
**AYRSHIRE JOINT STRUCTURE PLAN AND TRANSPORTATION COMMITTEE
2 SEPTEMBER 2005**

Ayrshire Retail Capacity Study 2005 TO 2012

PURPOSE OF REPORT

- 1 To advise the Committee of the outcome of a retail capacity study that has been completed for the individual Council areas.

BACKGROUND

2. National Planning Policy Guideline 8 “Retailing and Town Centres” advises planning authorities to assess and keep under review the potential for further retail development within their area and to compare this with existing development opportunities. A “retail capacity assessment” is used to inform planning authorities of the likely scale of future floorspace requirements in order to provide a context for planning town centres and where necessary extensions to town centre boundaries or out of centre development.
3. The capacity assessment has been carried out by the Ayrshire Joint Structure Plan team in collaboration with the individual council planning departments. The remainder of this report gives a brief description of the assessment methodology and the key results that have emerged.

METHODOLOGY

4. A retail capacity assessment compares the estimated level of consumer expenditure within a given catchment area with the estimated turnover of the existing retail outlets within that area. Where consumer expenditure exceeds the estimated turnover of the existing outlets this suggests “capacity” for new retail floorspace.
5. Consumer expenditure is estimated using United Kingdom (UK) data on the average amount spent per head of population on convenience (food, newspapers, etc) and comparison (furniture, electrical, etc) goods. The UK average amount spent per head is adjusted to reflect the local circumstances of the catchment area. In the case of Ayrshire, the catchment areas were taken to be the local authority areas. Multiplying the population of each local authority by the average expenditure per head gives an initial assessment of the total expenditure available within each local authority area. This initial figure is further refined to account for expenditure that is exported outside the catchment and that which is imported from other areas. The expenditure flow information was obtained from the household shopping survey carried out by the Joint Structure Plan team and the councils in 2003. Allowance is also made for “special forms of trading” (eg internet and catalogues). The available

expenditure is then projected forward for future years using a method that excludes the effects of retail price inflation.

6. The turnover of the existing stock of retail units within each local authority was estimated using UK information on the actual turnover of major UK retail firms. This data is obtained from the Mintel UK Retail Rankings that provide data on the average turnover per square metre of retail floorspace for well known large chain stores. In practice, only a small percentage of the operators of retail outlets in Ayrshire have figures quoted in the Mintel Retail Rankings and consequently, average figures have to be derived for different retail sectors. Further adjustment is made to these figures to reflect the relative trading positions of the three main Ayrshire towns compared to the other smaller and remoter settlements.
7. Details of the floor area of the retail units in Ayrshire were obtained from the Ayrshire Joint Valuation Board and a survey of the majority of the outlets was carried out in order to classify them by the type of goods sold. The floorspace of each outlet was multiplied by the appropriate turnover to floorspace ratio and an estimate of the total turnover was made. As with the estimates of expenditure, the estimates of turnover are projected into the future using nationally recognised growth rates that exclude the effect of retail price inflation.

FUTURE RETAIL CAPACITY

8. A summary of the capacity analysis is provided in appendix A at the end of this report. The key findings for each Council area can be summarised as follows.

South Ayrshire

9. There is strong growth in both the bulky comparison (floorcoverings, furniture, DIY, hardware and electrical) and the non-bulky (clothes, footwear, soft furnishings, jewellery, etc) sectors. By 2012, the surplus of expenditure over turnover in the non-bulky sector is expected to be £59 million and in the bulky sector it is expected to be £66 million. There are developments under construction that will provide additional comparison floorspace within Ayr (eg Ayr Central), and other sites with planning consent or allocated through the local plan which may also be suitable for comparison retail. The approximate turnover of these developments has been assessed as £94 million suggesting that there is further additional capacity of £31 million to support new retail development.
10. With regard to the convenience sector, the assessment suggests that the turnover of floorspace currently in existence exceeds the current and future levels of expenditure.

North Ayrshire

11. The capacity analysis suggests that there is a surplus of non-bulky retail floorspace. However, in the bulky sector there is capacity for additional floorspace with a turnover of approximately £78 million. The estimated turnover of the sites currently allocated through the local plan and with planning consent within North Ayrshire is also £78 million suggesting that there is currently no further requirement to identify additional sites.
12. Additional capacity of £50 million has been identified to support development of convenience floorspace. The turnover of the recently completed Tesco at Kilbirnie and the estimated turnover of consented and allocated sites has been assessed as £62 million, again suggesting that there is no requirement to identify additional sites.

East Ayrshire

13. Emerging surpluses of expenditure over turnover of existing floorspace have been identified in both the bulky and non-bulky sectors. In the case of the former, a surplus of £37 million is identified for 2012 and in the latter the surplus is estimated to be £15 million. The estimated turnover of sites with planning consent for comparison retail is £19 million. East Ayrshire Council has recently produced a town centre action plan for Kilmarnock. This document identifies broad areas considered suitable for future retail development. Further detailed work is required to identify the extent of new floorspace that can be accommodated within the town centre.
14. The analysis indicates that there is a surplus of convenience floorspace over expenditure and that therefore there is no requirement to identify additional sites.

CONCLUSIONS

15. The retail capacity analysis indicates that there is potentially demand for additional retail floorspace, particularly for comparison goods, within each local authority area. In accordance with the current approved Structure Plan and the emerging strategy contained in the draft replacement plan, existing town centres are anticipated as the primary locations for such new development. The analysis of the approved and allocated retail sites suggests that additional land will need to be identified within the East Ayrshire and South Ayrshire town centres.

RECOMMENDATION

16. The Committee are asked to note the contents of this report.

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APPENDIX A - Capacity Assessment Summary

Table 1:- Total Convenience Expenditure Projections		
Council Area	2004 (2001 prices)	2012 (2001 prices)
East Ayrshire	£195.5 million	£209.7 million
North Ayrshire	£234.6 million	£252.0 million
South Ayrshire	£189.8 million	£204.2 million

Table 2:- Comparison Expenditure Projections				
Council Area	Non-Bulky		Bulky	
	2004 (2001 prices)	2012 (2001 prices)	2004 (2001 prices)	2012 (2001 prices)
East Ayrshire	£118.8 million	£164.7 million	£74.8 million	£104.1 million
North Ayrshire	£95.7 million	£130.8 million	£94.3 million	£131.5 million
South Ayrshire	£228.8 million	£317.9 million	£104.6 million	£147.6 million

Table 3:- Turnover of Existing Convenience Floor-space Projections		
Council Area	2004 (2001 prices)	2012 (2001 prices)
East Ayrshire	£211.3 million	£224.3 million
North Ayrshire	£190.3 million	£202.1 million
South Ayrshire	£196.1 million	£208.2 million

Table 4:- Turnover of Existing Comparison Floor-space Projections				
Council Area	Non-Bulky		Bulky	
	2004 (2001 prices)	2012 (2001 prices)	2004 (2001 prices)	2012 (2001 prices)
East Ayrshire	£125.1 million	£149.5 million	£56.2 million	£67.2 million
North Ayrshire	£150.2 million	£179.4 million	£44.8 million	£53.5 million
South Ayrshire	£216.2 million	£258.3 million	£68.3 million	£81.6 million

Table 5:- Difference Between Convenience Expenditure & Turnover		
Council Area	2004 (2001 prices)	2012 (2001 prices)
East Ayrshire	-£15.8 million	-£14.7 million
North Ayrshire	£44.2 million	£49.9 million
South Ayrshire	-£6.2 million	-£3.9 million

Table 6:- Difference Between Comparison Expenditure & Turnover				
Council Area	Non-Bulky		Bulky	
	2004 (2001 prices)	2012 (2001 prices)	2004 (2001 prices)	2012 (2001 prices)
East Ayrshire	-£6.3 million	£15.2 million	£18.6 million	£36.9 million
North Ayrshire	-£54.5 million	-£48.6 million	£49.5 million	£77.9 million
South Ayrshire	£12.6 million	£59.6 million	£36.3 million	£65.9 million

Table 7:- Recently Completed Retail Outlets		
Location	Floor-area (m ²)	Estimated Turnover 2012 (2001 prices)
Damside North, Ayr	1006	£5.1 million
Beresford Terrace, Ayr	4466	£13.8 million
Bridgend, Kilbirnie	2268	£21.9 million
Glencairn Retail Park, Kilmarnock	3720	£7.0 million

Table 8:- Approved and Allocated Convenience Sites		
Location	Floor-area (m ²)	Estimated Turnover 2012 (2001 prices)
High Glencairn St, Kilmarnock	2503	£16 million
East Road, Irvine	7897	£40 million
Old Street, Girvan	1020	£12.7 million

Table 9:- Approved and Allocated Comparison Sites		
Location	Floor-area (m ²)	Estimated Turnover 2012 (2001 prices)
High Glencairn St, Kilmarnock	4480	£12 million
East Road, Irvine	13,452	£47 million
Rivergate Shopping Centre Extension, Irvine	9000	£31 million
Former Safeway, Troon	1140	£3.5 million
Kyle Centre Extension, Ayr	1760	£6 million
Ayr Central, Ayr	14,600	£46 million
Former Asda, Ayr	3101	£11.1 million
Racecourse, Ayr	2600	£8.5 million

Table 10:- Convenience Capacity Assessment East Ayrshire 2012	
Surplus of Expenditure Over Turnover of Existing Shops	-£14.6 million
Estimated Turnover of Recently Completed, Allocated or Approved Development Sites	£16 million
Capacity for Additional Development	-£30.6 million

Table 11:- Comparison Capacity Assessment East Ayrshire 2012	
Surplus of Expenditure Over Turnover of Existing Shops	£52.2 million
Estimated Turnover of Recently Completed, Allocated or Approved Development Sites	£19 million
Capacity for Additional Development	£33.1 million

Table 12:- Convenience Capacity Assessment North Ayrshire 2012	
Surplus of Expenditure Over Turnover of Existing Shops	£49.9 million
Estimated Turnover of Recently Completed, Allocated or Approved Development Sites	£61.9 million
Capacity for Additional Development	-£11.9 million

Table 13:- Comparison Capacity Assessment North Ayrshire 2012	
Surplus of Expenditure Over Turnover of Existing Shops	£77.9 million
Estimated Turnover of Recently Completed, Allocated or Approved Development Sites	£78 million
Capacity for Additional Development	£0 million

Table 14:- Convenience Capacity Assessment South Ayrshire 2012	
Surplus of Expenditure Over Turnover of Existing Shops	-£3.9 million
Estimated Turnover of Recently Completed, Allocated or Approved Development Sites	£12.7 million
Capacity for Additional Development	-£16.7 million

Table 15:- Comparison Capacity Assessment South Ayrshire 2012	
Surplus of Expenditure Over Turnover of Existing Shops	£125.5 million
Estimated Turnover of Recently Completed, Allocated or Approved Development Sites	£94.1 million
Capacity for Additional Development	£31.5 million