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Torbay Retail Study Update 2013

Main Text

Torbay Council

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CONTENTS

Appendices

1. Introduction

Scope and Purpose

1.1 This report has been prepared by GVA in response to an instruction by Torbay Council dated August 2013 to prepare a new updated retail study for Torbay. In recent years three previous retail studies have been undertaken for the Torbay administrative area, in 2006, 2008 and 2011, all of which were prepared by GVA. The most recent study in 2011 was required in response to a number of factors, including the need to obtain up to date information relating to local retailing issues and the need to respond to guidance contained in Planning Policy Statement 4: Planning for Sustainable Economic Growth which was published in December 2009.

1.2 Since the 2011 study, the National Planning Policy Framework has been published and, in order to inform the in-going preparation of the Torbay Local Plan, Torbay Council has instructed GVA to provide a 2013 update to the retail study. This document uses the 2011 study as its base, incorporating new and updated information in relation to: the quantitative need for new retail development across Torbay, existing retail provision, assessment of potential development sites and updated retail strategy recommendations. Apart from these updates, the remainder of the 2011 study remains unaltered in this document.

Objectives of the Retail Study Update

1.3 The overall aims of this project are:

- To identify available and projected retail expenditure for convenience and comparison goods over the period 2011 to 2031 within Torbay and its retail catchment area.
- To identify market share retention rates available to and within the Bay and the constituent three towns, incorporating indicative potential tourism expenditure.
- To make recommendations for floorspace thresholds for the scale of edge-of-centre and out-of-centre schemes, which should be subject to an impact assessment.

- To make recommendations for potential locally important impacts which could be included within the Council's impact assessment.
- To provide guidance to the Council on how Torbay can redefine its role in the regional shopping hierarchy, through strategic actions such as major town centre regeneration sites, strategic bulky goods locations, leisure parks, and outlet villages within Torbay.
- To provide input in to the Councils emerging growth strategy by providing guidance on Torbay's Retail hierarchy including likely opportunity for future capacity to be met within the Town Centres, District and Local Centres.

1.4 This update report will replace the 2011 study document (which in turn replaced parts of the 2006 and 2008 studies), superseding its quantitative analysis, retail floorspace capacity predictions and recommendations for the Torbay retail strategy. However, some parts of the 2006 retail study remain, including the parts of the detailed town centre health checks for Torbay's town and district centres and the town centre traders surveys.

Content of this Report

1.5 The remainder of this report is structured as follows:

- Section 2 provides an overview of recent retail trends and an overview of those changes in national, regional, and local planning policy since the previous 2011 study which are relevant for the purposes of this study.
- In Section 3 the retail land use composition of the town and district centres in Torbay, along with other town centre health indicators such as rental levels and yields on retail property, is outlined. Save for updates to the land use composition in the three town centres, this section remains unaltered from the 2011 study. This section also provides a commercial assessment of the performance and attractiveness of the three towns in Torbay, looking at their role in the sub-regional hierarchy, their attractiveness to the retail and leisure sectors and retailer requirements obtained for the 2011 study.
- Section 4 sets out an updated assessment of the need for additional retail floorspace provision in Torbay over the period up to 2031. It provides an analysis of quantitative need, based upon a household survey and up-to-date population and expenditure forecasts, and expresses estimates of quantitative need in terms of convenience

(food) and comparison (non-food) goods floorspace. This section also re-visits the qualitative assessments of retail need contained within the 2011 study to consider whether they remain relevant for the purposes of this update. It also examines the implications of an updated gap area analysis undertaken by the Council in relation to accessibility via various modes of transport to District and Local Centres and the major foodstores/supermarkets in Torbay.

- An assessment of potential retail development opportunities is contained within Section 5, including a re-examination of some town centre and edge of centre locations included in previous studies, new potential development opportunities and opportunities within the 'gap areas' identified within the previous section.
- Drawing upon the findings of the preceding chapters, Section 6 outlines the broad policy options for the Torbay Local Plan, examining different approaches to food and non-food retail provision across the Torbay area.
- Section 7 provides an updated retail strategy for each Torbay town, drawing together and summarising the contents of this report.

1.6 All plans, statistical tables and other documents referred to in the text of this report are contained in separately bound appendices.

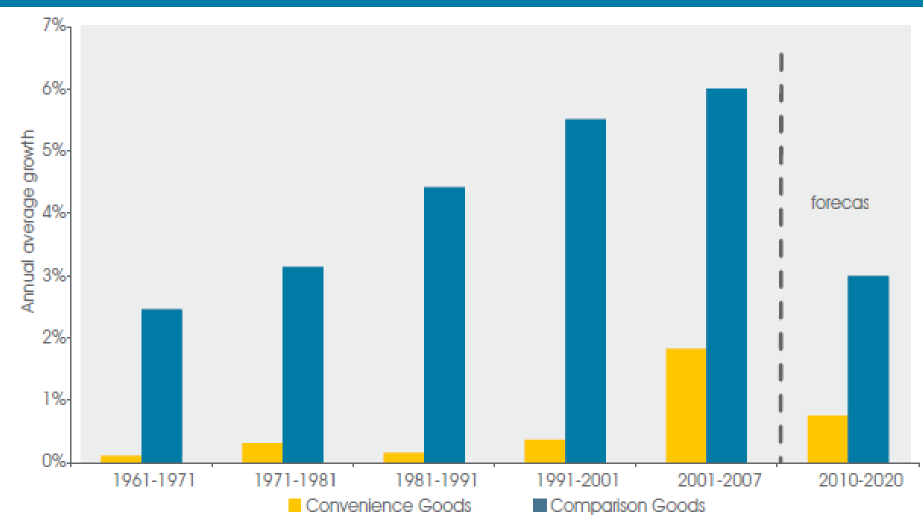
2. Background Context and Policy Review

Recent and Future Retail Trends

Retail spending growth

2.1 The last 40 years (1968 – 2008) have seen retail expenditure per head grow at 2.8% pa. This is higher than consumer expenditure per head growth at 2.4% pa, which was more in line with overall economic growth. As incomes have risen, greater proportions have been spent on retail goods and in particular on comparison or non-food goods, fuelling the demand for retail floorspace. Growth in spending per head on comparison (non-food) goods has been exceptional. Chart 1 belowshows it accelerating from an average of just under 3% pa during the 1960s and 1970s to just over 4% pa in the 1980s, 5.5% pa in the 1990s and 6% pa from 2001 to 2007. In contrast spending on food has grown at a slow, steady rate of c.0.5% pa.

Chart 1: Expenditure per head



Source: Pitney Bowes/MapInfo/URPI Information Briefs 09/02, 06/02, 93/3, 83/1, Experian, GVA

2.2 The very strong growth in non-food expenditure per head, until the onset of recession, was underpinned by numerous factors including a lower tax burden, low inflation/interest rates, lower levels of savings and higher borrowing. Price deflation also boosted nonfood spending, with cheaper imports from China/the Far East, coupled with competition from the internet forcing down prices. Total spending was also reinforced by strong population growth.

2.3 Many of these trends were unsustainable and the debt fuelled boom eventually led to a major recession. This has resulted in much weaker non-food expenditure growth, which even turned negative in 2009. Growth in food spending has been more resilient. The next five years are set to see major cuts in public sector spending and employment, plus tax increases to reduce the huge annual budget deficit and public debt. This is likely to mean a relatively weak economic upturn and for the retail sector weaker income and expenditure growth for many years. This will be reinforced by the ageing population and pension concerns.

2.4 The outlook:

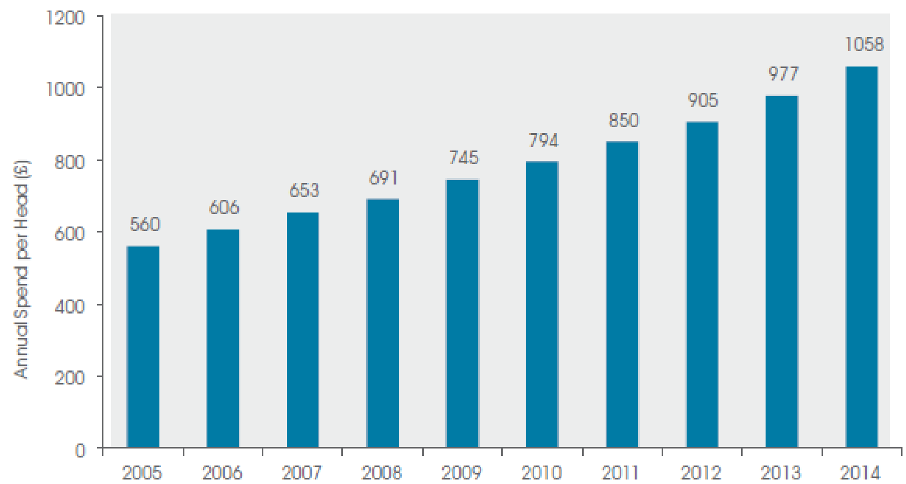
- Recent forecasts by Experian expect non-food expenditure per head growth to average about 2.5% pa over the next five years and about 3% pa over the next 15 years. These rates are much lower than recent and longer term trends but are more in line with overall growth in the economy.
- Less development will be needed as a result of weaker expenditure growth. In some towns a contraction in retail space may be inevitable. Greater polarisation between centres will be inevitable.
- In many towns, development viability will remain a problem for some years due to weaker expenditure and rental growth, making new development more difficult, particularly for complex sites in multiple ownership.
- Specifically for Torbay: these national trends will impact upon the three towns in Torbay in a similar manner to other similar sized towns, namely less comparison (non-food) goods expenditure to support retail floorspace growth with a greater concentration on expenditure being used to support existing retail floorspace. This will be particularly acute in Paignton and Brixham, both of which have modestly performing comparison goods sectors and a slowdown in comparison goods expenditure growth could hit these town centres harder than Torquay (although Torquay will also feel similar affects too).

The internet and online shopping

2.5 The need for physical space in the retail sector and the way retail space is used has been affected by the rising popularity of online shopping. Whilst the retail market overall has contracted during the recent recession, online expenditure has continued to grow by some 15% pa to £21.2bn in 2009 (Verdict, 2010). Low cost, high speed internet access in more UK homes has led to increasing numbers of adults shopping online, with some 29.6 million forecast to do so in 2010 (nearly 60% of the adult population). This is almost triple the figure from 2004. Further growth in online shoppers will be limited as the numbers of computer literate adults, or those with broadband internet access approach saturation point.

2.6 As customers have gained familiarity and confidence in a service which is often cheaper and more convenient than traditional methods of shopping, levels of online spending have risen. Chart 2 below shows that by 2014 online expenditure per head is forecast to grow by a third. Selling directly to the customer cuts out expensive overheads such as rent and staffing costs. This keeps prices low, which has helped to increase online sales during the economic downturn. E-tail has penetrated certain retail sectors more than others impacting significantly on music and DVD sales in particular. Currently over half of the sector's products are purchased online. With consumers now able to download music and DVD files directly, in-store purchases are expected to continue declining, with online expenditure set to account for 70% of the market by 2013. The increase in illegal downloading has also exacerbated the sector's in-store sales decline.

Chart 2: Online shoppers' annual spend per head



Source: Verdict, 2010

2.7 Other retail sectors have not been as greatly affected, with online spending on goods such as clothing and footwear and food/grocery items growing at a slower, steadier rate, as consumers prefer to examine goods in person before purchasing, but even here attitudes are changing.

2.8 The outlook:

- If on-line sales continue their rapid expansion and expenditure per head growth remains weak, net spending in shops may show hardly any growth while it will still be necessary to improve the quality of stock. This will have implications for quality of floorspace needed and the vitality of existing centres, particularly when sales density increases, due to increased trading efficiency, are allowed for.
- Most forecasters anticipate that the growth in online sales will slow as access to broadband reaches saturation within the next few years. But if this doesn't happen and online sales continue to grow strongly as shoppers become more and more familiar with shopping on line, this would cause serious problems for town centres and retail parks alike.

- With continued strong growth of online shopping the role of bricks and mortar retailing will evolve with shops becoming more like showrooms and collection points for on-line sales. This will lead to further evolution of retailers' branch networks.
- The internet will never completely replace the experience of shopping and the desire of shoppers to touch and feel products before buying them, but it will have to be made more enjoyable and exciting to compete with the convenience and lower cost of online shopping.
- Specifically for Torbay: all of these issues will affect stores and centres across Torbay, as the larger supermarkets grow their on line home delivery services and national brands such as Amazon and ebay continue to dominate comparison goods sales. Whilst some of the national multiple stores across Torbay will be insulated from some of these effects, as they can offer a service which allows customers to pick up goods bought on line in store, smaller local independent stores in town centres will need to carefully consider whether they are able to compete with on line retailers. In the context of Torbay, this could see smaller retailers changing their retail offer in order to minimise competition with on line retailers and serve a more local walk-in customer base (i.e. moving from general comparison retailing to a more service led customer function). There could also be a shift away from the traditional high street for some specialist retailers, who are gaining a larger proportion of their trade from on line sales, and therefore see no need remain in a high street location.

Planning policy evolvement to the NPPF

2.9 National retail planning policy has evolved in response to the shift of new development from in-town to out-of-town during the 1980s and early 1990s. Concerns led to PPG6 in 1996 and PPS6 in 2005, placing greater emphasis on town centres and the requirement for all non-central development proposals to pass stringent tests on need, scale, accessibility, site availability and impact. PPS4 (2009), whilst retaining/strengthening other tests, removed the 'need test' as a separate test in the assessment of new proposals. This approach has been mirrored by the NPPF

2.10 Within the NPPF. town centres remain the principal focus for retail developments with impact assessments now the key test for retail proposals in non-central locations. The NPPF also advocates the need to plan appropriately for new development through a Local

Plan and much of the analysis work required to assess a retail planning application is also vital in providing an evidence base to plan for retail need. Town centre health checks are an important tool within the planning and development framework as they provide a wealth of information which can:

- enable the vitality and viability of a town centre to be monitored
- provide the base from which any potential need can be identified, both in terms of the quantitative need for new retail floorspace and also the qualitative need for improvement
- be used to test the significance of any potential impacts from proposed retail development.

2.11 In response to national policy guidance regarding monitoring the health of town centres, Torbay Council has over a number of years carried out annual land use surveys of its town, district and local centres with the information published in the Retail Monitor reports.

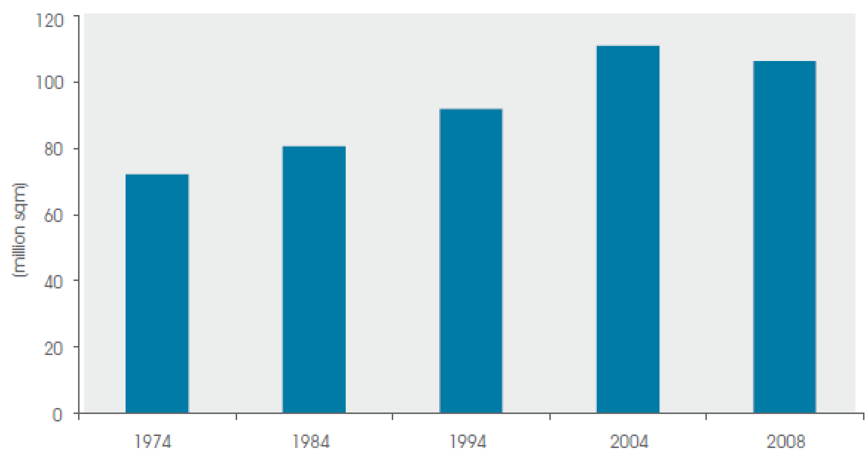
2.12 The outlook:

- The coalition government will look at ways of encouraging retailer efficiency and promoting competition between retailers to keep inflation low and improve consumer choice. This may mean encouraging more development and weakening controls on the location of new development. This could put pressure on town centres.
- If the coalition government favours a market led approach to new development and considers that town centres have been relatively unaffected by out-of-centre development, NPPF controls may be lessened to encourage new development, particularly in edge-of centre locations with good links to the town centre. The trend to edge and out-of-centre development would be reinforced if town centre development viability is weak due to high costs and weak expenditure and rental growth.
- Increasing competition by allowing more development could mean more foodstores and reinforce their expansion into non food areas. Depending on the location of new development, this could have ramifications for town centre vitality and viability.

Retail stock and development trends

2.13 Retail stock in England and Wales has grown steadily over the last 40 years. Between 1971 nd 2004 the total stock increased by 54% from 72.1 million sqm to over 110 million sqm. Direct comparisons with more recent figures are not possible due to definitional changes. Chart 3 below shows the pace of development has accelerated with strongest growth 1994-2004 (+21%) compared with growth of 12-14% over the previous two decades.

Chart 3: Retail stock in England & Wales



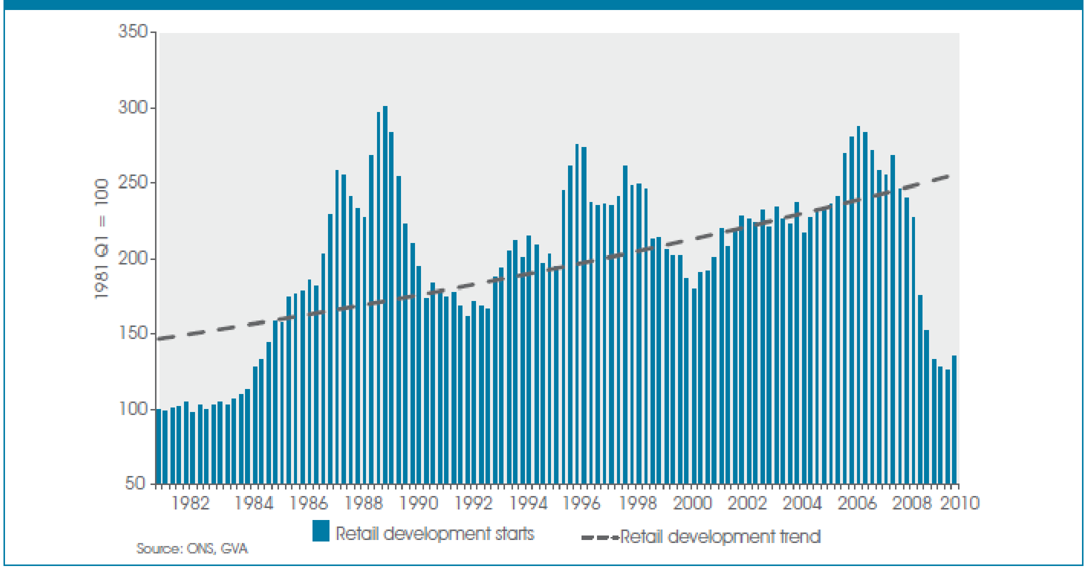
Source: ODPM Commercial & Industrial Floorspace Stats

2.14 Data from the ODPM/DCLG and BCSC showed how the location of new retail development in England has shifted, with the proportion of new space built in town centres decreasing from 64% in the mid 1970s to just 14% in 1994. By 2005, with the tightening of planning policy, 30% of new space was built in town centres and the BCSC predicted that it would reach c.40% by 2010/11. If edge-of-centre developments (within 300m of the primary shopping frontage) are included the respective figures are 23% in 1994, around 40% by 2005, and an estimated 50% by 2010/11.

2.15 The last decade saw an exceptional amount of town centre development, almost 50% greater than in each of the previous two decades, with numerous major schemes such as the Bullring in Birmingham, Liverpool One, Cabot Circus in Bristol, Princesshay in Exeter, Drakes Circus in Plymouth and St David's 2 in Cardiff. In part this was due to the pro-town centre planning policies (PPG6 / PPS6) and in part due to the huge growth in comparison (or non-food) retail expenditure over the latter half of the 1990s and in the 2000s. Strong retail expenditure growth, increased retailer demand, rental growth and lower interest rates resulted in lower investment yields, strong capital value growth and improved development viability. This coupled with the banks willingness/enthusiasm for property lending, encouraged a high level of development activity.

2.16 But when the recession came, investment yields increased dramatically, rental values declined and development activity collapsed as chart 4 below shows. New construction orders for retail at the end of 2009 were, in constant price terms, only 35% of their level two years previously, and lower than in the previous recession despite the UK economy being nearly 50% larger. Major town centre schemes have stalled and, with only one completed in 2011 (Westfield, Stratford) and one in 2013 (Trinity Leeds).

Chart 4: New construction orders (constant prices) - 12 month total



2.17 The outlook:

- Can town centre development activity return to the levels seen in recent years? Developers now face difficult decisions with viability constrained and likely to remain so for some time. Retailer demand, rental growth and consumer confidence will remain weak, and development costs will be under pressure due to planning gain requirements and sustainability issues.

- The challenge for major retail led town centre schemes is their size which makes them costly and lengthy to implement. Will the future see developers opting for smaller, less risky schemes, or development in phases, or will they simply look to redevelop existing assets, or lower cost development solutions in non-central locations?
- The difficulty of obtaining bank finance is likely to persist, putting pressure on the public purse to help finance schemes. Without this many stalled schemes may never get off the ground, however with budget cuts, public funding will also be constrained for the foreseeable future.
- What are the options for local authorities then? Edge and out-of-centre development, with lower development costs and lower operating costs, will remain attractive for developers and retailers. Despite the NPPF, can local authorities simply ignore this and risk losing developments to neighbouring towns? With the problems of financing town centre schemes, local authorities may find edge-of-centre development, if well planned and linked in with the town centre, offers the pragmatic solution for achieving new development.
- Much will depend on how planning policy responds to the post recession environment and the stance taken by the coalition government. If it favours a more market led approach to new development, policy controls may be weakened to encourage new development and increase competition. This may open the doors for more non-central development, particularly on edge-of-centre sites.
- Specifically for Torbay: each of the three Torbay towns are likely to be hit by these trends. Even before the recession, town centre development in each of the three town centres was a complicated and, in some cases, difficult to achieve aspiration. This will be reinforced by the economic downturn, with lower levels of retailer requirements for towns such as Torquay, Brixham and Paignton. As such, in order to encourage new retail development, Torbay Council will have to consider whether non-central development is the only realistic proposition and whether there is a need to encourage more flexibility in terms of land uses within its town centres.

Development activity by size of town

2.18 The NPPF continues to promote town centres as the focus for development activity. Using the EGi shopping centres database (which covers all schemes of over 50,000 sq ft (4,645 sqm)), town centre development activity has been tracked from 1960 to the end of 2009. The analysis includes all schemes, both new builds and extensions, and includes projects which were already under construction in 2009. London is excluded from the analysis.

2.19 Retail development has fluctuated over the past five decades with 1.4 million sqm built in the 1960s, between 2.2 million and 2.9 million sqm built per decade during the 1970s, 1980s and 1990s and then 4.2 million sqm built between 2000 and 2009. Over the last 50 years, the greatest amount of development, totalling nearly 3.6 million sqm, took place in larger towns with urban populations of 100,000 - 250,000. This equated to 26% of all new town centre retail space. A similar amount of space was built overall in the smallest sized towns (<50,000 people), although with significantly more towns of this size, in terms of space built per person it equates to only 0.15 sqm, compared with 0.57 sqm per person in the larger towns.

2.20 Towns in the two largests size bands have consistently contributed 45%- 50% of the total development in each decade. Nearly all of the largest towns had new development during the 2000s and overall twice as much town centre space was built over the last ten years compared with the previous ten.

2.21 Analysis of the average amount of retail space built per person (see table below) shows that over the last decade medium sized towns (75,000-100,000 people) have seen the most with 0.18 sqm built per person. This compares with 0.13-0.16 sqm per person built in towns of over 100,000 people. The figures show the concentration of development in the medium-large towns with smaller towns seeing much lower levels of development activity (0.045 sqm per person in towns of less than 50,000 people). Torbay falls into the 100,000-250,000 category in the table below.

Town centre retail development activity, 2000-2009			
Town Size Band (Urban population)	Total Space Built (sqm)	% Towns with Development	Space built per person (sqm)
0 - 50,000	1,027,462	3.7%	0.05
50,000-75,000	592,084	42.9%	0.07
75,000-100,000	551,082	57.1%	0.18
100,000 -250,000	993,064	82.0%	0.16
250,000+ (excl. London)	1,051,661	93.8%	0.16

Sources: EGi, GVA

2.22 The outlook:

- The major retailers increasingly favour the larger towns. With strong investor demand for prime town centre retail schemes and with the recent fall in prime yields development viability may soon return. But even in prime towns simpler schemes with lower costs will be the order of the day.
- In smaller, more secondary towns, weak retailer demand, weaker retailer covenants, shorter leases and/or break clauses, and the threat from on-line sales may cause yields to remain high and development viability to remain poor, threatening the future of these towns. While market towns and local centres will be supported by their convenience and services offer, the ongoing pattern of polarisation will pose even more challenges to the mid sized, secondary towns.

Retailer trends

2.23 The retail sector is dynamic and constantly changing in response to consumers' demands. One key trend has been the consolidation of the market into fewer, larger retail businesses, as the table shows. The number of small retail outlets employing less than 10 staff has declined dramatically (-53%), contrasting with 5,837% growth in outlets employing more than 100 staff. Multiple retailers now tend to dominate the core shopping areas of most UK towns giving rise to the term 'clone towns'. The recent recession however has hit the retail market hard with the collapse of numerous 'big' names such as Woolworths, MFI, Rosebys, Zavvi, Borders, Dolcis, Virgin, Faith, Land of Leather and Allied Carpets.

2.24 A key trend during these difficult economic times has been the strong growth at the value end of the retail market. Primark and Matalan, along with numerous 'pound' shops and value grocers such as Lidl and Aldi have all thrived in recent years. Other retailers such as Tesco, Asda, Sainsburys, Morrisons, Marks & Spencer and Waitrose have also launched 'value' ranges to compete for this growing sector of the market. Competition and the fight for market share is driving many retailers to branch out beyond their standard/traditional retail offer to appeal to a wider audience. This is most evident amongst the grocers with the top four (Asda, Morrisons, Sainsbury and Tesco) branching out extensively into non-food markets.

Proportion of non-food floorspace in supermarkets

	Asda	Morrisons	Sainsbury	Tesco
% of Non-food flrsp	48.8%	28.6%	33.2%	40.8%

Source: Verdict UK Grocery Retailing 2009 (Datamonitor). Figures are representative of main store format, i.e. superstores

2.25 As the table above shows, significant proportions of their superstores are now dedicated to nonfood ranges. The fight for increased market share is not restricted to food retailers, with DIY stores offering wider ranges of soft furnishings, Next offering home furnishings/furniture and Boots offering toys, children's clothing, greetings cards, cameras and photo goods. Several retailers, including Asda, Tesco and Wilkinson have also launched their own catalogue services for nonfood items to compete with the likes of Argos, offering home delivery or in-store collection.

2.26 With wider product ranges, demand has grown for larger stores. New store formats have also emerged, e.g. Asda Living, Tesco Homeplus, Next Home, Debenhams Desire stores and John Lewis at Home. In the current climate this has enabled some of these retailers, such as John Lewis, who have struggled to find the right space in town centres, to look at out-of-centre locations. At the other end of the spectrum, food retailers keen to capitalise on the local convenience market, have developed smaller store formats to sit on high streets or in smaller shopping centres (e.g. Tesco Metro/Express). This trend has helped retailers increase market share in areas where planning policy would prevent the development of their larger format stores. These trends all illustrate how the retail sector has evolved. Growth in the size of retail businesses, combined with expanding product ranges and new business formats has led to changes in the types of stores retailers are demanding and the locations they are prepared to trade in.

2.27 The outlook:

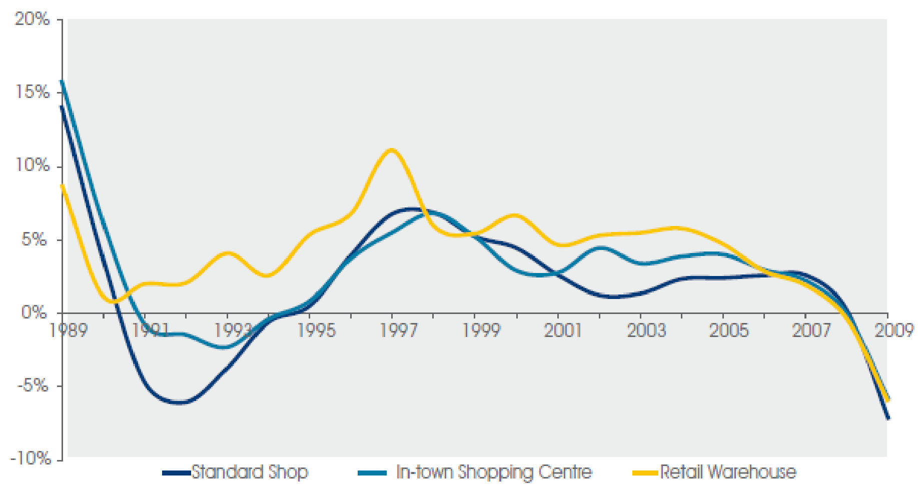
- Retailers will continue seeking larger, modern units. They no longer require stores in every town and the focus will be on the prime markets/larger towns and cities where suitable space can be accommodated.
- What is the future for small/medium towns? Retailers will focus efforts on the top 50-100 locations and aim to achieve all their turnover from large stores in these centres, and use multichannel retailing such as the internet to fulfil other customer needs.
- This will compound the problems experienced by smaller traditional/ historic towns which will find it increasingly difficult to meet retailers' current space requirements. The only solution is to find more innovative designs or consider other options such as opening the door to edge and out of centre retailing. Or will smaller towns have to change focus and opt for a different role moving forward?
- Stores will no longer be simply points of sale, but will increasingly function as show rooms and/or collection points for internet orders, unless town centres can reinvent themselves with a more exciting offer and integrated leisure facilities to make the shopping trip more enjoyable and more of a quasi leisure experience.
- With town centre developments stalled, retailers are again turning their focus to out of centre locations and once they have moved out of centre will they go back? With retailers such as John Lewis, who would previously have anchored major town centre schemes, developing formats which enable them to trade from an out-of-centre location, is the future for town centre development under threat?
- Local authorities will face a difficult dilemma in circumstances where a retailer cannot be accommodated in a town centre. Do they allow them to move out-of-town, which could threaten the viability of future town centre schemes, or risk losing them to a competing town, and thus not have them at all?
- Specifically for Torbay: the above trends are particularly important for (and relevant to) the Torbay towns. The contraction of retail unit numbers is an issue for the three Torbay towns and also their relationship with larger towns and cities further afield. As will be discussed elsewhere in this report, Torbay's ability to sustain three town centres is challenging and this has already led to a greater concentration of national multiples

in Torquay, with lower numbers in Brixham and Paignton. In addition, even Torquay will find it hard to attract and retain national multiple retailers, as some retailers will seek to concentrate in Exeter and Plymouth.

Rental value growth

2.28 In-town sectors have seen a lower rate of rental growth than retail warehouses over the last 20 years, as new supply has been constrained by planning policy (chart 6 below). However, in the recent recession, the performance of in-town and out-of-town retail property was almost identical, but over the last 12 months performance is diverging again.

Chart 6: Retail rental value growth



Source: IPD Annual Index

Average rental growth in real terms

	1 year	5 years	10 years	20 years (trend rate)
Standard (high street) shops	-9.3%	-2.7%	-1.4%	-0.7%
In-town shopping centres	-8.0%	-2.1%	-0.6%	0%
Retail warehouses	-8.2%	-2.2%	0.3%	2.1%

Sources: IPD, GVA

2.29 Interestingly, in-town sectors have tended to under-perform retail warehouses during cyclical upturns, but performance has tended to be more similar during downturns. Within town centres, standard (high street) shops have underperformed in-town shopping centres and this trend is likely to continue. Since the start of the recent recession town centre rental values have fallen by about 10% on average, but this masks wide divergence at the local level. In central London, for example, prime rental values have increased slightly (significantly in Bond Street), whereas in some cities such as Birmingham, Leeds and Manchester they have decreased by nearly 20% and in others such as Cardiff and Plymouth they have fallen by as much as 35%. The table shows long-term rental performance in real terms (by stripping out RPI inflation to account for the varying inflation environments over the last 20 years). Retail warehouses have seen a very strong trend rate of growth of morethan 2% pa above inflation over the period, compared with in-town shopping centres where growth has been in line with inflation, and standard (high street) shops, which have seen a decline in real terms of -0.7% pa.

2.30 The outlook:

- Retail warehousing is now a more 'mature' sector, and is unlikely to see the degree of out-performance going forward that it experienced over the last 20 years. The restrictions on out-of town development and the focus on revitalising town centres is expected to continue, although there may be changes to planning policies. So supply constraints are likely to remain and this would mean continued out-performance for out-of-town retail property over the long term, although by a lower margin than in the past.
- Specifically for Torbay: Stronger rental growth in out-of-centre locations will increase investor demand and put downward pressure on yields and upward pressure on capital values. This will enhance development viability relative to town centre sites and increase pressure to permit more edge and out-of-centre development.

Demographics

2.31 In 1971, the UK population was just under 56 million. Nearly forty years later it has risen to just over 62.5 million - an average annual increase of 0.3%. However, the population has been growing at an accelerating rate. Between 1971 and 1991 the average growth rate was 0.14% pa, which is significantly lower than the 0.45% pa average between 1991 and 2010. Over the next 20 years (2011–2031) the population is forecast to grow even faster (0.66% pa).

2.32 Advances in healthcare and medicine mean people are living much longer, a trend that will continue for the foreseeable future. Between 1971 and 2011, the number of UK inhabitants aged over 85 almost tripled from just under 0.5 million to 1.45 million. Looking ahead, the number of people in this age bracket is expected to more than double to almost 3 million by 2031. The number of 65 to 84 year olds is also expected to rise considerably (+42%) over the same period (see chart 8). In contrast, the number of UK inhabitants aged 15 to 24 has not changed greatly over the last 40 years, with approximately the same number today (8.2 million) as in 1971 (8.1 million). Over the next decade, the number of people in this age group is expected to drop 8.5% to 7.5 million, before showing signs of starting to increase again.

2.33 Although the fertility rate in the UK has increased year-on-year since 2001, in 2008 it was 1.96 children per woman, remaining just below the natural replacement level of 2.1. This helps in part to explain the imbalance between age group numbers.

2.34 The outlook:

- In terms of the impact for the retail sector, increased life expectancy and immigration combine to add to the UK's 'top heavy' age structure, something which will continue to affect not only levels of expenditure per head but also its composition.
- Older people's purchasing habits are different, with a preference to spend money on leisure activities/holidays, with less on consumer products. This could be significant for the retail sector. The financial burden of supporting an ageing population will also place a further strain on the working generation, potentially reducing disposable income levels and therefore overall consumer expenditure.
- Retailers will need to adapt to the new 'grey market', a market often ignored in the past. It is likely that we see new formats and stores evolve specifically catering for older consumers. Older shoppers tend to favour smaller shops and independent retailers which are original, and provide quality products and strong customer service. They will tend to favour towns with good accessibility, which are not congested, and have an attractive environment where the retail experience is combined with good

eating and drinking leisure facilities. Retailers will need to satisfy wants rather than needs.

- The growth of silver surfers on the internet is another important consideration, as these shoppers move away from traditional mail order/catalogue businesses. As we age mobility problems may make shopping more difficult and certain retailers have cited 'silver surfers' as the fastest growing sector of internet users, with them now making up a large proportion of online customer bases.
- Specifically for Torbay: the above trends are particularly relevant for Torbay, given its older population base. As a consequence, Torbay could see further demand for leisure services and demand for smaller shops, independent retailers and shops providing strong customer service holding up better than in other towns with a younger population base. Whilst this will be of benefit to the independent retail sector, an aging local population base has the potential to affect demand from national multiple retailers who may prefer other centres such as Exeter and Plymouth (who have a younger catchment population) instead.

Mobility

2.35 Retail expenditure over the past 60 years has been significantly affected by improvements to public transport links and the rise in car ownership. The latter in particular, means greater distances can be travelled more easily and quickly, giving consumers better choice and the ability to purchase larger volumes of goods per trip than would be possible on public transport. Sixty years ago, more than 85% of UK households were without a car; today it is only a quarter.

2.36 Currently, approximately 45% of households own one car, 24% have two cars and 6% have three or more cars (see Chart 9). The growing numbers of multiple car households, as well as the general rise in car ownership, has greatly improved shopper mobility. This has fundamentally altered shopping patterns.

2.37 Convenience shopping is no longer about walking to the local shops; it is typically undertaken by car at big supermarkets (bulk trips) and for comparison shopping, people are prepared to travel to visit bigger centres or retail parks. These trends have increasingly favoured the larger, more distant, towns over the smaller nearby towns and out-of-town lcoations, with plentiful free parking, over town centres, with more constrained and costly parking, reinforcing the polarisation within the retail market.

2.38 The outlook

- The Department for Transport predicts that the proportion of households in the UK which do not own a car will continue to fall at a slow and steady rate to around 20% in 2041. There will be marginal growth in levels of car ownership until c.2036 when it appears that saturation of the market may occur.
- Mobility should be a less significant trend for the future as the same growth rate will not be experienced as in the past. Nevertheless, use of the car will remain crucial for shopping and towns that try to deter car usage will suffer. Car borne shopping is intrinsic now and policies to reduce car traffic to town centre schemes will be detrimental to town centre schemes that are in competition with easily accessible out-of-centre locations with ample free parking.
- Town centres that have an attractive shopping environment, with a good range of shops, and are accessible, with convenient inexpensive car parking, will prove successful.
- Specifically for Torbay: like other towns of a similar size and geographical location, the above trends in mobility will have an affect on the future retail performance of the three town centres Torbay. Increasing mobility has seen a change in the roles of Torquay, Paignton and Brixham, with Torquay becoming more dominant for comparison goods shopping. However, increased mobility also leads to increased competition from Exeter and Plymouth, particularly for comparison goods shopping. In relation to convenience goods shopping, mobility is also important with town centres facing competition from non-central locations. However, the polarisation of retail space to larger centres seen in the non-food sector is less marked in the convenience goods sector with most market towns continuing to attract national grocery retailers and smaller scale provision.

Conclusions

- Town centres have suffered from the severe recession with falling rental values and higher vacancies and they will suffer from its aftermath. Government spending cuts and tax increases to reduce the annual budget deficit and high level of debt, will have a lasting effect on employment, income and consumer spending in towns where there is currently a high level of public sector employment. Personal levels of debt, which remain high, will gradually reduce and this will further affect retail spending growth.

- Retailers will also be affected by continuing strong price competition, intensified by the effect from internet based spending. They will look to reduce costs and will demand modern shops that meet their size and layout requirements. All these factors potentially threaten some centres, particularly smaller town centres, and will require town centres to be more proactively managed and maintained.
- Town centre retail turnover will be under pressure for many years to come and this will affect rental and capital value growth and hence the viability of new development. This will threaten some large town centre schemes which are dependent on expensive land assembly, high front-end infrastructure costs, complex design, high development costs, lengthy development timescales and the need for pre-letting to major space users.
- For some town centres, lower growth in expenditure, changing shopping habits and the concentration of shopping in the larger centres may mean that no new development will be viable or that a contraction in the size of the town centre may be required.
- Recognition that some of these trends may be permanent and not just temporary 'blips' is important as where the decline of a centre is already underway, the solution may lie in the form of a managed decline with conversion or redevelopment to other uses. It might be that some high streets/towns will never go back to being major 'retail destinations'. This does not mean they have no future, they simply need to determine a different role/new focus for themselves going forward.
- The appeal of out-of-centre development (foodstores and retail parks) will increase relative to town centre development as development costs will be lower, rental and capital values will show stronger growth and the accommodation of large space users will be easier than in constrained town centre sites. Local authorities will have to be increasingly vigilant about the amount, composition and scale of out of centre development, and be much more proactive over their town centres.
- Local authorities need to be wary of the trends mentioned in this section such as mobility, accessibility and car parking, the sameness of many town centres, lower

> expenditure growth and the threat from the internet, the ageing of the population and how this will affect shopping and leisure activities in town centres. The multitude of land ownerships in most town centres makes effective action difficult but not impossible. Even the most proactive authorities may struggle to reverse the effect of some of these trends. Their aspirations have to be realistic, soundly based, and supported by a clear understanding of how new investment will be delivered in this more challenging economic climate.

Policy Framework

2.39 Since the completion of the 2011 Torbay Retail Study Update, the Department for Communities and Local Government ('DCLG') published the National Planning Policy Framework ('NPPF') in March 2012 and Torbay Council has continued to make progress with the preparation of the Torbay Local Plan. The salient contents of the NPPF and the latest position regarding the Local Plan are outlined in turn below.

The NPPF

2.40 The NPPF provides a significantly slimmed-down version of national planning policy, with Section 2 outlining national policy in relation to town centres and retail development.

2.41 Paragraph 23 of the draft NPPF indicates that planning policies should be positive, promote competitive town centre environments and set out policies for the management and growth of centres over the plan period. Local planning authorities should:

- recognise town centres as the heart of their communities and pursue policies to support their viability and vitality;
- define a network and hierarchy of centres that is resilient to anticipated future economic changes;
- define the extent of town centres and primary shopping areas, based on a clear definition of primary and secondary frontages in designated centres, and set policies that make clear which uses will be permitted in such locations;
- promote competitive town centres that provide customer choice and a diverse retail offer and which reflect the individuality of town centres;

- retain and enhance existing markets and, where appropriate, re-introduce or create new ones, ensuring that markets remain attractive and competitive;
- allocate a range of suitable sites to meet the scale and type of retail, leisure, commercial, office, tourism, cultural, community and residential development needed in town centres. It is important that needs for retail, leisure, office and other main town centre uses are met in full and are not compromised by limited site availability. Local planning authorities should therefore undertake an assessment of the need to expand town centres to ensure a sufficient supply of suitable sites;
- allocate appropriate edge of centre sites for main town centre uses that are well connected to the town centre where suitable and viable town centre sites are not available. If sufficient edge of centre sites cannot be identified, set policies for meeting the identified needs in other accessible locations that are well connected to the town centre;
- set policies for the consideration of proposals for main town centre uses which cannot be accommodated in or adjacent to town centres;
- recognise that residential development can play an important role in ensuring the vitality of centres and set out policies to encourage residential development on appropriate sites; and
- where town centres are in decline, local planning authorities should plan positively for their future to encourage economic activity.

2.42 The NPPF goes on to note that local planning authorities should apply a sequential approach to planning applications for main town centre uses (such as retail and leisure) that are not in an existing centre and are not in accordance with an up to date Local Plan. It also notes that local planning authorities should require applications for main town centre uses to be located in town centres, then in edge of centre locations and only if suitable sites are not available should out of centre sites be considered. When considering edge of centre and out of centre proposals, preference should be given to accessible sites that are well connected to the town centre. Applicants and local planning authorities should demonstrate flexibility on issues such as format and scale.

2.43 When assessing applications for retail and leisure development outside of town centres, which are not in accordance with an up to date Local Plan, the NPPF asks local planning authorities to require an impact assessment if the development is over a proportionate, locally set floorspace threshold. If there is no locally set threshold, the default threshold is 2,500 sq m. This should include assessment of:

- the impact of the proposal on existing, committed and planned public and private investment in a centre or centres in the catchment area of the proposal; and
- the impact of the proposal on town centre vitality and viability, including local consumer choice and trade in the town centre and wider area, up to five years from the time the application is made. For major schemes where the full impact will not be realised in five years, the impact should also be assessed up to ten years from the time the application is made.

2.44 Paragraph 27 of the NPPF notes that where an application fails to satisfy the sequential test or is likely to have significant adverse impact on one or more of the above factors, it should be refused. In relation to the assessment of impact, the NPPF allows local authorities to set their own threshold for the carrying out of impact assessments and also allows them to prepare bespoke policies for the assessment of edge/out of centre retail development. This subject is re-visited later in this report.

Local Planning Policy

2.45 Since the publication of the 2011 study, the Council has published a consultation draft of its Local Plan in September 2012. Once adopted, it will provide a spatial plan for Torbay up to 2032. The salient parts of the consultation draft plan for retailing and town centres are as follows:

- Aspiration 2 of the Plan aims to secure economic recovery and success, including:
  - Providing a range of goods, services, events and facilities that make Torbay a leading destination of choice for people with money to spend particularly new and improved provision in the town centres
  - To strengthen Torquay town centre as the largest retail centre in Torbay and as a commercial, social and cultural focal point; Paignton and Brixham town centres to

develop their role, on a proportionate basis, focused on meeting the needs of their own residents and tourists.

- Policy TC1 – promoting a town centre first approach to retail and other main town centre uses and setting out a hierarchy of town, district, local and neighbourhood centres across Torbay
- Policy TC2 – promoting the role of existing and new local and neighbourhood centres
- Policy TC3 – setting out a criteria-based approach to assessing new retail development in Torbay
- Policy SDT2 – promoting Torquay as the largest retail and leisure centre of the Bay and promoting new development within the centre
- Policy SDP2 – promoting the regeneration of Paignton town centre
- Policy SDB2 – promoting the mixed use regeneration of Brixham town centre

3. The Retail Hierarchy in Torbay

Introduction

3.1 A key part of the project brief for the retail study update is the provision of guidance regarding the role of Torbay in the regional shopping hierarchy. As a starting point for the consideration of strategic actions which can influence Torbay's role, it is important to understand Torbay's current position in terms of its relationship with the wider sub-region and also the constituent parts of the retail hierarchy in Torbay itself.

3.2 This assessment can take a number of forms, from a comparison of each settlement in terms of its overall ranking and total floorspace stock to a more detailed breakdown of town centre health issues such as land use composition and the commercial performance of each centre.

3.3 As a starting point, Table A provides a summary of the sub-regional shopping centre hierarchy. The format of this table has been updated from the 2011 study to include the latest Venuescore rankings for centres in Devon alongside the latest available floorspace information from Experian GOAD.

The Sub-Regional Hierarchy and Commercial Assessment

3.4 Venuescore is an annual survey undertaken by the Javelin Group and provides a ranking for the UK's top 2,000 retail destinations. It ranks centres by taking account the scale and range of retailers present in any particular centre, its market position (i.e. is it high-end or discount focused centre?) and age position (i.e. the degree to which a centre's offer is orientated towards retailers with a older or younger age group focus). Table A below provides the Venuescore ranking for the three town centres in Torbay alongside the other main town centres in Devon's retail hierarchy. In addition, Table A provides an assessment of the total amount of retail floorspace in each of Devon's main town centres based on data provided by Experian GOAD.

Table A: Sub-Regional Shopping Hierarchy in Devon

Tier / Centre	Venuescore		Floorspace (sq m)
	2011 ranking	2007 ranking	(GOAD data)
Regional Centres			
Plymouth	28	18	143,400
Exeter	27	37	121,100
Sub-Regional Centres			
Torquay	**133**	**108**	**75,600**
Newton Abbot	270	256	59,100
Barnstaple	196	176	70,900
Area Centres			
Paignton	**507**	**407**	**43,800**
Tiverton	422	414	27,900
Axminster	1814	1540	14,300
Exmouth	538	533	33,300
Honiton	1216	953	21,300
Sidmouth	917	716	24,200
Dartmouth	1012	921	16,400
Kingsbridge	1216	953	20,800
Totnes	1045	886	30,900
Teignmouth	1090	953	24,100
Bideford	837	716	39,270
Tavistock	944	921	28,200
Okehampton	1650	1540	18,900
Other Centres			
Brixham	**1496**	**953**	**20,900**

Source: Experian GOAD and Venuescore

3.5 The VenueScore data indicates that since 2007 there have been some significant changes in the ranking of Torbay's centres. All three centres have a noticeably poorer ranking in 2011 than 2007. Torquay has dropped from 108th in the ranking to 133rd, although it still has a better ranking than nearby Newton Abbot (270th). This position is also supported by the amount of floorspace within Torquay which is the highest of the sub-regional centres in Devon.

3.6 Paignton's ranking has fallen from 407th to 507th. Previously it was the highest ranked Area Centre and the centre with the highest amount of floorspace. However, whilst it still is the largest Area Centre, Tiverton now has a better ranking than Paignton and Exmouth, which has remained relatively stable in the rankings, is close behind Paignton. Brixham has also fallen in the rankings from 953rd to 1,496th although it still has a better ranking that some smaller Area Centres such as Axminster and Okehampton.

3.7 From a commercial perspective, the role and attractiveness of Torbay's three town centres reflects the data provided by Venuescore and GOAD. Within the Torbay area the three town centres have different roles and different functions, reflective of the data in Table A. They also differ in terms of convenience and comparison shopping trips and this is explored below.

3.8 However, before we analyse the individual characteristics of the three towns in Torbay from a commercial perspective, we have also compared Torbay against its neighbours including Exeter, Plymouth and Newton Abbot. The foregoing (Venuescore & GOAD) analysis indicates that Torquay, as the main Torbay shopping destination, ranks below Exeter and Plymouth in terms of its size and ranking and our commercial assessment would support this position. Plymouth is able to attract more retailers simply because of its (larger) size and also wide catchment area, aided by the A38 and good access from western Devon and eastern Cornwall (which is augmented by the fact that eastern Cornwall has a small selection of retail centres which are modest in scale).

3.9 Exeter also has a wider catchment area than Torbay, aided by the M5 and A30. Exeter also arguably has the advantage over Torbay in terms of its demographic profile[1] which is likely to be a clear reason why it is able to attract a wider range of comparison goods retailers including John Lewis At Home and a number of retailers within the Princesshay

[1] In addition, Torbay's low wage rates are likely to contribute to its lower retail profile than Exeter. The 2011 Annual Survey of Hours and Earnings shows that residents of Torbay have the lowest gross median weekly pay in Devon and the third lowest in the South West region.

development in Exeter city centre. Data obtained from Experian indicates that there are 664,000 people living within a 30 minute drive time of Exeter city centre, with 640,000 within a 30 minute drive of Torquay town centre. Within these geographic areas Exeter also has the benefit of a higher number of economically active people between the ages of 16-74 (305,000 compared with 299,000 for Torquay). However, whilst the perception of Torquay's catchment area is one of an aging population, which is likely to be true for local residents, the age spread across Torquay's 30 minute drive time area is not too dissimilar to that of Exeter's 30 minute catchment.

3.10 Exeter, being the closest main competitor to Torbay, also has the advantage of planning, developing and opening its city centre Princesshay retail development before the ongoing effects of the economic downturn took hold during 2008-2010. Such an advantage on this issue is beyond the profile and accessibility of Exeter but due instead to simply the timing of the Princesshay development. New large scale town centre development in Torbay will not have this advantage, with the ability to raise private sector finance much more difficult going forwards in the short to medium term.

3.11 The catchment size of Exeter and its accessibility are also clearly an advantage which will be challenging for Torbay to alter in its favour in the future, although the Council's strategy for economic growth over the lifetime of the Core Strategy has the potential to improve the balance between Torbay and Exeter, particularly where it can attract an increased proportion of economically active residents. There is also a potential opportunity to improve the performance and attractiveness of Torbay through the construction of the South Devon Link Road which will significantly improve accessibility.

3.12 It is also important to note that Torbay's urban area is, as a whole, similar to the size of Exeter's own urban area. Whilst Exeter out-performs Torbay's main centre (Torquay) in terms of national multiple retailers and total retail floorspace, if the retail floorspace in Torquay, Paignton and Brixham town centres were to be added together then it would equal Exeter city centre. This statistic suggests that Torbay as a whole is not a poorer performer than Exeter as it is able to retain the same amount of 'town centre' floorspace as Exeter. However, whilst it may have a similar immediate catchment, Torbay has three town centres to support rather than one centre in Exeter. With the duplication of facilities, and in some cases the duplication of retailers, this dilutes the ability of town centres to increase their mass. Whilst this may aide (to some extent) the accessibility of town centre retail facilities it also has the potential to reduce Torbay's retail potential.

3.13 This is a complex issue for Torbay and one which may never be subject to a fundamental shift due to a number of factors, including the importance attached to maintaining and enhancing the health of the three town centres in Torbay and the dominance of settlements such as Exeter and Plymouth. Indeed, the recent development of the Drakes Circus in Plymouth and Princesshay in Exeter, have reinforced their already dominant role and as such this balance in the retail hierarchy is very unlikely to be changed in the future.

3.14 Moving on to comparison goods shopping facilities in each of the three town centres, the difference is most pronounced with Torquay taking the role of the higher order shopping centre, followed by Paignton as a smaller scale town centre and then Brixham as the smallest centre. The difference between these centres is reinforced by the scale of existing comparison goods retailers present and those retailers likely to require new space reinforces this position. The scale of retailer requirements is discussed below although in relation to existing multiple retailers which are present in Torbay, data from GOAD indicates that Torquay has around 87 multiple retailers and service providers, Paignton has 40 and Brixham has 19. When compared against the national average for all multiple retailers/service providers in town centres, 63% of multiples in Torquay are comparison goods retailers compared with a national average of 54%. In contrast, 51% of multiples in Paignton are comparison goods retailers, with the corresponding figure in Brixham being 53%. Indeed, whilst Torquay may have the perception of a poorer retail offer than neighbouring areas, the quantity of multiple retailers in its town centre is considered to be good.

3.15 The 2011 study also undertook a further commercial assessment of likely retailer demand in Torbay, covering both convenience and comparison goods sectors and also market demands across Torquay, Paington and Brixham. As a starting point, it noted a clear distinction between Torquay, Paignton and Brixham in the convenience and comparison goods retail sectors. For convenience goods retailers, there is demand across the whole of the Torbay area and this can be detailed as follows:

- Torquay. Historically, Sainsburys has capitalized upon the accessibility and planning policy status of the Willows District Centre to expand its store which is now the largest supermarket in Torbay in terms of size and annual turnover. Apart from the Marks & Spencer food hall at the Willows, plus the modest amounts of floorspace within the town centre and stores in defined District and Local Centres there is little further substantial supermarket floorspace in Torquay. However, commercial interest for new supermarkets remains, with ASDA opening a store in the former Focus DIY unit on Newton Road, along with Tesco pursuing a store in the Edginswell area[2] and Morrison pursuing a store in Babbacombe[3].

- Paignton. In Paignton, the grocery retail market is dominated by the Sainsburys and Morrisons stores which are located in the western part of the urban area. There is demand however for additional floorspace, as evidenced by a recently implemented planning permission to extend the Sainsburys store, the recent opening of an ASDA store in the former Focus DIY unit and on-going demand for supermarket development on the western edge of Paignton.
- Brixham. In Brixham, the long standing requirement for a new supermarket to fill the identified qualitative deficiency will be filled by Tesco who are planning a new store on the former multi-storey car park site in the town centre. Torbay Council has recently resolved to grant planning permission for this project. Due to the size of Brixham , it is unlikely that there will be demand for additional stores beyond the new supermarket planned for the town centre.

3.16 In contrast, demand in the comparison goods sector, for both bulky and non-bulky comparison goods floorspace is concentrated in Torquay. There are a number of reasons for this pattern: Torquay has traditionally been the focus for new comparison goods shopping floorspace since the 1980s (which is a key influence on retailer demand); it is the best connected part of the Torbay area in terms of accessibility from other parts of the Bay and also (most importantly) from other surrounding administrative areas; and, it has the largest retail catchment of the three towns.

3.17 The 2011 study undertook an analysis of those comparison goods retailers who are not represented in Torbay and who have, in our opinion, the potential to be attracted in the short to medium term. We provide at Appendix A two lists of retailers. The first outlines those traditional town centre retailers who are either not represented or have under-sized premised or in poorly located and who have the potential to be enticed to occupy

[2] Two planning applications by Tesco for a supermarket have been refused by Torbay Council

new/better/relocated premises. We have not included on this list those retailers who are very unlikely to consider Torbay because of, for example, the size of its catchment and/or existing presence in Exeter and Plymouth.

3.18 From the outset it should be noted that the list of potential requirements focuses on Torquay as our research and market knowledge indicates that there is very little or no demand from multiple retailers in the comparison goods sector for new town centre space in Paignton and Brixham. The reasons for this lack of demand focus upon the issues already outlined, including the size of Paignton and Brixham, their catchment profile, their accessibility and no demand for new stores in Paignton and Brixham where retailers are already present in Torquay town centre. On the basis of national trends and the geography of Torbay this situation is very unlikely to change in the future

3.19 Having regard to the list of town centre requirements contained at Appendix A, it should be noted that these are very much potential requirements. Our experience suggests that detailed investigations with each retailer will lead to misleading research data as town centre retailers such as those listed will only show serious interest in a town once specific premises and/or firm proposals for a new town centre development become available. It is unlikely that all of the retailers listed at Appendix A can be attracted to Torquay, although this list should provide encouragement to the Council (and its regeneration partners) in terms of the scale and breadth of retailers which should be considered. In order to move the issue of potential town centre requirements along, we would recommend that further market testing is undertaken as and when further work is undertaken on options for town centre development sites in Torquay.

3.20 The second list at Appendix A focuses on those retailers which are currently missing from the out of centre retail warehousing sector in Torbay. Like the previous list, the 'out of centre' list focuses upon those retailers who are currently without representation and which have a realistic chance of being enticed to Torbay should suitable premises become available. We have not included on this list retailers such as John Lewis Home, Ikea, Matalan and Decathalon who have confirmed that they have no requirement for

[3] An application for a Morrisons store on the former No Frills DIY store site was refused by Torbay Council earlier in 2013 and an appeal was subsequently submitted. A public inquiry was held in October 2013 and a decision on this proposal is awaited.

Torbay and are unlikely to be attracted. Again, the 'out of centre' requirements list focuses upon Torquay alone as our research and market knowledge indicates that there is no demand for additional retail warehouses in Paignton and Brixham. The reasons for this reflect the issues outlined above.

3.21 Like the town centre requirements list, the 'out of centre' retail warehousing requirements list at Appendix A indicates the clear potential for Torquay to attract additional occupiers. Many of the retailers listed fall into the traditional 'bulk goods' classification associated with retail warehouses although others such as Toys R Us, Laura Ashley, Cotswold, Poundstretcher, Brantano and Hobby Craft fall into the non-bulky comparison goods category and have the potential to compete more directly with town centre retailers. In addition, the 'out of centre' list includes a small number of retailers (Argos and TK Maxx) who already occupy premises in Torquay town centre and may be interested in a further store in an out of centre location. However, there is a risk that such retailers may instead close their town centre store where large out of centre premises are made available and this will need to be considered when determining the scope for making further out of centre retail warehousing floorspace available. This issue is discussed later in this report.

3.22 Beyond the clear requirement that any additional retail warehousing development in Torbay will be centred on Torquay, our commercial assessment has also confirmed the specific locations in Torquay where demand will be focused. From a commercial perspective, the only opportunity to attract new bulky goods retail warehouse retailers will be in the western part of Torquay focused around Riviera Way, the northern part of the Newton Road area and the junction of Torquay Road and Hamelin Way. As such, this will simply continue to trend which has established over the past 20 years and it is very unlikely that actions can be taken to entice retailers to other locations in Torbay. Traditionally, Riviera Way has been the focus for demand although the advent of the Kingskerswell Bypass could allow demand to shift to the area around Hamelin Way, particularly where it is upgraded to accommodate the new bypass and new development is promoted as part of an urban extension in the Edginswell area.

3.23 In relation to other land uses, we have also investigated potential demand for factory outlet village shopping facilities and also commercial leisure demand such as multi-screen cinema facilities. In relation to factory outlet facilities there is not an obvious demand for new space with Torbay, with the nearest facilities being in Bideford (Atlantic Village) and Street (Clarks Village).

3.24 In relation to commercial leisure demand, we have found that there is the potential for additional demand for a new multi-screen cinema facility in Torquay. At present, Torquay has a four screen cinema with circa 600 seats (the Central) and Paignton has an Apollo cinema with nine screens and circa 1,600 seats. Our research has found that whilst operators such as Vue and Odeon do not have a requirement, Cineworld has stated its interest in occupying a new facility in Torquay. Whilst we have not undertaken a detailed search for demand in the food and drink sectors (e.g. restaurants and cafés) it is very likely that demand for such uses can be generated on the back of demand for new comparison goods retail and multi-screen cinema facilities.

3.25 The results of our commercial assessment will now be taken forward and included within our assessment of potential development sites and our policy options analysis later in this report.

Torquay town centre

3.26 We have obtained updated data on a range of key town centre health check indicators for Torquay town centre, including:

- Land use mix
- Proportion of street level vacant property
- Shopping rents and yields on retail property
- Customer views and behaviour[4]

3.27 Like the previous studies, data on land use compostition in the town centres has been obtained from Torbay Council's Retail Monitor. The July 2010 monitor has been analysed in order to amalgamate town centre uses into convenience, comparison, service, other and vacant land use classifications. It should be noted that the data contained in the table below is based on GVA's land use classification of all units in the town centre, which differs from the standard GOAD classification which excludes some servce and other uses.

[4] A review of shopping patterns behaviour is contained in Section 4 of this report

Table B: Retail Composition of Torquay Town Centre, 2005-2010 (Torbay Council Retail Monitor Data)

Sector	Units			
	2005 No.	2005 %	2010 No.	2010 %
Convenience	30	6.4	28	6.0
Comparison	213	45.5	172	36.8
Service	192	41.0	190	40.6
Other	10	2.1	7	1.5
Vacant	23	4.9	71	15.2
Total	**468**	**100**	**468**	**100**

Source: Torbay Retail Monitor (2005 and 2010)
Figures may not add due to rounding

3.28 The above data indicates that over the period 2005-2010 the amount of convenience goods retailers in Torquay town centre has remained relatively static at around 6% of all units. The number and proportion of service uses has also remained relatively static at around 41% of all units in the town centre. However, the major change over 2005-2010 has been the large fall in the number of comparison goods retailers in the town centre, from 213 in 2005 to 172 in 2010 which has translated into a large increase in vacancy levels, from 23 in 2005 to 71 in 2010. In other words, it would appear that where comparison goods retailers are closing they are not necessarily being replaced by additional service or convenience goods uses in the town centre and these vacated units are remaining empty.

3.29 Beyond the Council's annual Retail Monitor, Experian GOAD also undertake regular land use surveys of Torquay town centre and the results for August 2006 and July 2010 are contained below. The GOAD classification of land uses differs from the method employed on the Council's data and this is reflected in the data contained in the following table.

Table C: Retail Composition of Torquay Town Centre, 2006-2013

Sector	August 2006			July 2010			June 2012			July 2013		
	No.	%	GB Ave %	No	%	GB Ave %	No	%	GB Ave %	No	%	GB Ave %
Convenience	34	8.3	9.2	31	7.3	9.2	26	6.3	8.7	22	5.3	8.7
Comparison	208	50.7	45.7	177	41.8	41.8	174	41.8	41.2	171	41.0	41.2
Service	123	30.0	33.1	135	31.8	34.7	144	34.6	36.3	144	34.5	36.3
Other	5	1.2	1.3	6	1.4	1.2	4	1.0	1.2	3	0.7	1.2
Vacant	40	9.8	10.7	75	17.7	13.0	68	16.3	12.6	77	18.5	12.6
Total	**410**	**100**	**100**	**424**	**100**	**100**	**416**	**100**	**100**	**416**	**100**	**100**

Source: Experian GOAD data. Figures may not add due to rounding

3.30 The GOAD data shows the following trends:

- A consistent fall in the number of convenience uses in the centre, from 34 units in 2006 to 22 in 2013;
- A fall in comparison goods units, from 51% to 41% of all units, between 2006 and 2013, although the majority of this fall occurred between 2006 and 2010;
- A rise in service uses, from 123 unit to 144 units, with the proportion of service units now broadly consistent with the national average;
- Vacancies have risen significantly. In 2006 there were 40 vacancies, representing 10% of all units in the centre. By 2013, there were 77 units, which represent 18.5% of all units which is significantly above the national average.

3.31 We have also examined the trends in published retailer requirements across Torbay's three town centres and compared these against data for large nearby centres such as Exeter, Plymouth and Newton Abbot. The data contained in Table D below indicates the widespread fall in demand between 2007 and 2009 as a result of the economic downturn. At January 2010, Torquay had 14 requirements, a slight fall from 18 requirements in the previous year. Table D indicates that Torquay has the higher number of retailer requirements across the three Torbay towns and also out-performs Newton Abbot, although it is unable to attract the scale of requirements in Exeter and Plymouth.

Table D: Retailer Requirements, 2007-2010

Year	Torquay	Paignton	Brixham	Plymouth	Exeter	Newton Abbot
Jan 2010	14	4	3	38	67	10
April 2009	18	6	3	43	75	11
Jan 2009	18	5	3	47	84	11
Oct 2007	45	17	9	85	123	27
April 2007	56	21	9	99	135	25

Source: Focus

3.32 Data on Zone A rental levels for retail property has been obtained from Focus and is contained in Table E below. Data is provided for Torquay and Paignton (there is no published data for Brixham) and is compared against data for Exeter, Plymouth and Newton Abbot. Table E shows the general trend for increasing retail rental levels between 2004 and 2008 which was common to both the Torbay towns and the wider area. However, for all towns, rental levels suffered a significant decrease between 2008 and 2009 as a result of the economic downturn. In Torquay, 2009 rental levels stood at £75/sq m, compared to £40/sq m in Paignton and £60/sq m in Newton Abbot.

Table E: Zone A Rental Levels, 2004-2009 (£/sq m)

Centre	2004	2005	2006	2007	2008	2009
Torquay	85	85	85	90	90	75
Paignton	45	50	50	50	50	40
Brixham	-	-	-	-	-	-
Plymouth	160	160	180	180	180	150
Exeter	180	190	200	220	225	190
Newton Abbot	60	65	70	70	70	60

Source: Focus

3.33 Table F below provides data on yields on retail property and shows a similar trend to rental levels i.e. a falling (improving) yields up to 2008 followed by a increase (worsening) yield during 2009. The Valuation Office, who provide this data, have not published data on yields since 2008, although the data in Table F below supplements the 2006 retail study which provided data only up to 2005. In 2008, Torquay had a yield on retail property of 6%, compared with 6.5% in Newton Abbot and 5% in Exeter.

Table F: Commercial Yields on Retail Property, 2002-2008

Shopping Centre	1/4/02	1/10/02	1/4/03	1/1/04	1/7/04	1/1/05	1/7/05	1/1/06	1/7/06	1/1/07	1/7/07	1/1/08	1/7/08
Exeter	6.5	6.5	6.5	6.5	6.5	6	5.75	5.5	5	4.5	4.5	4.5	5
Torquay	7.5	7.5	7.5	7.5	7.5	7	7	6.75	6.25	5.5	5.5	5	6
Newton Abbot	8	8	8	8	8	7.5	7.5	7.25	7	6	5.75	5.5	6.5
Paignton	8.75	8.75	8.75	8.75	8.75	8.25	8	7.75	7.25	6.75	6.75	6.25	7
Dawlish	9	9	9	9	9	8.5	8	8	7.75	7	7	7	8
Teignmouth	9	9	9	9	9	8.5	8	8	7.5	6.75	6.75	6.75	7.75
Totnes	8.5	8.5	8.5	8.5	8.5	8	7.5	7	6.5	6.25	6	6	6

Source: Valuation Office statistics

Paignton town centre

3.34 Land use data for Paignton town centre has been collected from Torbay Council's Retail Monitor and also from Experian GOAD. The Council's land use data from the Retail Monitor for 2005 and 2010 is contained in Table G below. It indicates that there was a slight fall in convenience goods retailers from 40 units in 2005 to 34 units in 2010. There was also small reductions in the amount of comparison goods and service uses in the town centre over the same period. The consequence of these falls in retail and service uses in the town centre has led to vacancies in the town centre almost doubling between 2005 and 2010. In 2005 there were 33 vacancies in the town centre, although by 2010 this had risen to 64 units (around 14% of all units in the town centre area).

Table G: Retail Composition of Paignton Town Centre, 2005-2010 (Torbay Council Retail Monitor Data)

Sector	Units			
	2005 No.	2005 %	2010 No.	2010 %
Convenience	40	9.0	34	7.6
Comparison	179	40.2	164	36.7
Service	163	36.6	157	35.1
Other	30	6.7	28	6.3
Vacant	33	7.4	64	14.3
Total	**445**	**100**	**447**	**100**

Source: Torbay Retail Monitor (2005 and 2010)

Figures may not add due to rounding

3.35 The GOAD data for Paignton town centre is contained in Table H below and comprises surveys in August 2006, October 2009 and January 2013. Table H supports the Council survey data in terms of the small falls in the number of convenience and comparison goods retailers to 2009, although between 2009 and 2013 there has been a significant fall in the number of convenience goods retailers. In contrast, service uses (under the GOAD classification) remained constant between 2006 and 2009 and have risen in recent years.

3.36 The GOAD data also shows a noticeable rise in the number of vacancies between 2006 and 2009, from 20 units in 2006 to 38 units in 2009. This trend has continued and the proportion of vacancies is now well above the national average.

Table H: Retail Composition of Paignton Town Centre, 2006-2009

Sector	August 2006			October 2009			January 2013		
	No.	%	GB Ave %	No	%	GB Ave (%)	No	%	GB Ave %
Convenience	33	11.0	9.2	31	10.5	9.3	24	8.0	8.7
Comparison	146	48.8	45.7	125	42.4	41.8	125	41.4	41.2
Service	95	31.8	33.1	96	32.5	34.7	103	34.1	36.3
Other	5	1.7	1.3	5	1.7	1.2	3	1.0	1.2
Vacant	20	6.7	10.7	38	12.9	13.0	47	15.6	12.6
Total	**299**	**100**	**100**	**295**	**100**	**100**	**302**	**100**	**100**

Source: Experian GOAD data. Figures may not add due to rounding

3.37 In 2007, retailer requirements in Paignton stood at 21, which lies between the level of requirements attracted by Torquay and Brixham. Like other towns, the level of requirements in Paignton was eroded significantly and in 2009-2010 there were only 4-6 requirements for the town.

3.38 Data on yields on retail property in Paignton, shown in Table F, reached their lowest (i.e. best performing) point at the start of 2008 when they stood at 6.25%. During 2008 yields increased to 7%, which is higher (i.e. worse) than Torquay, Totnes and Newton Abbot, but better than Teignmouth and Dawlish. In terms of rental levels for Zone A retail property, Paignton stood at around £40/sq m in 2009, following a peak in rental levels of £50/sq m in 2008.

Brixham town centre

3.39 Data from the 2005 and 2010 versions of the Council's Retail Monitor is contained in Table I below and indicates a relatively static trend in terms of retail and service uses and the number of vacant properties in Brixham town centre. There has been a small increase in the number of convenience goods retailers (from 19 to 22) and convenience goods retailers occupied 9% of all units in the town centre in 2010. In contrast there were small falls in the number comparison goods retailers and service occupiers. In 2010, comparison goods retailers occupied 36% of all units and service uses occupied 38% of all units. Between 2005 and 2010 vacancies remained constant at 20 units (8% of all units in the town centre).

Table I: Retail Composition of Brixham Town Centre, 2005-2010 (Torbay Council Retail Monitor Data)

Sector	Units			
	2005 No.	2005 %	2010 No.	2010 %
Convenience	19	7.9	22	9.1
Comparison	90	37.7	86	35.7
Service	94	39.3	92	38.2
Other	16	6.7	21	8.7
Vacant	20	8.4	20	8.3
Total	**239**	**100**	**241**	**100**

Source: Torbay Retail Monitor (2005 and 2010)
Figures may not add due to rounding

3.40 The most recent GOAD survey data that we have been able to obtain comprise surveys in August 2005, October 2007 and April 2012. Whilst the classification of land uses is slightly different to our interpretation of the Council's Retail Monitor data, similar trends emerge; particularly the small rise in convenience goods retailers between 2005 and 2007, although by 2012 convenience units had started to fall back. Over the period 2005-2012 there has been a small decrease in comparison goods retailers, whilst the number of service providers has remained relatively static. The one noticeable difference between the Council's data and the GOAD data is the rise is vacancies (from 5.7% to 10.6%) between 2005 and 2007 in the GOAD data. An explanation of this difference is likely to lie in the difference time periods for the two sets of data and the smaller geographical area covered by the GOAD land use survey.

Table J: Retail Composition of Brixham Town Centre, 2006-2009

Sector	August 2006			October 2009			April 2012		
	No.	%	GB Ave %	No	%	GB Ave (%)	No	%	GB Ave %
Convenience	21	10.9	9.2	25	13.3	9.3	18	9.6	8.7
Comparison	96	50.0	45.7	83	44.1	41.8	86	46.0	41.2
Service	62	32.3	33.1	58	30.9	34.7	63	33.7	36.3
Other	2	1.0	1.3	2	1.1	1.2	1	0.5	1.2
Vacant	11	5.7	10.7	20	10.6	13.0	19	10.2	12.6
Total	**192**	**100**	**100**	**188**	**100**	**100**	**187**	**100**	**100**

Source: Experian GOAD data. Figures may not add due to rounding

3.41 As noted in the previous retail studies, Brixham has never, due its size, had any reliable data on Zone A rental levels or yields on retail property. In relation to retailer requirements, some data is available and this is shown in Table D. It indicates that at its peak, Brixham had 9 requirements, which is reflection of its size and influence in the sub-region. This has now been eroded back to 3 requirements in 2010.

Retail Commitments and New Retail Facilities

3.42 In recent years there have been a number of changes in retail provision across Torbay, plus a number of planning permissions granted by Torbay Council for new retail development. These are summarised below:

- The construction of a new B&Q DIY store on Newton Road.
- Waitrose have taken over the former Somerfield store in St Marychurch District Centre
- The No Frills store in Babbacombe has now closed, although land adjacent to this unit continues to be occupied by a garden centre. A proposal to refurbish the No Frills unit for a Morrisons supermarket was refused by the Council and an appeal against this refusal has recently been heard at a Public Inquiry.
- In 2009, Marks & Spencer gained planning permission for an extension to their store at The Willows District Centre. The additional floorspace comprised 2,453sq m gross, including a 511sq m extension to the foodhall and an additional 975sq m within the non-food sales area.

- Dunelm Mill have now occupied the former MFI unit at Bridge Retail Park, including the insertion of a new mezzanine floor which obtained planning permission in 2010.
- Since the completion of the 2008study, the Allied Carpets unit at Riviera Way Retail Park has closed. This retail park is now occupied by Currys/PC World, Harveys and Dreams stores.
- In 2008 planning permission was granted for an extension to the Sainsburys store in Paignton. The permission allows for an extension of the store, which currently has a sales area of 3,495sq m, to provide 4,885sq m of sales area. This permission has now been implemented (but not yet completed).
- ASDA has now occupied the former Focus DIY stores in Paignton and Torquay.
- Sainsburys has recently opened a Local format store in St Marychurch District Centre.
- Morrisons has recently opened an M Local convenience store in the former Blockbuster unit in Torquay town centre. A further M Local store has also opened in the former Blockbuster unit in Preston district centre.
- The Tesco store in Brixham town centre which the Council benefits from a Council resolution to grant planning permission;
- A local centre to be provided as part of the Yannons Farm residential development; and
- A local centre to be provided as part of the White Rock mixed use development, which will include a foodstore.

Residents Survey

3.43 During the course of completing the 2011 study, the Council also conducted a web-based survey of local residents. Whilst it is not as extensive as the household and on-street surveys informing the previous retail studies in Torbay, it nevertheless provides a further contribution to the views of local residents. There were 90 respondents in total, with 55 respondents answering questions on Torquay, whereas 23 and 9 people completed the survey on Paignton and Brixham, respectively.

Visitors and spending

3.44 Of all the respondents for Torquay, 35% of people make daily visits to the town and 22% visit every week. Infrequent trips to the town are less common in Torquay, whereas Paignton attracts 43% of visitors every week and many other people make trips irregularly. All the respondents for Brixham make frequent trips to the town centre, daily or weekly.

3.45 Just over half of respondents who visit Torquay and Paignton use their cars to travel to the town centre. Around a third of the respondents for Torquay and Paignton town centres regularly walk to the centre whilst 56% of respondents walked to Brixham.

3.46 The use of public transport as a mode of travel to the centres is quite low in all centres: Brixham (11%), Torquay (8%) and Paignton (4%), showing that visitors would much rather walk or use their own transport. The town centres themselves were all found to be mainly 'very easy' to walk around with good legibility and mobility.

3.47 The length of time spent in the town centres can reflect the amount of money spent and the amount of services, shopping and attractions on offer. Most trips to the three town centres are for two hours or less, however, Torquay, followed by Paignton attracts more customers for a longer period of time. Respondents who travel to Torquay spend on average £22 per visit and 30% of people spend between 3 hours and a full day. Paignton generates an average spend of £19 which includes 26% of people visiting for 3 hours or more. These two centres dominate the area and Brixham, where the average money spent is just £10 and none of the respondents spent longer than 2 hours in the town.

3.48 In terms of where the money is spent in the towns, there is a mix of shopping, entertainment, leisure and recreation purpose visits. The respondents to the survey were able to pick a number of reasons for visiting, although the majority was for shopping. Non-food shopping is a major reason for visiting the three town centres and over 60% of respondents for each centre visited for this reason. Food and non-food shopping especially dominates in Brixham, unlike Paignton and Torquay which have a wider variety of reasons for visiting. Shopping trips are the main reason, although leisure, recreation, entertainment and also work visits are common in both. The distribution of trips is likely to be affected by the beach and harbour, a variety in restaurants, cafes and notably the Apollo Cinema in Paignton.

Positive and negative aspects: Torquay town centre

3.49 Respondents to the survey were asked to describe the good qualities and the aspects they disliked about town centres in the Bay. People visiting Torquay indicated that the environment and the attractiveness of the harbour as good qualities and many people referred to the town as having “some good shops”. Compactness and the café culture of the town were also positive aspects, however many people could not identify any merits at all.

3.50 However, the survey respondents have clearly taken more negative view to the town centre and identified a large number of dislikes. The empty shops, lack of quality and variety in shops were the main factors, along with a lack of cleanliness and a run-down, ugly feel to the town. The amount of anti-social behaviour was another unpopular feature of the town among respondents.

Positive and negative aspects: Paignton town centre

3.51 The pedestrian area and the independent shops were the most popular features of Paignton town centre for respondents, and due to the amount of people visiting for entertainment purposes, the cinema was another notable positive.

3.52 Paignton, however, possesses a lack of quality shops, restaurants and leisure facilities. The town centre was described as ‘cheap’, ‘tired’, ‘rundown’ and many believe that the Crossways shopping centre is an eyesore.

Positive and negative aspects: Brixham town centre

3.53 Respondents for the Brixham survey noted the compactness of the town, which is due to it being the smallest of the three main Torbay towns. It’s interconnectivity and ‘pedestrian friendly’ streets were praised along with the variety in shops.

3.54 Like other town centres in the Torbay area, respondents expressed more dislikes than good qualities. Charity shops and poor maintenance of shop frontages and streets were backed up with dislike for car parking, traffic and noise.

Improvements

3.55 In terms of possible improvements to the three town centres, the quality and variety of shops and the issues of car parking were the main suggestions. In Torquay, this issue of the price of car parking was indicated by nearly half of the respondents who would prefer free or cheaper parking. Another significant issue is the need for branded shops in the centre and the call for a mix of national and local retailers, including market stalls. Specific to Torquay, respondents highlighted that they would like to see less buses and a more pedestrianised town centre. Cafes with outside tables and better weather covering were also aspects, respondents would like to see introduced.

3.56 Residents for Paignton also identified these two main issues and added that the shops need renovation (especially Crossways) and there is a no need for the amount of charity and 'pound shops' in the town. Leisure opportunities and the need for evening activities were among the other suggestions.

3.57 Improvements suggested for Brixham follow the trend of car parking and new outlets, however, results also show the need for street furniture and a cleaner centre.

Visitor preferences for towns

3.58 Respondents to the survey were asked whether they use the town for shopping, leisure or recreation and identified their preferred area for these services. Overall, 61% of respondents in the whole of Torbay preferred a different town to the one they were closest to. The most popular alternative destination overall is Exeter, followed by The Willows District Centre or another retail park and then one of the other two Torbay towns.

3.59 Results from Paignton show that 78% of respondents would rather go elsewhere, either along the bay to Torquay or to the cities or Exeter or Plymouth. In both Brixham and Torquay, around 55% would rather travel to other places for these services. The main reasons given for travelling to a different place were mainly for better shopping opportunities and free or cheaper parking.

4. Assessment of Need for Additional Retail Floorspace in Torbay

Introduction

4.1 Whilst PPS4 has now been replaced by the NPPF, the requirement to assess the need for retail development as part of the preparation of development plan documents remains. With two years now elapsed since the completion of the 2011 study, the Council has decided that it requires an updated assessment of quantitative shopping patterns and overall quantitative need for convenience and comparison goods floorspace over the period 2013-2031. The need for a new quantitative assessment is reinforced by the effects associated with the recent economic downturn on retail expenditure levels.

4.2 We provide our updated quantitative and qualitative need assessments in turn below. For our updated qualitative assessment we re-visit the qualitative analyses provided in the 2011 study and update our 2011 gap areas analysis with reference to new retail floorspace openings since the 2011 study.

Quantitative Need

Introduction

4.3 In this section the quantitative need for additional retail floorspace in Torbay is assessed; an assessment which will supersede the previous analysis conducted in 2011. The assessment period is between this year (2013) and 2031 and interim projections are provided for 2016, 2021 and 2026. The capacity tables accompanying this assessment are attachd at Appendix B.

4.4 The methodology for the quantitative assessment is based on the following:

- Step 1 – Definition of an appropriate geographical area of analysis for the quantitative assessment, hereafter known as the study area.
- Step 2 – Calculate the current (2013) population and expenditure available within the study area and forecast future population and expenditure growth over a specific period. In this instance we have used a period up to 2031.

- Step 3 – Calculate the levels of convenience and comparison expenditure flowing to stores and centres within the study area, using a market share analysis based on the results of the 2011 Torbay household survey of shopping patterns.
- Step 4 – In order to assess the quantitative need for additional retail floor space we have used a market share approach. This involves the assumption that retail floor space within Torbay will achieve a particular market share of available retail expenditure within the study area as a whole.

4.5 Step one of the capacity assessment requires setting a study area. The 2006 and 2008 previous studies adopted a study area which comprised ten separate survey zones. For the 2011 study we revisted these ten areas and considered whether each of them should remain as part of the study area. On reflection it was decided to remove zones 1, 9 and 10 from the study area as residents of these areas contributed little in the way of conveneince and comparison goods shopping trips to retail facilities in Torbay. This approach continues in the 2013 update. A copy of the study area plan is contained at Appendix C.

4.6 The are a number of data inputs into the quantitative need methodology and these are explained below (including the changes which have been made since the 2008 study):

- Population and per capita expenditure data. Since the completion of the previous study, the initial results of the 2011 Census have been released along with interim population projections (based on the Census results) for the period up to 2021. However, Experian, who provide population and expenditure forecasts, are not yet in a position to provide bespoke per capita expenditure data to match the 2011 Census data. Therefore, in order to provide consistency between the population and expenditure forecasts, we have used Experian's 2011-based household and population projections for the base year of the assessment (2011) and, for the three survey zones which cover Torbay (Zones 3, 4 and 5), we have adopted forecasts within the May 2013 'Housing Requirement Report'[5] prepared for the Council by PBA with 40% assigned to zones 5 (Torquay), 50% assigned to Zone 4 (Paignton) and 10%

[5] Prepared by PBA for Torbay Council

assigned to zone 3 (Brixham). For the remainder of the study area, Experian's 2011-based population projections have been used for 2013-2031. Clearly, when the latest 2011 Census-compliant population and expenditure forecasts are available, then the Council should update these capacity forecasts.

- Per capita retail expenditure. New estimates of per capita expenditure for each of the study area zones have been obtained from Experian and have been rebased to match the 2011-based population forecasts and then projected forward on the basis of Experian's forecast change in convenience and comparison goods expenditure, taken from Experian Planner Briefing Note 11 (October 2013).
- Shopping patterns. Like the 2011 study, this update uses the results of a specially-commissioned household survey undertaken in 2011. The survey includes the following questions:
    - First and second choice main food shopping destinations
    - First and second choice top-up food shopping destinations
    - First and second choice shopping destinations for: clothes/shoes, furniture/carpets/textiles, DIY goods, domestic appliances, smaller electrical goods, personal/luxury goods and recreational goods.
    - The amount of money spent at supermarkets in relation to the above types of goods.
    - Questions regarding the usage of the internet for shopping purposes
- It should be noted, from the outset, that the 2011 survey was undertaken before the opening of the two new ASDA stores in Paignton and Tesco and therefore the market share data quoted in this report reflects the attractiveness of stores prior to the introduction of the ASDA stores.
- The results of the household survey are available in a separate technical appendix to this study.
- Retail sales densities and benchmark turnover levels. Within the previous two studies, company average performance levels for each of the main grocery retailers have been within the quantitative assessment as part of the assessment of floorspace capacity. This approach continues in this study with the latest information on the large grocery retailers obtained from Verdict data. For comparison retailing, the

benchmark turnover levels used in the 2011 study have been updated and further comment on this aspect is contained later in this section.

4.7 On the basis of the above information, we set out below the current financial performance and indicative baseline floorspace capcity estimates for Torbay and its three constituent settlements.

4.8 However, before we do so, it is important to highlight some differences in the forecast level of resident population and per capita retail expenditure between the 2011 study and this current assessment. First, the level of resident population within the study area, as calculated by Experian, has fallen. In the 2011 study, the resident population in the whole of the study area was 291,759 in 2011, rising to 301,745 in 2016. The latest data from Experian, informed by the results of the 2011 Census, indicates a resident population in the study area of 277,970 in 2013, rising to 281,644 in 2016. That is a fall of 20,000 people at 2016 levels. In relation to Torbay, the differences in population, at 2016 levels, between the 2011 and this current assessment are outlined below:

Table 4.1 – comparison between 2016 population forecasts in 2011 and 2013 assessments

Zone	2011 study	2013 study
3 – Brixham	21,248	19,516
4 – Paignton	52,295	49,185
5 - Torquay	75,922	70,881

4.9 Second, the latest data from Experian, including their growth forecasts, also shows lower levels of spending per capita, particularly on comparison goods. The lower levels of spending is based on two factors: lower levels of spending at the base year (2011) and also lower growth forecasts which take into account the influence of internet spending. The table below shows the difference, at 2016 spending levels, between the 2011 study and the latest assessment, which amounts to a reduction in spending of around £180m across the whole of the study area.

Table 4.2 – comparison between 2016 total comparison goods spending forecasts in 2011 and 2013 assessments

Zone	2011 study	2013 study
Comparison goods spendinfg levels in study area	£979m	£801m

4.10 We now turn to the consequences for the quantitative need assessment of these changes in available expenditure.

Torquay

4.11 The market share of convenience goods facilities for first and second choice main and top-up food shopping are shown in Table 4 at Appendix B.

4.12 Within Torquay 80% of first choice main food shopping trips and 75% of second choice shopping trips from local residents in Zone 5 are retained in the local area. Of the first choice main food trips, 53% flow to the Willows district centre, 9% to the town centre, 6% to St Marychurch district centre and 7% to other local shopping facilities across Torquay. Of the 20% first choice main food shopping trips which leak from Torquay, 6% flow to Paignton (primarily the Morrisions store) and 14% outside of the district (primarily the ASDA store in Newton Abbot).

4.13 For second choice main food shopping trips, the Willows remains the most popular destination (36%) followed by the Lidl store (11%), local shopping facilities (12%) and the town centre (8%).

4.14 The pattern of top up food shopping trips in the Torquay urban area (Zone 5) is much more disbursed, with 42% of first choice top-up food shopping trips flowing to local facilities outside of the town and district centres and main out of centre provision. These local facilities are also the most popular choice for second choice top-up food shopping destinations (53%). After these local shopping facilities, the town centre, the Willows district centre and St Marychurch district centre have reasonably similar market shares.

4.15 Having regard to store turnover levels, Table 5a at Appendix B sets out the current levels of expenditure which convenience goods retail facilities attract from the study area. Table 5a provides the following information:

- Torquay town centre attracts £15m of convenience goods expenditure, a large majority of which is drawn from Zone 5, with a small amount from Zone 4 (Paignton)
- The Willows district centre attracts £72m of convenience goods expenditure, primarily from Zone 5, although there are noticeable flows of expenditure from Paignton (Zone 4), plus zones 6 and 8. The Sainsburys store attracts a study area derived turnover of £61m and the Marks and Spencer a turnover of £11.7m.
- St Marychurch district centre attracts £3.4m from the study area, all of which comes from Zone 5.
- The Waitrose store in Plainmoor attracts £7.2m from the study area, again primarily from Zone 5, but smaller amounts of expenditure from Brixham and Paignton, plus zones 6 and 7.
- Local shopping facilities in Torquay, primarily in defined local centres, but also some in stand alone locations attract a total of £23m. Unsurprisingly, given that the majority of this expenditure is derived from top-up food shopping, this expenditure is drawn from Zone 5 residents, although there are also smaller amounts of expenditure drawn from Paignton and zone 6.
- The only significant out of centre store in Torquay is the Lidl store. Table 5a indicates that this store attracts £18m of convenience goods expenditure from the study area, primarily from Zone 5, although noticeable amounts of expenditure are also drawn from Zones 3, 4, 6, 7 and 8.

4.16 Turning to comparison goods shopping, Table 6 at Appendix B sets out the market share of facilities in Torquay across the various zones in the study area. Table 6 indicates that the highest market shares occur in Zone 5 which is the zone which covers the Torquay urban area, although town centre, district centre and out of centre facilities in Torquay are also able to attract significant market shares across all study area zones. In relation to Zone 5, Torquay is able to retain the following levels of comparison goods shopping trips:

- 81% of first choice shopping trips on clothes and shoes remain within Torquay, with 62% flowing to the town centre and 18% to the Willows district centre. For second choice trips the retention rate falls to 60%, with the town centre again being the most popular destination. The primary destination for trips leaking outside Torquay is Exeter, followed by Newton Abbot and then Plymouth.

- Only 60% of first choice trips associated with furniture, floorcoverings and textiles are retained in Torquay. A similar retention rate (55%) occurs for second choice trips for these types of goods. The leakage of trips is to Newton Abbot, followed by Exeter and then Plymouth.
- Over 90% of first choice shopping trips on DIY goods remain within Torquay, with the new B&Q store providing the dominant destination. For second choice DIY goods shopping destinations, the retention rate remains high, at 70%, although where leakage does occur it is to facilities in Newton Abbot and Exeter.
- Around 90% of first and second choice shopping trips on large domestic appliances and smaller electrical products remain within Torquay. The limited leakage which does occur to destinations outside the town flows to Newton Abbot and (for smaller electrical items) Exeter.
- There is also a high retention rate of first choice shopping trips on personal and luxury goods (86%) within Torquay. For second choice destinations, the retention is much lower at 58% with Exeter and Newton Abbot the main beneficiaries of the leakage of expenditure.
- Only two thirds of first choice and half of second choice shopping trips for recreational goods remain within Torquay. Of the trips that aren't retained the majority flow to Exeter, followed by Newton Abbot.

4.17 Table 6a at Appendix B sets out the turnover levels for all destinations across Torbay and, for Torquay, indicates the the following:

- As a whole, Torquay is able to attract £293m of comparison goods expenditure from the study area.
- The town centre has the highest turnover of any single specific destination, at £153m per annum, followed by the Willows district centre (£81m) and then out of centre retail warehouses (£55m). £1.6m of comparison goods expenditure flows to St Marychurch district centre and around £2m of expenditure to other local centres in Torquay.

Paignton

4.18 Paignton is able to retain 87% of first choice and 76% of second choice main food shopping trips from the local area (Zone 4). For first choice main food shopping destinations, the out of centre Morrisons and Sainsburys stores in the western edge of the town attract a majority of trips although the Co-op, Iceland, Lidl and Tesco stores in Paignton town centre are capable of attracting a significant number of second choice main food shopping trips. Where main food shopping trips are lost from Paignton, a number of these flow to the Willows district centre.

4.19 For top-up food shopping, Paignton is able to retain 95% of first choice trips and 78% of second choice trips. These trips are shared amongst the town centre, Preston district centre, the two out of centre supermarkets and local shopping facilities (primarily stores in defined local centres).

4.20 Having regard to the turnover of convenience goods faclities in Paignton, the town centre attracts £17.8m which, on the basis of this analysis, means that Paignton town centre's convenience goods sector attracts a slightly higher turnover than Torquay's town centre. The best performing store is the Tesco, followed by the Lidl and Iceland stores.

4.21 The out of centre Morrisons and Sainsburys stores in Paignton attract the largest amounts of expenditure, with our quantitative analysis in Table 5a indicating that the Morrisons store attracts £46m of expenditure and the Sainsburys store £32m. Unsurprisingly. the majority of this expenditure comes from Paignton residents although a large part comes from the Brixham area whilst some residents of Torquay chose to shop at the Morrison store for first choice main food shopping trips.

4.22 In addition to the town centre and out of centre stores in Paignton, convenience goods stores in Preston district centre attract £10.8m of expenditure, the majority of which is drawn from Zone 4 although small amounts of expenditure are also drawn from Torquay and Brixham residents.

4.23 Turning to comparison goods shopping trips, Table 6 at Appendix B provides the following information regarding the attractive of stores in Paignton to its local population and also from across other parts of Torbay:

- Stores in Paignton are able to retain between 14-16% of trips from the local area (Zone 4) in relation to clothes and shoes shopping.

- Around 16% of first choice shopping trips for furniture, floorcoverings and textiles from local (Zone 4) residents remain within Paignton, although the town's market share for second choice trips for these goods falls to 6%.
- Table 6 indicates that between 37-43% of local (Zone 4) shopping trips from Paignton residents remain in the town for DIY goods shopping purposes. This is the joint highest market share (with personal and luxury goods) for the various types of comparison goods trips in Paignton and is largely due to the Focus DIY store on Brixham Road.
- Between 11-20% of local trips for larger domestic appliances remain within Paignton, and similar market shares are also achieved for smaller electrical goods in the town.
- Paignton has a market share of between 33-48% for personal and luxury goods shopping trips from local (Zone 4) residents.
- Between 15-27% of trips from local residents for recreational goods remain within Paignton.
- Beyond Paignton, the majority of leakage of comparison goods shopping trips flows northwards to stores in Torquay. Torquay town centre is the main attractor for personal/luxury, recreation and furniture goods trips from Paignton residents, whilst the Willows district centre and other out of centre retail warehouses are the primary attractor for electrical and DIY goods shopping trips. For clothes and shoes, the leakage of trips from Paignton to Torquay is split equally between Torquay town centre and the Willows district centre.
- Overall, Paignton attracts around £45m of comparison goods expenditure from the study area, which includes £34m flowing to the town centre, £1m to Preston district centres and £11m to out of centre retail facilities. Around two thirds (68%) of all expenditure drawn to comparison goods facilities in Paignton is drawn from the local area (Zone 4), with the remainder primarily flowing from the Brixham area (Zone 3).

Brixham

4.24 Brixham lies in Zone 3 of the study area and Table 4 at Appendix B indicates that the town is only able to retain 16% of first choice main food shopping trips and 29% of second choice shopping trips. The town centre is the dominant destination in the town for those trips which do remain, with the Tesco Express and Co-op stores being the most popular facilities. For top-up food shopping, Brixham has a better retention rate with 80% of first choice top-up trips and 72% of second choice trips retained.

4.25 Having regard to the leakage of convenience shopping trips from Brixham, particularly for main food shopping trips, the majority of trips flow northwards to Paignton, primarily the out of centre Morrisons and Sainsburys stores. Stores in Torquay also feature as second choice main and top-up food shopping destinations for some Brixham residents.

4.26 The turnover of convenience facilities in Brixham at 2011 is set out in Table 5a at Appendix B and indicates that, as a whole, stores attract £13m of convenience goods expenditure split between £8m flowing to the town centre and £5m to other convenience stores in the town. The analysis indicates that the Tesco Express store has a study area derived turnover of £2.5m and the Co-op stores attracting a turnover of £4.1m.

4.27 The market shares associated with comparison goods shopping facilities in Brixham and the shopping patterns of Brixham residents are shown in Table 6 at Appendix B. This analysis indicates that:

- Brixham's market share for clothes and shoes shopping in the local area (Zone 3) is only 4-5%
- 22% of Brixham residents remain within the town for their first choice shopping trips for furniture, floorcoverings and textiles. For second choice shopping trips, this percentage drops to 8%.
- Between 17-22% of local residents in Zone 3 remain within the town for DIY shopping trips
- 41% of Brixham residents remain within the town for their first choice shopping trips on large domestic appliances. For second choice shopping trips the town's market share falls to 16%. Similar market shares are achieved for small electrical goods shopping trips in Brixham.
- 46% of Brixham residents remain within the town for their first choice shopping trips on personal and luxury goods. For second choice shopping trips the town's market share falls to 16%.
- Between 7-12% of local residents in Zone 3 remain within the town for recreation goods.

- The market share analysis at Table 6 also indicates that comparison goods shops in Brixham have a catchment which is broadly limited to Zone 3 only.
- Having regard to leakage of expenditure from Brixham, the majority tends to flow to Torquay rather than Paignton, although Paignton is successful in attracting a large proportion of DIY trips from Brixham residents.
- Table 7a indicates that Brixham has (at 2011) a study area derived turnover of £10.6m

The assessment of baseline quantitative need

4.28 The next part of this section outlines the baseline levels of quantitative need for convenience and comparison goods floorspace across each part of the Torbay area. This is an important stepping stone in the development of a retail strategy for Torbay and provides an initial assessment of future quantitative capacity levels should existing market share remain constant up to 2031. This is however only the first part of the assessment of need, as qualitative factors of need will also need to be taken into account and combined with our initial quantitative assessment and assessment of potential retail development sites in the policy options analysis contained in section 6 of this report.

Torbay – Baseline Capacity (Convenience)

4.29 Table 9a at Appendix B outlines the quantitative need for additional convenience goods floorspace across the whole of Torbay. This analysis takes into account a number of recent commitments/recent store openings across Torbay, including:

- The extension to the Sainsburys supermarket in Paignton;
- The Morrisons M Local stores in Paignton and Torquay;
- The recently opened retail development in St Marychurch district centre which includes a Sainsburys Local store;
- The Tesco store in Brixham town centre which the Council benefits from a Council resolution to grant planning permission;
- A local centre to be provided as part of the Yannons Farm residential development; and
- A local centre to be provided as part of the White Rock mixed use development, which will include a foodstore.

4.30 Table 9a indicates that based upon these commitments plus existing floorspace, which also includes the recently opened ASDA stores in Torquay and Paignton, there is a considerable over-supply of convenience goods floorspace across Torbay with a negative capacity which will exist until 2026. At 2026, surplus capacity will be small, at 374sq m net, rising to 2,182sq m by 2031. These forecasts are a significant contrast to the 2011 study forecasts, which indicated surplus capacity of 3,500sq m net at 2016, rising to 4,900sq m net by 2021 and 8,000sq m net by 2031. However, this change is unsurprising given the amount of retail floorspace permitted/opened after the completion of the 2011 study.

Torbay – Baseline Capacity (Comparison)

4.31 The predicted quantitative need for comparisison goods floorspace across Torbay is shown in Table 10a. When making a judgement for the baseline turnover of existing comparison stores in Torbay we have set this at the same level as current spending in existing floorspace (i.e. £395m). This is lower than the baseline level set for the 2011 study, although this is appropriate given the materially different baseline per capita expenditure and population data now been provided by Experian.

4.32 Within Table 10a, the comparison goods floorspace associated with the commitments listed at paragraph 4.29 above are also included and it has been assumed that, due to the nature of these commitments[6], they will not increase the overall market share of Torbay beyond existing levels.

4.33 In addition, within Table 10a and all of the other comparison goods capacity tables, an allowance has been made for existing and committed floorspace to benefits from increases in floorspace efficiency. The levels of efficiency are detailed in the notes to the tables and take into account our view that existing floorspace, particularly floorspace in the town centres, should benefit from a large part of the growth in expenditure in order to protect and enhance town centre viability in Torbay.

[6] For the avoidance of doubt, commitments comprises schemes with planning permission. Emerging Local Plan allocations without planning permission have not been included.

4.34 The analysis at Table 10a indicates that there is, at 2013, no quantitative need for additional comparison goods across Torbay and this situation will remain up to 2016 as committed floorspace takes up short-term growth. However, by 2021, and taking into account the increases in available expenditure and increases in floorspace sales efficiency, a quantitative need for additional comparison goods floorspace arises and Table 10a indicates that this will be around 700sq m. Clearly, this is an aggregate figure for the whole of Torbay and the analysis for each of the three individual towns provides further detail as to how they each contribute to the overall quantitative need.

4.35 Moving forwards beyond 2021, the quantitative need rises to 6,100sq m net in 2026, 12,000sq m net by 2031. We would recommend that due to the number of assumptions used in the calculation of future quantitative need, the capacity predictions beyond 2021 should be treated with caution.

4.36 We have also been asked by the Council to examine the potential quantitative capacity for bulky comparison goods floorspace in Torbay. Bulky goods can be defined as: DIY, furniture/floorcoverings and electrical goods. There is no requirement within the NPPF to disaggregate quantitative need for comparison goods retail floorspace into bulky and non-bulky goods uses and the precision of such assessments is open to debate particularly over how the results can be usefully applied to the spatial planning process (as some types of bulky comparison goods can be sold from both town centre and out of centre locations). This is compounded in this instance by the lack of any previous assessments of bulky goods retail floorspace capacity in the two previous GVA retail studies for the Council. However, we provide an indicative assessment at Table 10a2 which makes the following assumptions:

- The assessment at Table 10a2 utilises available expenditure within the four bulky goods categories and, using data from the various versions of Table 7 (Appendix B), estimates how much expenditure is flowing to bulky goods retail facilities in Torbay.
- In the absence of any previous data on benchmark turnover levels in Torbay, we adopt a position for baseline turnover at 2013 which is broadly reflective of the main comparison goods floorspace assessment at Table 10a1 (i.e. broad equilibrium).
- When translating the surplus expenditure into a floorspace equivalent we remain with the sales density used in Table 10a1 for consistency purposes. However, this is indicative only as the benchmark sales density of bulky goods retailers can vary

significantly and, like the other parts of our quantitative need assessment, reference should be made in the first instance to the scale of surplus expenditure (i.e. the residual expenditure row in Table 10a2) rather than the floorspace equivalent.

4.37 The results of the indicative quantitative capacity exercise at Table 10a2, when compared with data in Table 10a1, suggest that between 30%-40% of potentially available surplus expenditure can be assigned to bulky comparison goods. In other words, 30%-40% of additional floorspace which could be justified under our quantitative needs model could be used to accommodate bulky goods retailers. This is broadly reflective of the proportion of retail (comparison goods) expenditure retail expenditure on these types of goods.

4.38 When determining how to utilise this capacity, it would be incorrect to assign it all to out of centre retail warehousing provision which is traditionally associated with this type of retailing. The household shopping patterns survey evidence supporting this study indicates that shopping trips associated with bulky goods flow to a variety destinations including a significant amount to the town centre. As such, we do not recommend that the identified need for non-bulky comparison goods floorspace should be assigned to the town centre and the need for bulky goods floorspace assigned to out of centre locations. Instead, the focus for the whole of the identified need (bulky and non-bulky goods floorspace) will be on town centre locations in the first instance with the acceptance that some of the identified need cannot realistically be accommodated in central locations due to the style of business model required for some sectors. A good example of this is DIY and hardware goods.

Torquay – Baseline Capacity (Convenience)

4.39 The first of the three towns to be considered in terms of quantitative need is Torquay and its convenience goods floorspace analysis is contained in Table 9b at Appendix B. Now that the ASDA store on Newton Road has opened for trade, there is no need to follow the approach in the 2011 study where two alternative forecasts are provided and Table 9a indicates that, taking into account the ASDA store, plus other existing provision and commitments, the supply of convenience goods floorspace in Torquay is broadly in equilibrium with demand (i.e. surplus capacity of only 158sq m net at 2013). Moving forwards to 2016, the quantitative capacity increases to circa 338sq m net, rising to 1,000sq m net by 2021, 1,800sq m net by 2026 and 2,700sq m net by 2031. Paradoxically, these capacity levels for Torquay are higher than the capacity levels for the wider Torbay area due to, as will be explained below, surplus capacity levels in Paignton and, to a lesser extent, Brixham.

Torquay – Baseline Capacity (Comparison)

4.40 Turning to comparison goods, the quantitative need assessment for Torquay is shown in Table 10b (Appendix B). Table 10b indicates that by 2016, there will not be any surplus quantitative capacity due to a combination of commitments in Torquay and Paignton[7] and the assignment of part of the growth in expenditure to existing stores. However, by 2021 surplus capacity will exist, at 1,800sq m, rising to 6,200sq m net by 2026 and 11,100sq m net by 2031. If these figures are compared with the overall Torbay figure, it is clear that the quantitative capacity in Torquay is by far the highest contributor to additional floorspace capacity across the bay.

Paignton – Baseline Capacity (Convenience)

4.41 The baseline capacity forecasts for convenience goods floorspace in Paignton are contained in Table 9c at Appendix B. Like Torquay, there is now no need to provide two alternative capacity forecasts for Paignton now that the ASDA store is open for trade and Table 9c indicates that as a consequence of this new store, along with the committed Sainsburys extension and Yannons Farm/White Rock local centres, there is a significant over-supply of conveneince goods floorspace in Paignton. Indeed, the over-supply is so significant that Table 9c predicts that there will not be any surplus capacity in Paignton up to 2031.

Paignton – Baseline Capacity (Comparison)

4.42 As already noted, Torquay's comparison goods quantitative need is comparable to the global quantitative need figure for the whole of Torbay, thus suggesting that Paignton and Brixham have significantly lower capacity levels at least in the short term (i.e. the amount of floorspace (supply) exceeds the amount of expenditure flowing to Paignton

[7] It has been assumed that the Sainsburys extension and other commitments in Paignton will draw a small amount of trade away from stores in Torquay

(demand)). This is proven by the data contained in Table 10c at Appendix B which indicates that, due to commitments in the town and the effect of the proposed Tesco in Brixham, quantitative capacity for additional comparison goods floorspace in Paignton (will only arise after 2026 with a requirement for 644sq m net by 2031.

Brixham – Baseline Capacity (Convenience)

4.43 Table 9d at Appendix B sets out the baseline capacity assessment for convenience goods floorspace in Brixham. It shows that the current level of expenditure flowing to convenience goods stores in Brixham is broadly equivalent to the baseline turnover of existing facilities, indicating no obvious imbalance between demand and supply. However, the proposed Tesco supermarket should now be added in to the capacity assessment and the market share of the town amended accordingly to account for the significant impact that the Tesco will have on shopping patterns. Table 9d therefore models an increased market share for Brixham of 5.4% from 2016 onwards and this results in the Tesco store being able to be accommodated in the increased level of surplus convenience goods expenditure which will result from the increase in market share.

Brixham – Baseline Capacity (Comparison)

4.44 Like Paignton, our comparison goods floorspace quantitative assessment contained at Table 10d (Appendix B) indicates that there is a negative capacity for comparison floorspace in Brixham as current turnover levels are below our updated baseline turnover levels and committed floorspace (Tesco). Table 10d indicates that there is unlikely to be any quantitative need for additional comparison over the assessment period to 2021 as any increase in market share as a consequence of the Tesco store will be soaked up this new floorspace. Beyond 2021, the capacity by 2031 will be circa 620sq m net.

Qualitative Need

4.45 The DCLG Practice Guidance provides information on the factors which are frequently identified as part of qualitative assessments:

1. Deficiencies or gaps in provision
2. Consumer choice and competition
3. Overtrading, congestion and overcrowding of existing stores
4. Location specific needs

5. The quality of existing provision

4.46 Within previous studies, particularly those in 2006 and 2008, the focus of the qualitative assessments was on shopping patterns, the quality of existing provision and the balance of retail provision between town centre, district centre and out of centre locations, which met criterion No.5 and parts of criteria 1-3 above. In addition, the 2011 study took account of a gap area analysis provided by the Council which made an important contribution to criterion No.1 above. The methodology for the gap area analysis was contained at Appendix E to the 2011 study and is therefore not repeated.

4.47 A key part of the Council's gap area analysis was a series of maps showing accessibility to the main defined centres and main foodstores/supermarkets in Torbay using its Accession computer software package. Some of the plans in the 2011 study have now been superseded by new store openings, such as the ASDA stores in Paignton and Torquay, plus the prospect of a Tesco store in Brixham town centre becoming closer. Therefore, at Appendix E to this report we provide updates to the plans in the 2011 study.

Torquay (Convenience Goods)

4.48 Within the previous studies, a consistent theme of imbalance between the Willows District Centre and the town centre was outlined, along with a suggestion that the district centre was experiencing overtrading and congestion. Since the 2011 study, the ASDA store on Newton Road has opened and this has added to choice and competition in Torquay and, in our view, likely to have reduced overtrading and congestion at The Willows. However, this store lies in an out of centre location and therefore has not altered the conclusions of the 2011 which identified an imbalance in convenience goods floorspace in Torquay and a qualitattive deficiency in convenience retail floorspace within the town centre.

Torquay (Comparison Goods)

4.49 Turning to comparison goods retail provision in Torquay, the previous retail studies found that there was a qualitative need to improve provision, based on shopping patterns, retailer requirements and the views of local residents. This general approach remains for this study, although the following factors are important:

- Torquay has the best quality of comparison goods retail offer across Torbay as a whole. It significantly out-performs Paignton and Brixham in terms of the scale and type of retail floorspace available. As a consequence, whilst there are qualitative opportunities to increase provision, new development should also have regard to the fact that the three centres are performing different roles and new provision should be commensurate with the role of each centre.

- In relation to market share and turnover levels, the balance between the town centre and the Willows appears to have remained relatively static, although out of centre stores appear to have increased their turnover since the previous study (likely to be due to new openings). Overall, there is a continuation of the trends which has been developing over recent years whereby the Willows and out of centre retail warehouses pose significant competition to town centre facilities.
- The household survey indicates that, in terms of expenditure leakage, there is not a significant deficiency in provision in Torquay via excessive loss of shopping trips, although some leakage does indeed occur. In terms of the leakage of expenditure from Torquay the following proportions have been extracted from the quantitative analysis[8]:
    - Clothes and shoes – 28% of zone 5 trips lost to non-Torbay facilities
    - Furniture and carpets and textiles – 40% of zone 5 trips lost to non-Torbay facilities
    - DIY goods - 9% of zone 5 trips lost to non-Torbay facilities
    - Domestic appliances - 9% of zone 5 trips lost to non-Torbay facilities
    - Smaller electrical goods - 9% of zone 5 trips lost to non-Torbay facilities
    - Personal and luxury goods - 22% of zone 5 trips lost to non-Torbay facilities
    - Recreational goods - 36% of zone 5 trips lost to non-Torbay facilities
- In terms of the quality of existing provision, the physical floorspace stock at the Willows and out of centre retail warehouses is considered to be good whilst there are varying levels of provision in the town centre. The quality of existing town centre provision is

[8] The survey data quoted here is the 2011 survey informing the 2011, and has not been altered to take into account the effects of recent store openings on shopping patterns

likely to have a relationship with the vacancy rate in the centre and this will be a focus for the qualitative aspects of need in Torquay.

- In terms of overtrading and congestion, we do not consider that the town centre, whilst it is clearly popular, to suffer from significant overtrading and congestion. The centre is likely to perform at reasonable sales density levels although they are now lower and are unlikely to achieve levels which would suggest clear overtrading. A similar situation is also likely to occur in terms of the retail warehouse floorspace in Torquay. In contrast, there is more of case to consider the Willows district centre to be overtrading for comparison goods shopping.

4.50 Overall, we remain of the view that there is an opportunity for qualitative improvements to occur in Torquay. However, this is very much focused upon the town centre's retail offer in light of the quality of the existing stock of floorspace and the significant competition which is posed by out of centre retail warehouse provision and the Willows district centre. in terms of the types of comparison goods which offer the qualitative need for improvement, these are the non-bulky categories of clothes/shoes, personal/luxury and recreational goods, whilst there is a clear opportunity to retain more shopping trips associated with furnitire, floorcoverings and textile goods.

Torquay (Gap Area Analysis)

4.51 With regards to the gap area analysis conducted by the Council, this has focused upon walking, public transport and car accessibility to all district and local centres and the main convenience retail facilities in Torbay. Having regard to Torquay, the 2011 study identified the following types of gap area[9]:

- When accessibility on foot and by bus to all existing and planned local and district centres is considered (Appendix F) the Meadfoot, Lower Babbacombe and Hele/Torre area had poor accessibility.
- There were no noticeable issues regarding access to local and district centres in Torquay via private car (Appendix G).

[9] References in this paragraph are to appendices in the 2011 study

- If the focus turns towards access to convenience shopping facilities, the gap area analysis showed the following information
    - o If all foodstores, excluding very small stores such as cornershops, are considered (see Appendix H) then the majority of Torquay lies within a 5-10 minutes walking bus journey area. The exceptions to this were Meadfoot, Lower Babbacombe, Livermead and parts of Chelston.
    - o If those smaller convenience stores which may not be able to meet all top-up food shopping needs are removed (see Appendix I) then the gap areas widened with larger parts of Chelston and Livermead being included, plus the western part of Shiphay, plus Babbacombe, Wellswood and Meadfoot (although the Tesco Express in Babbacombe will reduces the extent of the gap area in this part of Torquay).
    - o With regards the main supermarkets in Torquay, the 2011 study only had the benefit of the Sainsburys at The Willows and using that store alone showed that the majority of Torquay residents are outside of a 10 minute walking distance. In addition, parts of Babbacombe, Wellswood, Meadfoot and Livermead were outside of a reasonable drivetime. However, that position has been superseded and we outline below the effect that the ASDA store on Newtown Road has had on accessibility.
    - o Finally, the 2011 study shows that if all foodstores are included in the accessibility by car analysis then all parts of Torquay are covered within a 10 minute drive time.

4.52 The 2011 analysis has been updated to take into account the effect of the opening of the ASDA stores in Paignton and Torquay, along with the proposed Tesco store in Brixham town centre. In addition, further plans have been prepared in order to show the effect on accessibility if the Town Hall car park site in Torquay is redeveloped for a supermarket. These plans are attached at Appendix E to this report. These plans show that:

- It remains the case that walking and bus accessibility to all foodstores and convenience stores across Torquay is very good (Plan H1);
- The new ASDA store in Torquay has made a modest improvement in the accessibility to major supermarkets by walking and bus (Plan J1);
- The new ASDA store in Torquay has made a material difference to the accessibility of Torquay residents to major supermarkets by car. A much greater area of the town is now within 5 and 10 minutes of a supermarket (see Plan K1). For example,

Babbacombe, Ellacombe and Meadfoot are now within 10 minutes of a major supermarket, which is a material difference from the 2011 gap area analysis. Moreover, there is now only a very small area of east Torquay which is outside of the 10 minute drive time area, and the difference between the 5 and 10 minute drive time areas on Plan K1 indicates that the areas outside of the 10 minute boundary are likely to be only 1-2 minutes additional drive time from a major supermarket.

- A plan has also been produced to indicate the changes in accessibility should a new supermarket be opened on the Town Hall car park in Torquay town centre. At present, the Council is working with a private sector developer to deliver a redevelopment of this site to provide a large supermarket and, as a consequence, it is appropriate for this analysis to take this eventuality into account. When a supermarket development is placed upon the Town Hall car park site in Torquay town centre, Plan J2 at Appendix E indicates that almost all of Torquay is within 20 minute travel time by walking or bus. This is a significant change from the original accessibility shown in Appendix J in the 2011 study and shows the positive impact of placing a new supermarket in a sequentially preferable location.
- Whilst the ASDA store on Newton Road in Torquay has made a material difference to the extent Torquay residents who are beyond a 10 minute drive time, Plan K2 indicates the impact of placing a supermarket on the Town Hall car park. A significant proportion of Torquay residents would be within a five minute drive of a major supermarket and all residents would be within a 10 minute drive.

4.53 In our opinion, the above analysis has shown that since 2011, the accessibility to convenience shopping provision, and supermarkets in particular, has improved. Babbacombe, Ellacombe and Meadfoot, specifically referred to in the 2010 analysis as gap areas, are now more accessible to food retail provision locations. The strength of any 'gaps' has, in our opinion, been significantly diluted to the extent that any concern over accessibility to food retail provision in Torquay should also reduce. Moreover, in line with town centre first approach to retail planning advocated by the NPPF, a new supermarket on the Town Hall car park would also make further improvements to accessibility, with the town centre being the most accessible location in Torquay via a choice of means of transport.

Paignton (Convenience Goods)

4.54 In line with the previous studies, we do not consider that there is a significant qualitative deficiency in convenience retailing provision in Paignton as a whole. The town centre has a number of foodstores, albeit orientated towards smaller scale top-up food shopping provision, whilst there are three large supermarkets (Sainsburys, ASDA and Morrisons) in out of centre locations. As a result of this provision, Paignton is able to retain a large majority of its main and top-up food shopping trips. There is a small amount of leakage and this generally flows to the Willows in Torquay and stores outside of Torbay, although this leakage is in itself not a reason to increase the level of qualitative need.

4.55 Like Torquay, the main qualitative issue in Paignton is the balance between out of centre and town centre convenience retail provision. The out of centre stores dominate main food shopping trips whilst the town centre stores focus more on top-up food shopping trips. Therefore, when planning for additional provision, consideration should be given to whether there are opportunities in the town centre to redress this balance by providing a store which can attract main/bulk food shopping trips from local residents and compete with the Sainsburys, ASDA and Morrisons stores.

Paignton (Comparison Goods)

4.56 Within the previous retail studies, the ability to improve the qualitative aspects of comparison goods floorspace provision have been discussed and whilst the aspiration to improve provision has been supported, this has come with some qualifications namely the need to support the health of the town centre and concentrate development in central locations. The need to support the town centre stems from its worsening trading performance, the competition posed by Torquay and the quality of existing space in the town centre which can retain and attract occupiers.

4.57 Some realism is required in terms of the provision of comparison goods floorspace within Paignton. It is located in close proximity to Torquay and whilst some retailers may have a requirement for stores in both towns, this is unlikely to be a common occurrence and our commercial analysis has found that the majority of demand for new comparison goods space will be directed towards Torquay in the future. As such, the qualitative need for improvement in Paignton is likely to focus upon the improvement in the quality of the existing floorspace stock and promoting smaller scale development opportunities than Torquay to attract new comparison goods retailers. Given the extent of commercial demand towards Paignton, it is unlikely that comparison goods retailers alone will be able anchor a new town centre development scheme.

Paignton (Gap Areas Analysis)

4.58 Turning to the Council's gap areas analysis, poor accessibility was highlighted in the 2011 study for parts of the Preston and Preston Down Road areas in relation to walking and bus travel to foodstores and some defined centres. These areas are less disadvantaged in terms of car accessibility to the large supermarkets in Paignton and the eastern part of this area benefits from close proximity to Preston District Centre which provides a range of facilities including the recently opened Tesco Express and Sainsburys Local stores, along with a Morrisons M Local convenience store. The opening of the two ASDA stores has also materially helped accessibility by car in these areas.

4.59 Elsewhere in Paignton, the areas surrounding the town centre and to the western part of the urban area have good walking, bus and car accessibility to both large convenience store provision and defined centres.

4.60 To the south of Paignton town centre, the Roundham and St Michaels areas have poor accessibility via walking and public transport to convenience retail provision and local centres. These areas fare better in terms of access to foodstore by private car, which has improved following the new ASDA store, although areas to the south in the Clennon Valley also have poor accessibility. Moving further to the south, access becomes better in terms of walking and public transport accessibility to defined centres and boosted by access to the Co-op at Cherrybrook Square. On the western edge of Paignton, accessibility is considered to be reasonably good, although this is based on the existing situation and should further residential development occur to the west of Brixham Road then a gap area would emerge.

4.61 To the south of the main Paignton urban area, between the town and Brixham, a gap area around Galmpton and Churston Ferrers had also been identified in the 2011 study, in relatio to acces to foodstores and defined centres in terms of walking, public transport and private car. However, this gap has been reduced/removed by the new ASDA store in Paignton and the proposed Tesco in Brixham.

Brixham (Convenience Goods)

4.62 Throughout previous retail studies, a clear consistent message of qualitative deficiency in convenience goods retail provision was given. This is based on existing provision in the town centre focusing on top-up food shopping trips and resulting in a significant leakage of main food shopping trips from Brixham to the out of centre supermarkets in Paignton and, as a second choice destination, the Willows district centre in Torquay. This has resulted in the Council supporting proposals for a new supermarket in Brixham town centre and the Tesco application now benefits from a Council resolution to grant planning permission.

Brixham (Comparison Goods)

4.63 The picture for comparison goods retail provision in Brixham is similar to the historic convenience goods situation, namely a significant outflow of shopping trips primarily to Torquay although trips to Paignton and outside of Torbay also occur. As a consequence, there is an opportunity to improve qualitative aspects of provision within Brixham, although commercial issues surrounding retailer demand indicate that qualitative improvements are likely to be modest (such as the comparison goods floorspace element of the Tesco store).

Brixham (Gap Areas Analysis)

4.64 As noted above, Brixham has long been identified as possessing a gap area in terms of the scale of convenience retail provision. This has been reinforced by the results of the Council's previous gap areas analysis which showed that whilst there is good access to small foodstores and the town and local centres (see appendices H & I in the previous study), the whole of the urban area is well beyond a 10 minute drive and a 20 minute walking distance from large supermarkets. However, the proposed Tesco supermarket in the town centre would effectively remove all of the identified gap areas in Brixham.

5. Review of Potential Retail Development Opportunities

Introduction

5.1 A key component of a proactive approach to meeting needs is the identification of appropriate sites together with policies to bring forward new development. Where quantitative and/or qualitative needs for retail development have been identified, existing and potential sites within town centres, or on the edge of centres should be examined along with the potential to expand existing centres and/or promote new ones.

5.2 As a consequence, this section of the 2013 retail study update examines potential development opportunities across the Torbay area. It is split into two parts, with the first part dealing with town centre and edge of centre sites in Torquay, Paignton and Brixham and the second focusing on potential retail development opportunities arising out of the gap areas analysis undertaken by the Council and expanded upon the previous section of this report. When reading this analysis, it should also be borne in mind that Torbay Council will shortly commission masterplanning exercises for Torquay and Paignton town centres, along with Torqua Gateway and Collaton st Mary, and this work will provide further evidence base information for retail development opportunties in these towns.

Town Centre / Edge of Centre Potential Retail Development Sites

5.3 Previous studies considered a range of sites within or on the edge of the three town centres in Torbay. For the 2011 retail study update, the list of potential development locations was revisited and the focus for our assessment was on the following list of sites (against each site we provide a commentary on whether any changes have been made since the previous studies):

Torquay

- **Union Street**. This site was previously known as Temperance Street in the previous studies and has been expanded to include Nos.22-144 Union Street and the nearby telephone exchange, plus the multi-storey car park included in the original analysis.

- **Debenhams unit and adjoining properties**. Previously the former Royal Garage was included in this site assessment, although this area has been excluded for the purposes of this latest analysis (due to planning permission being granted for a redevelopment scheme).
- **Nos. 3-19 Union Street**. Previously Nos. 3-39 Union Street were included in this analysis although this has been reduced to Nos. 3-19 as the other units in the previous analysis have been re-occupied and therefore offer little prospect for redevelopment.
- **The Pavilion, multi-storey car park and Princess Gardens**. The Pavilion and MSCP were included in the previous studies although this site has been expanded to include Princess Gardens for this latest analysis (due to the allocation within the THAAP).
- **Nos. 2-28 Market Street**. No change in this site from the previous studies.
- **Riviera Centre**. A new potential development location for inclusion in this latest analysis.

Paignton[10]

- **Crossways**. No change in this site from the previous studies.
- **Station Lane**. This site has been reduced in size due to the development of a library in the central part of this site.
- **Victoria Square.** No change in this site from the previous studies.

Brixham

- **Former multi-storey car park**. No change in this site from the previous studies.

5.4 Since the 2011 study, the Council has sought to encourage the redevelopment of the Town Hall car park in Torquay town centre and therefore this additional site is now also included in the analysis.

5.5 Site assessment proformas for the above sites are contained at Appendix D. The sites in each town are discussed in turn below.

Torquay

5.6 Within Torquay town centre, the Union Street area provides the best opportunity to provide significant comparison retail development and should form the focus for the Council's efforts as its major town centre retail development scheme. It lies on one of the few areas in the core retail area where there is sufficient retail frontage and depth to provide significant levels of new floorspace. However, like many other town centre redevelopments this area has challenges in terms of its redevelopment potential. It is occupied by existing retail floorspace (which will have an effect on land uses and development viability) and, as the Action Framework Plan (prepared by LDA) supporting the Mayoral Vision notes, redevelopment proposals may need to retain some building due to their architectural merit.

5.7 The most ambitious proposals for the western side of Union Street would include the Factory Row car park, the multi-storey car park and the entire retail frontage. Incorporation of the car parking areas gives the advantage of greater depth of retail development and the opportunity for substantially increased retail footprint. It also provides the opportunity for a multi-level development which takes advantage of the topography and height already created by the existing structure.

5.8 There is also the potential to incorporate the telephone exchange building within the redevelopment proposals in the wider area. It may not be connected with the main retail redevelopment area along Union Street but, as the LDA Action Framework Plan notes, it can provide a large retail unit if the adjacent properties fronting Union Street can be included (as suggested by the 2006 retail study).

5.9 The main land uses suitable for this area are comparison goods retailers, supplemented by food & drink uses and a smaller convenience retail offer. This area is also potentially suitable for commercial leisure development including a cinema use although such a use

[10] In the 2011 study, Victoria Park was included within the site assessments. However, we understand that the local community and the Council has subsequently made it clear that the Park should not be redeveloped and therefore it has been removed from this study.

may also be suitable for the harbourside area (see below for further details). Redevelopment is also likely to require reprovision of car parking as the Temperance Street car park is one of the largest facilities in the town centre. In relation to the potential of this area for convenience goods shopping, particularly a supermarket facility, we consider that the constrained nature of the site and access arrangements may affect commercial demand.

5.10 Overall, the Union Street area offers the best potential in Torquay town centre to achieve a retail led mixed use scheme which aspires to compare with the Princesshay and Drakes Circus schemes in Exeter and Plymouth. Should this area be pursued by the Council for this type of development, then we recommend that efforts are made to promote this site through the planning system (including the preparation of a development brief, specific mention in the Local Plan as a strategic regeneration project and proactive actions from the Council and the Torbay Development Agency regarding further redevelopment feasibility work (examining development options, land values and development viability), site assembly and site promotion – including where necessary the use of CPO powers). Such actions will be essential to progress the delivery of this project and also resist less appropriate out of centre schemes elsewhere in the Torbay area (which could attract tenants which would otherwise occupy new floorsapce in the town centre).

5.11 The other key retail development site in the town centre is the Town Hall car park site, which lies at the northern end of the centre. The Council has resolved to promote this site for redevelopment and has entered into a development agreement with a developer which intends that a large supermarket and car parking area is provided. Such a proposal will be a key contributor to an improved level of health in Torquay town centre, which has suffered from falling convenience goods floorspace and sales over recent years. Indeed, it will remove a qualitative deficiency in the town centre and provide a better distribution of floorspace. The Council has also highlighted that the Town Hall car park site lies in a sequentiallty preferable location to the two recent other supermarket proposals in Torquay (Tesco at Edginswell and Morrisons in Babbacombe) and has been used as a reason for refusal in the determination of both of those applications.

5.12 Moving southwards through the town centre the next site is Nos. 2-14 Market Street. Previous studies highlighted the potential for this site to provide for a mixed use development including retail uses to create a retail circuit with the adjacent to Union Square Shopping Centre. We remain with this view although the types of retail uses which are likely to be attracted to Market Street are unlikely to be the higher value comparison goods retailers which would occupy to Union Street scheme. In contrast, it is likely that a broader mix of land uses will be achieved, including retail development on the ground floor and residential / commercial uses on the upper floors. Part of this site has recently changed from a Blockbuster unit to a Morrisons M Local convenience store which has improved the level and choice of convenience goods floorspace in the town centre.

5.13 The Debenhams unit on the Strand at the southern edge of the town centre was also subject to an assessment in the 2006 retail study and it was recommended that improvements could be made to the appearance of this site and the amount of floorspace which it can accommodate. Indeed, it is possible that this site could become available in due course if the Union Street retail scheme were to proceed as Debenhams has the potential to relocate and become the anchor retailer. In terms of future uses, this site has the potential to provide a number of smaller retail units and/or provide leisure uses which are clearly compatible with the function of the harbour.

5.14 The North Quay, Pavillion and Princess Gardens area was identified in the now abandoned Torquay Harbour AAP for the development of a major waterfront destination including hotel, niche retail, food and drink and residential land uses, plus a new use for the Pavillion, entertainment and art space and parking facilities. The 2006 retail study also highlighted the potential advantages of redeveloping the North Quay areas, whilst the LDA Action Framework Plan outlined ambitious proposals for the wider areas including retail, leisure, casino and hotel uses plus refurbishment of Pavillion Gardens.

5.15 For retail provision to both suceed and be acceptable in this area, it should be differentiated from the existing and proposed provision in other parts of the town centre. Retail provision could be orientated towards the leisure sector, provide for niche uses, and be of an appropriate scale. We share the aspirations outlined in the Mayor's Vision for this area which concentrates upon improving the leisure offer in the town centre and we consider that the harbour area should promote itself as the leisure quarter in the town centre. As such, it may be more appropriate for a new cinema use to be located in this part of the town centre to complement a leisure-led development scheme.

5.16 The final site considered in Torquay is the Riviera centre. Whilst it is included in the town centre / edge of centre category, in reality it does not meet either classification and is in fact a stand alone out of centre site. The site itself is relatively large and could accommodate a relatively large amount of either food or non-food retail development. However, with little ability to provide effective linkages with either Torquay town centre or the surrounding smaller local centres, the Riviera Centre is unlikely to offer an appropriate site for retail development which can have a positive effect on retailing in Torbay. There is however a possibility that this site could offer some potential in terms of the leisure tourism industry in Torbay.

Paignton

5.17 The three locations in Paignton town centre (Crossways, Victoria Square and Station Lane) all featured as part of the 2006 retail study site analysis. They all provide important sites to the health and attractiveness of Paignton town centre.

5.18 In the 2006 retail study, the recommendations for Victoria Square included the need to investigate ways to include this site within a retail circuit and potentially reduce the size of the 'hard' open space. Since the completion of that study, the Mayor Vision re-examined this area which a view to more comprehensive redevelopment with the Lidl store, other retail units and the MSCP removed to make way for significant residential accommodation. Such a proposal would, in our view, have an impact upon the health and attractiveness of the town centre, removing one of the main foodstores and removing the largest car park in the town centre. Whilst we note that other parts of the LDA Action Framework Plan provide for a new foodstore on the Station Lane site, reprovision of car parking does not appear to be catered for.

5.19 Whilst the Victoria Square area is in clear need of improvement, we consider that a retail-led redevelopment scheme would have more benefit to the overall health and attractiveness of the town centre. The most likely retail uses are likely to come in the form of convenience goods floorspace within a supermarket (which will also include an element of comparison goods floorspace) as demand for high street comparison goods floorspace in Paignton is low and, in any event, this area of the town centre is unlikely to attract a sufficient critical mass of retailers. In order to attract an anchor supermarket retailer and provide for main/bulk food shopping trips we would recommend that a store of a minimum 30,000sq ft net sales is promoted, although stores considerably larger than this will be constrained by the overall physical size of the site, the height of development which can be achieved and accessibility considerations. Commercial demand is likely to be predicated on the whole site being available and a much better frontage to Torbay

Road being created. However, this is likely to take some time and redevelopment within the next five years is unlikely.

5.20 A supermarket led development would require the demolition of the whole of this site (Lidl, other retail units and MSCP) and we consider that providing alternative premises for Lidl (who make an important contribution to the range of convenience retail provision in Paignton) and provision replacement car parking provision are both very important principles to be agreed at an early stage.

5.21 A further important consideration for the redevelopment of this site will be access, in order to make any redevelopment acceptable in planning terms and also to attract an anchor foodstore operator. The visibility of the Victoria Square area from the main road network in Paignton is poor and therefore retail development in this location will need to be of a sufficient size and quality in order to attract customers. Access to the site is via Garfield Road and the network of streets which link to the seafront and we recommend that further investigations regarding an access strategy for this redevelopment area.

5.22 Every effort should be made to keep the Lidl store in the town centre and the remaining parts of the Station Lane site (see below) may be an opportunity to accomplish this. However, the significance of the loss of Lidl to another location in Paignton would be at least partially mitigated by the redevelopment of the site for a larger supermarket and improved parking provision.

5.23 Overall, the Victoria Square area presents a significant redevelopment opportunity for Paignton town centre, albeit one which is likely to occur in the medium to longer term. As an alternative to the proposals within the Mayoral Vision, we consider that its best opportunity for retail led redevelopment is via a supermarket use. This would require total redevelopment of the site and further consideration will need to be given to the potential relocation requirements for Lidl, the scale of car parking which will need to be reprovided and also access arrangements.

5.24 Turning to other sites in the town centre, the Crossways centre was recommended for physical improvement in the 2006 study, along with increased prominence being given to the promotion of retail and leisure uses across this site and surrounding area. Since the completion of the 2006 study, the centre has moved into new ownership and has also been subject to proposals in the Mayoral Vision. It has also been subject to some refurbishments, although the Council's Retail Monitor indicates that it retains a high number of vacancies. The LDA Action Framework Plan shows three redevelopment options for the Crossways centre to allow for retail, residential and hotel uses. Given the level of demand for additional retail floorspace (particularly comparison goods floorspace) in Paignton we support the approach taken by the LDA document which seeks to redevelopment existing space and diversify the land use mix in this area. Like the Victoria Centre, redevelopment of Crossways is likely to be a medium to longer term project, due to the multiple occupiers in this area.

5.25 The final site in Paignton town centre is Station Lane. In the 2006 study this site's potential for retail and leisure development was identified and its potential to expand the primary shopping area in Paignton. Since the completion of the 2006 report, funding was secured for a new library complex and this project has now been completed. With this new development in place, the former Station Lane site is now split into two parts, with the northern part comprising the bus station and a car parking area and the southern part accommodating further car parking provision.

5.26 We do not consider that the southern car park (to the south of the new library) should remain a potential retail development site as it has become detached from the main retail area in Paignton and is better suited to car parking uses. In terms of the northern part of the site (accommodating the bus station and parking), we remain of the view that it offers a good opportunity to expand the core retail area in the town centre. The LDA Action Framework Plan indicates the potential for either a foodstore or retail uses with residential uses above across the bus station and car park sites. We would support both of these options, and note the potential for the site to accommodate a relocated Lidl store from Victoria Square. It is likely that the bus station site is better suited to accommodate a relocated Lidl store as it is unlikely to be able to accommodate the scale of store which can be provided on a redeveloped Victoria Square site and which can provide for main food shopping trips.

5.27 However, a key consideration for this site will be the need to provide a new bus station complex which is a very important facility for the town centre. The LDA document indicates a new transport hub on the eastern side of Great Western Road close to the railway station which is a concept that we support, although it is likely that future work will need to be undertaken to establish whether sufficient space exists in this location for bus station facilities and/or whether another location in the town centre can provide suitable accommodation. Whilst this section provides an indication of the development potential of key sites in Paignton town centre, we understand that the Council will shortly commission a masterplan for Paignton town centre. This masterplanning exercise will provide more certainty over the delivery of redevelopment at the Victoria Centre and Crossways and may also identify other potential development areas, and should be used to guide the sequential site testing analysis when proposals for out of centre food and non-food development proposal come forward.

Brixham

5.28 Having regard to potential development sites in Brixham town centre, the focus remains on the former multi-storey car park site and we reiterate our support for the redevelopment of this site to provide a foodstore use as part of a mixed use scheme (including car parking provision). The LDA Action Framework Plan also supports this project, which will enable the qualitative deficiency in convenience retail provision to be removed and a higher proportion of main/bulk food shopping trips retained within Brixham.

5.29 Should the supermarket-led redevelopment occur, it is possible that existing convenience goods retail provision within the town centre (Tesco Express and Co-op stores) could be affected. For example, with Tesco the preferred occupier of the new store, the Tesco Express unit on Fore Street may close as a consequence and new occupiers found (possible via the refurbishment / sub-division of that unit).

The Gap Area Analysis

5.30 Beyond the town centre and edge of centre development opportunities outlined above, there are a number of areas across Torbay which have been identified as gap areas in terms of their access to convenience shopping facilities. Therefore, alongside the examination of town centre and edge of centre sites, it is important to identify the potential development opportunities in these identified gap areas which have the potential to remove any deficiencies identified in the gap areas analysis.

5.31 For the avoidance of doubt, removing any identified gap areas should be performed through the plan-making process via the identification of planned local centres. It is in this context that our osbervations and recommendations are made.

Torquay

5.32 Within Torquay, the 2011 study highlighted an area around Babbacombe, Wellswood and Meadfoot as lying within a gap. The study noted that there was an existing centre within the local area (Wellswood), although it is small scale and does not offer any immediate opportunities for expansion to provide convenience retail provision. It was also noted that opportunities existing for increased retail provision in nearby Babbacombe Local Centre and St Marychurch District Centre although it was observed that the scale of improvements would only be modest and unlikely to change the results of the gap areas analysis.

5.33 The 2011 study went on to consider opportunities to remove the perceived gap, although this analysis has now been superseded by the opening of the ASDA store on Newton Road and also the proposals being progressed by the Council on the Town Hall car park site in Torquay town centre. As has already been noted, retail development in both of these locations removes the Council's previously identified gap and therefore, for the purposes of the 2013 study we recommend that there is no need to identify further retail development in the Babbacombe, Wellswood and Meadfoot area.

5.34 The next gap area identified in 2011 study was the Chelston and Livermead area. Within Livermead itself there are very few development opportunities and no opportunity to expand the existing defined local centre. Within Chelston, opportunities to improve provision via the redevelopment of sites within the defined Walnut Road Local Centre have been taken, including the redevelopment of the formerDavid Meek garage/car showroom premises for a Co-op store. This has the potential to accommodate a modest sized convenience store and improve accessibility to local top-up food shopping destinations. However, this gap area would also be removed by a new supermarket on the Town Hall car park, thus reinforcing the positive case for a new supermarket in Torquay town centre.

5.35 Looking to the future, we have already indicated that should additional significant residential growth occur around Edginswell it is likely that a gap area will also be created in that locality. The 'gap' will result from poor access to local centre provision rather than car access to large supermarket provision, which will already be available at the Willows District Centre. Having regard to the topography and urban form in this area, including linkages to the surrounding neighbourhoods of Shiphay and Edginswell, it will be inappropriate to provide new provision outside of this planned new neighbourhood in, for example, the Edginswell employment land allocation (E1.2(B)). The Edginswell area has been identified as a highly accessible opportunity for employment uses in the Employment Land Review (2013). Should significant new residential development be planned consideration should be given to a new appropriately sized local centre as part of the masterplanning of the area.

Paignton

5.36 The central residential area of Preston plus the area around Preston's defined district centre has been highlighted as a potential gap by the Council's analysis. The gap is primarily generated by the lack of a large supermarket, as the the Tesco Express and Sainsburys Local stores within the District Centre provide good walking and public transport accessibility for the eastern part of the Preston area. Therefore, in order to remove this perceived gap a site would need to be found to accommodate a supermarket of sufficient scale to attract main/bulk food shopping trips. However, with the whole of the Preston area benefitting from reasonable car accessibility to the supermarkets on the western edge of Paignton, plus the recent increases in convenience stores in the district centre in recent years (Tesco Express and Sainsburys Local), then this is not considered to be a high priority gap area.

5.37 In line with the sequential approach, the focus will be on Preston District Centre followed by other parts of the Preston suburb should the Council wish to remove this perceived gap. Within the district centre, a number of sites can be considered, which include: the Vauxhall Motors garage/car showroom on the corner of Torquay Road and Orient Road plus the CJ Motors site including warehousing (and possibly the Ship Inn) to the rear. However, both of these sites, whilst potential development opportunities, are modest in size and, should they become available in the future, are only able to offer modest amounts of retail floorspace. As a consequence, convenience retail floorspace on these sites is unlikely to change the nature of convenience goods shopping patterns in and around the Preston area, which concentrates upon top-up food shopping.

5.38 Within other parts of central Preston and Foxhole residential areas in the north-western part of the Paignton urban area, its dense urban form/layout makes it difficult to find suitable sites within or on the edge existing small scale centres in this area. Since the completion of the Council's analysis, provision has recently improved with the provision of a Co-op foodstore within a former public house site. This store is modest in size but provides better accessibility to local residents in terms of day to day top-up food shopping facilities.

5.39 Beyond the existing urban area, the only further opportunities to remove this gap would be via sites close to the A380 in the Marldon area. A new Local Centre in this area has the potential to improve accessibility by walking, public transport and private car, and a centre is planned as part of the Great Park Phase 2 development, although the overall benefit to existing residential areas to the east of the A380 is curtailed by the barrier created by the A380.

5.40 Overall, in terms of the perceived gap area around Preston and Foxhole, we have found little opportunity to provide a new supermarket development which would meet the provisions of the sequential approach and/or provide good accessibility via a choice of means of transport.

5.41 Moving southwards in Paignton, to the south of the town centre, the Clennon Valley / St Michaels / Roundham area is identified as a gap area. It has poor accessibility by walking and bus provision and parts are also outside of the 10 minute drive time for travel by private car to the major supermarkets in Paignton. In order to rectify this situation, two opportunities exist: better/larger supermarket provision in the town centre (as the town centre has a close relationship with parts of this area); and, improved provision in Three Beaches Local Centre. Whilst a new supermarket in Paignton town centre is unlikely to offer a significant change to the walking and bus travel travel catchment areas it has the potential to improve the range and choice of provision within the centre and it will also greatly improve the accessibility of convenience goods retail provision via private car.

5.42 Alongside improved provision in the town centre, there is an opportunity to improve convenience goods floorspace provision in the central part of this area via the introduction of new provision in Three Beaches Local Centre. The distribution of defined centres in this part of Paignton is not in question, instead it is the lack of conveneince floorspace which causes the perceived 'gap' and therefore there is no obvious need for a new centre as the focus is on access to convenience shopping. Within Three Beaches Local Centre, there is a potential opportunity on the western side of Dartmouth Road currently occupied by a public house and garage uses. Should these uses become available, and the Council accepts the loss of these uses, a modest amount of convenience goods floorspace would improve walking and bus travel access to day to day top up food shopping facilities and also offer qualitative benefits.

5.43 In addition, and further to the south, any opportunities for the improvement of convenience goods floorspace at Cherrybrook Square Local Centre (i.e. expansion of the Co-op store), would also help to improve access to day to day top-up food shopping provision in the southern part of the Paignton urban area.

5.44 On the western side of Paignton, the Council's analysis identifies the Collaton St Mary area as lying within a gap. This 'gap' is caused by the lack of defined local or district centres in the local area, rather than substantially poor accessibility to supermarkets via walking, public transport and private car access (although the layout of the urban area is not conducive to easy walking and cycling trips. Therefore, we recommend that the focus in this area, particularly in light of the planned residential growth in the Torbay Core Strategy, is the promotion of a new centre to serve existing and future residents. At present there is very little retail and service uses along Totnes Road and little retail/commercial space which can be transformed into a new planned centre. Instead, should significant new residential development be planned for the Collaton St Mary area in the Core Strategy, we recommend that consideration given to a planned new Local Centre which should be provided as part of any planned residential development and lie in the heart of this area.

5.45 Further to the south, along Brixham Road at Yalberton / White Rock, the Council's analysis does not indicate an existing gap at present, particularly as there is limited residential use to the west of Brixham Road. However, the need for provision is likely to be created in the future should residential development be promoted, reinforced by the separation caused by Brixham Road. We note that this need has been met by the planned new local centres at Yannons Farm and Whilte Rock, thus eliminating the need for additional provision in this area.

5.46 Alongside these new centres, we note the extant commitment to extend the Sainsburys store on Yalberton Road. Sainsburys have implemented this permission on their existing site and, as a consequence, there may be little that this study can do in terms of refining these proposals for expansion. Whether or not Sainsburys decide to pursue a revised proposal, we do not consider such a proposal is needed to remove any gap areas in the western part of Paignton.

5.47 The final gap area lies across Galmpton Broadway and Churston Ferrers, which are two small villages lying between Paignton and Brixham. These settlements do not contain any existing centres or significant retail provision and they no significant identifiable opportunities to provide new retail floorspace. In any event, these perceived gap areas will be improved by provision of new space in Brixham and improvements in the southern part of the Paignton urban area.

6. Retail & Town Centre Policy Options Analysis

Introduction

6.1 Having identified the expenditure capacity/demand which exists, considered qualitative needs, and reviewed current and potential sites, the next critical stage of preparing an effective retail strategy is to identify the policy options for development. This will involve identifying different centres' strengths/weaknesses, opportunities and threats. The outcome of this exercise will be to identify what scale and form of development is likely to be supportable in different locations, including the scope to enhance the role of existing centres, to expand or create new centres, and where appropriate, to plan for diversification and manage decline.

6.2 A key element of developing and evaluating policy options is to understand the implications of alternative policy choices. For example, where potential exists to expand the role of a particular centre, and to seek to increase its market share and reduce 'leakage' of expenditure, it will be necessary to understand the implications for neighbouring centres in terms of their current or potential role. If there is insufficient expenditure capacity or demand to support development of all the identified opportunities, it may be necessary to review the pros and cons of each option, and to weigh their relative merits in reaching a decision. This may involve choices between the development of one opportunity or another, or may lead to a strategy to phase new development, and to identify priorities.

6.3 At the policy formulation stage, it may be useful to assess alternative options against national, regional and local policy objectives and priorities. For example, having identified a 'need' for new development in its area, the Practice Guidance identifies a framework of considerations that local planning authority may wish to evaluate how best to plan to accommodate this need within a network of centres:

- Which option secures the maximum investment within existing centres, and the wider socio-economic benefits of different options.
- What distribution of new development is likely to contribute to an effective network and hierarchy of centres, and promote sustainable shopping patterns.

- Which centres(s) are most likely to be able to accommodate new development in sequentially preferable locations, and are likely to be most accessible to their current/potential catchments.
- Which options are likely to be most consistent with sustaining and enhancing the vitality and viability of different centres.

6.4 Within the two previous studies these broad principles were followed, with the options of maintaining or changing the market share of convenience and comparison goods shopping in Torquay, Paignton and Brixham examined. As part of this consideration, national and local policy factors such as qualitative needs and the availability and location of potential development sites were incorporated into the analysis. This approach is continued within this latest update, although the analysis is expanded to inclulde the influence of the gap area analysis outlined in previous parts of this report.

Convenience goods retailing: the Options

6.5 For convenience retailing, the 2011 study outlined a range of options including: concentrate all new development within the three town centres; concentrate new development in the gap areas in new and existing local centres; a combination of these options, with disbursed development across town, district and local centres and gap areas

6.6 In our view re-consideration of these options is not now necessary because: the level of quantitative capacity for new convenience goods floorspace has fallen considerably; two new large ASDA supermarkets have opened in Paignton and Torquay; planning permissions have been granted for new local centres in Paignton and the Council has resolved to grant planning permission for a large Tesco supermarket in Brixham town centre.

6.7 Based upon these events, the focus for new convenience goods floorspace is now very much focused upon Torquay and Paignton town centres given that new foodstores in these centres can eliminate many remaining gap areas and in any event are supported by the need to improve the quality of provision in these centres:

- Torquay town centre. The focus of efforts should remain on the Town Hall car park, with the Council working to assist the private sector in the delivery of a supermarket in this location.
- Paignton town centre. Should the Council wish to proceed with the redevelopment of Victoria Square, further investigations are required over the potential for the Victoria Square site to accommodate convenience goods floorspace including options over the scale of potential accommodation. We consider that efforts should be made to accommodate a main/bulk food shopping facility, which is likely to have a minimum sales area of circa 30,000sq ft net. This should also be accompanied by the identification of options for the relocation of the Lidl store.

6.8 In relation to the remaining gap areas, the emerging Local Plan allocates new centres to White Rock, Collaton St Mary, Yannons Farm and Great Parks. The analysis within this study supports these allocations given the location of substantial new residential development in these areas and the need for new local facilities to serve these growing communities.

Comparison goods retailing: the options

6.9 For comparison goods retailing, the options are influenced by a number of factors, including: the desireability/appropriateness of maintaining or changing market share levels in each town; the operation of the sequential approach to site selection; the availability and suitability of sites in or on the edge of town centres to accommodate different types of new comparison goods floorspace; and, the ability to provide sustainable shopping patterns.

6.10 The starting point for the options analysis should be the results of the quantitative assessment and forecasts of need for additional space should existing shopping patterns continue in the future. As noted in Section 4, the overall capacity for additional comparision goods floorspace is falling when compared with previous studies and now stands at 700sq m by 2021, 6,100sq m net by 2026 and 12,000sq m net by 2031.

6.11 If this global Torbay capacity is broken down into its three constituent parts, Tables 10b, 10c and 10d (at Appendix B) indicate that Torquay attracts most of this capacity with Brixham and Paignton possessing much lower levels. Should these ‘constant market share’ floorspace capacity be pursued then only Torquay would be able to provide new comparison goods floorspace in the longer term, with expenditure growth in Brixham and Paignton used to support existing businesses prior to additional growth occuring in the medium term onwards.

6.12 The alternative option to meet the identified quantitative need is via the redistribution of some of the identified capacity to benefit Paignton and Brixham with the effect that Torquay has a lower short term capacity but Paignton and, to a lesser extent, Brixham have a quantitative need to provide additional floorspace in the short term. Whilst this scenario would offer the opportunity for redistribution of the identified capacity with a more equal share of new comparison goods floorspace, it does not receive significant support from either the qualitative assessment or our commercial assessment. These assessments indicate that there is little commercial requirement for additional comparison goods retail floospace in either Paignton or Brixham town centres and the opportunity for improving the quality of the comparison goods floorspace offer should focus upon the redevelopment and recycling of existing stock, particularly within Paignton. This is evidenced by the proposals to redevelop Victoria Square and Crossway Centre sites in Paignton town centre and the amount of vacant floorspace in Paignton.

6.13 Therefore, in quantitative and qualitative terms, and also supported by our commercial assessment, the majority of comparison goods floorspace need for additional floorspace falls to Torquay. A key consideration for the Council will be how much new floorspace to plan for and what types of floorspace need to be accommodated. As an overarching principle, we recommend that a reasonable balance is struck between promoting comparison goods floorspace growth in Torquay (as the only one of the three towns being capacity of attracting new investment in comparison goods retail provision) and protecting the health of Brixham and Paignton. One logical approach will be to adopt the global quantitative need forecasts for Torbay as a whole as this balances the under-performance of Paignton and Brixham against the better performance of Torquay. Therefore, there is a logical argument to suggest that, as a guide, the quantitative capacity levels shown in Table 10a1 at Appendix B should be seen as maximums.

6.14 This is also supported by the need to balance the ability to provide new retail floorspace against the redevelopment of existing floorspace. Whilst our quantitative assessment indicates the opportunity through surplus expenditure to accommodate additional floorspace in the longer term, our qualitative assessment indicates that existing floorspace should be redeveloped to make way for new more modern development which can better meet commercial requirements. This is supported by the level of vacancy in Torquay town centre and our commercial opinion that existing floorspace within the town centre is not meeting the needs of the modern retail sector and there is simpy too much surplus floorspace.

6.15 Therefore, in terms of a strategy for the provision of new comparison goods floorspace, whether it be new floorspace or replacement floorspace for existing provision, our recommendation is for the majority of development to be directed to Torquay. This is not to exclude Paignton and Brixham from the ability to secure new development, which clearly should be encouraged by the Council. Instead it acknowledges that there is much lower demand for additional floorspace in Paignton and Brixham and the focus will be on: supporting existing retailers (through control of the scale of provision in out of centre locations and the scale of new development in Torquay) and the redevelopment and improvement of existing floorspace.

6.16 Similar actions will also be undertaken in Torquay although there are opportunities, supported by potential commercial demand, to expand its floorspace in both town centre and (subject to impact and sequential approach policy tests) in District/Local centre and out of centre locations. Our commercial analysis indicates that whilst Torquay currently has a good level of comparison good retailing, there are opportunities to expand this further and opportunities to be explored in terms of attracting new retailers to the town centre. In order to attract new retailers and also allow existing retailers with small / poorly configured space to expand/relocate, significant modern new floorspace will be required. The best opportunities assessed as part of this study appears to be the Union Street area and sites around the harbour area, with smaller scale opportunities along Market Street and as and when individual properties / groups of properties become available.

6.17 With further work recommended by this study in relation to the viability and delivery of large scale retail development in the Union Street area, plus the amount of retail development which can and should be accommodated in and around the harbour / sea front area, it would be inappropriate for this study to seek to restrict new comparison goods floorspace to one site in particular. Instead, the recommendations of this study, including the short list of preferred development locations, should be taken forward as the basis for additional necessary work by the Council to agree a town centre retail development site strategy. However, at the heart of this strategy, this study recommends the following key principles and strategic actions:

- In order to improve the health of Torquay town centre, and to improve its role in the regional shopping hierarchy, the Council will need to be proactive over its promotion of town centre development sites. Further steps should be taken to try and accommodate the majority of the identified need for additional comparison goods floorspace (particularly the non-bulky goods floorspace need, but also some bulky comparison goods[11]), in Torquay town centre. As a priority, and where a choice between retailers should be made, precedence should be given to non-bulky comparison goods retailers as they are vital to the health of Torquay town centre. A proactive stance from the Council is required in order to meet two key aims. First, action by the Council is required in order to progress what will be complex town centre development projects, including initial feasibility and masterplanning work and a commitment to assist with site assembly and use CPO powers where necessary. Second, proactive action by the Council will also be important to withstand inappropriate proposals for comparison goods floorspace elsewhere in the Torbay area. Without clear town centre proposals, the ability to secure permission for additional out of centre retail provision, along with widening the range of goods which can be sold from existing retail warehouses, increases in potential.

- Whilst there are a number of large scale potential development sites in Torquay town centre, particularly Union Street and around the harbour area, the phasing and packaging of sites will be particularly important. The level of potential commercial demand for new floorspace within Torquay is such as that only one large scale retail development scheme can be promoted. In addition, whilst the Union Street area is more appropriate for retail development and the harbour area more appropriate for new commercial leisure provision, the Council must ensure that both schemes can be delivered alongside each other. Indeed, whilst there is likely to be commercial demand for new retail floorspace plus new commercial leisure uses such as a cinema and food & drink uses, we would recommend that there is further market testing as and when further feasibility work is undertaken in relation to the Union Street and harbour areas in order to understand whether separate retail and leisure schemes can be developed or whether all uses should be combined into one scheme.

- In relation to new commercial leisure provision, it is our view that there is potential demand including opportunities for new food & drink uses and potentially a new cinema. The importance of securing these uses in Torquay town centre attracts the same level of importance as non-bulky comparison goods uses as they are vital to ensure to continued vitality of the centre. Location of such uses away from the town centre would, in our opinion, have a significant adverse impact upon the health of the town centre as both local residents and tourists are drawn away.

- From a commercial perspective there is unlikely to be demand for a traditional high quality 'high street' retail development plus an 'outlet village' type development. This is also supported by the quantitative assessment of retail need over the short to medium term. Moreover, should demand materialise for an 'outlet village' it is likely to have a noticeable negative impact upon Torquay town centre, particularly where it is located outside of the town centre area (which seems a likely scenario given the number and physical scale of sites available). Even where such a scheme were to be placed in the town centre, we would question its overall benefit beyond the potential to attract new visitors to the area, simply because the business model of an outlet village would compete directly with existing mainstream 'full price' retailers. In the case of Torquay, this could reinforce current health issues in the town centre.

6.18 Whilst the strategy for comparison goods retailing in Torbay should be to try and accommodate as much of the identified need in new town centre development, there will inevitably be instances where the business models and trading formats of certain bulky goods retails cannot be accommodated in a town centre environment. Where there is

[11] Where appropriate business models exist

demand from particular bulky goods retailers and it is proven that town centre and edge of centre sites and premises are not suitable then out of centre locations would be appropriate (subject to impact issues), particularly where it helps to improve qualitative aspects of provision and stop leakage of trips to other settlements further away. There is potentially demand for new space from bulky goods retailers and therefore, subject to the parameters outlined above, the Council should consider adopting a strategy which directs bulky goods retail development to a particular area. As already noted in Section 3 of this report, the Riviera Way, Newton Road and junction of Torquay Road/Hamelin Way are the most appropriate locations.

The role of Torbay in the regional shopping hierarchy and the role and function of Torbay's three town centres

6.19 One element of the project brief issued by Torbay Council for this study asks for guidance on how Torbay can redefine its role in the regional shopping hierarchy, through strategic actions such as major town centre regeneration sites, strategic bulky goods locations, leisure parks and outlet villages.

6.20 As we have already noted, Torbay lies behind centres such as Exeter and Plymouth in terms of its overall performance and attractiveness and will continue to struggle to compete on an even playing field with these two centres given its accessibility characteristics and size of catchment area. There are opportunities for improvement, such as the South Devon Link Road which will improve accessibility and, whilst it would be unrealistic to suggest that Torquay can compete directly with Exeter or Plymouth, our assessment of need indicates that there remains capacity for additional comparison and convenience retailing.

6.21 For comparison retailing, the identified need is centred on Torquay, with little commercial opportunity for significant town centre development in Paignton and Brixham where the focus should instead be on maintaining and enhancing existing floorspace provision. Indeed, there is a three tier retail hierarchy in Torbay with Torquay adopting the role of main comparison goods centre, with Paignton and Brixham catering for more localised needs, with a more limited selection of retailers.

6.22 In terms of the strategic actions which need to take place to improve Torbay's role, Torquay should be identified as the focus for new comparison goods floorspace and commercial leisure provision (including a new cinema), with efforts made to promote development sites. This study has identified that the largest opportunity lies on the western side of Union Street and further investigations need to be made as soon as possible regarding the commercial viability of promoting a large mixed use regeneration scheme in this area. We recommend an examination of the availability of different plots/retail units, potential options for development mix and development costs/values. Similar exercises should also be undertaken for other key development sites in order to ensure that there is evidence of delivery to support the identification of these sites in the Local Plan.

6.23 Overall, in order to improve the health of Torquay town centre, and to improve its role in the regional shopping hierarchy, we recommend that the Council will need to be proactive over its promotion of town centre development sites. Leading on from the valuable work undertaken by the Mayoral Vision, further feasibility work should be undertaken to understand how to accommodate the majority of the identified need for additional comparison goods floorspace, both bulky and non-bulky goods, plus an element convenience retail floorspace in Torquay town centre. This work will also consider development viability issues and those issues surrounding site assembly. As a consequence we are not unduly prescriptive over the type and scale of retail and leisure uses which can be accommodated on, for example, the Pavilion / MSCP / Princess Gardens and Union Street sites. However, a proactive stance from the Council in terms of further feasibility work and planning strategy is required in order to meet two key aims. First, action by the Council is required in order to progress what will be complex town centre development projects, including initial feasibility and masterplanning work and a commitment to assist with site assembly and use CPO powers where necessary. Second, proactive action by the Council will also be important to withstand inappropriate proposals for comparison goods floorspace elsewhere in the Torbay area.

6.24 Beyond the clear strategy for new comparison goods provision within Torquay town centre, there may be opportunities for additional bulky goods floorspace within Torbay and again new provision will be focused in Torquay due to commercial market influences. In principle, where demand exists and where it cannot be accommodated within town centres, there are opportunities to improve the role and status of Torbay in the sub-region through new bulky goods retail provision. In order to control development, a specific area should be identified and, in our opinion, this is likely to be in the Torquay Gateway area or nearby in the north-western part of Torquay.

6.25 However, before a strategic allocation is made we recommend that the Council investigate the potential implications of a strategic bulky goods allocation. For example, where there are existing bulky goods units in Torbay (currently occupied by bulky goods retailers) which have a relaxed planning permission (i.e. not just restricted to bulky comparison goods) and a new bulky goods allocation allows the existing (bulky goods) tenants to move, this would freeing up the existing units for occupation of non-bulky comparison retailers which should be directed to town centre locations.

6.26 Finally, in relation to convenience goods retailing, we do not consider that there is any overriding need to redefine Torbay's role in the sub-region. As a whole, Torbay is relatively self-sufficient in terms of convenience shopping trips along with the Willows district centre able to attract shopping trips from further afield. Instead, rather than a strategy which seeks to change the relationship of Torbay with surrounding areas, the focus will be on improving the retention of shopping trips in Brixham and improving provision in Torquay and Paignton town centres.

6.27 Therefore, to summarise, the future of Torbay's three town centres has the potential to incorporate the following characteristics:

- Torquay. Torquay's town centre is likely to remain the dominant town centre in the Bay, attracting the largest amount of comparison goods expenditure and the largest amount of retail and service floorspace. Torquay town centre will be the focus for national multiple retailers and the focus for new town centre comparison goods retail development, which may be redeveloping existing floorspace stock as well as potentially new floorspace. The town centre's comparison goods floorspace will sit alongside convenience goods retail provision, which has the potential to improve as part of town centre redevelopment schemes (particularly the Town Hall car park scheme), plus the centre's ongoing role as an important tourist destination, providing a large amount of leisure and service uses.
- Paignton. Paignton's future role is likely to depend on its ability to react to the continuing dominance of Torquay in the local area, ongoing trends in the retail sector which could put pressure on the viability of national multiple retailers in the town centre, and the wider dominance of Exeter and Plymouth. The future focus for Paignton is likely to lie in the redevelopment and refurbishment of existing retail floorspace to retain existing retail and service uses, plus the ability to provide a new main/bulk food shopping destination and reinforce the leisure and service function of

the centre (for local residents and tourists alike). Local independent retailers and service providers are likely to play a significant role in the future of Paignton town centre, emphasising a point of difference between Paignton and the larger centre at Torquay.

- Brixham. The future for Brixham town centre is likely to lie in its continued role as a day to day top-up shopping and service destination for local residents and its key tourist role. Local independent and niche retailers/service providers will provide a key point of difference for Brixham, which will draw visitors due to centre. A key change for the future could well be the development of a large foodstore which would retain a greater number of main and top-up food shopping trips and have the potential for positive spin-off benefits for other parts of the town centre.

Floorspace and location threshold trigger for the assessment of impact

6.28 Both the NPPF and the project brief for this study ask for the identification of floorspace and location thresholds for the scale of edge of centre and out of centre propsals which should be subject to an assessment of impacts under paragraph 26 of the NPPF.

6.29 Whatever the content of an adopted development plan, paragraph 26 of the NPPF requires all retail proposals over 2,500sq m gross to be subject to the impact tests in that paragraph although there is an opportunity in the emerging Torbay Local Plan to impose a local impact test threshold for some retail developments under 2,500sq m. No minimum size threshold is set for the sequential approach to site selection for new retail proposals.

6.30 Therefore, as a consequence of the NPPF, the Council and this study must consider whether the default 2,500sq m gross threshold provides sufficient comfort that retail development across Torbay can be controlled in terms of its impact. In order to determine an appropriate threshold we consider it important to examine the scale of existing retail stores across town, district and local centres in Torbay, particularly those stores which serve to underpin/anchor defined centres.

6.31 In relation to convenience retail provision, there is a wide range of store sizes from the three large supermarkets to a large number of stores which are below 1,000sq m gross and are located in District and Local Centres. Indeed many convenience stores in Local Centres do not extend beyond 400-500sq m gross. In many cases, particularly in District and Local Centres, small foodstores provide an important contribution to the health of centres and in some cases provide an anchor role. In many cases they are also the largest units in District and Local Centres and therefore proposals for similar sized stores in edge or out of centre locations are unlikely to be caught by the sequential test as no comparable vacant premises/sites will exist. Therefore, we consider that a trigger point of 500sq m gross for retail proposals involving the potential sale of convenience goods should be introduced in the Local Plan. This should apply to new stand alone retail floorspace, proposed extensions to existing stores and applications to vary the range of goods to be sold from existing floorspace. In addition, this threshold should apply consistently across the whole of the Torbay areas for both edge of centre and out of centre locations.

6.32 Turning to comparison goods retailing a similar exercise has been undertaken. This has found a wide variety of unit sizes, varying from smaller units in general in Local and District Centres (excluding the Willows District Centre) with a larger average size of unit in the town centres, particularly Torquay. In out of centre locations, unit sizes tend to be large, focusing on large format bulky goods sales along with the large units at the Willows / Wren Park which are occupied by non-bulky goods retailers. Generally speaking, single comparison goods retailers do not provide a lone sole anchor to defined centres, although the range and quality of comparison goods retailers provides a very important contribution to its health and attractiveness. With such a range of retailers present in the Torbay area it is difficult to be precise over the exact scale of floorspace which could have a detrimental impact upon the health of defined centres, however given trends in the retail sector in recent years and the evolution of the retail warehousing sector, we consider that floorspace of trigger of 500sq m gross should be applied to impact assessments for comparison goods floorspace. This should also apply to new stand alone retail floorspace, proposed extensions to existing stores and applications to vary the range of goods to be sold from existing floorspace. In addition, this threshold should apply to bulky and non-bulky goods proposals and, like convenience goods uses, be applied consistently across the whole of the Torbay areas for both edge of centre and out of centre locations.

Definition of locally important impacts

6.33 Like PPS4 before it, the NPPF offers the opportunity for local planning authorities to define locally important impact tests which can be applied to retail proposals. No guidance is provided on what a locally important impact can or should be defined as although it is likely to be reflective of the key attributes of town centre health in a particular area, including: key land use sectors which contribute to a centre's health, key threats to the erosion of the range of services in defined centres, the threats posed by particular centres in the hierarchy over other centres; and, in the case of Torbay, the balance to be struck between meeting the needs of the local community and visitors to the area.

6.34 As a key contributor to defining locally important impacts, we would recommend that the Council consult upon this issue within its Local Plan and, where necessary, other development plan documents as this will engage the local community, local businesses and other key stakeholders in defining any important local issues. It would also support the spirit of the NPPF's aspiration on this issue. Alongside this local engagement, we outline below a range of issues which should be taken into account by the Council when defining locally important impact issues.

Local impact criteria to be included within edge/out of centre retail development policies

6.35 Beyond standard aspects of impact, we consider that there are a couple of additional impact criteria which should be considered by the Council in relation to Torbay: the impact on the role and function of the three main centres in Torbay, and the impact upon the spatial distribution of retail facilities, particularly convenience retail facilities, across Torbay. These are outlined below.

6.36 It is clear from both this study and previous retail studies in Torbay that there is a complex relationship between Torquay, Paignton and Brixham. Whilst they are classified as three towns and three town centres, Torquay, Paignton and Brixham effectively function as one urban area. For convenience goods shopping Torquay and Paignton have the ability to be self-sufficient and there is a clear strategy to allow Brixham to achieve this status also. For comparison goods shopping, we have already commended that there is a three tier hierarchy, with Torquay acting as the dominant town centre, supported by the quasi-District Centre status of Paignton and Brixham. Torquay is successful in attracting comparison goods shopping trips from Brixham and Paignton and effectively functions as the main comparison goods 'town centre' for the whole of Torbay. The role and function of the three settlements has been outlined earlier in this section and we consider that it should form the basis of a useful local impact test. In particular, we would recommend that the Council gives consideration to a further impact which requires edge of centre and out of centre retail development to be considered against its effect on (and compatibility with) the role and function of the three main centres in Torbay. In order to inform the use of such an impact criterion we would recommend that the Local Plan retailing and town centres chapter provides a clear outline of the current role and function of the three town centres and also the strategy for these centres going forwards.

6.37 The second potential local impact criterion for the Council's edge of centre / out of centre retail development relates to the spatial distribution of retail facilities, particularly convenience goods retail facilities. Whilst it is likely that the impact of new development will be picked up by the standard impact policies in the Local Plan and the NPPF, it is clear through its gap areas analysis that the Council places particular weight on its network of town, district and local centres, the distribution of convenience goods retail floorspace provision and their combined contribution towards an accessible retail hierarchy. As such, with a finite amount of quantitative need and specific qualitative aspects of retail provision, there is a need to ensure that where new retail floorspace is provided it is provided in such a manner that: removes gap areas, meets quantitative and qualitative needs and does not unnecessarily duplicate existing provision. As a consequence, we recommend that consideration is given to a further 'local impact' test which seeks to control new retail development, particularly convenience goods retail floorspace, against its impact on the balance/spatial distribution of retail provision across Torbay.

The Willows District Centre

6.38 In contrast to the type of centre envisaged in its initial stages of planning, the Willows District Centre in Torquay has grown into a sub-regional shopping destination and a destination in Torbay which clearly competes with the existing three town centres and also draws shoppers into the Torbay area from outside (Teignbridge, South Hams etc). In recent years the District Centre, particularly the Sainsburys and Marks & Spencer stores, have continued to expand which is likely to have led to an increased level of expenditure flowing to the District Centre. As a consequence, we consider that a key locally important impact to be outlined in the Local Plan is the impact of proposals at the Willows District Centre on the remainder of the retail hierarchy in Torbay. This issue has also been raised in the previous retail studies and we would recommend that if the Willows is to retain its formal District Centre status then it should be controlled by the 'local impacts' policy criteria. This is effectively a continuation and strengthening of Policy S9 of the adopted Local Plan.

The balance between retail uses and other main town uses in town centres.

6.39 The final 'local impact' which has the potential for inclusion in the Local Plan is the need to consider the balance between Class A1 retail and non-A1 uses in defined centres, particularly the three town centres. In recent years, Torbay Council, like many other Councils, has operated a primary shopping frontages policy (S3 in the adopted Local Plan) which seeks to retain a primary (Class A1) retail character and role of the defined primary frontage areas. We would recommend that continued focus is given this issue in the Council's suite of development plan documents and it is highlighted as a local impact given the increased competition for town centre space which occurs in Torbay as a result of the influence of the tourism industry. The retail land use sector is a key contributor to the overall health of town centres in Torbay, although the contribution of the leisure/tourism sectors is also substantial and should not be under-estimated. Therefore, the Council should give consideration to a 'local impact' test which seeks to control the balance between retail and non-retail uses within its town centres.

6.40 However, in April 2013, changes to the Permitted Development regime were introduced. Amongst the changes was the ability for premises falling within use classes A1/2/3/4/5, B1, D1/2 to change to A1, A2, A3 and B1 for a limited period of up to two years.

6.41 Such changes will, in principle, have an impact upon how policies within the emerging Local Plan will operate. For example, with the inability to control changes of use within the primary and secondary shopping frontages, the Council will need to carefully consider applications for permanent changes of use which will fall to be considered under local policies.

6.42 For example, a simple review of the proportion/length of frontage of non-Class A1 uses at the time when an application for permanent change of use is made may give rise to misleading results, particularly where owners and occupiers of premises are taking advantage of the new PD rights.

6.43 Therefore, the Council will need to look beyond the situation 'on the ground' and examine the provisions of local polciies in the context of the lawful uses of primary and secondary frontage premises. This will require, for example, the keeping of a database which records the lawful use of premises in the primary and secondary areas and records each instance of an owner or occupier making use of the new PD rights. This will be possible as anyone wishing to take advantage of the PD rights must notify the local planning authority of their intention to do so.

6.44 In this way, we see no need to alter policies in the draft Local Plan, as their operation can be successful, subject of course to the preparation of the recommended database.

7. Summary and Conclusions

Introduction

7.1 This report has been prepared by GVA in response to an instruction by Torbay Council dated August 2013 to prepare a new updated retail study for Torbay. In recent years three previous retail studies have been undertaken for the Torbay administrative area, in 2006, 2008 and 2011, all of which were prepared by GVA. This latest study updates the contents of the 2011 report, retaining its original structure, and providing updated assessments of need and potential development sites. The overall aims of the 2011 project, and which are updated for this report, are:

- To identify available and projected retail expenditure for convenience and comparison goods over the period 2013 to 2031 within Torbay and its retail catchment area.
- To identify market share retention rates available to and within the Bay and the constituent three towns, incorporating indicative potential tourism expenditure.
- To make recommendations for floorspace thresholds for the scale of edge-of-centre and out-of-centre schemes, which should be subject to an impact assessment.
- To make recommendations for potential locally important impacts which could be included within the Council's impact assessment.
- To provide guidance to the Council on how Torbay can redefine its role in the regional shopping hierarchy, through strategic actions such as major town centre regeneration sites, strategic bulky goods locations, leisure parks, and outlet villages within Torbay.
- To provide input in to the Council's emerging growth strategy by providing guidance on Torbay's Retail hierarchy including likely opportunity for future capacity to be met within the Town Centres, District and Local Centres.

Meeting identified needs and redefining Torbay's role in the regional shopping hierarchy

7.2 Across Devon, Torbay lies in the top three largest urban conurbations. It lies second to Plymouth and, as a whole (Torquay, Paignton and Brixham combined) is larger than Exeter. However, given that Torbay is effectively split into three distinct settlements (Torquay, Paignton and Brixham) it has three separate town centres with the largest of these (Torquay town centre) only 60% of the size of Exeter city centre. Whilst Torbay's three town centres combined occupy a similar amount of floorspace to Exeter city centre, this separation of floorspace across a number of centres has an effect on the commercial performance of Torbay's town centres. According to Venuescore, Torquay is ranked 148th nationally, Paignton is ranked 505th and Brixham ranked 1,246th. A further salient issue is the catchment area population of Torquay, the largest town centre, when compared with Exeter: 664,000 people are within 30 minutes drive of Exeter, whilst 640,000 are within 30 minutes of Torquay. The geography of Torbay, being on the coast, is an obvious influencing factor, as is the poor quality of road network between Newton Abbot and Torquay. However, this is likely to change for the better in 2015, with the completion of the South Devon Link Road.

7.3 As a consequence of the above factors, Torbay lies behind centres such as Exeter and Plymouth in terms of its overall attractiveness, which is supported by the rental levels which can be achieved on town centre retail property and the scale and type of retailers which can be attracted to the area. Indeed, a clear distinction can be made in terms of the role and attractiveness of the three town centre areas in Torbay:

- Torquay is the largest centre and the key shopping destination for comparison goods. It has, despite some acknowledged opportunities to improve the quality of provision, a good selection of national multiple high street style comparison goods retailers in the town centre and is also well provided for in terms of out of centre retail warehousing provision. Beyond the town centre, the Willows District Centre, located in the western part of the town, is also a popular shopping destination for both Torbay residents and residents of surrounding Districts. However, despite its dominance in Torbay, the health of Torquay town centre has suffered in recent years with our land use assessment indicating a noticeable fall in the number of comparison retailers and a large rise in the number of vacancies. Vacancies in the town centre are now well above the national average.

- Paignton is the second largest centre in Torbay, in terms of the physical size of its town centre and also the level of expenditure which is attracted from local residents and visitors. The town centre has a mix of national and independent retailers although it has around half the number of multiples as Torquay and has a much smaller retail warehouse sector (due to the poorer quality connections with surrounding areas). Like Torquay, Paignton has suffered from a fall in the number of comparison goods retailers in the centre over the past five years and land use data from the Council shows a doubling of vacant units between 2005 and 2010 (with further increases by 2012). Whilst Paignton is relatively self-sufficient in terms of convenience goods shopping trips, there is a significant amount of leakage to Torquay town centre and the Willows District Centre.
- Brixham has the smallest of the three town centres, in terms of physical size and financial turnover. The centre is occupied by predominantly local independent traders and small convenience stores. As a consequence, there is a significant leakage of convenience and comparison goods shopping trips, with Paignton being the main beneficiary for convenience trips and Paignton and Torquay benefiting from Brixham residents' comparison shopping trips. Unlike Paignton and Torquay, Brixham's town centre land use mix has remained relatively stable in recent years.

7.4 Our assessment of the need for additional retail floorspace across Torbay has found that there is a falling level of quantitative and qualitative need for new provision in both the convenience and comparison goods retail sectors. Within the convenience goods sector there have been a number of store openings and further commitments made since the 2011 study and the need for new provision is now confined to Torquay and Paignton town centres (including a new supermarket on the Town Hall car park in Torquay town centre), along with smaller scale provision as part of planned new local centres at Great Parks, White Rock, Yannons Farm and Collaton St Mary.

7.5 In relation to comparison goods retailing in Torbay, there is also a quantitative and qualitative need for additional floorspace, but this is now a lower term need with a shorter term requirement to examine existing retail floorspace in the town centres. The need for additional provision is focused upon Torquay rather than Paignton and Brixham. Our commercial assessment has found that only Torquay has the potential to generate market demand from retailers not currently present in Torbay and retailers with existing small and poorly configured space. Having regard to quantitative aspects of need, Torquay is likely to benefit from surplus retail expenditure over the longer term to support new floorspace, whilst in the shorter term the focus will be on redevelopment of existing space. In Brixham and Paignton, there is no surplus expenditure capacity, with instead the focus being on supporting existing retailers and redevelopment of existing floorspace rather than providing new stock.

7.6 The quantitative need forecasts are summarised below:

Table 7.1 – convenience goods floorspace capacity forecasts, 2013-2031 (sq m net)

	2013	2016	2021	2026	2031
Torquay	158	338	1,034	1,846	2,701
Paignton	-2,474	-2,919	-2,248	-1,516	-734
Brixham	-1,798	-280	-132	35	205
Torbay	-4,114	-2,852	-1,346	374	2,182

Note: figures may not add to be rounding

Table 7.2 – comparison goods floorspace capacity forecasts, 2013-2031 (sq m net)

	2013	2016	2021	2026	2031
Torquay	-235	-740	1,770	6,201	11,063
Paignton	-2,316	-2,019	-1,408	-435	644
Brixham	-1,220	-61	70	339	621
Torbay	-3,064	-2,404	700	6,124	12,068

Note: figures may not add to be rounding

Table 7.3 – bulky comparison goods floorspace capacity forecasts, 2013-2031 (sq m net)

	2013	2016	2021	2026	2031
Torbay	0	273	1,564	3,832	6,310

Note: figures may not add to be rounding

7.7 Consideration has been given as to how to meet the identified need and, based upon a combination of the need to protect town centre health in Paignton and Brixham plus commercial market interest, it is recommended that the majority of the identified need for additional comparison goods floorspace should be provided for in Torquay with the global capacity levels outlined above treated as maximum levels.

7.8 In terms of the opportunities to meet this identified (comparison goods retail floorspace) need, a number of potential development sites and strategic actions have been considered. Our recommendations are as follows:

- The overall identified need for additional comparison goods floorspace can be split into non-bulky and bulky goods floorspace. In line with long-established national policy, a town centres first approach for all types of comparison goods retail floorspace should be employed and we would expect that the majority of the identified need should be accommodated within Torquay town centre. However, in some instances, a requirement from a particular bulky goods retailer cannot be accommodated within Torquay town centre, thus making an out of centre retail warehouse location potentially acceptable. As such, the Council should seek to identify a specific area in Torquay where bulky goods floorspace should be accommodated and we recommend land off Torquay Road (via the revitalisation of existing employment space/land) , the former landfill site on Browns Bridge Road or land off Hamelin Way as part of comprehensive redevelopment.
- Of the sites within Torquay town centre considered as part of this study, the largest opportunity area lies in the northern part of Union Street. It presents an opportunity for a large scale redevelopment project of a scale which, if delivered, could significantly improve the role of Torquay in the retail hierarchy. This area is however influenced by a number of deliverability considerations, including site assembly, the mix of land uses which are needed to deliver a viable redevelopment scheme and the need to re-accommodate car parking. Such issues are not uncommon to town centre development sites and we see no reason why at this stage the Union Street area should not be given further more detailed consideration by the Council in terms of its ability to deliver a major town centre regeneration scheme.
- Beyond the Union Street area, there are other smaller scale development opportunities which can also deliver additional or redeveloped retail and leisure floorspace. Within the harbour / sea front area, the Pavilion / Marina multi storey car park area is a particularly important opportunity which is best suited to leisure and tourism uses (both supported by smaller amounts of retail floorspace) and has the

ability to significantly improve the attractiveness of the harbour. In terms of ability for Torbay to attract additional commercial leisure uses, it is our view that further uses, such as food & drink uses and potentially a new cinema, can be attracted. Like the non-bulky comparison goods sector, commercial leisure uses are very important to the health of Torquay town centre and we would recommend that the Council concentrates its efforts on bringing forward a development site in the town centre, since an out of centre location for such uses has the potential to be very damaging for the future vitality of the centre.

- We have also considered the merits of the Council taking strategic actions to promote an outlet village (i.e. factory outlet centre) within Torbay. Again, any such demand which may arise would be centred upon Torquay. From a commercial perspective there is unlikely to be demand for a traditional high quality 'high street' retail development plus an 'outlet village' type development. This is also supported by the quantitative assessment of retail need over the short to medium term. Moreover, should demand materialise for an 'outlet village' it is likely to have a noticeable negative impact upon Torquay town centre, particularly where it is located outside of the town centre area (which seems a likely scenario given the number and physical scale of sites available). Even where such a scheme were to be placed in the town centre, we would question its overall benefit beyond the potential to attract new visitors to the area, simply because the business model of an outlet village would compete directly with existing mainstream 'full price' retailers.

7.9 In order to improve the health of Torquay, Paignton and Brixham town centres, and to improve the role of Torquay in the regional shopping hierarchy, we recommend that the Council will need to be proactive over its promotion of town centre development sites. In relation to Torquay, further feasibility work should be undertaken to understand how to accommodate the majority of the identified need for additional comparison goods floorspace, both bulky and non-bulky goods, plus an element of convenience retail floorspace in Torquay town centre. This work will also consider development viability issues and those issues surrounding site assembly. As a consequence we are not unduly prescriptive over the type and scale of retail and leisure uses which can be accommodated on, for example, the Pavilion / Marina MSCP and Union Street sites. However, a proactive stance from the Council in terms of further feasibility work and planning strategy is required in order to meet two key aims. First, action by the Council is required in order to progress what will be complex town centre development projects, including initial feasibility and masterplanning work and a commitment to assist with site assembly and use CPO powers where necessary. Second, proactive action by the Council will also be important to withstand inappropriate proposals for comparison goods floorspace elsewhere in the Torbay area.

7.10 For Paignton, further work is required in relation to the potential of the Victoria Square area, including its ability to physically accommodate new retail development and also the associated issues surrounding relocating existing land uses present on these sites. The Council should take a proactive role in this feasibility work and the forthcoming masterplan for the town centre will enable a preferred development strategy to be established. For Brixham, significant efforts have already been made by the Council and the private sector to deliver the main retail development site (the former mutli-storey car park site) and we simply give our support to these efforts continuing in order that a new foodstore-led development can be provided within the town centre.