Retail and Town Centre Trends

A Presentation to Bath & North East Somerset Council's Scrutiny Panel

Presented by:
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Agenda

- Introductions
- Recent and on-going trends in the retail sector
- How Councils, through their planning and other functions, can respond to these trends

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Recent and On-Going Trends in the Retail Sector

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Retail Spending

Growth (per annum %)	1997-2007	2008-2011	2012-2016	2017-2026	2027-2036
Retail	5.4%	-0.3%	2.3%	1.8%	2.4%
Convenience goods	0.0	-3.1	-0.2	0.0	0.1
Comparison goods	8.3	0.7	3.9	2.8	3.2

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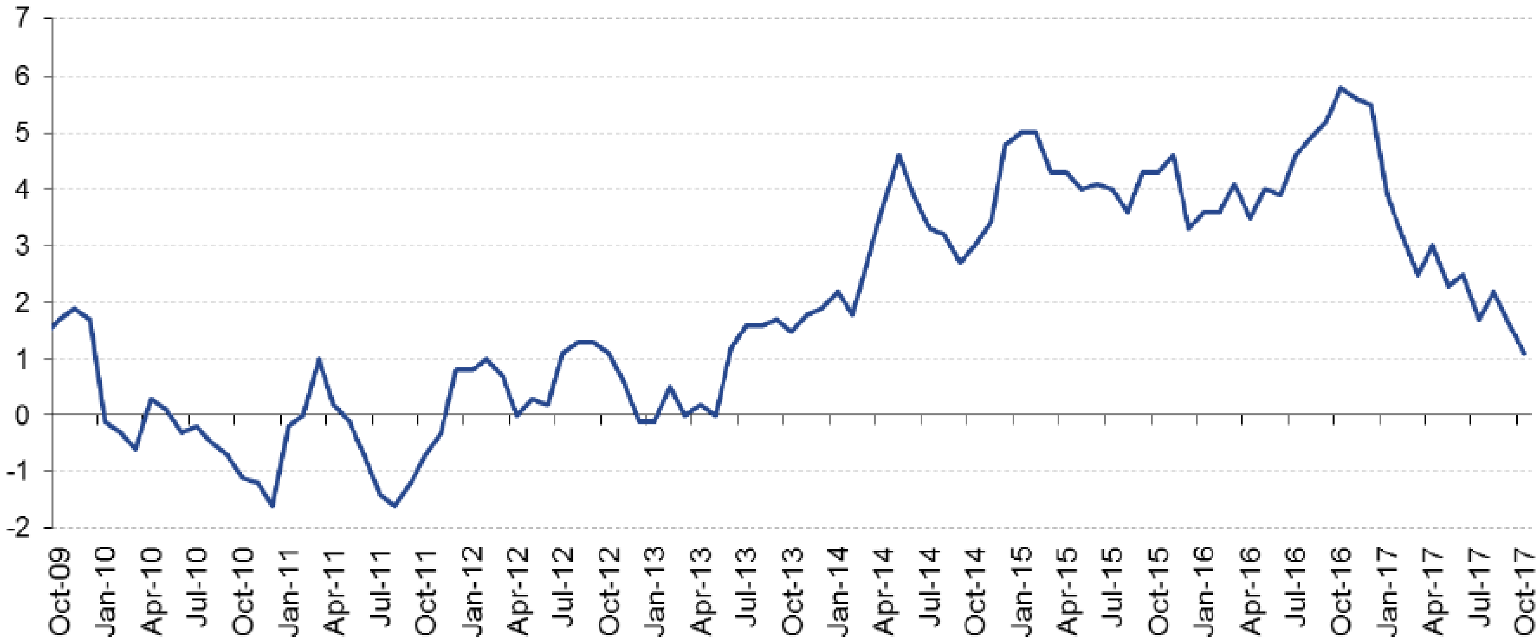
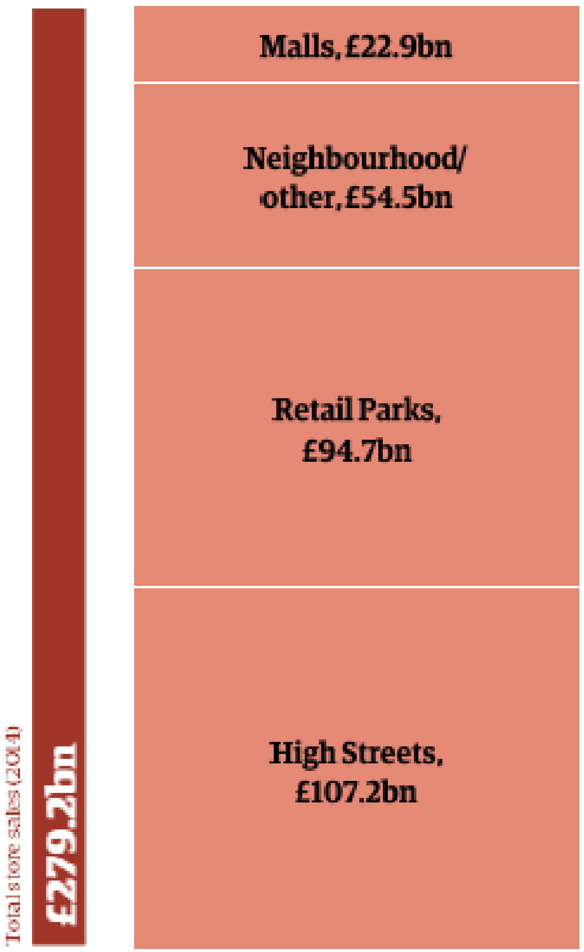
Retail Volume Growth 2009-2017

Chart 2: Total retail volume growth (% change in the last 3 months to same period of previous year)



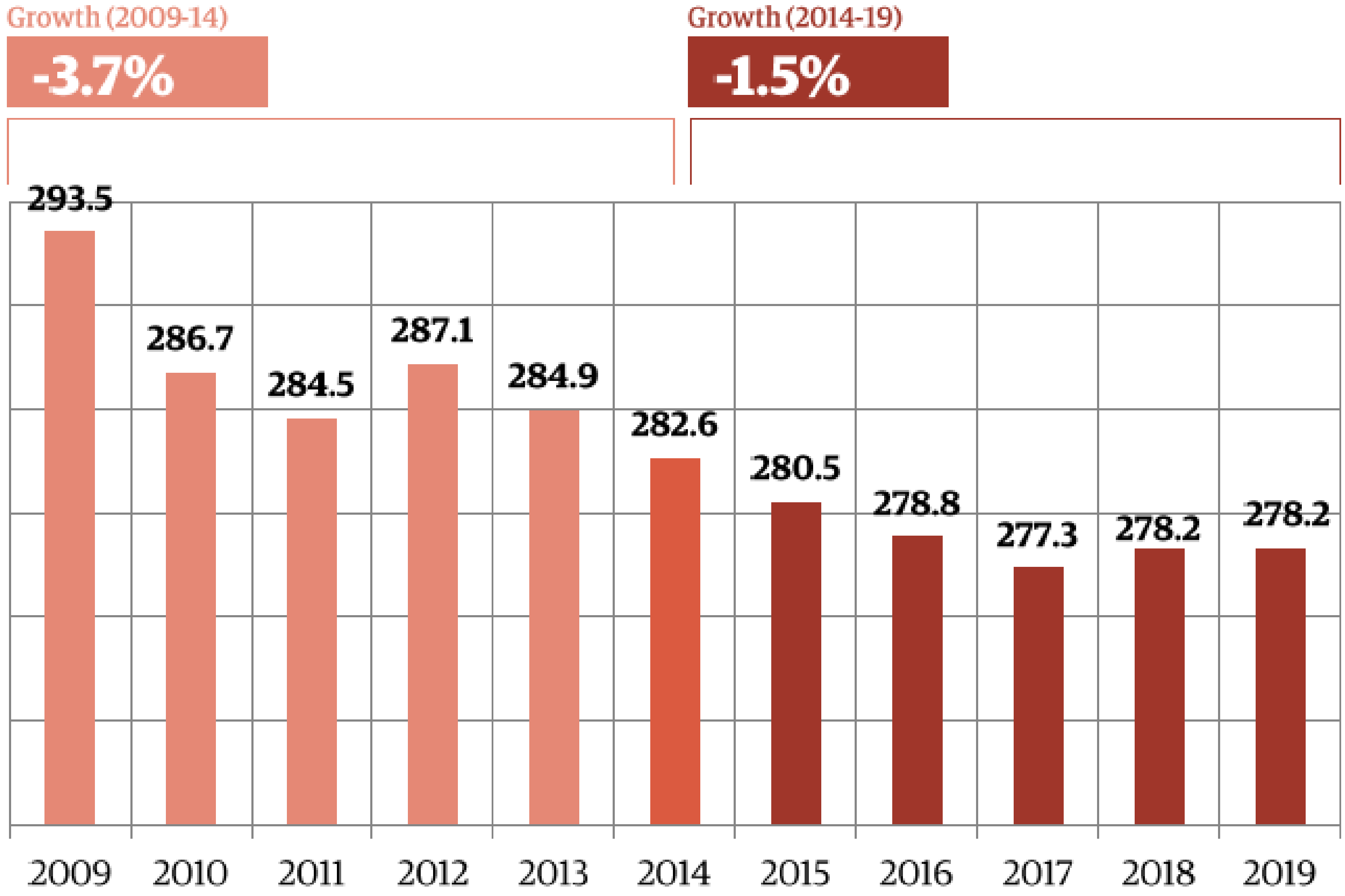
Sources: Experian, National Statistics, CBI, Gfk NOP

Sales by location



	2014 size	2019 size	Growth (2014-19)
Malls	**£22.9bn**	**£29.7bn**	**29.6%**
Neighbourhood /other	**£54.5bn**	**£59.6bn**	**9.5%**
Retail Parks	**£94.7bn**	**£97.8bn**	**3.3%**
High Streets	**£107.2bn**	**£108.0bn**	**0.7%**

Store Numbers 2009-2019



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Growth in Retail Spending – traditional retailing v non-store retailing

Volumes at 2013 prices	All retailing* £bn	Non-store £bn	Growth in retailing %	Growth in non-store %
2006	314.8	17.1	5.2	14.2
2007	327.6	18.7	4.1	9.4
2008	336.8	21.9	2.8	17.1
2009	329.6	25.8	-2.1	17.8
2010	334.8	29.2	1.6	13.0
2011	333.9	33.4	-0.3	14.4
2012	340.5	36.4	2.0	9.0
2013	349.4	41.5	2.6	14.2
2014	359.3	45.5	2.8	9.6
2015	372.0	49.5	3.5	8.8
2016	387.8	57.6	4.2	16.4
forecast				
2017	396.2	65.3	2.2	13.2
2018	400.3	69.0	1.0	5.7
2019	407.9	73.2	1.9	6.1
2020	418.7	77.9	2.6	6.5
2021	430.6	82.9	2.8	6.4
2022	442.9	87.9	2.9	6.0
2023	455.4	92.1	2.8	4.7
2024	468.2	96.0	2.8	4.3
2025	481.0	99.7	2.7	3.8
2026	494.4	103.6	2.8	3.9
2027	508.0	107.4	2.8	3.6
2028	521.9	111.2	2.7	3.6

The grocery retail sector – market shares

	2012	2013	2014	2015	2016	2017	Change
Tesco	23.9	23.2	22.6	22.3	22.2	22.2	-1.7
Sainsburys	13.1	12.9	12.6	12.3	12.2	12,1	-1.0
ASDA	13.3	13.0	13.0	12.1	11.5	11.4	-1.9
Morrisons	9.3	8.9	8.3	8.3	8.2	8.2	-1.1
ALDI	2.6	3.3	4.2	4.6	4.9	5.1	+2.5
Lidl	2.3	2.5	2.9	3.3	3.5	3.6	+1.3
Co-op	5.4	5.1	4.9	4.8	4.8	4.8	-0.6
M&S	3.7	3.7	3.8	3.9	4.0	4.1	+0.4
Waitrose	3.6	3.7	3.9	3.8	3.9	3.9	+0.3

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2018 – a tough year on the high street

- Jamie's Italian – 12 restaurants close
- Bryon Burgers – 20 restaurants close
- East – closure of 50 shops
- Toys R us – closure of UK business
- New Look – up to 60 stores to close
- Prezzo – 94 of 300 outlets to close
- Carpetright – 92 of its 409 stores to close
- Marks & Spencer – 100 stores to close by 2022
- Carphone Warehouse – 92 shops to close
- Carluccio's – closure of 34 restaurants
- Mothercare – 50 stores to close
- Poundworld – closure of all stores
- House of Fraser – 31 of 59 stores to close

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Retail Trends Influencing Planning Applications

- Re-purposing of out of centre space and vacancies created by store closures – see M&S, Lower Bristol Road, Bath example
- Move from large high end out of centre retail park proposals to more modest value orientated proposals
- Aggressive 'asset management' of retail parks
- Slower pace of re-purposing town centre space in the face of change / decline

How the public sector can respond

How can the public sector respond to these changes / trends?

- More flexible in terms of changes of use
- Independent sector
- Public sector control / ownership
- The rise in ‘people services’ and ‘experience’
- Local interest groups

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Land Uses and Policy Approach

- Trend towards service-based uses in district and local centres
- Focus upon ‘people services’
- Differentiated planning policy approach for local and district centres
- Less emphasis on retaining a large amount of Class A1 shops
- Broader mix of main town centre uses
- Research shows that successful centres don’t just rely on retailing
- Greater public sector involvement in delivery of Local Plan allocations

Public Sector Control / Ownership

- Market failure in town centres
- Local authorities purchasing existing retail / town centre floorspace
- Gloucester City Council: Kings Quarter & Kings Walk
- Stroud: Merrywalks Shopping Centre
- Development companies in Cornwall and Torbay
- Different emphasis to purely private sector ownership.

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Locally-Led Groups

- Business Improvement Districts / local traders associations
- Not just city / town centres, but also district and local centres
- Events to draw visitors to local / district centres

WHAT NEXT FOR BEDMINSTER'S SHOPPING STREETS?

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Thank you

Presented by

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