vitality, attractiveness and viability of town, district, local and village centres; and to
- promote access to these centres by public transport, walking and cycling.

The Study Methodology

The Study utilises accepted best practice methodology in undertaking this kind of analysis. First, the extent of the study area is determined so as to capture most retail spending flows within the Plan area extended eastwards to examine the relationship with Llandudno and southwards to understand the influence of Aberystwyth. The Study area is then subdivided into zones based on the sub areas of the Plan. Data is then obtained which provides information on the current population of these zones along with a profile of the spending capacity of this population by various goods type. Projections are then made for 2016, 2021 and 2026. These figures are adjusted to take account of factors such as internet spending and the amount of spending on shopping by tourists and visitors to the area. With regards to tourism, we have utilised the results of previous studies commissioned by the Councils which show that, overall, tourists account for around 23% of total expenditure on shopping.

The next step is to distribute this spending to the various centres and stores based on market research. This was done by undertaking 1,750 telephone interviews and 400 on-street surveys in the main centres to ascertain people's shopping habits. By aggregating and applying the results of these surveys to the amount of available spending in each zone the turnover of each centre can be assessed.

The capacity of each centre is then calculated by estimating the existing amount of net trading floorspace. This is the amount of floorspace devoted to sales excluding storage areas, offices and staff facilities. The expected turnover of this space is then calculated by reference to 'benchmark' or average turnovers for these kinds of business expressed as turnover per square metre of trading floorspace. This data is obtained from published sources for different kinds of businesses and from experience of other centres. Clearly, any business must be capable of achieving a reasonable turnover in order to remain viable taking into account staff costs, rent, business rates and utilities and profit on stock. Generally those businesses that produce the higher levels of turnover per square metre will occupy the better or 'prime' locations. These figures are adjusted to take account of the tendency for retailers to sell a greater value of product from the same sales area in real terms over time. This is termed 'retail efficiency'

The assessed expenditure flows are then compared against this benchmark capacity. Results above benchmark will tend to indicate that new retail floorspace could be supported. Again factors such as proposed new developments and prevailing undesirable trade imbalances between areas, termed 'leakage', are factored in to this assessment.

The Study's Findings and Recommendations

In all cases, we recommend that no new out-of-centre retail developments are permitted and that any new development is within existing retail areas. Except in those limited number of centres where we consider that a reduction of floorspace is desirable, we recommend that in general existing A1 uses should be protected. In the Local Centres and within defined 'Core Retail Areas' changes of use should be resisted unless it can be clearly demonstrated that any future retail use would not be viable. Outside the defined Core Areas in towns, changes of use from A1 to A2 or A3 uses could be considered. In those areas the effects of changes of use will need to be monitored to guard against any undesirable effects of the concentration of uses such as take-aways.

Bangor is the Study area's only sub-regional centre and as such the City provides the greatest amount, choice and quality of retail provision in the area. It attracts expenditure from throughout the Study area although Llandudno and Aberystwyth attract some trade from the eastern and southern fringes of the Plan area. The City is essentially 'healthy' from a retailing point of view although vacancies are currently high compared with 2005 largely as a result of the recession and the opening of the Menai Centre which has introduced a significant amount of new floorspace in to the City which will take time to assimilate. The City's out-of-centre stores account for over 36% of total comparison sales which is also high. Taking into account the need to reduce vacant floorspace, there is no need for additional retail floorspace for comparison goods before 2016. However by 2021 there is a need for an additional 5,105 sq.m. of net trading floorspace which increases to 7,913 sq.m. by the end of the Plan period, 2026. Due to the completion of the ASDA supermarket, there is no need for any additional convenience floorspace during the whole of the Plan period.

Holyhead is the most challenging of all the Study area's centres. There is currently a significant over supply of floorspace over and above what the market can support due largely to the amount and type of floorspace that has been developed at Penrhos. This imbalance, which is forecast to remain during the whole of the Plan period, is revealed through high levels of vacant shop property and, in general, poor quality retailing. The town exhibits poor levels of vitality and viability and new retailers who could attract shoppers to the town are reluctant to locate in Holyhead due to the perceived lack of business.

We recommend that the amount of retail floorspace in the town centre be reduced and concentrated in Stanley Street (south), Market Square and Market Street. Retail uses in this area should be protected by resisting any applications for changes of use. In other areas we recommend that changes of use to more viable uses are encouraged. Uses could include A2 (Financial and Professional Services) and A3 (Cafes and Restaurants, Bars and Take Aways). Opportunities where conversion or redevelopment to residential use could be encouraged should also be identified. Initiatives to find a niche role for the town through, for example, farmers markets should also be considered.

Caernarfon serves an extensive catchment area to the south but its retail role is limited due to the proximity of Bangor. We take the view that the town is slightly underperforming. The two parts of the centre based around Pool Street and Bridge Street which primarily serves the needs of residents and the area around High Street, Palace Street, Hole in the Wall Street, Castle Street and the northern side of Castle Square which are centred around the walled 'Old Town' and the Castle and are particularly well suited to serve the sizeable tourist market should be regarded as separate but complimentary areas.

In terms of need for new retail floorspace, the Study concludes that there is no existing need for additional comparison goods floorspace until towards the end of the Plan period, 2026, when there will be a requirement for 176 sq.m. net. There is an existing modest need for an additional 74 sq.m. net of convenience floorspace increasing to 200 sq.m. net by the end of the Plan period.

Pwllheli serves much of the Llyn Peninsula and is a tourist centre. The town is regarded as being 'healthy' in retail terms with a low level of vacancy. The Study identifies a Core Retail Area which should be protected from changes of use. There is no identified need for new comparison goods floorspace until 2021 when there will be a need for an additional 413 sq.m. net whereas there is an existing need for 105 sq.m. net of convenience floorspace which increases to 172 sq.m. net by 2026.

Porthmadog is a healthy retail centre with very low vacancy rates and a range of quality comparison shops many catering for the tourist market together with a Tesco, Aldi and Lidl supermarkets. There are two extant planning permissions for new retail floorspace at the Penamser Industrial Estate and although there is a low level of vacant property we are of the view that there is no need for additional retail floorspace throughout the Plan period.

Llangefni is the smallest of the main centres and serves central Anglesey providing a basic range of services. There is a low level of vacant property and the town has a good level of vitality. Whilst the town is well catered for in the sale of convenience goods largely as a result of an ASDA supermarket, the Study has identified a need to improve comparison shopping in the town with a small current need for 44 sq.m.net of floorspace growing to 492 sq.m. net by the end of the Plan period.

Barmouth (Abermaw) and **Tywyn** are the largest of the Local Centres. There are both relatively remote from the main centres considered in Volume 1 of the Study and have sizeable catchment areas. Both towns have well defined linear shopping centres along either side of a main road. Both have a good range of shops although Barmouth would benefit from improved convenience store provision.

Beaumaris, **Criccieth** and **Menai Bridge** are smaller 'Prosperous Local Centres' which not only serve their immediate catchment areas but also have some quality shops which will attract shoppers from further afield. However Bangor provides for much of the retailing needs for Beaumaris and Menai Bridge and Criccieth is accessible to both Porthmadog and Pwllheli.

Amlwch, **Benllech**, **Llanfairpwll**, **Penygroes** and **Valley** provide basic retail facilities for their local communities. In the case of Llanfairpwll there is the stand-alone James Pringle Weaver Centre which is essentially a factory outlet which attracts shoppers and tourists from a wide catchment area. With the exception of Amlwch, none of these centres have strong, well defined retail centres and this detracts from their attractiveness. Penygroes would benefit from a stronger comparison goods offer.

Cemaes, **Gaerwen** and **Penrhyndeudraeth** are 'Small Local Centres' which provide only for the basic needs of their local communities. All are dependent on larger centres for a significant part of their retailing needs and this is particularly true for Gaerwen which contains two convenience stores.

Abersoch, **Llanberis** and **Rhosneigr** are heavily dependent on tourist related trade and facilities for the resident population, particularly in the cases of Abersoch and Rhosneigr are very limited.

Bethesda, **Blaenau Ffestiniog** and **Nefyn** are described in the Study as 'Failing Centres' and all have a surplus of retail space over and above that which can be viably supported by the local communities and any tourist trade. As with Holyhead, we have concluded that in the case of both Bethesda and Blaenau Ffestiniog a reduction of overall floorspace would be beneficial in creating refocused, concentrated centres which would be more viable and capable of generating the desired levels of vitality.

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