

# **2010 ADDENDUM TO 2008 JOINT TOWN CENTRE RETAIL STUDY WEYMOUTH AND DORCHESTER**

---

West Dorset District Council and Weymouth and  
Portland Borough Council

**Final Report**

July 2010

---

## 1. INTRODUCTION

- 1.1 In August 2007 CB Richard Ellis (CBRE) were instructed by West Dorset District Council and Weymouth and Portland Borough Council to undertake an assessment of future retail and leisure capacity within Weymouth and Dorchester and smaller towns within the West Dorset area. The findings of this 'Joint Town Centre Retail and Leisure Study' assisted in the preparation of the Councils' retail and town centre policies within the emerging Local Development Framework (LDF).
- 1.2 Since the original instruction the UK economy has undergone unprecedented changes and from a retail perspective a number of high street occupiers have disappeared i.e. Woolworth, The Pier, and Borders.
- 1.3 Furthermore PPS4: Planning for Sustainable Economic Growth, which was published on 29<sup>th</sup> December 2009, has consolidated national planning guidance on economic, retail and town centre development, superseding the Government's previous planning policy for retail development, PPS6: Planning for Town Centres.
- 1.4 In planning positively and in seeking to ensure that the Councils' emerging policies are underpinned by a robust evidence base the Councils have jointly commissioned CBRE to provide an update to the previous Joint Town Centre Retail and Leisure Study, dated December 2008.
- 1.5 The aim of this revised assessment is twofold. Firstly to inform the Councils' LDF going forward; and secondly to inform the Councils' consideration of future retail planning proposals.

## 2. SCOPE OF WORKS

- 2.1 The key consideration in updating the previous retail study is the current level of available expenditure (for convenience and comparison goods) over the plan period based upon revised assumptions to reflect the latest population projections and expenditure growth rates which consider the current economic climate. Therefore for the purposes of this assessment we have not reviewed the planning policy context, retail and leisure trends or re-evaluated the vitality and viability of the town centres, but have given due consideration to the publication of PPS4: Planning for Sustainable Economic Growth (December 2009).
- 2.2 The focus of this assessment is therefore upon quantitative need and will have due regard to changes in:
- Population;
  - Expenditure per head;
  - Changes in expenditure growth;
  - Assumed company turnovers;
  - Turnover efficiency; and
  - Changes in floorspace resulting fro vacancies and commitments.
- 2.3 To ensure consistency with the previous 2008 study the same methodology and catchment area have been adopted as have the test dates of 2012; 2017; 2022; and 2026. We have also relied upon the 2007 household survey and maintained a constant market share throughout.

### 3. SUMMARY OF PREVIOUS ASSESSMENT

3.1 The main conclusions of our previous Retail and Leisure Study (December 2008) are as follows:-

- Capacity was identified in terms of available expenditure within the catchment area to 2026. Table 3.1 below shows convenience and comparison capacity in Weymouth, Dorchester, and Non-Central in terms of floorspace to 2026, based on Scenario 1 of our 2008 assessment. This used our initial base population forecasts and did not account for any increase in the population from housing targets as proposed in the Regional Spatial Strategy (RSS).
- The emerging RSS for the South West identified both Dorchester and Weymouth as ‘strategically significant cities and towns.
- West Dorset District Local Plan identifies Dorchester as a town centre where development should be permitted and in accordance with this, retail development was being promoted on Charles Street. We understand an application has recently been submitted (1/D/10/000763) for a 3,687 sq m gross replacement foodstore, plus 9,734 sq m gross of mixed A1, A2 and A3 uses. Similarly, policies in the Weymouth and Portland Local Plan seek to direct retail and leisure proposals to town centres. In developing their emerging Local Development Framework both Councils’ will now also have consideration to the policies set out in PPS4: Planning for Sustainable Economic Growth and the findings of this Joint Retail Study to provide a robust evidence base for policy making.
- The area as a whole is recognised as a tourist destination and as part of the capacity assessment CBRE sought to quantify the likely levels of expenditure generated within the catchment area on convenience and comparison goods.

**Table 3.1**  
**Scenario 1: Capacity for additional Retail Floorspace at 2026 – December 2008 Assessment**

CENTRE	CONVENIENCE (SQM NET)	COMPARISON (SQM NET)
Weymouth	-276	23,309
Dorchester	314	22,107
Non-Central	5,380	28,140

Source: *Joint Town Centre Retail and Leisure Study (December 2008), Retail Capacity Table 7.9*

## 4. PPS4: PLANNING FOR SUSTAINABLE ECONOMIC GROWTH

- 4.1 Significantly, since the completion of the previous 2008 Joint Retail and Leisure Study a new planning policy statement governing national retail planning policy in the UK has been adopted.
- 4.2 The revised planning guidance keeps the important 'sequential test' that requires the most central town centre sites to be developed first. Failure to demonstrate compliance to the Government's 'town centres first' approach will result in refusal for planning consent. However, the revised policy removes the 'need test' in favour of a wider 'impact test' which will give Local Planning Authorities (LPAs) a better tool to measure the wider positive and negative effects of retail and other town centre related development. Using this test, LPAs are compelled to examine more factors including retail diversity, impact on town centre investment, scope for regeneration and job creation.
- 4.3 Having successfully demonstrated the sequential test LPAs will now have to consider the potential '*significant impacts*' proposals may have with regard to the following key planning tests:
- The contribution 'over the lifetime of the development' to limit carbon dioxide emissions and provide resilience to climate change.
  - The accessibility of the proposals by a choice of means of transport, including on foot, by cycle and by public transport and the traffic impact of the development.
  - The quality of the design and its contribution to the surrounding area.
  - The impact of proposals on economic and physical regeneration.
  - Its impact on local employment
- 4.4 The guidance emphasises an approach for LPAs to set priorities through proactive and positive policies, underpinned by a 'robust evidence base'. As part of this, councils are encouraged to make provision to target socially disadvantaged areas, support local and independent traders and encourage wider formats of retail, such as markets.
- 4.5 Although planning decisions will be based on 'sequential' and 'impact' tests, in reality the LPAs are still required to assess capacity ('need') in formulating development plans.
- 4.6 The strong support for economic development is retained with an expectation that LPAs support applications where they accord with the development plan or there is a strong evidence base. Authorities in their LDFs should positively and proactively plan for economic growth.

## 5. UPDATED QUANTITATIVE RETAIL CAPACITY FORECASTS

### Needs Assessment

- 5.1 As part of this addendum we have revisited the need assessment for Weymouth, Dorchester and the non central regions of the catchment area and revised the CBRE Retail Expenditure, Allocation and Shop Floorspace Need (REASN) forecasting model. This quantitative assessment is set out in Appendix B of this document.
- 5.2 We have maintained the same catchment area (Appendix A), methodology, forecasting dates and evidence data on shopping patterns from the pervious Household Survey results that formed the basis of our quantitative assessment in our previous 2008 Joint Retail Study. This addendum however updates other key variables where relevant, including population forecasts and expenditure growth, to reflect the current expenditure per capita within the catchment area.
- 5.3 Population updates and the most recent 2007 price based expenditure estimates have been derived from up-to-date Area Profile Reports on the catchment area, and unlike the previous study which was based in 2005 prices and the 07/02 MapInfo Brief, this addendum uses data published in the MapInfo (Pitney Bowes) Brief 'Retail Expenditure Guide 2009/2010'.

### Catchment Population

- 5.4 Our baseline population estimates and forecasts for each survey zone were prepared from MapInfo Anysite (2010). This initial baseline assessment does not allow for any significant new housing growth expected in Weymouth and Dorchester and surrounding catchment area and therefore takes a conservative approach. Overall the catchment's baseline population has increased since our 2008 assessment, based upon MapInfo's population projections for the Study Area. Table 5.1 sets out the population difference since the last assessment of the total catchment area.

**Table 5.1**  
**Catchment Area Population Forecasts – 2008 and 2010 Assessments – Scenario 1**

TOTAL CATCHMENT POPULATION	2007	2012	2017	2022	2026
2008 Joint Town Centre Retail and Leisure Study (Dec 2008)	180,110	185,343	193,186	201,106	207,442
2010 Addendum to Joint Town Centre Study (June 2010)	180,967	187,543	197,166	204,409	210,446
Population Difference from 2008 Assessment to 2010	857	2,200	3,980	3,303	3,004
	0.5%	1.2%	2.1%	1.6%	1.4%

Source: Joint Town Centre Retail and Leisure Study (Dec 2008) and 2010 Addendum, (June 2010, Appendix B, Table 1)

- 5.5 While our previous 2008 assessment also sought to model a second scenario where the population growth derived from the increase in housing development as set out in the South West Regional Spatial Strategy (RSS) is included, recent changes brought forward as part of the new Conservative Liberal-Democrat Coalition Government will abolish RSS's. This was confirmed on Tuesday 18<sup>th</sup> May by the Rt Hon Eric Pickles.

Whilst the housing numbers set out in the RSS will still be a material consideration we believe a single scenario is more appropriate until such time as the Councils adopt their own figures.

### Changes in Economic Climate

5.6 The current recession has raised uncertainty with regards to how realistic past growth rates assumptions are in representing the recent growth in convenience and comparison expenditure.

5.7 Since our original 2008 assessment the economy has undergone significant changes, particularly in relation to the forecast level of growth which in turn supports new retail floorspace. Verdicts Economic Update (February 2009) states that:

*‘While the latter half of last year was dominated by gloomy economic news, the impact to the real economy and on real people was marginal. Unfortunately, the financial crisis of last year has not started to spread into the wider economy and we expect this year to bring decline in growth and increase in unemployment’.*

5.8 Forecasters have accordingly revised their estimations of growth and published significantly reduced growth rates which in turn reduces identified capacity for additional floorspace. Our original assessment was based on information provided by MapInfo Brief 07/02 since that time MapInfo published their Retail Spending Outlook: Revised Version March 2009 which stated:

*‘It has become clear in the past few months that the current recession will be deeper and more prolonged than earlier forecasts predicted, those involved in planning future retailing activity have naturally been concerned about the extent to which this may affect the assumptions that are commonly used to estimate future levels of retail spending.....Falling consumer spending this year and next will be reflected in retail spending figures.’*

5.9 Furthermore, the most recent MapInfo Brief – Retail Expenditure Guide 2009/2010, published by Pitney Bowes in September 2009 states:

*“Recent rises in unemployment are expected to impact upon consumption growth in the short and medium-term. Along with tighter lending conditions, higher unemployment is forecast to be a legacy of the current recession and as such Oxford Economic have significantly revised down its UK consumer spending forecasts. Real consumption is expected to fall by an average of 2.1% over the period 2008-2010, returning to positive growth of 1.2% over the period 2008-2014. We expect that the boom conditions of the past decade are unlikely to be repeated in the next ten years as consumers tighten their purses as a result of the global recession and correction in the housing market”.*

5.10 It is therefore wholly appropriate that growth projections applied to this revised retail assessment recognise this advice and respond accordingly.

### Special Forms of Trading

5.11 The issue of e-tailing and its effect on sales is always a contentious point especially when applying national figures at the local level. MapInfo (Pitney Bowes) have revised their assessment of Special Forms of Trading (SFT), i.e. sales which do not take place in stores including internet sales, in the 2009/2010 Retail Expenditure Guide. SFT percentages are derived using data for non store sales from the Office

for National Statistics Annual Business Inquiry. Despite the current economic climate Pitney Bowes note that there have been big increases in some commodities for SFT in recent years. However, while this has generally not been the case, the revised expenditure guide recommends a slight increase in SFT. These along with our 2008 assumptions are highlighted in the table below.

**Table 5.2**  
**Convenience and Comparison SFT Rates - 2008 and 2010 Assessment**

SFT RATE (%)	CONVENIENCE	COMPARISON
2008 Assessment	1.6	5.3
2010 Assessment Update	2	5.8

Source: 2008 SFT Rate based on MapInfo Expenditure Explanatory Volume: 2004 Expenditure  
 2010 SFT Rate based on Pitney Bowes Retail Expenditure Guide 2009/2010 (Table 3.1, p18)

**Per Capita Expenditure and Expenditure Growth Rates**

- 5.12 The MapInfo area profile reports for the catchment area (Appendix A) indicate the average per capita expenditure on convenience and comparison goods in the catchment area as a whole at 2007. After deducting expenditure on SFT of 2% and 5.8% for convenience and comparison goods, respectively (Table 5.2), these amount to £1,558 for convenience goods and £2,503 for comparison. The revised per capita expenditure figures represent a marginal increase from our 2008 assessment where after deducting SFT, convenience per capita expenditure was £1,217 and comparison was £2,443.
- 5.13 Starting with the base 2007 per capita expenditure figures (set out in Appendix B, Table 2) our assessment has grown the expenditure to allow for estimated growth over the plan period.
- 5.14 In order to address the issue raised earlier regarding the slowing economic climate we have significantly revised these growth rate figures, having regard to both 'trend' and 'forecast' estimated expenditure growth contained in Pitney Bowes Retail Expenditure Guide 2009/2010 (September 2009).
- 5.15 The trend projections are derived solely from past trends and take no account of current economical future expectations. By comparison the forecasts are considered to be consistent with past trends but are also reflect changes in other economic variables.
- 5.16 In light of the economic deterioration, there is clearly less growth in available expenditure within the study's catchment area compared to our 2008 retail assessment, published in advance of retail forecasters recommendations in early 2009.
- 5.17 Previously, a consistent trend growth rate of 1% and 5.5% was applied between 2005-2006 for convenience and comparison goods respectively. Over the remainder of the plan period, between 2006-2026 a forecast rate of 0.8% and 4.9% was applied for convenience and comparison goods respectively.
- 5.18 Based upon commentary from such retail forecasters as Experian, MapInfo and Verdict, and using Pitney Bowes latest Retail Expenditure Guide 2009/2010 trends and forecasts, CBRE have updated the quantitative assessment.

5.19 To reflect the current economic climate the following growth rates have been applied:

**Table 5.3**  
**Convenience Expenditure Growth - 2008 Assessment and 2010 Growth Assumptions**

	2005-2006	2006-2007	2007-2008	2008-2014	2014-2019	2019-2026
2008 Assessment	1	0.8	0.8	0.8	0.8	0.8
2010 Assessment Update	N/A	N/A	-0.7	0.5	0.6	1.2

Source: *Joint Town Centre Retail and Leisure Study (Dec 2008) growth rates sourced from Map Info 07/02; Tables 1 and 3 mid point and medium term trends (1998-2006 and 1988-2006)*  
*2010 Assessment growth rates sourced from Pitney Bowes Retail Expenditure Guide 2009/2010; Table 3.2, p20; Table 3.3, p22 and Table 2.2, p9.*

**Table 5.4**  
**Comparison Expenditure Growth - 2008 Assessment and 2010 Growth Assumptions**

	2005-2006	2006-2007	2007-2008	2008-2014	2014-2019	2019-2026
2008 Assessment	5.5	4.9	4.9	4.9	4.9	4.9
2010 Assessment Update	N/A	N/A	4.6	1.6	2.9	4.9

Source: *Joint Town Centre Retail and Leisure Study (Dec 2008) growth rates sourced from Map Info 07/02; Tables 1 and 3. (4.9% per annum based upon the longterm trend (1978-2006)).*  
*2010 Assessment growth rates sourced from Pitney Bowes Retail Expenditure Guide 2009/2010; Table 3.2, p20; Table 3.3, p22 and Table 2.2, p9.*

- 5.20 For both convenience and comparison expenditure growth we have as part of this assessment taken the actual estimated national average growth between 2007 to 2008. Growth forecasts are used to project from the years 2009 to 2019. Thereafter, convenience expenditure is grown using the short-term 1998-2008 trend of 1.2%. Comparison expenditure is grown using the long term 1978 to 2008 trend of 4.9%.
- 5.21 We consider this approach to expenditure growth rates to be a balanced, robust approach, incorporating conservative growth in the short term, but allowing for more optimistic growth in the longer term.

### Total Available Expenditure

- 5.22 Since our previous 2008 assessment there has been an increase in total convenience expenditure over the plan period created largely due to the increased forecast growth in population (Table 5.1).
- 5.23 Table 5.5 below sets out the total convenience expenditure in our 2010 Update compared to the previous assessment.

**Table 5.5**

**Total Convenience Catchment Area Retail Expenditure – 2008 and 2010 Assessments**

TOTAL CONVENIENCE GOODS EXPENDITURE	2007 (£M)	2012 (£M)	2017 (£M)	2022 (£M)	2026 (£M)
2008 Joint Town Centre Retail and Leisure Study (Dec 2008)	221.0	236.6	256.7	278.1	296.1
2010 Addendum to Joint Town Centre Study (June 2010)	282.0	296.0	320.0	348.0	375.8
<b>Expenditure Difference from 2008 Assessment to 2010</b>	<b>61.0</b>	<b>59.4</b>	<b>63.3</b>	<b>69.9</b>	<b>79.7</b>

Source: 2008 Assessment, Scenario 1, Table 2a and 2010 Assessment, Appendix B, Table 2

- 5.24 Unlike convenience, total comparison goods expenditure is less over the entire plan period. Despite the forecast increase in population the level of goods expenditure has been significantly reduced due to the revised conservative assumptions taken towards growth in expenditure rates (Table 5.4), particularly the annual forecast rates used between 2008-2019.
- 5.25 The table below clearly sets out the reduced expenditure in comparison goods since our 2008 assessment.

**Table 5.6**

**Total Comparison Catchment Area Retail Expenditure – 2008 and 2010 Assessments**

TOTAL CONVENIENCE GOODS EXPENDITURE	2007 (£M)	2012 (£M)	2017 (£M)	2022 (£M)	2026 (£M)
2008 Joint Town Centre Retail and Leisure Study (Dec 2008)	487.0	636.6	842.9	1,114.5	1,392.1
2010 Addendum to Joint Town Centre Study (June 2010)	452.9	532.2	618.6	783.9	977.2
<b>Expenditure Difference from 2008 Assessment to 2010</b>	<b>-34.1</b>	<b>-104.4</b>	<b>-224.3</b>	<b>-330.6</b>	<b>-414.9</b>

Source: 2008 Assessment, Scenario 1, Table 2a and 2010 Assessment, Appendix B, Table 2

### Turnover per Square Meter/Efficiency

- 5.26 The downturn in the economy has resulted in many retailers struggling to increase or even maintain sales densities. It is therefore appropriate in providing an update to our retail assessment to consider the implications of reduced efficiency rates and turnover per sq m. This efficiency represents the ability of retailers to increase their productivity and absorb higher than inflation increases in their costs such as rent, service charges etc by increasing their average sales density.
- 5.27 PPS4 acknowledges the importance of this ability and advocates a 'realistic assessment of forecast improvements in productivity and the use of floorspace'.
- 5.28 Previous efficiency rates for comparison goods range between 1.5 and 2.5%. Forecasters are now advising that this is reduced to between 1.5 and 0.5%. As with our 2008 assessment, this 2010 update has maintained a sales efficiency of 1.5%.

### Existing Shop Floorspace

- 5.29 We estimate there is a total convenience floorspace of 1,552 sq m net in Weymouth Town Centre (Table 5A, Appendix B) and 2,990 sq m net in Dorchester Town Centre (Table 5A, Appendix B). The net convenience floorspace estimates are only marginally different from those quoted in our 2008 assessment as no significant retail operators have closed or opened in the town centres and only slight variations in retailers convenience goods space allocations, (set out in Appendix B, Table 5A(i) and 5B(i)) have been revised.
- 5.30 The largest convenience goods retailer in Weymouth Town Centre remains the 430 sq m net Tesco Metro Store (floorspace figures derived from convenience goods allocation only). The majority of convenience offer is in out of centre locations, for example the Morrison's, which following a 771 sq m net extension now offers 2,856 sq m of net convenience goods floorspace, coupled with an Asda (1,963 sq m net), Somerfield (1,083 sq m net), and Lidl (602 sq m net).
- 5.31 Dorchester's 2,990 sq m net of town centre convenience floorspace is made up of the largest food store, the Waitrose providing 1,003 sq m net convenience goods floorspace, couple with a Somerfield (761 sq m net), a Iceland (475 sq m net), and a Marks and Spencer (251 sq m net). With respect to Dorchester out of centre retail locations, the large Tesco (1,440 sq m net convenience goods floorspace) dominates the offer.
- 5.32 For comparison goods floorspace the latest GOAD Centre Reports for Weymouth and Dorchester have identified a total of 25,818 sq m gross in Weymouth and 24,749 sq m gross in Dorchester. CBRE have assumed an 80% gross to net split for GOAD data, leaving a total comparison floorspace of 20,654 sq m net in Weymouth and 19,799 sq m net in Dorchester.

5.33 A summary of convenience and comparison floorspace used in the 2008 assessment and 2010 Update is included below. The resulting floorspace figures for Weymouth, Dorchester and non central are also set out in full in Appendix B. Tables 5A and 5A(i); 5B and 5B(i); and 5G; 5G(i).

**Table 5.7**  
**Total Existing Convenience and Comparison Floorspace – 2008 and 2010 Assessments**

	2008 ASSESSMENT		2010 UPDATE	
	Convenience (sq m net)	Comparison (sq m net)	Convenience (sq m net)	Comparison (sq m net)
Weymouth	1,531	22,423	1,552	20,654
Dorchester	2,889	18,818	2,990	19,799
Non Central	10,805	19,661	12,323	15,149

Source: Joint Town Centre Retail and Leisure Study (Dec 2008) Tables 5A; 5B and 5G  
 2010 Assessment, Appendix B Tables 5A; 5B and 5G

**Company Average Turnovers and Space allocated for Convenience/ Comparison goods sales**

- 5.34 With the publication of Verdict’s ‘UK Food & Grocer Retailers’ document (April 2009), along with supplementary Verdict documents on retailers from different sectors, this addendum has revised the company average sales densities with up-to-date assumptions on the turnover efficiency of convenience and comparison stores.
- 5.35 Assumptions from Verdict’s ‘UK Food & Grocer Retailers’ (April 2009) have also been utilised where relevant to revise the percentage of convenience goods allocation for varying stores.
- 5.36 While assumptions based on retailers company averages and convenience goods allocations are based upon an average of a stores portfolio, CBRE consider that on balance these assumptions represent the typical retailer for which the data is provided.
- 5.37 While data for company average turnover has varied in comparison to our 2008 assessment, overall the percentage of convenience goods allocation has decreased as retailers have become more competitive by increasing their comparison space allocations.

**Updated Capacity Forecast**

5.38 Summary tables comparing the identified convenience and comparison capacity identified in our 2008 and the 2010 update, to 2026 are provided below. Full floorspace capacity tables for the centres of Weymouth and Dorchester, along with non-central areas, showing capacity over the test dates of 2007, 2012, 2017, 2022 and 2026 are available in Appendix B (Tables 5A, 5B and 5G). A map showing the different zones is provided in Appendix A.

## Weymouth Town Centre Capacity

**Table 5.8**

Weymouth Town Centre, Future Convenience Retail Floorspace Capacity – 2008 and 2010 Assessments

NET CONVENIENCE CAPACITY FOR NEW SHOP FLOORSPACE (SQ M NET)	2007 (SQ M NET)	2012 (SQ M NET)	2017 (SQ M NET)	2022 (SQ M NET)	2026 (SQ M NET)
2008 Joint Town Centre Retail and Leisure Study (Dec 2008)	0	-431	-379	-323	-276
2010 Addendum to Joint Town Centre Study (June 2010)	0	-76	-13	58	128

Source: 2008 Assessment, Scenario 1, Table 5A and 2010 Assessment, Appendix B, Table 5A

- 5.39 While the table above shows that more convenience capacity exists in Weymouth Town Centre now than assumed in our 2008 assessment, there is nonetheless negative capacity up until 2022, beyond which limited capacity exists in the centre.
- 5.40 Based upon the revisions made in this 2010 Update we consider there to be no significant capacity for additional convenience floorspace over the plan period. This is likely to be a result of the 'leakage' from the town centre to existing out-of-centre stores. In practice however a food store proposed in the town centre, subject to identifying an appropriate town centre site, would likely 'claw back' some expenditure to the town centre which is currently leaking.

**Table 5.9**

Weymouth Town Centre, Future Comparison Retail Floorspace Capacity – 2008 and 2010 Assessments

NET COMPARISON CAPACITY FOR NEW SHOP FLOORSPACE (SQ M NET)	2007 (SQ M NET)	2012 (SQ M NET)	2017 (SQ M NET)	2022 (SQ M NET)	2026 (SQ M NET)
2008 Joint Town Centre Retail and Leisure Study (Dec 2008)	0	3,854	9,806	17,069	23,309
2010 Addendum to Joint Town Centre Study (June 2010)	0	2,133	4,255	8,479	12,903

Source: 2008 Assessment, Scenario 1, Table 5A and 2010 Assessment, Appendix B, Table 5A

- 5.41 There is a reduction in comparison capacity in Weymouth Town Centre since our 2008 assessment. While the level of comparison floorspace in Weymouth Town Centre has remained relatively unchanged (Table 5.7), the revised reductions in expenditure growth rates have largely created the decreasing comparison capacity. Nonetheless, comparison floorspace capacity exists for 2,133 sq m net by 2012; 4,255 sq m net by 2017; 8,479 sq m net by 2022; and 12,903 sq m net by 2026.

## Dorchester Town Centre Capacity

**Table 5.10**

**Dorchester Town Centre, Future Convenience Retail Floorspace Capacity – 2008 and 2010 Assessments**

<b>NET CONVENIENCE CAPACITY FOR NEW SHOP FLOORSPACE (SQ M NET)</b>	<b>2007 (SQ M NET)</b>	<b>2012 (SQ M NET)</b>	<b>2017 (SQ M NET)</b>	<b>2022 (SQ M NET)</b>	<b>2026 (SQ M NET)</b>
2008 Joint Town Centre Retail and Leisure Study (Dec 2008)	0	-142	13	176	314
2010 Addendum to Joint Town Centre Study (June 2010)	0	282	484	725	964

Source: 2008 Assessment, Scenario 1, Table 5b and 2010 Assessment, Appendix B, Table 5B

**Table 5.11**

**Dorchester Town Centre, Future Comparison Retail Floorspace Capacity – 2008 and 2010 Assessments**

<b>NET COMPARISON CAPACITY FOR NEW SHOP FLOORSPACE (SQ M NET)</b>	<b>2007 (SQ M NET)</b>	<b>2012 (SQ M NET)</b>	<b>2017 (SQ M NET)</b>	<b>2022 (SQ M NET)</b>	<b>2026 (SQ M NET)</b>
2008 Joint Town Centre Retail and Leisure Study (Dec 2008)	0	4,250	9,661	16,333	22,107
2010 Addendum to Joint Town Centre Study (June 2010)	0	-692	1,402	5,431	9,676

Source: 2008 Assessment, Scenario 1, Table 5b and 2010 Assessment, Appendix B, Table 5B

5.42 Despite reduced comparison floorspace capacity since our 2008 assessment and negative capacity to 2012, there is some convenience and comparison capacity in Dorchester Town Centre over the plan period. This capacity is a largely the result of the revised population projections.

### Non Central Town Centre Capacity

- 5.43 Table 5.12 sets out the non central capacity for additional convenience floorspace, which has reduced since our 2008 Assessment. This reduction in net capacity is largely a result of the convenience commitments which have come forward since the last assessment, totally 3,611 sq m net which are deducted the supportable capacity floorspace. The convenience commitments, details of which were obtained from the LPAs are made up of:
- 467 sq m net – Castle Court, Osprey Quay, Portland;
  - 1,844 sq m net – Easton, Portland; and
  - 1,300 sq m net – The Brewery, Dorchester
- 5.44 Despite the reduction in convenience capacity since the original study, capacity of 4,582 sq m net since exists up to 2026 (Table 5.12). Following the ‘town centre first’ principles of PPS4 such levels of capacity identified within this ‘Non Central Area’ should be directed to existing centres in the first instance.

**Table 5.12**  
**Non Central, Future Convenience Retail Floorspace Capacity – 2008 and 2010 Assessments**

<b>NET CONVENIENCE CAPACITY FOR NEW SHOP FLOORSPACE (SQ M NET)</b>	<b>2007 (SQ M NET)</b>	<b>2012 (SQ M NET)</b>	<b>2017 (SQ M NET)</b>	<b>2022 (SQ M NET)</b>	<b>2026 (SQ M NET)</b>
2008 Joint Town Centre Retail and Leisure Study (Dec 2008)	0	2,395	3,401	4,474	5,380
2010 Addendum to Joint Town Centre Study (June 2010)	0	576	1,783	3,187	4,582

Source: 2008 Assessment, Scenario 1, Table 5g and 2010 Assessment, Appendix B, Table 5G

- 5.45 In relation to comparison capacity, our 2010 Update has revisited the assumptions surrounding the ‘Non Central’ comparison capacity identified in our previous 2008 Assessment.
- 5.46 At the time the identification of capacity beyond existing centres caused some concern, particularly in relation to where such capacity could be accommodated. As stated in our original Assessment such capacity should in the first instance be directed to existing centres in accordance with PPS6 (now PPS4) and the town centre first principle. If no such sites were suitable, viable or available to accommodate the identified floorspace regard should be had to less central sites, subject to the undertaking of a sequential assessment.
- 5.47 The Non Central capacity exists because the retail floorspace is considered to be overtrading when comparing the implied turnover (derived from the household survey) against an assumed typical or company average. By reducing the turnover to what is considered to be an appropriate level allows the release of additional expenditure which can support new retail floorspace. This approach however relies upon the assumption that these stores/retail parks will allow their turnover to reduce, which in reality is unlikely as retail operators will seek to maximise profits.

- 5.48 In light of the above, this update does not seek to influence where non-central floorspace should be directed. While Non Central capacity does exist it is predicated on the idea that the trading of out-of-centre retailers, and the turnover of retail parks or in this case their overtrading, will only be reduced to company averages through future town centre schemes coming forward, in accordance with retail policy, which will 'claw back' trade from these locations, therefore reducing capacity in non-central areas.
- 5.49 Accordingly Table 5G (Appendix B) shows the effect if the turnover if Non Central floorspace is remains as is.
- 5.50 The theoretical capacity still exists but we consider this approach is appropriate and removes the requirement to seek to allocate sites, which are particularly difficult to bring forward, to accommodate capacity over above that identified within your existing centres.
- 5.51 Were development to come forward, for example in Charles Street, (an application has recently been submitted for a 3,687 sq m gross replacement foodstore, plus 9,734 sq m gross of mixed A1, A2 and A3 uses, Ref: 1/D/10/000763), which required more floorspace than previously planned for, then the overtrading of non central floorspace and the ability of a proposal to 'claw back' expenditure leaking from the centre would be a valid argument in promoting such development.
- 5.52 Table 5.13 sets out the Non Central comparison capacity as was in our 2008 Assessment, and demonstrates the capacity available in 2010 should the sales turnover be reduced to an assumed £5,000 per sq m (Scenario A), or if it should be maintained at the actual level of sales turnover identified to be £7,754 per sq m (Scenario B). Scenario B, assuming no reduced sales turnover is set out in full in Appendix B, Table 5g).

**Table 5.13**  
**Non Central, Future Comparison Retail Floorspace Capacity – 2008 and 2010 Assessments**

NET COMPARISON CAPACITY FOR NEW SHOP FLOORSPACE (SQ M NET)	2007 (£M)	2012 (£M)	2017 (£M)	2022 (£M)	2026 (£M)
2008 Joint Town Centre Retail and Leisure Study (Dec 2008)	0	3,974	11,383	20,406	28,140
2010 Addendum to Joint Town Centre Study (June 2010): Scenario A: Reducing sales turnover to assumed £5,000/sq m	0	2,177	4,673	9,789	15,154
2010 Addendum to Joint Town Centre Study (June 2010): Scenario B: Maintaining actual sales turnover at £7,754/sq m	0	-7,550	-5,940	-2,641	818

Source: 2008 Assessment, Scenario 1, Table 5g and 2010 Assessment, Appendix B, Table 5G

- 5.53 Table 5.13 clearly demonstrates that when the comparison actual sales turnover is maintained as is, all comparison floorspace capacity disappears.
- 5.54 Reduction in net comparison capacity in general is also effected by comparison commitments which have come forward since the last assessment, totally 9,855 sq m net which are deducted the supportable capacity floorspace. The comparison commitments, details of which were obtained from the LPAs are made up of:
- 5,840 sq m net (7,300 sq m gross 80/20% gross to net split) – Mount Pleasant, New Look Site;
  - 1,230 sq m net – Castle Court, Osprey Quay, Portland; and
  - 2,785 sq m net – Wickes DIY

## 6. CONCLUSIONS

- 6.1 This 2010 Update is intended to reflect the current commentary on the state of the economy, changes in expenditure assumptions; assumed company turnovers; turnover efficiency and population and floorspace revisions. It should be read in conjunction with CB Richard Ellis’s 2008 Retail Assessment.
- 6.2 In undertaking retail assessments regard is had to a number of variables which can change over time. Accordingly, long term floorspace projections (beyond 2018) should be treated with caution and only be used as a broad guide, particularly when translated into development plan allocations or when used to guide development control decisions.
- 6.3 Protected surplus expenditure is primarily attributed to projected growth in spending per capita. If growth and expenditure is lower than forecast, then the scope for additional floorspace will be reduced. In line with PPS4 therefore, assessments should be monitored and reviewed i.e. every five years.
- 6.4 Having made revised assumptions to reflect the state of the economy and population projections overall there has been little significant change over the plan period. Therefore our previous recommendations provided with our 2008 Retail Assessment remain.
- 6.5 Overall the capacity for convenience floorspace has increased in both Weymouth and Dorchester Town Centre since our original Study, nonetheless, despite these increases convenience capacity remains marginal. The increase in capacity can be attributed largely to the revisions in population projections. Capacity now exists for an insignificant 128 sq m net in Weymouth and 1,043 sq m net in Dorchester Town Centre.
- 6.6 Conversely, capacity for comparison floorspace has reduced in Weymouth and Dorchester Town Centre as a result of more significant reductions in comparison expenditure growth rates. Capacity now exists for 12,903 sq m net in Weymouth and 9,676 in Dorchester Town Centre.
- 6.7 In relation to Non Central Areas, the capacity for both convenience and comparison floorspace is in both cases lower than when assessed in our 2008 Assessment. This is largely due to the recent commitments which have come forward since our last study. Convenience capacity now exists for 4,582 sq m and assuming sales turnovers are maintaining as exiting there is comparison capacity for a more subdued 818 sq m net.
- 6.8 Clearly, in line with PPS4 any Non Central levels of convenience and comparison capacity should be directed into the existing town centres first.