AVISON YOUNG

Retail & Town Centre Planning Policy Advice

Medway Council

September 2021

Contents

Appendices

1. Introduction

1.1 This advice report has been prepared by Avison Young ('AY') for Medway Council in relation to a range of retail and town centre planning policy issues associated with the preparation of a new development plan for Medway and wider strategic planning issues. The full scope of this report is explained below although, in short, it contains advice on: (A) recent / current retail and town centre trends; (B) recent changes in retail / town centre planning policy / legislation; (C) updated advice in relation to retail / 'town centre' provision for the expanding new communities across the Hoo Peninsula.

1.2 In 2016 and 2018, AY (formerly known as GVA) prepared two separate reports for Medway Council on a wide range of retail, leisure and town centre planning policy issues; the first of which formed part of the North Kent Strategic Housing and Economic Needs Assessment[1]. The issues, assessments and advice covered in these two reports included: the need for new retail floorspace across Medway, town centre health issues, advice on planning policies and the distribution of new retail floorspace.

1.3 Since the completion of our 2018 report there have been a number of changes in the factors influencing retail and town centre planning policy matters. These include: the on-going changes in the retail sector; the impact of the COVID-19 pandemic; plus changes in national planning policy and legislation. In light of these circumstances, Medway Council has asked AY to prepare this advice report which contains the following:

- A review of the changes in national planning policy and legislation in relation to retail and town centre matters since the completion of our 2018 report. This includes recent revisions to the National Planning Policy Framework ('NPPF') and changes to the Use Classes Order and Permitted Development rights involving main town centre land uses.
- A review of recent, current and forecast future trends in the retail sector, including the impact of the current COVID-19 pandemic, on-going structural changes in the retail sector and the on-going influence of internet shopping on spending in physical 'high street' stores.
- Finally, a set of updated advice in relation to the planned new communities across the Hoo Peninsula, including retail expenditure need / capacity issues and the content of planning new 'town centres'.

[1] prepared jointly with Gravesham Borough Council

2. Planning Policy Update

The National Planning Policy Framework ('NPPF') (July 2021)

2.1 At the time of the 2018 study, the original 2012 version of the NPPF was the main source of national planning policy. However, the NPPF has since been revised and updated again in February 2019 and July 2021. Therefore, it is important to record the changes in national policy since the completion of previous evidence base documents in order that it can inform advice on local development plan retail and town centre planning policies for the new development plan in Medway.

2.2 The changes between the 2012 and 2019/2019 versions of the NPPF, insofar as they relate to retail and town centre issues, are as follows:

- Whilst the two main policy tests for proposals outside of town centres (and not in accordance with an up to date development plan) remain the sequential and impact tests, the updated versions of the NPPF has clarified the issue of availability of alternative sites (in the sequential test) as being available within 'a reasonable period of time'. However, there is no definition (or guidance) as to what is 'a reasonable period of time' in the context of proposals for main town centre uses.
- The revisions to the NPPF have deleted the formal requirement for local authorities to define primary and secondary retail frontages in development plan. The latest NPPF still requires local authorities to define town centre boundaries and primary shopping areas.
- Whilst the requirement to allocate sites to meet identified needs remains, the revised NPPF indicates that this should be at least ten years ahead, rather than the full plan period as previously advised.
- The revised NPPF does not now provide any guidance on how 'needs' should be assessed for main town centre uses (previously quantitative and qualitative indicators were cited).

2.3 Finally, the one notable amendment in the July 2021 version of the NPPF is the revision to national policy on Article 4 Directions. The existence of Article 4 Directions has been in place for some time and they are used to restrict permitted development rights in certain specific instances, across a range of land uses and for various different reasons. The revised version of paragraph 53 of the NPPF notes that:

> *"The use of Article 4 directions to remove national permitted development rights should:*
>
> - *where they relate to change from non-residential use to residential use, be limited to situations where an Article 4 direction is necessary to avoid wholly unacceptable adverse impacts (this could include the*

loss of the essential core of a primary shopping area which would seriously undermine its vitality and viability, but would be very unlikely to extend to the whole of a town centre)

- *in other cases, be limited to situations where an Article 4 direction is necessary to protect local amenity or the well-being of the area (this could include the use of Article 4 directions to require planning permission for the demolition of local facilities)*
- *in all cases, be based on robust evidence, and apply to the smallest geographical area possible".*

2.4 The updated policy does not loosen the tight controls over the imposition of Article 4 Directions, although given the changes to the use classes order and permitted development rights (see later in this section), the government has acknowledged that Directions may be appropriate in focused parts of certain town centres where the loss of certain main town centre / Class E uses would undermine town centre health.

National Planning Practice Guidance ('NPPG')

2.5 Following initial publication in 2014, the NPPG on town centre planning policy was updated in July 2019 and again in September 2020. The latest version sets out the recommended content of town centre strategies, the indicators which are useful for planning for town centres and high streets, the permitted development rights which are available in relation to main town centre uses and also how local authorities should approach the application of the sequential and impact tests in terms of both plan making and development management issues.

Other Considerations

Permitted Development and the Use Classes Order

2.6 In recent years, in response to the on-going challenges faced by town centres and high street retailers (and other commercial uses), national government has introduced more flexibility into the permitted development rights system. Permitted development has long been an element of the planning system in England although, over time, further flexibility was been introduced in order to allow for changes, in certain circumstances, between some main town centre land use classes.

2.7 Since the 2018 study there have been two major changes in the use classes order and permitted development right. First, in July 2020, the government introduced a significant change to the land use classes order. The changes came into effect on the 1st September 2020 and revoked Parts A and D of the existing use classes order. A note summarising these changes can be found in Appendix I.

2.8 In relation to retail and main town centre uses, the changes were as follows:

- A new Class E was introduced which encompasses the former A1, A2, A3, B1a, B1b, B1c and part of the D2 use class (for gyms and indoor recreational facilities)[2].
- The former A4 and A5 uses have now become sui generis uses, along with part of the former Class D2 uses comprising cinemas, concert halls, bingo halls and dance halls. The remaining former Class D2 uses (community halls, swimming pools, skating rinks and outdoor sport and recreation uses) are now placed into Use Class F2.
- The uses within the former Class D1 are split between the new Use Class E (health care uses, creches, day centres) and the new Use Class F1 (schools, museums, libraries, halls courts and places of worship).

2.9 Following the September 2020 use class order changes, the Government has now introduced permanent changes to permitted development rights (following a transitional period between September 2020 and July 2021), which focus upon changes to residential use, refinement of rights in relation to office to resident use, and the expansion of rights under the new class MA. These came into effect from 1st August 2021.

2.10 The key aspects of the August 2021 changes can be summarised as follows:

- Previous permitted development rights under classes O and M (office to residential and retail to residential) ended on 31st July 2021.
- The introduction of the new class MA (business and commercial to residential) and its expansion to include the whole of Use Class E (shops, offices, restaurants/cafes, health services, gyms, nurseries and leisure).
- Permitted development to change from Use Class E (commercial, business and service) to a use falling within Use Class C3 (dwellinghouses) will be subject, in certain circumstances, a number of prior approvals. There will also be limitations / exclusions, including the introduction of a size limit of 1,500sq m per building. Previously, in relation to the change from office to residential, there was no upper size limit.
- The automatic exclusions to this new right include buildings on land covered by, or within the curtilage of, designations such as SSSIs, Listed Buildings, a scheduled monument, an AONB, or a World Heritage Site. It is notable that Conservation Areas are not included in these automatic exclusions.

[2] Not involving vehicles or firearms

- In order to take advantage of this new right, a developer must apply to the local planning authority for a determination as to whether prior approval of the authority will be required in relation to one or more of the following factors:
  - transport
  - noise
  - flooding
  - contamination
  - residential amenity
  - in the case of buildings located in Conservation Areas[3] consideration to be given to the impact of the change of use on the character or sustainability of the Conservation Area.
- It will also be noted that there has been a key change by the new Class MA: the removal of any consideration of the impact on the high street (for existing uses falling within the new Use Class E[4]). This has the potential to be very significant for town centre high streets.
- To benefit from Class MA, the use of the building must have fallen within Class E or one or more of the uses that it replaced for at least two years continuously prior to the date the prior approval application is made. However, there is some debate as to whether the building must have been in the same use or mix of uses for the two year period.
- The building must have been vacant for a continuous period of at least 3 months immediately prior to the date of the application for prior approval. A prior approval application can be made to change the use of part of the building only. The vacancy test applies to the building, but as the definition of a building in the GPDO relates to part of a building this might mean the vacancy test is only required for the part of the building to be converted. However, there is nothing in the regulation to stop a landlord making the property purposely empty, and no requirement to demonstrate the property has been marketed to prospective tenants in its current use, leaving many to suspect it will not present a significant barrier to take-up of the new right.
- The permitted development right under Class MA does not include any building operations (i.e. it does not include the external alterations allowance that was afforded by Class M). This means that a building must be both standards compliant from the outset but also capable of being converted in its current form. It is therefore considered by some that planning permission will be required in

[3] involving the change of use of part or all of the ground floor of the building
[4] up until 31st July 2021 the 'impact on the high street' was a test for prior approval for uses outside of Class E

the majority of cases for external alterations to the building, including new doors and windows and other external details.

2.11 It should be noted that these changes have attracted some controversy in some parts of the property and built environment sectors, with a key focus being on their effect on the future of town centres. Whilst limitations and conditions remain in place, there is a general sense of concern in some quarters that some high streets could potentially suffer and this may have prompted the inclusion of specific reference to town centres in Article 4 Direction policy in the July 2021 version of the NPPF.

3. Retail and Town Centre Trends

Introduction

3.1 In order to provide a robust evidence base library on retail and town centre issues it is important, in our opinion, to set the context in terms of recent, current and potential future trends in the economy. This section of our advice report provides this analysis, although the on-going and uncertain effects of the world-wide COVID-19 pandemic mean that forecasts may be subject to change due to the fast-moving circumstances of the pandemic. Therefore, this section provides the following information and analysis:

- The potential scenarios for the UK economy as a consequence of the COVID-19 pandemic;
- A review of the prospects for the UK economy and retailing in pre-COVID-19 'normal' circumstances; and
- Information on how the COVID-19 pandemic is affecting retailing and town centres.

3.2 Prior to the outbreak of COVID-19 in the UK, the UK economy slowed over 2019, with growth sliding to a 7 year low by the end of the year. The period was dominated by heightened Brexit uncertainty and a weaker global economy. Against this backdrop, business investment declined for the second year in a row and exports remained sluggish. Consumer spending also lost momentum, reflecting low confidence and lacklustre incomes growth. The outcome of the December 2019 general election removed near-term political uncertainty, empowering the government to push forward with spending pledges and EU withdrawal plans. At the start of 2020, the latest indicators pointed to a pick-up in business confidence and investment intentions. Housing market surveys also suggested that activity had been rebounding and consumer sentiment had also improved.

3.3 On the global front, a partial easing in trade disputes and loosening in monetary policy was encouraging. That said, lingering uncertainty over the outcome of the next phase of Brexit negotiations had expected to curb the pace of any investment recovery. Forecasts from Experian assumed an orderly transition to a new free trade agreement, but significant risks remain around the process, not least because of the extremely tight timetable (and now heightened by COVID-19). A post-Brexit deal has been reached, which has improved business confidence, although early 'teething problems' and the need for businesses to become used to the new arrangements are likely to have an effect on trading conditions through 2021. Alongside this, forecasts on the recovery in consumer spending predict it to remain muted, reflecting modest incomes growth. Against this backdrop, GDP growth was predicted to remain on a slower growth trajectory of 1-1.5% over 2020 and 2021, well below the performance of earlier years.

COVID-19

3.4 The advent of COVID-19 has, and continues to have, a huge effect on all aspects of life around the world. Given that the full implications of COVID-19 are not yet able to be fully understood and predicted, Experian have outlined, in 2020, four potential scenarios and their potential characteristics. Experian's analysis and the various scenarios are outlined below.

3.5 The outbreak of COVID-19 will have a considerable impact on the UK and global economies. Due to the unprecedented nature of the event and absence of hard data, it is impossible at this point to be confident of the scale and duration of the outbreak and the economic consequences of the measures to limit contagion. Hence, all forecasts will be subject to greater than usual uncertainty and volatility.

3.6 Based upon forecasts released in 2020, Experian's view is that the V-shape cases (i.e. the profile of the forecast) outlined below are, on-balance, the more likely trajectories based on the scale of response from the UK and other governments. However, it should be noted from the outset of this analysis that the UK and global economy has never experienced a pandemic such as this in modern times and the situation remains fast-moving. Indeed, whilst the UK started to ease certain 'lockdown' measures in June and July 2020, including the re-opening of non-essential shops (in controlled conditions), a second wave of infections in Autumn/Winter 2020 occurred and another 'lockdown' was imposed. As a consequence, the content of this analysis should be seen as 'a point in time' and it will be important for the Council to keep matters under review during the life of preparing the new Local Plan.

3.7 The scenarios provided by Experian assume that the government follows the Imperial College London ('ICL') recommendations for an Adaptive Suppression approach to managing the epidemic. This would involve an intensive period where a number of interventions (case isolation, household quarantine, social distancing of the whole population and closure of schools and universities) would be implemented until the number of cases falls below an acceptable threshold.

3.8 ICL recommended maintaining these interventions for 5 months, which is assumed to be followed in all scenarios except the V-shape case (3 months). To support the effectiveness of the suppression measures, the government has enforced periods of 'lockdown' involving the temporary closure of non-essential businesses and activities. Thereafter, it has been possible to relax these measures as long as hospital cases remained below a target threshold.

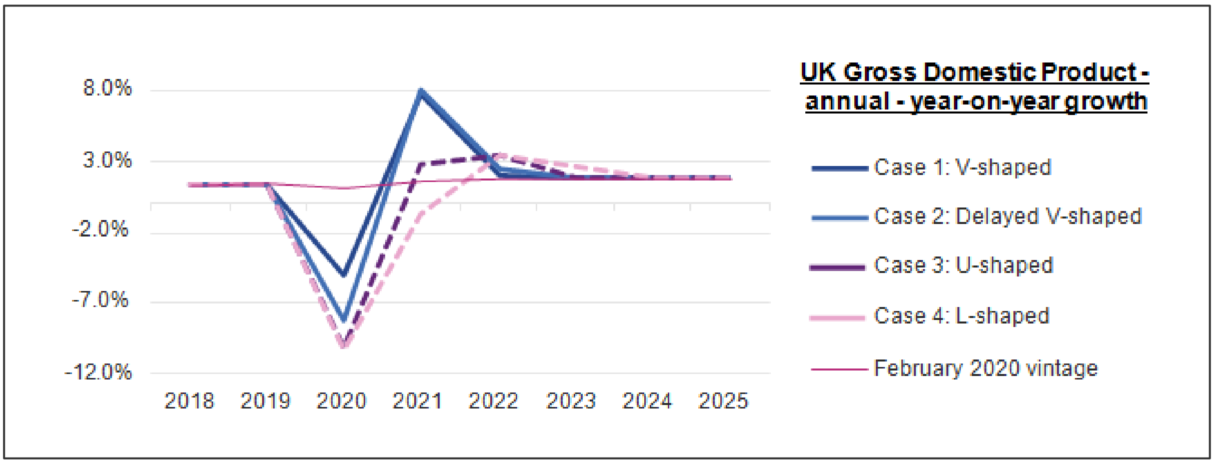
Scenario Overview

3.9 Figure 3.1 below shows the various forecast scenarios for year-on-year growth in UK Gross Domestic Product ('GDP') up until 2025. In cases 1 and 2, the COVID-19 outbreak is contained relatively swiftly allowing GDP to rebound strongly in a V-shape following an initial sharp decline, with minimal long-term scarring.

3.10 Case 3 has the virus contained in the same timeframe as case 2, however the economic impacts are more severe due to additional shocks arising from a tightening in credit conditions and further declines in Sterling. This results in a U-shaped, rather than V-shaped recovery. In case 4, the scale of the credit crunch and the Sterling declines are significantly deeper. As the economy emerges from the severe containment phase, it enters an extended period of stagnation/very subdued growth.

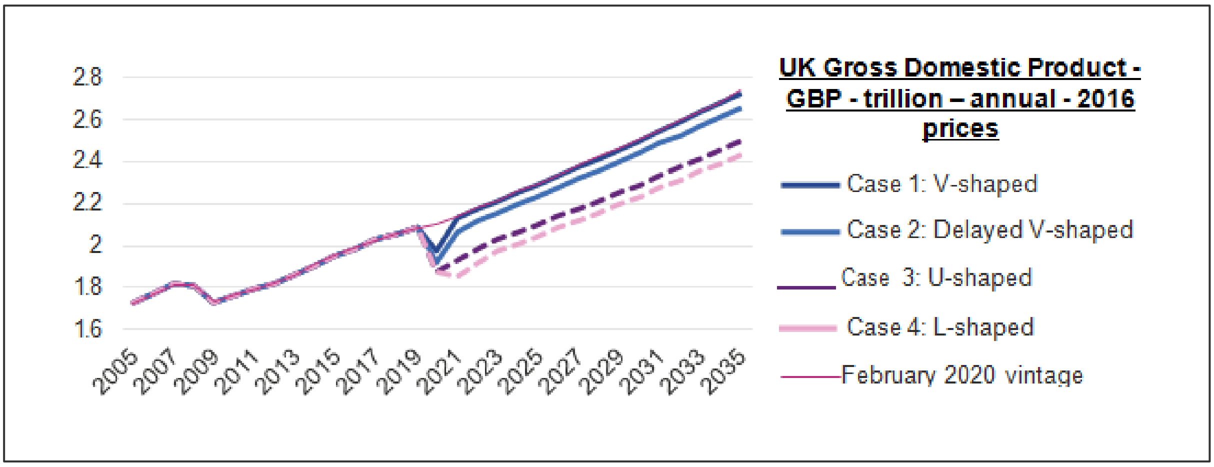
3.11 However, it should be noted that these forecasts were released by Experian in 2020 and the imposition of another period of lockdown is likely to have put back the period for recovery. As a consequence, the timeframes outlined below may need to be put back several months, despite the recovery process being aided by the development of a series of vaccines in 2020 and further ones in 2021 (and the success of vaccinating a large proportion of the UK population in 2021).

Figure 4.1: forecast UK GDP per annum



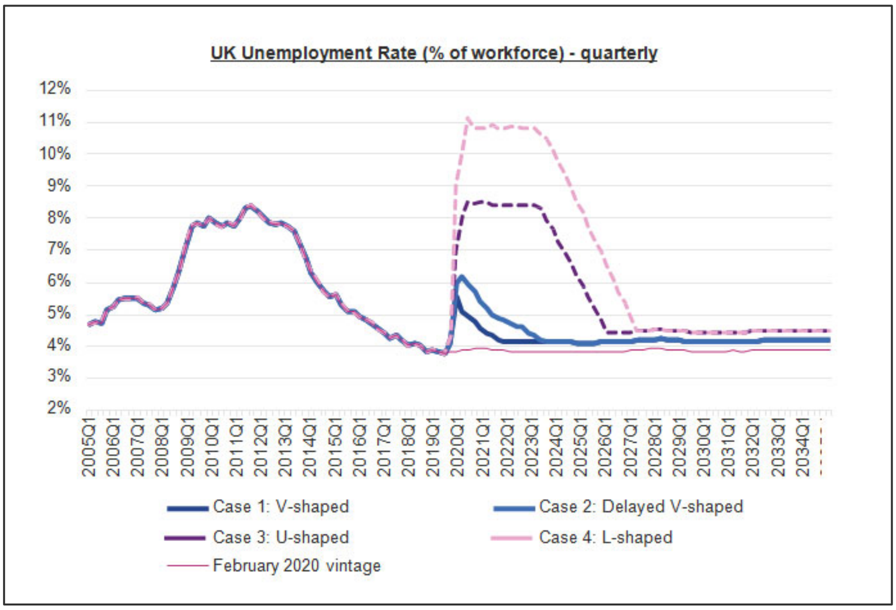
3.12 In levels terms, the lost output in the first half of 2020 is quickly recovered in the first two cases. However, it persistently lags behind where Experian were projecting in their February 2020 forecast. The U and L shaped cases show a more gradual recovery. In the former, it takes roughly five years for all lost output to be recovered, broadly in line with the experience following the global financial crisis. In the latter, it takes longer still.

Figure 4.2: GDP growth



3.13 The government has announced a range of measures to mitigate the impact on households and businesses and, at the time of writing, it appears that further policies may follow. In cases 1 & 2, the fiscal response is expected to successfully rein in the rate of job shedding. In cases 3 and 4, the government measures to protect jobs are assumed to be far less successful, and the unemployment rate holds stubbornly high.

Figure 4.3: forecast UK employment rate



Scenario 1: V Shaped Recovery

3.14 In this case, the suppression policy goals are achieved faster than the ICL's estimates and the timescales around securing a vaccine are also at the optimistic end of the estimates. Technology and infrastructure are sufficiently enhanced to enable speedy tracking and response times, so infection rates stay low and incidents remain localised.

3.15 In this scenario, the economic impacts are limited by the optimistic timeframes involved in bringing the epidemic under control. The reduction in infection rates triggers a swift rebound in investor, business and consumer confidence. Financial markets rebound and Sterling recovers. The tightening in credit conditions proves mild and short lived. Alongside this, mitigation efforts by the government prevent large scale job shedding and business insolvencies, which enables activity to recover relatively swiftly as workers return to normal working hours, businesses re-open and delayed investments are restarted.

3.16 Since devising this scenario, experience throughout 2020 has indicated that it was too optimistic in a number of areas and can now be largely discounted.

Scenario 2: Delayed V Shaped Recovery

3.17 In this case, the suppression policy adopted is in line with the ICL's recommendations for 5 months of intensive action. Also, the timescales around securing a vaccine are at the midpoint of the range of the ICL's estimates of 12 to 18 months. Numbers infected reduce rapidly and suppression measures begin to unwind, with the resurgence of cases well controlled. Technology and infrastructure are sufficiently enhanced to enable speedy tracking and response times, so infection rates stay low and incidents remain localised.

3.18 Wholesale suppression strategies are avoided and intensive global efforts secure a vaccine and sufficient stockpiles are built to begin rollout to the 'at-risk' population group by the end of 2020. The economic impacts vary from the V-shape case in the following ways:

- The longer containment period leaves confidence subdued for longer in 2020, resulting in weaker outcomes for consumer spending and business investment.
- The impact of government mitigation polices has a fair amount of success. A tightening in credit conditions proves mild and short lived, while Sterling stabilises. However, due to the longer containment period there are more job losses and business insolvencies than the V-shape case.
- The economic recovery is V-shaped but postponed until 2021. The relatively longer period of weakness results in greater scarring than the V Shape case.

Scenario 3: U Shaped Recovery

3.19 In this case, the timescales for addressing the pandemic threat are the same as the Delayed V-shape recovery case, but the economic impacts are more severe due to additional shocks arising from a tightening in credit conditions and further declines in Sterling. The suppression policy adopted is in line with the ICL's recommendations for 5 months of intensive action. Also, the timescales around securing a vaccine are at the midpoint of the range of the ICL's estimates of 12 to 18 months.

Scenario 4: L Shaped Recovery

3.20 The main difference between this and the U-shape case is that the scale of the credit crunch and Sterling decline is significantly deeper. The assumptions around the timescales for bringing the pandemic under control remain similar. In this case, as the economy emerges from the severe containment phase, it enters an extended period of stagnation/very subdued growth.

Consumer spending

3.21 Household spending growth slowed to an 8 year low of 1.2% in 2020. Consumer appetite for durables, property and, in particular, cars was notably muted. Low confidence was a major drag, but tepid growth in household incomes was also a factor behind the lacklustre spending trend. Despite another year of robust labour market conditions, with over 300,000 jobs created, incomes growth averaged a disappointing 1% in 2019. A pick-up in wage growth and receding inflation also provided a boost to earnings growth. However, this was offset by a continued squeeze in welfare benefits and other incomes sources. Looking ahead, prospects for incomes remain mixed. A positive is the very benign inflation backdrop. Combined with the boost to wages from more generous public sector pay and uprating to the National Living Wage, the recovery in real wages was forecast to remain intact over 2019 / 2020. However, this will be offset by a projected slowdown in the pace of job creation to more sustainable levels. Another positive factor is the end of the freeze on working-age benefits, but the on-going roll out of other welfare reforms will continue to bite. Given this, real incomes were projected to rise on average by circa 1.3% in 2020 and consumer spending growth to remain in sub-1.5% territory. However, these predictions were outlined prior to the advent of the COVID-19 pandemic.

Retail

3.22 Retail sales volumes grew by 3% in 2020, the weakest reading since 2014. There was a marked slowdown in growth over the course of the year, reflecting low confidence and sluggish incomes. The weakening trend was concentrated in non-food stores, which started the year with growth above 4% and ended with declines not seen since early 2012. Department stores and household goods retailers bore the brunt, suffering from a fall in sales of durable goods. Demand for household goods has suffered as the housing market remained in the doldrums for a second year. In contrast, sales from predominantly on-line retailers picked up momentum with growth rising to 15%, compared with 10% in 2018. As a consequence, even before the advent of COVID-19, prospects for retail sales remained subdued. Household incomes gains remained modest in 2020 although whilst the government's furlough scheme has been hugely ambitious, incomes since March 2020 have been impacted significantly with job losses becoming significant (as certain sectors experience extreme impact on how COVID-19 affects businesses).

Medium term outlook

3.23 The UK left the EU on January 31st 2020 and entered a transition period which allowed continued access to the European single market while the next phase of negotiations take place. The transition period ended in December 2020 and a trade deal was struck at the end of this period.

3.24 Experian's forecasts assume an orderly adjustment to the new trading environment. As Brexit related uncertainty ends, business investment should recover. However, the resultant increase in trade barriers will result in lower productivity and export performance than would have otherwise been the case.

3.25 Alongside this, Experian predict that fiscal policy will be more supportive than over the past decade. The baseline forecasts only incorporate announced policy so there is scope for upside from the March 2020 Budget. The government's increased majority should clear the path for it to push forward with policy priorities on regional development, infrastructure and health.

3.26 At the present time, Experian have not revised their projections for productivity and potential GDP growth, which drive the outlook over the medium/longer term. For the 2022-26 period overall, GDP growth is expected to average 1.8% per annum, compared with 2.0% during 2010 to 2018 and 2.6% from 1981 to 2007. Alongside this, the consumer spending outlook is little changed, forecast to average 1.8%, with retail sales averaging 2.7%.

Long term outlook

3.27 The final terms of the new economic relationship between the EU and the UK remain a major consideration for the long term outlook and Experian's assumptions on this front are little changed from previous years. The baseline forecasts from Experian assume that the UK will continue to have access to the single market under the new arrangement. However, it is unlikely that the new terms will be as favourable as full EU membership, which in turn impacts the long term outlook for trade, investment and GDP.

3.28 Population is forecast to expand on average 0.3% per annum over 2020-2040, which is below the average of 0.8% observed during 2005-2016. Productivity growth is expected to recover from recent lows to 1.4%, but will be well below the 2.4% averaged in the decade preceding the last recession. Given this, our long term GDP growth forecast remains at around 1.7%, below the historic long-term trend growth of 2.3%.

3.29 Revisions to the consumer spending outlook are minimal, with long term growth forecast at 2.2%, underpinned by gains in population and household incomes. However, downside risks clearly exist from a more marked slowdown in EU migration than projected.

3.30 The expansion in comparison goods volumes, averaging 3% per head to 2040 will be similar to the preceding decade but less buoyant than historic trends as key factors that boosted growth, notably the globalisation that subdued audio visual prices significantly, will not be repeated to the same degree.

3.31 Per head spending on convenience goods has slowed sharply in the last couple of years. Experian project that growth will remain a modest 0.1% over the long term, which is weaker than experienced in recent years but an improvement on the historic trend of annual 1% declines during 2000-2019.

3.32 With regards to retail expenditure, it is useful to compare the forecast annual changes in spending per head on convenience and comparison goods from the time of the 2018 study and the latest available forecasts from Experian. Table 4.1 below shows the year-on-year change from Experian's Retail Planner Briefing Note 12.1[5] for 2015-2035, which was referenced in the 2018 study, and compares this against the latest forecasts from Experian's Retail Planner Briefing Note 18[6] for the same time period.

3.33 Table 4.1 indicates that the latest Experian forecasts are showing a noticeably lower rate of growth in per capita convenience goods spending: +5.8% up to 2035, compared with +13.7% from the time of the 2016 study.

[5] October 2014
[6] October 2020

Table 4.1: forecast year-on-year change in per capita convenience goods spending between 2015 and 2035

Year	Experian Retail Planner Briefing Note 12.1 (% change year-on-year)	Experian Retail Planner Briefing Note 18 (% change year-on-year)
2015	0.5	-2.2
2016	0.4	3.3
2017	0.5	1.9
2018	0.4	1.0
2019	0.7	-0.9
2020	0.7	8.4
2021	0.5	-6.2
2022	0.8	0.2
2023	0.8	0.0
2024	0.8	0.1
2025	0.7	0.1
2026	0.7	0.0
2027	0.6	-0.1
2028	0.8	0.0
2029	0.6	0.0
2030	0.6	-0.1
2031	0.7	0.0
2032	0.8	0.0
2033	0.6	0.1
2034	0.8	0.1
2035	0.7	0.1
Change, 2015-2035	***+13.7***	***+5.8***

Source: Experian Retail Planner Briefing Notes 12.1 and 18

3.34 Table 4.2 undertakes a similar exercise for comparison goods per capita expenditure, using the same Experian Retail Planner Briefing Notes.

Table 4.2: forecast year-on-year change in all per capita comparison goods spending between 2015 and 2035

Year	Experian Retail Planner Briefing Note 12.1 (% change year-on-year)	Experian Retail Planner Briefing Note 18 (% change year-on-year)
2015	4.4	5.7
2016	3.1	4.8
2017	3.0	5.4
2018	3.0	3.4
2019	3.2	4.3
2020	3.2	-8.5
2021	3.0	6.5
2022	3.3	3.8
2023	3.3	3.6
2024	3.3	2.9
2025	3.3	2.8
2026	3.2	2.9
2027	3.2	2.9
2028	3.3	2.8
2029	3.3	2.9
2030	3.3	2.9
2031	3.4	2.9
2032	3.5	2.9
2033	3.3	2.9
2034	3.5	2.9
2035	3.5	2.9
Change, 2015-2035	***+69.6%***	***+63.6%***

Source: Experian Retail Planner Briefing Notes 12.1 and 18

3.35 The above data shows very little difference between the total comparison goods (per capita) expenditure forecasts referred to in the 2016 study and the latest Experian forecasts. Growth up to 2035 (from 2015 levels) is now forecast to be slightly lower, at +63.6%.

3.36 However, as the data in Table 4.3 below shows, when spending on comparison goods via purely internet-based sales is stripped out of the forecasts then the differences are significant. At the time of the 2016 study, per capita spending via physical comparison goods stores (including internet-related sales associated with physical stores) was forecast to rise by circa +65% up to 2035. However, the latest comparable forecasts published by Experian show that forecast (per capita) expenditure growth up to 2035 will now be much lower at circa +44%.

Table 4.3: forecast year-on-year change in per capita comparison goods spending between 2015 and 2035 (excluding pure internet sales)

Year	Experian Retail Planner Briefing Note 12.1 (% change year-on-year)	Experian Retail Planner Briefing Note 18 (% change year-on-year)
2015	3.5	5.3
2016	2.2	3.1
2017	2.1	3.3
2018	2.1	2.0
2019	2.5	3.4
2020	2.6	-14.5
2021	2.9	8.1
2022	3.1	2.9
2023	3.3	2.7
2024	3.4	2.0
2025	3.4	1.9
2026	3.3	2.0
2027	3.3	2.1
2028	3.4	2.3
2029	3.4	2.4
2030	3.4	2.5
2031	3.5	2.5
2032	3.5	2.5
2033	3.4	2.6
2034	3.6	2.6
2035	3.6	2.7
Change, 2015-2035	***+65.5%***	***+44.4%***

Source: Experian Retail Planner Briefing Notes 12.1and 18. Figures include spending via the internet which is fulfilled via physical stores.

3.37 The continued increasing influence of comparison goods shopping via the internet is demonstrated by the figures in Table 4.4 below which show the rise in market share in this channel. At the time of the 2016 study, the market share of sales via the internet were forecast to rise from 12.5% in 2015 to 15.2% in 2035 (including a slightly higher peak at around 16% in the early 2020s). However, the forecast level of growth in market share to 2035 has now significantly increased to circa 21.8% in 2021 and circa 28% in 2035. Whilst it is not the purpose of this advice report to update the retail floorspace / expenditure capacity forecasts contained within the 2016 study, it is clear from the latest forecasts that there will be a materially lower amount of available comparison goods expenditure to support in-centre and out-of-centre comparison goods floorspace across Medway.

Table 4.4: market share of internet sales for comparison goods shopping, 2017-2034

Year	Experian Retail Planner Briefing Note 12.1	Experian Retail Planner Briefing Note 18
2015	12.5	12.4
2016	13.2	13.9
2017	14.0	15.6
2018	14.7	16.8
2019	15.3	17.5
2020	15.7	22.9
2021	15.9	21.8
2022	16.0	22.5
2023	16.0	23.2
2024	16.0	24.0
2025	15.9	24.6
2026	15.9	25.2
2027	15.8	25.8
2028	15.7	26.2
2029	15.7	26.6
2030	15.6	26.9
2031	15.5	27.2
2032	15.5	27.4
2033	15.4	27.7
2034	15.3	27.9
2035	15.2	28.1

Source: Experian Retail Planner Briefing Notes 12.1 and 18.

Retail and Town Centre Trends

Internet Shopping

3.38 One of the key trends that has impacted on the retail sector and shopping patterns over the last decade has been the growth in internet shopping, which forms part of the definition known as 'special forms of trading' ('SFT'). Based on ONS data, Experian estimate that:

- The value of internet sales in 2019 was estimated to be £84.1bn (at current prices). This represents a +45% increase from £58bn recorded in 2016. Total non-store retail sales are estimated to amount to some £90.7bn in 2019 and is set to £203bn in 2036. To explain the differential in terms of growth between all retailing and internet retailing, in 2019 overall retail growth was 3% whereas internet sales grew by 9.6%.
- The overall market share of internet sales, as a proportion of total retail sales, has increased nationally from 5.5% in 2006 to 20.2% in 2019. It is forecast by Experian to grow to 22% by 2021 and to 31% by 2036.

3.39 In relation to on-line grocery sales, most of the main national grocery businesses (apart from ALDI and Lidl) provide a delivery service, with Marks & Spencer recently entering the market in collaboration with Ocado. The entrance of Ocado to the online market in 2002 made a big impact upon the strategies of the traditional 'big four' grocers and led them to accelerate plans for the online channel. Ocado has a different type of operation to the traditional grocers whereby its orders are picked from warehouses (via robotics) whereas most orders from Tesco, ASDA, Waitrose etc are picked by staff in-store. The Ocado business model is very efficient but expensive to invest in initially.

3.40 In 2020 two particular factors have had a key influence on on-line grocery sales. The impact of COVID-19 meant that many people were reluctant to visit shops and the experience of using a foodstore, particularly in the first part of 'lockdown' become inefficient and time-intensive. This led to a significantly higher demand for on-line deliveries which the main grocers found it difficult to keep pace with. However, now that the initial shock has passed, grocers are trying to build in additional capacity and online sales have risen from 7% of the total grocery market at the start of 2020 to 13% by May 2020. Research by UBS in the UK found that 71% of those surveyed will shop online as often or more after the COVID-19 situation improves.

3.41 The other development in 2020 has been the decision by Amazon to start offering free grocery deliveries to its Prime members. Amazon's grocery offering is sourced from a range of sources including Morrisons, Booths and Whole Foods and is, in due course, likely to add capacity to the delivery network particularly in urban areas. Whilst Amazon customers are paying indirectly for the delivery service, this move does mirror Ocado's entrance into the market although the latter did subsequently introduce delivery charges in line with the other traditional grocery retailers.

3.42 The impact of COVID-19 has been even more significant for non-food shopping. Whilst a small amount of stores (classified as essential) remained open (under very strict controls) there has been a very significant shift to on-line sales, albeit subdued due to the furlough scheme and the risk of job losses. As data starts to emerge in relation to the easing of restrictions in Spring / Summer 2021, it would appear that that there has been an initial bounce-back for high streets and retail parks although this may well be due to pent-up demand, with a number of commentators suggesting that once shopping patterns settle down high street spending and footfall will not reach pre-pandemic levels, partly as a result of the increased reliance and choice to use online shopping channels.

Changing Retailer Requirements

3.43 The economic downturn, the growth in internet shopping and the continued demand for out-of-centre shopping has resulted in national retailers reviewing and rapidly adapting their business strategies over the past several years, including new store requirements and existing store formats to keep pace with the dynamic changes in the sector and consumer demand.

3.44 This is probably best illustrated by the changes in the grocery sector over the last 6-7 years. Following a sustained period of growth over almost 20 years up to 2009/10, principally driven by new store openings, the focus for the main grocery operators (i.e. Tesco, Sainsbury's, Asda, Waitrose and Morrisons) has shifted to growing market share through opening new smaller convenience store formats (such as Tesco Express, Sainsbury's Local and Little Waitrose), a better customer experience and online sales. In relation to online sales, following the original entrants into the market (Tesco, Ocado, Sainsburys and Asda), Morrisons joined a few years ago and Marks & Spencer started their own sales (in partnership with Ocado) in September 2020.

3.45 Over the past several years applications for large store formats have slowed to a virtual standstill and in some cases permissions are not being built out. At the other end of the grocery spectrum, the European-led 'deep discount' food operators (namely Aldi and Lidl) are increasing their market shares through new store openings across the UK. Iceland are also expanding their Food Warehouse format.

3.46 In the non-food sector, those retailers that experienced significant growth up to 2007/08 have had to adapt to the very different market conditions over the past dozen or so years. The retailers that have not been flexible enough to respond to changing consumer needs, or are being squeezed in the increasingly competitive 'middle ground' between high-end and value retailing, have largely struggled to maintain market share. In some cases, this has resulted in a series of high profile 'casualties' (e.g. Debenhams and the Arcadia brands) and a number of key retailers have either disappeared from our high streets altogether, or have significantly reduced their store portfolio in centres across the UK (e.g. House of Fraser and Marks & Spencer).

3.47 Research also shows that there is an increasing polarisation and concentration of retailer demand and investment interest in the larger regional and sub-regional centres (i.e. the 'top 25-50' UK centres as defined by Javelin VenueScore rankings). Whilst this polarisation differs across the various retail sectors, retailers are now likely to concentrate upon the larger town centres, city centres, and out of centre regional shopping centres. This is because these centres usually have large and established catchment areas, and therefore represent less 'risky' investments in the current uncertain economic climate. These larger centres have also generally benefitted from recent new shopping centre development and investment over the last decade, and are therefore better placed than smaller and medium sized centres to accommodate retailers' requirements for modern larger format units. At the same time, retailer and investment demand is also mainly focussed on the prime retail pitches, with the secondary and tertiary pitches contracting and deteriorating in some centres due to limited demand, smaller shop units and increasing vacancies. The continuation of these trends will impact on future operator requirements, with retailers looking to satisfy their demand for larger modern premises in prime shopping locations, with strong catchment areas and a good supply of appropriate retail space.

3.48 Furthermore, many of the major multiples and traditional high street retailers are changing their store formats and locational requirements. For example, key anchor retailers such as Boots, Next, TK Maxx, John Lewis and Marks & Spencer have been seeking larger out of centre format units to showcase their full product range and to provide an exciting shopper environment backed by the latest (digital) technology.

3.49 As a result, it is the larger centres and out-of-centre retail parks that are often best placed to meet this demand; as larger units are difficult to accommodate within existing traditional high streets and town centres, particularly historic areas characterised by conservation areas and listed buildings. As a result, some traditional high street retailers are moving out of town centres to retail parks. For example, over recent years Marks & Spencer has closed a number of traditional variety stores on high streets and opened new M&S Simply Food stores in out-of-centre locations.

3.50 The on-going challenging environment facing the comparison goods sector has been exacerbated by the impact of the COVID-19 pandemic and the lockdown periods imposed in during 2020 and in early 2021. Many comparison goods stores were classified as non-essential shops and have only recently re-opened (in April 2021). Whilst a significant element of sales transferred on-line (to those retailers who had a good online sales platform) overall sales have been affected considerably. In addition, the experience surrounding comparison goods shopping trips, which were until recently taken as a quasi-leisure activity, has fundamentally changed which, in the short term, is likely to impact upon the attractiveness of town centres.

3.51 These changes in retailer requirements and market demand will continue to have a significant impact on the UK's town centres and high streets, particularly in those cases where retailers make the decision to relocate from town centres to out-of-centre locations, or even out of the area altogether.

4. The Hoo Peninsula

Introduction

4.1 The third and final element of advice required by the Council relates to the planned new and expanded communities in the Hoo Peninsula. Our 2018 report provided advice on a range of issues on the provision of new retail and defined 'town centres' across the Hoo Peninsula, including the scale of convenience goods floorspace provision to be provided (in relation to the identified need), the type of provision to be provided, the number of new 'centres' to be provided and their general location.

4.2 During the past three years, we understand the Council and its consultant team have continued to work on the spatial strategy for the Hoo Peninsula, alongside the on-going preparation of the new Local Plan. This has incorporated a number of factors/issues, including the number (and phasing) of new homes to be built and the wider master-planning of the area.

4.3 As a consequence of this on-going work, and due to the passage of time, the Council has asked that this advice report provides additional/supplementary advice in relation to the following matters:

- an update on convenience goods retail expenditure /floorspace capacity issues for the growing communities in the Hoo Peninsula;
- an update on the scale of centres to be provided, including any particular issues surrounding scale and format requirements.

Update on Convenience Retail Expenditure & Need Issues

4.4 As part of the analysis for the Hoo Peninsula in the 2018 study we examined the potential retail expenditure / floorspace capacity associated with new residential development which may be provided for in the new Local Plan. This was contained within Section 4 of the 2018 study and specifically paragraphs 4.58 to 4.61 (supported by an analysis in VI). At the time of preparing that analysis a range of new-build housing development scenarios was examined, from 1,000 units to 8,000 units. In addition, against these scenarios, two different levels of expenditure retention were examined.

4.5 As the preparation of the draft new Local Plan has progressed, along with the Hoo Development Framework, further detail has been provided on the likely potential housing development capacity. Based upon a new Local Plan end date of 2037 there is the potential for up to 7,686 new homes to be built. Using the same assumptions as the 2018 study regarding average dwelling occupancy, per capita convenience goods expenditure levels and potential expenditure retention rates, our updated analysis at Appendix II to this report shows that:

- Assuming a 50% retention rate for the expenditure generated by the whole of the new residential development, this would generate around £16.6m of additional convenience goods expenditure which would support 1,380sq m net convenience goods floorspace at a sales density of £12,000/sq m or 1,656sq m net at a sales density of £10,000sq m.
- If the retention rate of expenditure is lower at 30% then the level of indicative floorspace capacity is 828sq m net (at a sales density of £12,000/sq m) or 994sq m net (at a sales density of £10,000/sq m).

4.6 In addition, it should also be noted that the Council's housing trajectory extends beyond 2037 and therefore a second scenario is included at Appendix II which examines the full potential of the area at 9,484 new dwellings. This indicates the following:

- Assuming a 50% retention rate for the expenditure generated by the whole of the new residential development, this would generate around £20.4m of additional convenience goods expenditure which would support 1,700sq m net convenience goods floorspace at a sales density of £12,000/sq m or 2.044sq m net at a sales density of £10,000sq m.
- If the retention rate of expenditure is lower at 30% then the level of indicative floorspace capacity is 1,022sq m net (at a sales density of £12,000/sq m) or 1,200sq m net (at a sales density of £10,000/sq m).

4.7 In addition to the above, it should be noted that the 2018 study also indicated an indicative expenditure/floorspace capacity should new provision be able to retain a higher level of convenience goods expenditure from existing residents in the local area.

4.8 Finally, it is important to reiterate that the above forecasts are indicative quantitative capacity levels and are only one half of the overall assessment of 'need', with qualitative considerations of equal importance. Such considerations were covered in our 2018 study and there is no reason why the level of convenience goods floorspace capacity should be an absolute limit on the level of provision in the new communities, so long as certain criteria (as outlined in the 2018 study) are met.

4.9 Based upon the above, we consider that there is a reasonable quantitative and qualitative case for a reasonably large foodstore in the main centre, along with smaller convenience goods (top-up) stores in the neighbourhood centres.

Scale and Format Requirements

4.10 Whilst this issue was not covered in our 2018 study, the Council have asked for advice in relation to scale and format issues associated with any new planned centres. This advice will also provide a useful contribution to the on-going master-planning exercise for the Hoo Development Framework.

4.11 With regards to the general space requirements for any new town, district, neighbourhood centres we would advise the following:

- With regards to the larger foodstore in the main centre, the precise size will be dictated by market demand, master-planning issues, and also the need to ensure that it is of an appropriate scale for the type of centre to be provided. However, as a general guide we would suggest that:
    - If it were to be assumed that the foodstore within the main 'centre' was to provide a sales area between 1,000sq m and 1,500sq m net, then we would expect a gross unit size of up to 2,000-2,500sq m (for example, a circa 1,300sq m sales area requires a circa 2,200sq m gross unit size). Ideally, it should be assumed that all of this floorspace would be on one level, with the unit being provided with good 'frontage' within the centre and visible from at least one entrance to the new centre.
    - Given that this particular foodstore is intended to meet the dual purpose of main and top-up food shopping trips, the main food trip function will require a reasonable amount of car parking provision. We would suggest that around 100-130 parking spaces should be provided for the foodstore and we would recommend that options are explored to allow the foodstore parking to be shared, to be certain extent, with the remainder of the centre. This may increase the size of parking space provision, in order to accommodate the dual needs of the foodstore and the rest of the centre. Whilst it may cause challenges for the master-planning layout of the main centre, it is likely that car parking provision will need to be provided all at surface level.
    - Given the scale of the foodstore within the main centre, adjacent servicing facilities / areas will need to be provided. The size of the store is likely to require HGV deliveries and thus will require an off-street servicing area. In certain appropriate circumstances access to the service yard can be provided through the main customer car parking entrance to the site, although sufficient area will still need to be provided for the service yard itself.

- Based upon the above specifications, we would recommend that an area of up to 2 hectares should be allowed for. The exact will, of course, depend upon a number of factors, including the size of the store itself and physical site conditions.

4.12 With regards to the other units in the size, we consider it likely that most, whether they be retail, service, food/beverage, will be small in scale and be circa 100sq m gross in size. However, there should be flexibility incorporated into the design to allow opportunities to 'double / triple up' (or split units) (i.e. amalgamate 100sq m units into 200sq m or 300sq m, or vice versa). These units will not require dedicated parking arrangements, although: (A) some limited servicing may be required and may be best handled via a management on-site arrangement (unless shared and efficient off-street areas can be provided); and (B) retailers will be provided by the provision of available parking shared with the anchor foodstore. The units should also be designed to allow for changes to different types of 'main town centre use' whether these require planning permission or not.

4.13 Excluding the foodstore anchor use, it is difficult at this stage to be precise over: (A) the number of units; and (B) the overall floorspace requirement for all main town centre uses. However, it would appear sensible to allow for the phased delivery of the main 'town centre' as a 'full scale' centre is unlikely to be able to be supported in the short to medium term. Phases of units are likely, in our opinion, to be up to 10 units at a time, with the likelihood that two phases could be delivered over the course of completing development of the new community. This should be treated as a general guide, but we would recommend that sufficient space/land is set aside for the on-going development of the centre in order that it can remain the focus for the majority of retail and main town centre uses (and avoid the need to provide such uses in out of centre locations).

4.14 In terms of design, it is not the purpose of this report to provide any specific guidance, particularly as this is being undertaken through the on-going Development Framework exercise, although this advice report can provide some general guidance for the main new 'centre' in order to make it: (A) commercially attractive; and (B) contribute the vitality and viability of the new centre. In our opinion, the following factors will be important to the 'good planning' and success of the new main 'town centre' in Hoo:

- Whilst it is likely that, in any event, a core principle of the on-going Development Framework / master-planning exercise will be to plan for a cohesive and attractive high street, the adjacency of retail, service and other main town centres uses should be achieved. In our experience such an arrangement will help to drive good levels of footfall / vitality and, in turn, will reinforce investor confidence within the centre.

- Whilst the smaller neighbourhood centres are unlikely to require off-street car parking, the same will not be true for the larger centre. The primary requirement for this provision will be the main foodstore, given the nature of the type of grocery shopping trip. As noted elsewhere in this section, it is recommended that the car park is shared between the foodstore and the remainder of the centre (in order to provide an efficient site layout).
- In addition, whilst the smaller units within the main centre will have limited servicing requirements, the foodstore within the main centre will require an off-street servicing area. This is included in the site area calculations provided elsewhere in this section.
- In order to ensure that the main new centre in the Hoo Peninsula has the best chances of success in terms of its vitality and viability, we would strongly recommend that planning permission (or local plan policy) does not allow for retail and/or main town centre land uses to be placed outside of the planned new centres. To this end, we would recommend that a robust planning policy / development management approach is put in place in the new Local Plan to control the assessment of such proposals.
- Elsewhere within this report, advice has been provided on the implications of the introduction of the new Use Class E, other changes to the use classes order and also the implications of the 2021 changes to permitted development rights. It has already been outlined that the changes to the use classes order and permitted development rights are the Government's response to its view of the changing nature of 'town centres' across the country and the wider mix of land uses which it sees as being important to the future health of 'town centres'. Whilst some of the 2020 / 2021 changes (particularly the latter) have attracted some criticism / controversy, it is reasonable to note that

4.15 With regards to the smaller planned new neighbourhood centres, our advice remains, as noted above, that these centres should be provided to accommodate small scale day-to-day convenience and service provision for local residents. This advice report is not intended to provide the precise location of these new neighbourhood centres although the likely spatial layout of the expanded / new communities across the Hoo Peninsula would suggest that 2-3 new neighbourhood centres will ultimately need to be provided to provide easy and convenience access to day to day convenience retail and service uses. The centres should be distributed either side of the A228 and distributed with regard to the location and scale of the planned new main centre. For example, if two new neighbourhood centres were to be provided, in addition to the main centre then we consider it would be logical for one of these centres to be placed in the Deangate Ridge neighbourhood to the north of the A228[7] and the other to be placed

[7] this is due to the separation that the A228 creates for the planned new communities and would thus allow easy access to day to day shops and services for the new community at Deangate Ridge

to the south of the A228 in the area to the west of Hoo St Werburgh. Such a distribution would also be complementary with existing provision in Hoo which has already been discussed in our previous study. We would recommend that the maximum size of the planned new neighbourhood centres in both areas should be circa 1,000sq m gross, providing small scale units of 100-200sq m gross, and should encourage the provision of a modest sized convenience store as a basic requirement.

Appendix I

September 2020 Changes to the Use Classes Order

Summary of changes to the Class Order Schedule

Uses (description)	Uses (current Class)	Use new class (From 1 September 2020)
Shops Retail warehouse Hairdressers Undertakers Travel and Ticket Agencies Post Offices Pet Shops Sandwich Bars Showrooms Domestic Hire Shops Dry Cleaners Funeral Directors Internet Cafes	A1 (shops)	Class E: Commercial Business and Service
Financial services such as banks and building societies Professional services such as estate and employment agencies (excluding health and medical services)	A2 (Professional and Financial Services)	
Sale of food and drink for consumption on site Restaurants Cafes Snack Bars	A3 (Restaurants and Cafes)	
Pub or drinking establishment	A4 (Drinking Establishments)	Sui Generis
Takeaway	A5 (Hot Food Takeaways)	Sui Generis
Offices Research and development of products and processes Light industry appropriate in a residential area	B1 (Business)	Class E: Commercial Business and Service
Clinics Health Centres Creches Day Nurseries Day Centres	D1: Non-residential institutions	Class E: Commercial Business and Service
Schools Art Galleries (other than for sale or hire) Museums Libraries Halls Places of Worship Church Halls Law Court	D1: Non-residential institutions	F1: Learning and Non-Learning Institutions

Uses (description)	*Uses (current Class)*	*Use new class (From 1 September 2020)*
Cinemas *Music and Concert Halls* *Bingo Halls* *Dance Halls (not nightclubs)*	*D2: Assembly and Leisure*	*Sui Generis*
Gymnasiums *Indoor sports and recreation (except for motorsports, or where firearms are used)*	*D2: Assembly and Leisure*	*Class E: Commercial Business and Service*
Hall or meeting place for the principle use of the local community *Swimming Pools (indoor or outdoor)* *Skating Rinks* *Outdoor sports and recreation (except for motorsports, or where firearms are used)*	*D2: Assembly and Leisure*	*F2: Local Community Uses*
Shops (not more than 280sqm mostly selling essential goods, including food and at least 1km from another similar shop)	*A1 (shops)*	

Use Classes Orders with No Change		
Use for industrial process other than one falling within class B1 (excluding incineration purposes, chemical treatment or landfill or hazardous waste).	*B2 (General Industrial)*	*B2 (General Industrial)*
Storage and Distribution Centres (inc. open air storage)	*B8 (Storage and Distribution*	*B8 (Storage and Distribution*
Hotels, boarding and guest houses (where no significant element of care is provided)	*C1 (Hotels)*	*C1 (Hotels)*
Residential accommodation and care to people in need of care, residential schools, colleges or training centres, hospitals, nursing homes	*C2 (Residential Institutions)*	*C2 (Residential Institutions)*
Single person, or family houses.	*C3 (Dwelling houses)*	*C3 (Dwelling houses)*
Small shared houses occupied by between three and six unrelated individuals, as their only or main residence, who share basic amenities such as a kitchen or bathroom	*C4 (Small Houses in Multiple Occupation)*	*C4 (Small Houses in Multiple Occupation)*

Appendix II

Updated Hoo Peninsula Convenience Goods Expenditure Capacity Analysis

MEDWAY COUNCIL
RETAIL RETAIL STUDY UPDATE 2021

CONVENIENCE GOODS EXPENDITURE CAPACITY ASSOCIATED WITH NEW RESIDENTIAL DEVELOPMENT ON THE HOO PENINSULA - 2021 ANALYSIS

50% RETENTION RATE

Units	**7686**	8000	7000	6000	5000	4000	3000	2000	1500	1000
Persons per unit	**2.2**	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2
Population	**16909.2**	17600	15400	13200	11000	8800	6600	4400	3300	2200
Per capita convenience goods expenditure (£)	**£1,959**	£1,959	£1,959	£1,959	£1,959	£1,959	£1,959	£1,959	£1,959	£1,959
Total available convenience goods expenditure	**£33.1**	£34.5	£30.2	£25.9	£21.5	£17.2	£12.9	£8.6	£6.5	£4.3
Retention rate (%)	**50%**	50%	50%	50%	50%	50%	50%	50%	50%	50%
Available expenditure (£m)	**£16.6**	£17.2	£15.1	£12.9	£10.8	£8.6	£6.5	£4.3	£3.2	£2.2
Sales density of new floorspace (£/sq m)	**£12,000**	£12,000	£12,000	£12,000	£12,000	£12,000	£12,000	£12,000	£12,000	£12,000
Convenience goods floorspace capacity (sq m net)	**1380**	1437	1257	1077	898	718	539	359	269	180

30% RETENTION RATE

Units	**7686**	8000	7000	6000	5000	4000	3000	2000	1500	1000
Persons per unit	**2.2**	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2
Population	**16909.2**	17600	15400	13200	11000	8800	6600	4400	3300	2200
Per capita convenience goods expenditure (£)	**£1,959**	£1,959	£1,959	£1,959	£1,959	£1,959	£1,959	£1,959	£1,959	£1,959
Total available convenience goods expenditure	**£33.1**	£34.5	£30.2	£25.9	£21.5	£17.2	£12.9	£8.6	£6.5	£4.3
Retention rate (%)	**30%**	30%	30%	30%	30%	30%	30%	30%	30%	30%
Available expenditure (£m)	**£9.9**	£10.3	£9.1	£7.8	£6.5	£5.2	£3.9	£2.6	£1.9	£1.3
Sales density of new floorspace (£/sq m)	**£12,000**	£12,000	£12,000	£12,000	£12,000	£12,000	£12,000	£12,000	£12,000	£12,000
Convenience goods floorspace capacity (sq m net)	**828**	862	754	646	539	431	323	215	162	108

MEDWAY COUNCIL
RETAIL RETAIL STUDY UPDATE 2021

CONVENIENCE GOODS EXPENDITURE CAPACITY ASSOCIATED WITH NEW RESIDENTIAL DEVELOPMENT ON THE HOO PENINSULA - 2021 ANALYSIS

50% RETENTION RATE

Units	**9484**	8000	7000	6000	5000	4000	3000	2000	1500	1000
Persons per unit	**2.2**	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2
Population	**20865**	17600	15400	13200	11000	8800	6600	4400	3300	2200
Per capita convenience goods expenditure (£)	**£1,959**	£1,959	£1,959	£1,959	£1,959	£1,959	£1,959	£1,959	£1,959	£1,959
Total available convenience goods expenditure	**£40.9**	£34.5	£30.2	£25.9	£21.5	£17.2	£12.9	£8.6	£6.5	£4.3
Retention rate (%)	**50%**	50%	50%	50%	50%	50%	50%	50%	50%	50%
Available expenditure (£m)	**£20.4**	£17.2	£15.1	£12.9	£10.8	£8.6	£6.5	£4.3	£3.2	£2.2
Sales density of new floorspace (£/sq m)	**£12,000**	£12,000	£12,000	£12,000	£12,000	£12,000	£12,000	£12,000	£12,000	£12,000
Convenience goods floorspace capacity (sq m net)	**1703**	1437	1257	1077	898	718	539	359	269	180

30% RETENTION RATE

Units	**9484**	8000	7000	6000	5000	4000	3000	2000	1500	1000
Persons per unit	**2.2**	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2
Population	**20865**	17600	15400	13200	11000	8800	6600	4400	3300	2200
Per capita convenience goods expenditure (£)	**£1,959**	£1,959	£1,959	£1,959	£1,959	£1,959	£1,959	£1,959	£1,959	£1,959
Total available convenience goods expenditure	**£40.9**	£34.5	£30.2	£25.9	£21.5	£17.2	£12.9	£8.6	£6.5	£4.3
Retention rate (%)	**30%**	30%	30%	30%	30%	30%	30%	30%	30%	30%
Available expenditure (£m)	**£12.3**	£10.3	£9.1	£7.8	£6.5	£5.2	£3.9	£2.6	£1.9	£1.3
Sales density of new floorspace (£/sq m)	**£12,000**	£12,000	£12,000	£12,000	£12,000	£12,000	£12,000	£12,000	£12,000	£12,000
Convenience goods floorspace capacity (sq m net)	**1022**	862	754	646	539	431	323	215	162	108