



Isle of Wight Council

Retail Study

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Volume 1 – Main Report



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1.0 Introduction

1.1 Instruction

1.1.1 WYG Planning ('WYG') has been commissioned by the Isle of Wight Council ('the Council') to undertake a Retail Study for its administrative area. The key purpose of this study is to act as the evidence base to assist in the formulation of future development plan policy, as well as providing baseline information to assist in the determination of planning applications for retail development. The Study supersedes the previous 2014 Island Wide Retail Assessment.

1.1.2 This Study will be used to inform the emerging Island Plan Review. The Council is currently preparing the Island Plan Review which will review and update the Island Plan Core Strategy to ensure it remains up to date and include a wide variety of policies to guide the decision making process for future planning applications across the island up to 2034. An initial survey consultation was held over Summer 2017 and closed in September 2017.

1.1.3 The study explores retail need over the period to 2034 and provides an up to date review of the performance of the town centres on the island. The aims and objectives for the Study include:

- providing an up-to-date analysis of retail and town centre policy at the national level to set the context for the review of the compliance of draft policies on such matters within the emerging Island Plan;
- describing the current and emerging economic trends and emerging shifts in retail spending;
- presenting health checks on the function and vitality and viability of the islands town centres;
- producing convenience and comparison retail expenditure floorspace capacity projections for the period to 2034 and provide an assessment of quantitative and qualitative need for additional retail uses alongside consideration of impact of mainland shopping patterns;
- providing recommendations in relation to addressing potential retail need, locations of town centre boundaries, shopping areas and frontages;
- recommendations on relevant retail impact assessment threshold/s; and
- providing a review and recommendations on the policy approach in the emerging Local Plan, taking account of the updated evidence base and national policy guidance as well as overall conclusions and recommendations based on each item above.

1.1.4 Key contributions to the above objectives have been a number of items of new empirical research. First, we have commissioned NEMS Market Research to undertake a new a shopping survey of 1,000 households. The Study Area for the survey comprises 5 zones which follows the previous zones utilised in the 2014 study and are based on postcode areas grouped around one or more of the existing town centres.

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- 1.1.5 The second area of empirical research has been in relation to the assessment of the health of the 8 town centres on the island. This exercise has incorporated land use surveys of these defined centres, along with a review of health check indicators and an appraisal of the qualitative results of the household survey data.
- 1.1.6 In addition, as part of the assessment of key town centre health issues, engagement has taken place with key stakeholders to seek to obtain views on, *inter alia*, existing town centre strengths, weaknesses, opportunities and threats and potential suggested town centre improvements.
- 1.1.7 Finally, the study is also informed by industry research having regard to published recognised retail data including demand/requirements from retailers for presence in the defined town centres.

1.2 Structure of Study

- 1.2.1 Our study is structured as follows:
- Section 2 outlines the current national and local planning policy context for retail development issues on the Island;
 - Section 3 provides a context for the Study by outlining the current and emerging key retail trends in the UK;
 - Section 4 sets out the key market research which informs the study;
 - Section 5 provides the socio demographic and sub-regional context and reviews existing retail provision on the Island;
 - Section 6 provides our assessment of quantitative need for further convenience and comparison goods floorspace in the council area over the assessment period;
 - Section 7 sets out our qualitative assessment/overview of the vitality and viability of the town centres in the council area;
 - Section 8 summarises our key findings and sets out our recommendations.

2.0 Planning Policy Context

2.1 Introduction

2.1.1 Given that this Study seeks to provide evidence to assist in the production of the Council's emerging Island Plan Review, it is important to review existing national planning policy of pertinence to retail and town centre matters to explore the context for the Study and how it may impact upon the production of future development plan policy. We also summarise the Isle of Wight adopted and emerging planning policies, insofar as they are relevant to retail and town centre matters.

2.2 National Planning Policy Framework (NPPF)

2.2.1 The National Planning Policy Framework (NPPF) was published in March 2012. The NPPF sets out the Government's planning policies for England and how these are expected to be applied. It sets out the Government's requirements for the planning system only to the extent that it is relevant, proportionate and necessary to do so.

2.2.2 The main theme of the NPPF is that there should be 'a presumption in favour of sustainable development'. In terms of plan-making, it is stated that local planning authorities should positively seek opportunities to meet the development needs of their area, with an emphasis on Local Plans having sufficient flexibility to adapt to rapid change.

2.2.3 In terms of economic development, it is set out within the NPPF's core principles that planning should proactively drive and support economic development to deliver the homes, business and industrial units, infrastructure and thriving local places that the country needs. Every effort should be made to objectively identify and then meet the business and other development needs of an area, with positive responses made to wider opportunities for growth.

2.2.4 Paragraph 8 recognises that economic growth can secure higher social and environmental standards, and well-designed buildings and places can improve the lives of people and communities. Therefore, to achieve sustainable development, economic, social and environmental gains should be sought jointly and simultaneously through the planning system. The planning system should play an active role in guiding development to sustainable solutions.'

2.2.5 The NPPF stresses the Government's commitment to securing economic growth in order to create jobs and prosperity, with paragraph 17 stating that the planning system should proactively drive and support sustainable economic development.

2.2.6 Paragraph 19 indicates that planning should operate to encourage and not to act as an impediment to sustainable growth, and that significant weight should be placed on the need to support economic growth through the planning system. The NPPF seeks to ensure that local planning authorities plan proactively to meet the development needs of business and support an economy fit for the 21st century.

2.2.7 The NPPF recognises the need to promote the vitality and viability of towns and cities through the promotion of competition and growth management during the plan period. Paragraph 23 of the NPPF provides guidance for local planning authorities in drawing up Local Plans, it indicates that they should:

- recognise town centres as the heart of their communities and pursue policies to support their vitality and viability;
- define a network and hierarchy of centres that is resilient to anticipated future economic changes;
- define the extent of town centres and primary shopping areas, based on a clear definition of primary and secondary frontages in designated centres, and set policies that make clear which uses will be permitted in such locations;
- promote competitive town centres that provide customer choice and a diverse retail offer and which reflect the individuality of town centres;
- retain and enhance existing markets and, where appropriate, re-introduce or create new ones, ensuring that markets remain attractive and competitive;
- allocate a range of suitable sites to meet the scale and type of retail, leisure, commercial, office, tourism, cultural, community and residential development needed in town centre. It is important that needs for retail, leisure, office and other main town centre uses are met in full and are not compromised by limited site availability. Local planning authorities should therefore undertake an assessment of the need to expand town centres to ensure a sufficient supply of suitable sites;
- allocate appropriate edge of centre sites for main town centre uses that are well connected to the town centre where suitable and viable town centre sites are not available. If sufficient edge of centre sites cannot be identified, set policies for meeting the identified needs in other accessible locations that are well connected to the town centre;
- set policies for the consideration of proposals for main town centre uses which cannot be accommodated in or adjacent to town centres;
- recognise that residential development can play an important role in ensuring the vitality of centres and set out policies to encourage residential development on appropriate sites; and
- where town centres are in decline, local planning authorities should plan positively for their future to encourage economic activity.

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- 2.2.8 Paragraph 24 requires local planning authorities to adopt a sequential approach to the consideration of planning applications for main town centre uses that are not in an existing centre or in accordance with an up-to-date Local Plan. The following paragraph 25 indicates that that the sequential approach should not apply to applications for small scale rural offices or other small scale development.
- 2.2.9 Paragraph 26 indicates that local planning authorities should require an impact assessment for retail, leisure and office development outside of town centres which are not in accordance with an up-to-date Local Plan and if the development is over a proportionate, locally set threshold. Where there is no locally defined threshold, the default threshold will be 2,500 sq m.
- 2.2.10 Paragraph 27 indicates that where an application fails to satisfy the sequential test or is likely to have a significant adverse impact on the vitality and viability of a town centre or on existing, planned, committed investment in a centre it should be refused.
- 2.2.11 The NPPF also recognises that retail activity should still, where possible, be focused in existing town centres. Retail and leisure proposals which cannot be accommodated in or adjacent to the town centre will have to satisfy a dual impact test and the sequential test.

2.3 Ensuring the Vitality of Town Centres Planning Practice Guidance

- 2.3.1 Ensuring the Vitality of Town Centres National Planning Practice Guidance was published in March 2014 and replaces the previous Planning for Town Centres Practice Guidance. It provides a more concise summation of how retail and main town centre planning policy is to be applied in practice. However, the objectives of the Practice Guidance remain comparable with those of its predecessor, with there being a stated requirement for local planning authorities to plan positively and support town centres to generate local employment, promote beneficial competition within and between town centres, and create attractive and diverse places for people to want to live, visit and work.
- 2.3.2 The Practice Guidance requires local planning authorities to fully assess and plan to meet needs for main town centre uses through the adoption of a 'town centre first' approach. Paragraphs 002 and 003 confirm that this should be delivered through a positive vision or strategy which is communicated through the development plan. The strategy should be facilitated through active engagement with the private sector and other interested organisations (including Portas Pilot organisations, Town Teams and so on). Any strategy should be based on evidence which clarifies the current state of town centres and opportunities to meet development needs and support centres' vitality and viability.
- 2.3.3 Such strategies should seek to address the following matters:
- the appropriate and realistic role, function and hierarchy of town centres in the area over the plan period, including an audit of the vitality and viability of existing town centres and their ability to accommodate new development;

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- consideration of the vision for the future of each town centre and the most appropriate mix of uses to enhance overall vitality and viability;
 - the evaluation of the town centre to assess whether it can accommodate the scale of assessed need, and if it cannot, evaluating different policy options to help accommodate the need;
 - the timeframe for new retail floorspace to be delivered;
 - what other complementary strategies are necessary or appropriate to enhance the town centre to deliver the vision in the future; and
 - the consideration of how car parking provision be enhanced and both parking charges and enforcement be made proportionate, in order to encourage town centre vitality.

2.3.4 Paragraph 005 of the Practice Guidance identifies a series of key indicators which are of relevance in assessing the health of a centre over time. Paragraph 005 goes on to state that not all successful town centre regeneration initiatives have been retail led or focused on substantial new development, but have instead involved improvements such as renewed public realm, parking, and accessibility and other partnership mechanisms.

2.3.5 Paragraph 007 identifies the importance of planning for tourism as an important component of any overall vision and indicates that local planning authorities should consider specific tourism needs (including locational or operational requirements) and opportunities for tourism to support local services, vibrancy and the built environment.

2.3.6 Paragraph 009 reaffirms the town centre first policy in the form of the sequential test, which requires local planning authorities to undertake an assessment of candidate sites' availability, suitability and viability when preparing their Local Plan. Such an assessment should also consider the scale of future needs and the type of land needed to accommodate main town centre uses.

2.4 Local Planning Policy Context

2.4.1 The relevant adopted and emerging development plans for the Council area are:

Adopted

- Island Plan: Isle of Wight Council Core Strategy (including Minerals and Waste) and Development Management Policies DPD – Adopted March 2012
- Bembridge Neighbourhood Plan – Adopted July 2017
- Brading Neighbourhood Plan – Adopted March 2015
- Brightstone Neighbourhood Plan – Adopted September 2016
- Gurnard Neighbourhood Plan – Adopted September 2017
- Freshwater Neighbourhood Plan – Adopted March 2018

Emerging

- Island Plan Review – Initial surveys (September 2017)

2.4.2 The Council were previously also in the process of preparing Area Action Plans (AAPs) for the Medina Valley, Ryde and The Bay. Consultation was held on the draft plans from November to December 2016. However, these plans are no longer being progressed and will inform the Island Plan Review.

Development Plan Policy

Island Plan: Isle of Wight Core Strategy

Policy DM9 – Town Centres

2.4.3 The policy identifies that the Council will support proposals that contribute to the diversity, choice, vitality and viability of town centres. Development proposals will be expected to:

- preserve the retail function of Town Centres and Primary Retail Frontages;
- retain and concentrate A1 (retail) uses in Primary Retail Frontages;
- support proposals for A2, A3, A4 and A5 uses outside of Primary Retail Frontages but within the Town Centre Boundary; and
- support higher density mixed-use schemes in Town Centres, where they are in keeping with the local design, character and function of the centre and do not threaten the vitality and viability of town centre retail uses.

2.4.4 Proposals for retail development which falls outside of the identified town centre boundaries will be assessed on a sequential and impact basis as outlined in national policy.

2.4.5 The following settlements are identified as main town centres to accommodate additional retail, leisure and business uses:

- Newport
- Sandown
- Cowes
- Shanklin
- East Cowes
- Freshwater
- Ryde
- Ventnor

2.4.6 The following are identified as village centres: Arreton, Brighstone, Rookley, Wroxall, Bembridge, Godshell, St Helens, Yarmouth, Brading, Niton and Wootton.

Policy DM10 – Rural Service Centres and the Wider Rural Area

2.4.7 The policy states that the Council will support proposals that contribute to the vitality and viability of rural service centres and the wider rural area. Development proposals will be expected to preserve retail uses to ensure appropriate levels of services are provided to the local community, preserve viable retail uses located outside of defined Rural Service Centres where they meet needs of the local community. New retail development should be located, in the first instance, within the defined Rural Service Centres settlement boundaries, unless it can be demonstrated that an alternative location would be more suitable to fulfil a local need or the proposal is for a farmshop. New retail development should also be accessible by public transport, cycling and walking.

Freshwater Neighbourhood Plan – Adopted March 2018

2.4.8 Freshwater Neighbourhood Plan has recently been adopted following successful referendum.

2.4.9 Policy FNP2: Retail provides relevant retail policy. The policy defines a new Town Centre Area, presented on the Town Centre Boundary Map, as being:

- Avenue Road, from Princes Road to Queens Road, including Avenue Road car park.
- School Green Road, from Queens Road to Moa Place.

2.4.10 The policy states applications that result or contribute to a mix of Use Classes A1 to A5 uses will be encouraged and supported in the defined Town Centre area, reflecting changing retail patterns.

Emerging Development Plan Policy

Island Plan Review

2.4.11 The Island Plan Review is in early stages of production and no formal consultation document has been produced to date. The Council undertook an initial survey with a range of stakeholders asking their thoughts on the following themes:

- Community;
- Development;
- Economy; and
- Environment

2.4.12 The results of the survey will be reported within a Consultation Statement and used to inform a draft of the Island Plan Review.

2.5 Summary

2.5.1 This section of the study has reviewed existing national planning policy of pertinence to retail and town centre matters to explore the context for the Study.

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- 2.5.2 National planning policy highlights the need to promote the vitality and viability of town centres through a town centre first approach and a defined hierarchy of centres. Applicants for main town centre uses are required to pass the sequential approach to site selection and provide a full assessment of the impact on the vitality and viability of protected centres. The Council's development plan follows the general trend of the most recent national policy guidance, identifying a hierarchy of centres and town centre first approach.
- 2.5.3 As required by this commission, policy recommendations on the basis of updates to the evidence base and national policy guidance is provided in Section 8.

3.0 Current & Emerging Trends

3.1 Introduction

3.1.1 In order to set out the wider context for the Study and inform our advice on the need for additional retail floorspace on the Isle of Wight, we provide an overview of prevailing retail trends below. Our overview draws on recognised retail data sources, including research by Experian, Global Data and Mintel.

3.2 Polarisation of Retailing

3.2.1 The retail property landscape across the UK has evolved significantly over the past 50 years, from post-war redevelopment in town centres, through to the emergence of retail warehouse parks and out-of-town regional shopping malls. For most of this period, the retail sector has experienced considerable expenditure growth, which has been attributed to a number of factors, including greater disposable income, availability of credit, new technology and a general overall increase in our standard of living. However, recent economic conditions have had a clear impact on expenditure and per capita convenience goods spending has actually reduced in recent years. The way in which goods are purchased has also altered due to the increased popularity of 'e-tailing', which now claims more than one in every ten pounds spent in the UK.

3.2.2 In recent years, shoppers have been increasingly prepared to travel in order to access a greater choice of shops and the type of leisure facilities which are more commonly available in larger towns and cities. As a consequence, larger town/city centres (with a regional or sub-regional role) have tended to perform relatively strongly, but a number of smaller towns (particularly those proximate to larger centres) have fared less well. The performance of many smaller towns has also been particularly impacted upon by the recession and the growth of internet shopping, which has resulted in many operators believing that they can achieve appropriate nationwide coverage with a smaller number of stores.

3.2.3 Many retailers are focusing their development programmes on the provision of large flagship stores in strategic locations. They are focused on a much smaller portfolio of stores to cover main markets and to complement online sales. New and emerging retailers frequently target no more than 50 stores in key locations and, as a consequence, this trend is having an impact on take-up levels in shopping centres. Indeed, many town centre schemes have been put on hold or scaled down in size, and with expenditure growth forecast being relatively low in the medium term, retailers are likely to remain cautious about store development.

3.2.4 It is also evident that retailers are choosing to develop stores in the most cost effective/strategic locations, with out-of-centre retail parks/locations, with free car parking and lower rents, being particularly attractive locations. A number of traditional town centre retailers now operate out-of-centre formats, including Next (Next Home & Fashion), John Lewis (John Lewis At Home), TK Maxx

(Homesense, TK Maxx) and the Arcadia Group (through its Outfit format which incorporates Topshop, Topman, Miss Selfridge). These retailers are sometimes prepared to close stores in smaller/medium sized centres in favour of representation on a retail park.

3.2.5 We also note the increasing preference of fast food operators to incorporate 'drive thru' restaurants, which has resulted in the closure of 'in centre' McDonald's restaurants in some centres. Furthermore, there have been a number of retailers that are currently restructuring (some involving a Company Voluntary Arrangement (CVA)) or have gone into administration in the last year including:

- M&S announcement that it will close 30 clothing and homes stores by 2021 (November 2016), with 14 due to close in 2018;
- Debenhams announcement that 10 of its 176 UK stores will be closing, 2 of which already have (Farnborough and Eltham) (April 2017);
- House of Fraser announcement of pursuing a CVA which is likely to lead to the closure of a number of stores (May 2018);
- New Look's announcement of its intention to close 60 stores following a restructuring plan (March 2018);
- Maplin entering into administration resulting in the closure of their 200+ stores (February 2018);
- Toys R Us going into administration closing all of its 105 stores (February 2018);
- Carpetright's announcement of its restructuring and closing some 81 of its 400 stores (April 2018);
- Fenwick department store's announcement to "*modernise and reorganise the business*" which could potentially involve store closures (April 2018); and
- Mothercare has announced that it will close 50 of their 137 UK stores (May 2018).

3.2.6 It is clearly evident that trading conditions for retailers are tough. Such closures/changes can result in particularly significant impacts at medium/smaller sized town centres, which tend to be the subject of higher vacancy rates, and which have also often suffered related reductions in rental levels and footfall in recent years. As a consequence, a greater proportion of comparison goods expenditure is being claimed by a smaller number of centres of sub-regional or regional importance.

3.2.7 However, such changes have also brought forward opportunities for different types of retailer. Some available units in town centres, including former BHS units, have been re-occupied by household discounters such as B&M Bargains, Poundland, Poundstretcher and Wilko, as evidenced in Newport with B&M Bargains recently occupying the former BHS store on the High Street. Whilst such lettings are valuable in bringing back premises into active use, many smaller centres are heavily reliant on such retailers, which generally operate at the lower end of the market.

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- 3.2.8 In addition to national multiple retailers, independent traders, such as those in the Isle of Wight town centres, face pressure from both the internet and national multiple retailers. Such trader's success lie in them being able to offer a product/service not available elsewhere, or a service/shopping experience not offered by national multiple retailers.
- 3.2.9 It is evident that some centres are seeking to 'reinvent' themselves through an increased focus on quality independent and food and drink operators. Towns are also increasingly valuing their market as a means to differentiate themselves from retail parks and superstores, and many markets are looking to contemporary and speciality retailers to create interest and draw customers in. The greatest opportunities for successful vintage, craft and food and drink markets have so far been in centres served by affluent catchments.
- 3.2.10 The polarisation of retailing will result in larger more dominant centres continuing to attract key retailers, with medium/smaller sized town centres potentially struggling to attract investment. District/local centres should be less affected and are likely to retain their attraction for top-up/day-to-day shopping.

3.3 The End of the 'Big Four' Space Race and the Rise of the Discounter

- 3.3.1 Shoppers have turned away from food superstores in recent year and Mintel suggests that this decline is such that it cannot be considered a 'blip'. Mintel attributes the problems which face superstores to two principal factors.
- 3.3.2 Firstly, many young people are choosing to rent within or close to town and city centres. As a consequence, many undertake sporadic food shopping and often eat out, use takeaways, or buy instant meals. Accordingly, when young people undertake food shopping, they often have no greater need than that which can be serviced by a convenience store.
- 3.3.3 The second factor is the growth of discount operators, which have become more mainstream in both their offer and market positioning. Mintel suggests that the improvements in discounters' offer, such as wider ranges, better fresh foods and more premium foods, means that they have become an attractive alternative to both large food superstores and to convenience stores.
- 3.3.4 As a consequence, the 'big four' foodstore operators (Asda, Morrison's, Sainsbury's and Tesco) have become circumspect in respect of new store openings and, indeed, have closed a number of existing foodstores. All four have suffered significant declines in their market share over the past four or five years. As Figure 3.1 below indicates, Tesco has suffered a 1.9 percentage point reduction in its share of the food retail market between 2012 and 2018, and Morrison's has suffered a 1.4 percentage point reduction in market share. Considered together, the market share of the big four foodstore operators has declined from 59.6% in 2012 to 53.8% in 2018 (a reduction of 5.8 percentage points). In contrast, other retailers – most notably Aldi and Lidl – have benefitted from increases in their market share. Aldi's

market share increased from 2.6% to 6.6% (equating to an increase of 4 percentage points) between 2012 and 2018.

Figure 3.1: Market Share of Key UK Food Retailers

Operator	2012	2013	2014	2015	2016	2017	2018
Tesco	23.9%	23.0%	23.3%	22.8%	22.6%	22.1%	22.0%
Sainsbury's	13.1%	12.9%	13.1%	12.8%	12.6%	12.2%	12.1%
Asda	13.3%	13.0%	13.0%	12.0%	11.3%	11.4%	11.3%
Morrison's	9.3%	8.9%	9.2%	8.6%	8.6%	8.3%	8.4%
Aldi	2.6%	3.3%	4.3%	4.8%	5.5%	6.0%	6.6%
Co-operative Food	5.4%	5.1%	5.2%	5.1%	4.9%	4.7%	4.7%
Waitrose	3.6%	3.7%	3.8%	4.0%	3.9%	3.9%	3.9%
Marks & Spencer	3.7%	3.7%	3.9%	4.0%	4.1%	4.1%	4.1%
Lidl	2.0%	2.0%	2.2%	2.5%	3.2%	3.2%	3.3%
Iceland	1.9%	1.9%	2.0%	2.0%	2.0%	2.0%	2.2%

Source: UK Food & Grocery Market, Global Data, February 2018

- 3.3.5 The current/recent strategy of the big four operators is twofold: (1) the development of smaller store formats for top-up food shopping; and (2) the reconfiguration and refurbishment of existing foodstores.
- 3.3.6 The development of smaller store formats (Sainsbury's Local, Tesco Express, Marks & Spencer Simply Food, and Little Waitrose) is in response to changing food shopping habits and the move from weekly shops to more frequent smaller shops. These smaller store formats are important in driving footfall in smaller district/town centres and in some cases act as a vital 'anchor store'.
- 3.3.7 In terms of the reconfiguration/refurbishment of existing foodstores, in some cases, product lines are being reduced and pricing is being made straightforward. Some operators are looking to introduce other uses to take existing floorspace and Sainsbury's acquisition of the Home Retail Group has allowed it to introduce Argos (which it now owns) into its stores. Small concessions of Habitat are also currently being tested within a number of Sainsbury's.
- 3.3.8 Aldi and Lidl have both sought to take advantage of the structural changes in the food retail market and have announced ambitious store opening targets that will further increase pressure on the big four operators. Aldi has identified major expansion plans and intends to open 70 new UK stores in 2018, as part of its target to have more than 1,000 stores by 2022. Aldi's plans include three formats: standard stores of between 18,000 sq ft and 20,000 sq ft with a minimum of 70 parking spaces; the 'Small Aldi' format of between 10,000 sq ft and 14,000 sq ft with a minimum of 40 parking spaces; and, the 'City Aldi' format of between 7,000 sq ft to 10,000 sq ft with no parking spaces required. Aldi is understood to be considering all types of property, including development sites, mixed-use schemes, retail parks, high streets, shopping centres and roadside.
- 3.3.9 Lidl plans to expand to trade from a portfolio of 1,200 UK stores in the coming years. Lidl's future requirements reportedly comprise units of between 20,000 sq ft and 30,000 sq ft, with sites of 1.5 acres required for standalone units and up to 4 acres for mixed-use schemes.

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- 3.3.10 Partly in response to an ever-increasing competitive grocery market, earlier this year (April 2018) Sainsbury's confirmed plans to merge with Asda. The merger will be subject to a review by the Competition and Markets Authority (CMA) which, if approved, would result in a new grocery market leader. Sainsbury's have announcement that they are keeping both the Sainsbury's and Asda fascia's and are not intending on closing any stores. Store closures may however be required as part of the CMA potential approval of the merger.

3.4 Growth in Internet & Multichannel Retailing

- 3.4.1 Many consumers who previously shopped in town centres and at retail parks are now increasingly using the internet to make purchases. Experian identifies that at 2017 'special forms of trading' (which includes internet, mail order and market sales) comprised an estimated 15.7% of total UK retail sales, which compares to a market share of just 5.6% at 2006. Experian estimates that the value of non-store sales in the UK at 2017 was £60.3 billion. It estimates that special forms of trading will increase further to 18.2% of retail expenditure at 2021. Thereafter, it is anticipated that additional growth will be relatively limited, with special forms of trading claiming 20.9% of UK retail expenditure at 2035 (the last reporting year for which Experian provides a figure).
- 3.4.2 The growth in internet as a sales medium has been enabled by the increase in access to the internet by UK households, which the Office for National Statistics reports increased from 57% of households at 2006 to 89% in 2016. The proportion of households with access to the internet is expected to increase further over the coming years and the popularity of shopping online is also assisted by mobile phones and tablets with faster 4G network technology. The Office for National Statistics indicates that the proportion of adults accessing the internet using a mobile phone has increased by nearly double since 2011 (from 36% to 66%).
- 3.4.3 It is evident that improvements in technology and an increased confidence in the security of online payments have supported substantial increases in internet sales in recent years. In addition, the option of using the internet to 'click and collect' in-store at a dedicated counter, or at "pods" in supermarket car parks, is also increasing in popularity, with the service accounting for over 50% of John Lewis internet orders. Some retailers are also seeing benefits arising from the use of shops as 'showrooms' where shoppers can view and try goods before making purchases later in their home (multichannel retailing). More progressive retailers are also providing in-store Wi-Fi (which can be used to inform shoppers of promotions via their mobile phones) and technology points (which can allow shoppers to browse a wider product range than that carried in store). Accordingly, whilst new technology and the rise of internet shopping undoubtedly provides challenges the importance of 'click and collect' highlights that physical stores within town centres will still have a significant role in the multichannel shopping environment.
- 3.4.4 In addition, it is important to note that many purchases made online are actually sourced from the shelves of 'bricks and mortar' stores and thereby have the potential to support retail floorspace. This is

acknowledged by Experian which now provides adjusted market share figures for special forms of trading in order to reflect purchases which are effected through stores. The adjusted allowance for special forms of trading equates to 3.4% for convenience goods at 2018, increasing to 4.2% at 2023 and to 4.8% at 2028 and 5.2% by 2034. For comparison goods, the adjusted allowance is 15.4% at 2018, increasing to 17.4% at 2023, 17.6% at 2028 and 17.9% at 2034.

3.5 Appetite for More Food and Drink

- 3.5.1 In recent years, town centres have also increasingly relied upon an expanding food and drink sector to bring some vacant units back into active use. Eating out has become increasingly popular and both national multiples and independents have benefitted from the additional expenditure which has resulted. Barclaycard data identifies that spending in restaurants in the first quarter of 2017 was up 12.2% year-on-year.
- 3.5.2 Local Data Company (LDC) reports that the number of food and drink outlets in town centres had gone up by 6,000 between 2011-2016 whilst the number of town centre bars, pubs and night clubs fell by about 2,000. The largest food and drink growth areas included lounge bars (116%), cake makers (51%), juice bars (46%) and coffee shops (31%). In September 2017, LDC reported the number of new food and beverage outlets opening in the UK reached a peak of around 743 new units per year. However, over recent months there is evidence that the food and drink market is becoming saturated with the likes of Byron Burger, Prezzo, Jaime's Italian and Chimichanga either restructuring, closing outlets, or going into administration.
- 3.5.3 Food and drink operators now require units which are in amongst the retail heart of a centre. Food and drink operators (particularly national multiples) can be particularly attractive to landlords as long leases can often be agreed to due to the cost of fit-outs.

3.6 Brexit

- 3.6.1 The referendum in June 2016 on the UK's membership of the European Union resulted in a majority vote to leave the EU. The terms of withdrawal are being negotiated with the Commission now that 'Article 50' has been formally triggered. A number of commentators forecast that uncertainty during this time will negatively impact upon consumer confidence and expenditure, and that investor decisions may be put on hold. This was compounded by the uncertainty resulting from the snap general election that was called by Theresa May.

3.6.2 Global Data, published an analysis following the Autumn 2017 budget and its impact on retail, in which it acknowledges that the retail growth forecast is clouded by the lack of information on the government's policy on Brexit negotiations. Therefore, despite the referendum being over 18 months ago, there is still limited information and clarity on the changes arising from the UK's pending removal from the European Union. As such, there will be a need to monitor the impacts arising from the UK's exit from the EU and for any future update to this Study to take appropriate consideration of such changes.

3.7 Potential Impact of Trends on the Isle of Wight Town Centres

- 3.7.1 The town centres on the Isle of Wight face a number of challenges, particularly from increasing competition from the internet, multichannel retailing, polarisation of retailing, and out-of-centre retail developments. These challenges will impact on the future strategy for the town centres.
- 3.7.2 It is important for the town centres, in particular Newport Town Centre, to be able to respond to continued changes in the retail sector and to provide (or continue to provide) an offer/destination which distinguishes them from competing centres and out-of-centre retail destinations.
- 3.7.3 The continued growth of new out-of-centre/retail park formats represents a threat to the future vitality and viability of the districts town centres. In order to protect the vitality and viability of centres it is important therefore that the Council not only just control the expansion/change of use of out-of-centre development but also plan positively for town centre/edge-of-centre development opportunities.
- 3.7.4 Town Centre Strategies need to be able to support the continued development/changes in the 'high street' if they are to successfully compete. Such strategies may seek to:
- (1) provide a good mix/variety of retail and leisure uses;
 - (2) attract a mix of additional land uses, including residential and offices;
 - (3) build on existing cultural/heritage/tourist attractions;
 - (4) enhance existing town centre markets and speciality retailing;
 - (5) provide a high quality shopping/leisure experience;
 - (6) ensure an appropriate supply of hotel rooms in the right locations to encourage tourist and business stays;
 - (7) provide convenient, affordable and accessible town centre parking;
 - (8) promote and encourage events in the town centre;
 - (9) embrace, and not compete against, multi-channel retailing; and
 - (10) be responsive to changes in technology (the 'digital high street').

3.7.5 The key purpose of Town Centre Strategies should be to seek to build on the existing individuality of centres and extend the 'dwell time' and spend of visitors/residents visiting the town centre and in turn the vitality and viability of the centre.

4.0 Original Market Research

4.1 Introduction

4.1.1 This study is informed by two key areas of original market research. The key areas being:

- A Household Telephone Survey; and
- Engagement with identified key stakeholders.

4.1.2 Each of the key areas of market research are summarised in turn below.

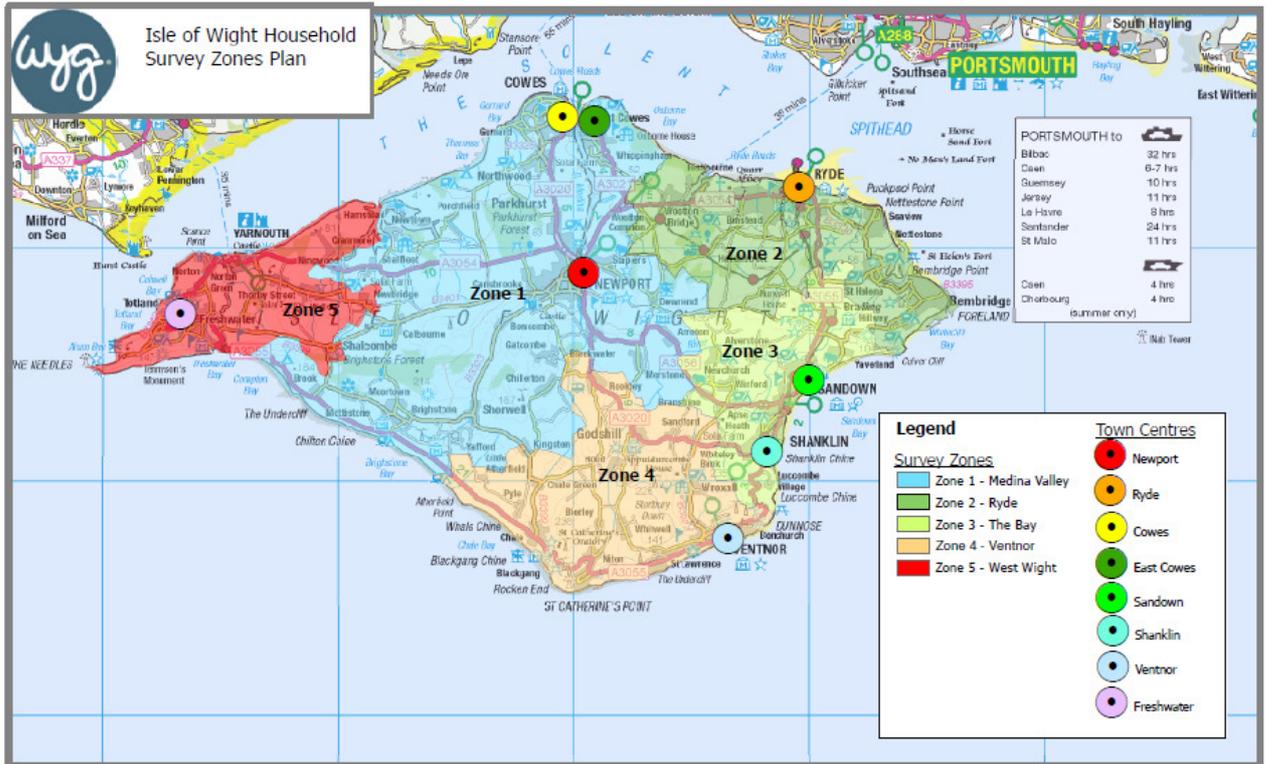
4.2 Telephone Household Survey

4.2.1 A key requirement of this study is the detailed understanding of retail shopping patterns in terms of the use of the town centres and the identification of centre catchment areas. WYG commissioned specialist market researchers NEMS to undertake a comprehensive household telephone survey to identify shopping habits and preferences in the Study Area.

4.2.2 The undertaking of a household telephone survey enables in-depth analysis at a local level and allows the evaluation of the trade draw of particular town centres. The use of specifically commissioned and tailored survey research is fundamental to identifying the likely capacity for future retail needs across the Study Area. Notwithstanding this, WYG acknowledges that there can be limitations to survey research, particularly with regard to the sample size which can be achieved, and the results should therefore be taken to be a broad indication of consumer preferences.

4.2.3 The household survey involved 1,000 households across a defined Study Area which comprises 5 separate zones. The Study Area, as shown in Figure 4.1 below.

Figure 4.1: Study/Survey Area



- 4.2.4 The adopted study area zones are the same as those adopted in the previous 2014 Retail Study undertaken on behalf of the Council, which enables comparison of any changes in shopping patterns since 2014 across the Island.
- 4.2.5 Figure 4.2 below details the postcode sectors which make up the survey zones. Zone 1 comprises the Medina Valley area and includes the towns of Newport, Cowes and East Cowes. Zone 2 covers Ryde and down to Bembridge, whilst Zone 3 covers the Bay towns of Sandown and Shanklin. Zone 4 covers the south of the island and includes Ventnor Town Centre and Zone 5 covers the west of the island and Freshwater.

Figure 4.2 Postcodes by Survey Area

Survey Zone	Postcode Sector
Zone 1 – Medina Valley	PO30 1, PO30 2, PO30 3, PO30 4, PO30 5, PO31 7, PO31 8, PO32 6
Zone 2 – Ryde	PO33 1, PO33 2, PO33 3, PO33 4, PO34 5, PO35 5
Zone 3 – The Bay	PO36 0, PO36 8, PO36 9, PO37 6, PO37 7
Zone 4 – Ventnor	PO38 1, PO38 2, PO38 3
Zone 5 – Freshwater	PO39 0, PO40 9, PO41 0

- 4.2.6 The questions and full tabulation of results from the household survey are provided at **Appendix A**.
- 4.2.7 The results of the household survey, *inter alia*, are utilised to calculate the expenditure claimed by each existing retail facility within the Study Area, a process which is considered in Section 6 of this Study.

4.3 Stakeholder Engagement

- 4.3.1 In order to inform the qualitative retail needs assessment, as requested by the Council, we contacted key stakeholders comprising the Business Associations for Newport, Cowes, East Cowes, Ryde and Sandown, as requested by the Council.
- 4.3.2 The objective of the stakeholder engagement with the key business associations is to assist establishing:
- views on any strengths, weaknesses, opportunities, threats in centres/retail and leisure provision; and
 - suggested improvements to the town centres.
- 4.3.3 Each of the Business Associations were contacted via email with follow up calls as necessary. A summary of the 'key feedback' from each business association is provided at **Appendix B**.

5.0 Socio Demographic and Sub-Regional Context

5.1 Introduction

5.1.1 In order to provide some context, this section provides an overview of the socio demographic context of the Isle of Wight; sets out the sub-regional centre hierarchy; and summarises the existing retail provision on the Island.

5.2 Socio Demographic Context

5.2.1 A population profiling exercise has been undertaken utilising the Experian Mosaic database to establish the socio demographic profile of the administrative area of the Isle of Wight. A national UK average is also provided so as to enable a comparative assessment to be undertaken. The breakdown and definition of each Experian Mosaic group is provided at **Appendix C**.

Figure 5.1 – Experian Mosaic Profiling (%)

Mosaic Group	Isle of Wight	UK Average
Population (Adults 18+)	118,433	-
A: City Prosperity	-	4.1
B: Prestige Positions	2.6	7.2
C: Country Living	12.8	6.8
D: Rural Reality	13.2	6.8
E: Senior Security	17.1	8.0
F: Suburban Stability	6.9	5.9
G: Domestic Success	3.5	8.3
H: Aspiring Homemakers	7.9	9.1
I: Family Basics	5.4	7.2
J: Transient Renters	7.6	5.6
K: Municipal Challenge	0.6	5.8
L: Vintage Value	6.8	6.1
M: Modest Traditions	7.3	4.6
N: Urban Cohesion	0.7	4.9
O: Rental Hubs	6.2	7.7
U: Unclassified	1.3	1.4
Total	100	100

Source: Experian Mosaic Report, February 2018

Notes: Population derived from Mosaic report – 2016 estimate Adults 18+

5.2.2 The Experian Mosaic results highlight that when compared to the UK average the Isle of Wight contains:

- a higher proportion of residents within 'Country Living' and 'Rural Reality' (12.8% to 6.8% and 13.2% to 6.8% respectively). The 'Country Living' category (prosperous owners of country houses/ country loving families pursuing rural idyll/ old families appreciating rural calm in standalone houses/ retirees enjoying pleasant village locations) and 'Rural Reality' category

(mature households living in expanding developments/ rural families in affordable village homes/ pensioners living in in-expensive housing/ inter-dependent households living in the most remote communities) are perhaps unsurprisingly higher given the rural nature of much of the island;

- a smaller proportion of residents within the 'Prestige Positions' (2.6% compared to 7.2%) category (influential families with substantial income/ retired residents in sizeable homes/ high-achieving families living fast track lives/ well-off families in upmarket suburban homes/ mature couples in comfortable detached houses) and a significantly higher proportion, within 'Senior Security' (17.1% compared to 8.0%) category (elderly in affordable/comfortable/standard homes);
- a similar proportion of residents within the 'Suburban Stability' (6.9% compared to 5.9%) category (couples with mid-range incomes/pre-retirement couples with respectable incomes/single mature in intermediate occupations/active families with teens/adult children);
- a slightly lower proportion of 'Family Basics' (5.4% compared to 7.2%) category (stable families renting from social landlords/families where expenditure can exceed income/ younger families with budget home/families living in areas of high deprivation) and also 'Rental Hubs' (6.2% compared to 7.7%) category (20-30 something career builders/ entertainment seeking youngsters/ self-starting young renters/ inhabitants of university fringe/ students in high density accommodation close to universities);
- a significantly lower proportion within 'Municipal Challenge' (0.6% compared to UK average 5.8%) category (long term renters/older social renters/hard-pressed singles/multi-cultural household of social/low cost flats) and a slightly higher proportion of 'Transient Renters' (primarily younger population in low cost/social accommodation) category (7.6% compared to UK average of 5.6%);
- a lower proportion within 'Domestic Success' (3.5% compared to 8.3%) category (affluent families in upmarket housing, well qualified singles, families in modern detached homes/traditional mid-range suburbs) and is broadly comparable (6.8% to 6.1%) with the 'Vintage Value' category (ageing/elderly in social/low value homes/retirement homes); and
- due to the rural nature of much of the island there are no residents in the 'City Prosperity' category and only 0.7% in the 'Urban Cohesion' category.

5.2.3 The Mosaic results generally highlight that, when compared to the UK average, the Isle of Wight has a higher proportion of residents within the higher grade and wealthier rural inhabitants Experian Mosaic categories alongside more senior categories. It also highlights that the area contains a slightly lower proportion of aspiring young families/singles.

5.3 Sub-Regional Centre Rankings

5.3.1 Figure 5.2 illustrates the position of the principal centres within the hierarchy of centres based on the Venuescore's UK Shopping Venue Rankings. The index ranks over 3,000 retail venues within the UK (including town centres, stand-alone malls, retail warehouse parks and factory outlet centres) based on the current retail provision. Towns and major shopping centres are rated using a scoring system which takes account of the presence in each location of multiple retailers – including anchor stores, fashion operators and non-fashion multiples. The rankings in the table represent the position of the centres at the time of the most recent Rankings as well as competing surrounding centres. A more detailed tabulation of retail rankings data is also provided which shows the historic performance of the centres in the preceding 2013-14 Rankings.

Figure 5.2: Sub-regional Centre Rankings

Centre	Classification	2013 Rank	2016 Rank	Change in Rank 2010-2016
Southampton	Major Regional	19	20	-1
Portsmouth	Regional	98	101	-3
Newport	Sub Regional	203	205	-2
Southsea	Sub Regional	450	292	+158
Lymington	Major District	441	438	+3
Ryde	District	672	754	-82
Cosham	District	735	847	-112
Cowes	Minor District	1,322	1,559	-237
Shanklin	Local	1,383	1,888	-505
East Cowes	Local	1,907	2,377	-470
Sandown	Local	2,216	2,815	-599
Ventnor	Local	-	3,133	-

Source: VenueScore 2013-14 and 2016-17 Rankings

5.3.2 Figure 5.2 shows that Newport is identified as a Sub Regional Centre with its rankings broadly remaining unchanged since 2013. Ryde is identified as a District Centre but its ranking has declined over the period 2013 to 2016 by some 82 points. Cowes is identified as a Minor District Centre, with the remaining centres classified as Local Centres, with the exception of Freshwater which is not presently included within the rankings. All of these smaller centres have suffered a decline since 2013. Ventnor is identified as a Local Centre albeit was not within the 2013-14 ranking so it is not possible to compare. Southsea is also classified as a Sub Regional Centre and ranks lower than Newport, albeit it has improved its ranking since 2013 by 158 points. Southampton is classified as a Major Regional Centre, and despite dropping 1 rank between 2013-16 it continues to be ranked in the top 20 in VenueScore Rankings with Portsmouth, a Regional Centre, seeing a slight fall in its ranking and falling just outside the top 100.

5.3.3 As noted earlier the Rankings are reflective of the presence of national multiple retailers in a particular centre and are therefore a more accurate barometer of the performance of larger centres. Accordingly, towards the lower end of the Rankings, such as Shanklin, Sandown, East Cowes and Ventnor, the importance of a centre can be overlooked or amplified based on whether a handful of national multiples are present or not.

5.4 Existing Retail Provision in the Isle of Wight

5.4.1 Provided below is a summary of existing retail provision in the eight main towns and surrounding areas.

Centres

5.4.2 Newport, Cowes, East Cowes, Ryde, Sandown, Shanklin, Freshwater and Ventnor are the islands main settlements and are identified as being 'Main Town Centres' within Core Strategy Policy SP1 'Spatial Strategy' and Policy DM9 'Town Centres'.

5.4.3 Newport Town Centre is the County Town on the island and contains the largest retail offer, with a mix of retail and leisure uses providing some 84,780sq m gross of retail and leisure floorspace. Of this floorspace, 14,430sq m is devoted to convenience retail floorspace, 42,110sq m to comparison goods, 5,770sq m for retail service uses (including hair and beauty salons, opticians and dry cleaners), 10,860sq m of leisure services (including cafes, restaurants, public houses and hotels) and 5,710sq m of financial and business floorspace (banks/financial advisors/solicitors/estate agents). In addition, the town centre also contains a range of other uses including offices, library, religious establishments and some residential uses. These uses attract people to the town centre for reasons other than purely shopping and/or leisure.

5.4.4 The retail composition and floorspace breakdown for the remainder of the towns is summarised in Figure 5.3 below.

Figure 5.3: Retail Composition – Floorspace Figures

	Newport	Ryde	Cowes	East Cowes	Sandown	Shanklin	Ventnor	Freshwater
	Floorspace (sq m)							
Convenience	14,430	6,020	2,130	3,270	1,520	2,690	1,390	1,140
Comparison	42,110	17,000	7,540	1,080	4,540	9,130	3,350	2,590
Retail Service	5,770	4,740	1,170	580	680	2,400	720	410
Leisure Service	10,860	12,290	7,190	1,430	15,620	7,810	3,280	1,190
Financial and Business Service	5,710	3,740	1,300	220	860	1,360	490	780
Vacant	5,900	2,740	830	390	2,190	3,340	1,330	1,230
Total	84,780	46,530	20,160	6,970	25,410	27,000	10,560	7,340

Source: 2018 Experian Goad Survey.

5.4.5 A detailed review of the retail composition of each of the town centres is respectively provided in **Appendix D** and summarised in Section 7 of the Study.

5.4.6 The centres are complemented by a number of additional small-scale retail facilities, these are provided through scattered shops predominantly located in residential areas and vary from individual shops to neighbourhood/village shops and local centres.

Out-of-Centre Retail Provision

5.4.7 In terms of out-of-centre retail provision there are a number of retail parks and standalone retail warehouse facilities on the Isle of Wight, all of which are located in Newport. Figure 5.3 below provides details of the main retail parks and stores.

Figure 5.3: Main Out-of-Centre Retail Parks/Facilities on the Isle of Wight

	Key Occupiers
Newport	
Coppins Bridge Retail Park	Cineworld, Fever Bar, Pizza Hut, KFC, Maplin and Office Outlet
Carisbrooke Retail Park	Argos, Mothercare, Home Bargains, Dreams and Carpetright.
Wakes Retail Park	Pets at Home, Currys, PC World, Dunelm
Riverway Industrial Estate	Magnet Trade and Topps Tiles
Dodnor Lane	B&Q

Source: WYG Surveys, January 2018

5.4.8 In terms of out-of-centre foodstore provision, the following larger foodstores (>1,000sq m) are located in the following towns:

Newport

- Asda, St George's Way - 7,727sq m gross floorspace

Ryde

- Tesco Extra, Brading Road - 9,810sq m gross floorspace

Cowes

- Aldi, Airfield Way - 1,587sq m gross floorspace

Sandown

- Morrisons, Newport Road - 3,409sq m gross floorspace
- Aldi, Spithead Bus Park - 1,425sq m gross floorspace

Shanklin

- Lidl, Landguard Manor Road - 1,934sq m gross floorspace

5.5 Summary

- 5.5.1 This section of the Study identifies that the socio-demographic profile of the district contains a high proportion of residents classified as Senior Security, summarised as "*elderly in comfortable suburban homes/elderly designed bungalow estate residents/couples enjoying retirement in standard suburban homes/seniors in affordable but pleasant owned homes*" and Rural Reality, summarised as "*mature households living in expanding developments/ rural families in affordable village homes/ pensioners living in in-expensive housing/ inter-dependent households living in the most remote communities,*" and Country Living, summarised as "*wealthy landowners/families in comfortable village homes/retirees/older household appreciating rural calm.*"
- 5.5.2 In terms of the sub-regional centre hierarchy, Newport retains its UK ranking at around 200 having dropped only 2 points since 2013. Ryde is classified as a District Centre, similar to Cosham, and has seen a decline of 82 points since 2013. In terms of the other towns, it is evident that, primarily due to their size and low provision of national multiple retailers, they are ranked significantly lower than the closest larger town centres. Given the role and size of these centres, and the fact that there are a limited number of national retailers, the rankings of these centres are not surprising or considered a major cause for concern.
- 5.5.3 The convenience goods retail provision is well distributed across the study area, with many of the towns containing a number of foodstores. The comparison goods retail provision on the Island is largely provided at Newport, which offers a variety of goods and contains a number of national multiple retailers. The other town centres, particularly the Bay towns, provide a more limited comparison retail offer, much of which is oriented towards the tourism market.

6.0 Quantitative Needs Assessment

6.1 Introduction

6.1.1 This section of the study provides an assessment of convenience and comparison goods quantitative needs (retail capacity). As part of the needs assessment the current population and available expenditure (for both convenience and comparison goods) across the Study Area is reviewed and assessed.

6.2 Retail Capacity

6.2.1 We have examined the need for new convenience and comparison goods floorspace of the agreed reporting periods to 2034 (i.e. at 2023, 2028, 2034). At the outset, it is important to note that an assessment in the long term should be viewed with caution, due to the obvious difficulties inherent in predicting the performance of the economy and shopping habits over time.

6.2.2 A complete series of quantitative retail capacity tables are provided at **Appendices E-G** to provide further detail in terms of the step-by-step application of our quantitative assessment methodology.

Population & Retail Expenditure

Population

6.2.3 The base population within each survey zone has been calculated using Experian Micromarketer MMG3 data (February 2018). The baseline population data from ONS takes into consideration the findings of the 2011 Census release. In agreement with the Council, the population has been projected forward using the ONS projections within Experian MMG3.

6.2.4 The defined Study Area (the Isle of Wight) is estimated to contain a resident population of approximately 145,778 people at 2018 rising to 156,711 people at 2034. This represents an increase in population within the Study Area of 10,933 people (equating to an increase of 7.5%) between 2018 to 2034.

6.2.5 Figure 6.1 provides a detailed breakdown of the forecast population change within each survey zone in each of the reporting periods to 2034.

Figure 6.1: Study Area Population by Survey Zone (2018-2034)

Zone	2018	2023	2028	2034
1	55,742	57,048	58,716	60,673
2	38,870	39,759	40,677	41,761
3	26,581	27,103	27,643	28,182
4	13,316	13,632	13,991	14,271
5	11,269	11,500	11,715	11,824

Source: Table 1, Appendix E

Expenditure

- 6.2.6 In order to calculate per capita convenience and comparison goods expenditure, we have again utilised Experian Micromarketer G3 data which provides detailed information on local consumer expenditure which takes into consideration the socio-economic characteristics of the local population. Experian is a widely accepted source of expenditure and population data and is regularly used by WYG in calculating retail capacity.
- 6.2.7 The base year for the Experian expenditure data is 2018. Per capita growth forecasts have been derived from Experian Retail Planner Briefing Note 15, which was published in December 2017. Appendix 3 of the Retail Planner Briefing Note identifies the following annual growth forecasts for convenience and comparison goods which inform our assessment.

Figure 6.2: Expenditure Growth Forecasts

Year	Convenience (%)	Comparison (%)
2018	-0.7	0.8
2019	-0.2	2.1
2020	0.2	2.9
2021	0.2	3.3
2022	0.1	3.4
2023	-0.1	3.4
2024	0.1	3.3
2025	0.1	3.2
2026	0.1	3.2
2027	0.1	3.1
2028	0.1	3.0
2029	0.0	3.1
2030	0.0	3.2
2031	0.2	3.4
2032	0.1	3.3
2033	0.2	3.4
2034	0.1	3.3

Source: Appendix 3, Retail Planner Briefing Note 15 (December 2017)

- 6.2.8 For convenience goods, Experian forecasts growth to remain subdued with a longer term forecast per head growth of +0.1% per annum. For comparison goods, Experian identify growth to increase from 0.8% per annum to 3.4% per annum in the short term (2018-2023) with growth rates ranging between 3.0-3.4% per annum in the medium and longer term (2023-2034).
- 6.2.9 Growth in expenditure forecast in the longer term (beyond the next ten years) should be treated with caution given the inherent uncertainties in predicting the economy's performance over time. Assessments of this nature should therefore be reviewed on a regular basis in order to ensure that forecasts over the medium and long term are reflective of any changes to relevant available data.

- 6.2.10 Experian Retail Planner Briefing Note 15 also provides a forecast as to the proportion of expenditure which will be committed through special forms of trading (comprising 'non-store retailing', such as internet sales, TV shopping and so on) over the reporting period. In accordance with retail planning standard practice, we have removed any expenditure which survey respondents indicated was committed via special forms of trading and instead have made an allowance derived from Experian's recommendation.
- 6.2.11 In considering special forms of trading, it should be noted that many products which are ordered online are actually sourced from a physical store's shelves or stockroom (particularly in the case of convenience goods). Accordingly, expenditure committed in this manner acts to support stores and should be considered 'available' to tangible retail destinations.
- 6.2.12 Accordingly, in order not to overstate the influence of expenditure committed via special forms of trading, our approach is based on Experian's 'adjusted' figure (provided at Appendix 3 Retail Planner Briefing Note 15) which makes an allowance for internet sales which are sourced from stores. The proportion of expenditure committed through special forms of trading cited below at Figure 6.3 is removed from identified expenditure as it is not available to stores within the Study Area.

Figure 6.3: Special Forms of Trading Forecasts

Year	Convenience (%)	Comparison (%)
2018	3.4	15.4
2023	4.2	17.4
2028	4.8	17.6
2034	5.2	17.9

Source: Appendix 3, Retail Planner Briefing Note 15 (December 2017)

- 6.2.13 Based on the above growth rates and special forms of trading allowances, it is possible to produce expenditure estimates for each survey zone under each population growth scenario at 2023, 2028 and 2034. In doing so, our assessment takes into account both per capita retail expenditure growth and population change.

Convenience Goods Expenditure

- 6.2.14 Taking into consideration the above increases in population and per capita expenditure, it is estimated that, at 2018, the resident population of the Study Area generates some £312.0m of convenience goods expenditure. Available convenience goods expenditure is then forecast to increase to £330.7m at 2034, which represents an increase of £18.7m (or 6%) between 2018 and 2034.

Figure 6.4: Total Available Study Area Expenditure – Convenience Goods (£m)

2018 (£m)	2023 (£m)	2028 (£m)	2034 (£m)	Growth 2018-2023 (£m)	Growth 2018-2028 (£m)	Growth 2018-2034 (£m)
312.0	315.1	321.9	330.7	3.1	9.8	18.7

Source: Table 3, Appendix E
2016 Prices

Comparison Goods Expenditure

6.2.15 For comparison goods, Figure 6.5 sets out our estimation that the resident population of the Study Area will generate some £469.7m of comparison goods expenditure at 2018. Available comparison goods expenditure is then forecast to increase to £810.4m at 2034, which represents an increase of £340.7m (or 73.5%) between 2018 and 2034.

6.2.16 Whilst the identified expenditure increase is significant indeed, the rate of growth is more modest than that previously achieved, principally because of the expectation that an ever increasing proportion of comparison goods expenditure will be committed through special forms of trading (most particularly, internet shopping).

Figure 6.5: Total Available Study Area Expenditure – Comparison Goods (£m)

2018 (£m)	2023 (£m)	2028 (£m)	2029 (£m)	Growth 2018-2023 (£m)	Growth 2018-2028 (£m)	Growth 2018-2034 (£m)
469.7	543.2	652.9	810.4	73.5	183.2	340.7

Source: Tables 5a-e, Appendix E
2016 Prices

6.2.17 For the purposes of this Study, comparison goods expenditure has been divided into 11 subcategories: 'DIY', 'Large Electrical Household Items', 'Small Electrical Items', and 'Furniture, Carpets & Floor Coverings' (these four categories collectively being referred to as bulky goods) and, 'Clothing & Footwear', 'CDs, DVDs and Books', 'Furnishings & Household Textiles', 'Health and Beauty/Chemist Goods', 'Small Household Goods', 'Clocks Jewellery & Watches', and 'Toys, Games, Bicycles and Recreational Goods' (collectively referred to as non-bulky goods). The proportion of expenditure directed to each sub-category is estimated by Experian on a zonal basis.

6.2.18 In considering the above, it should be noted that if an excess of expenditure manifests itself within the Study Area, this does not necessarily translate directly into a requirement for additional floorspace. In assessing quantitative need, it is also necessary to take account of:

- Existing development proposals;
- Expected changes in shopping patterns; and
- The future efficiency of retail floorspace.

Capacity Formula

- 6.2.19 For all types of retail capacity assessment, the conceptual approach is identical, although the data sources and assumptions may differ. The key relationship is Expenditure (£m) (allowing for population change and retail growth) less Turnover (£m) (allowing for improved 'productivity') equals Surplus or Deficit (£m).
- 6.2.20 **Expenditure (£m)** – The expenditure element of the above equation is calculated by taking the population within the defined catchment and then multiplying this figure by the average annual expenditure levels for various forms of retail spending per annum. The expenditure is estimated with reference to a number of factors, namely:
- Growth in population;
 - Growth in expenditure per person per annum; and
 - Special Forms of Trading (e.g. internet shopping, catalogue shopping and so on).
- 6.2.21 **Turnover (£m)** – The turnover figure relates to the annual turnover generated by existing retail facilities within the Study Area. The turnover of existing facilities is calculated using Mintel Retail Rankings and Global Data reports – independent analysis which lists the sales densities for all major multiple retailers.
- 6.2.22 **Surplus/Deficit (£m)** – This represents the difference between the expenditure and turnover figures outlined above. A surplus figure represents an effective under provision of retail facilities within the Study Area (which, all things being equal, would suggest that additional floorspace could be supported), whereas a deficit would suggest a quantitative overprovision of retail facilities.
- 6.2.23 Although a surplus figure is presented in monetary terms, it is possible to convert this figure to provide an indication of the quantum of floorspace which may be required. The level of floorspace will vary dependent on the type of retailer proposed and the type of goods traded. For example, in the case of comparison goods, non-bulky goods retailers tend to achieve higher sales densities than bulky goods retailers. However, within the bulky goods sector itself there is significant variation, with electrical retailers tending to have a much higher sales density than those selling DIY or furniture goods.

Convenience Goods Capacity

- 6.2.24 In order to ascertain the likely need for additional convenience floorspace in the town centres on the Isle of Wight, it is first necessary to consider the performance of the current provision. Given the geography of the towns and their existing retention of convenience goods expenditure, it is assumed that the future convenience goods expenditure available to the town centres (Newport, Ryde, Cowes, Sandown, Shanklin, Ventnor, Freshwater and East Cowes) will be commensurate with their current market share.

-
- 6.2.25 Figure 6.6 sets out the current convenience goods trading position in the towns compared against the 'benchmark' (or anticipated) turnover of existing convenience goods floorspace and projects this forward to 2034. The benchmark turnover differs for each operator based on its average turnover per square metre throughout the country. Although robust up-to-date information is available in terms of the convenience goods floorspace provided by large foodstores, it can be more difficult to quantify the extent of local convenience provision as there is no single comprehensive database to rely upon. Where we have been unable to verify the exact quantum of floorspace provided by existing smaller scale convenience stores, we have assumed that stores are trading 'at equilibrium' (i.e. the survey derived turnover equates to the expected level of turnover).
- 6.2.26 Our assessment is based upon a 'goods based' approach, which disaggregates expenditure by category type, and it is important to recognise that major foodstore operators generally sell an element of non-food goods such as books, compact discs, clothing and household goods. To account for this, we have assessed the split in convenience/comparison goods provision in each store having regard to our own observations during store visits and the typical convenience/comparison floorspace ratio published by retail data provider, Global Data. This provides an indication of the likely sales area dedicated to the sale of convenience goods at each store.
- 6.2.27 Our assessment for the Isle of Wight administrative area identifies that the expected benchmark turnover of existing convenience goods provision in the administrative area is £344.1m per annum at 2018, which is £55.6m more than the identified survey-derived turnover of £288.5m. This suggests that, taken cumulatively, existing convenience goods provision in the Isle of Wight administrative area are 'under trading' when compared to its expected turnover.
- 6.2.28 There are instances where specific facilities trade very strongly or relatively poorly. For example, the Morrisons store at South Street, Newport, which has an estimated convenience goods benchmark turnover of £31.9m, but turns over an estimated £40.3m is trading particularly well whilst the Tesco Extra store at Brading Road, Ryde, with an estimated convenience goods benchmark turnover of £52.2m, but turns over an estimated £44.3m, is a lesser performing store.
- 6.2.29 On this basis, it is necessary to consider the capacity on an individual town basis. The assessment identifies that, with the exception of Cowes and Sandown, there is no capacity for additional convenience floorspace in the towns on the Isle of Wight. As identified above, this is primarily due to the existing convenience goods provision in the towns and a number of new foodstore openings in the last 4 years, including the Asda at Newport, Co-op in Freshwater and Aldi in Sandown. The assessment identifies that most of the existing foodstores on the island are currently under trading suggesting that there is an overprovision of convenience goods facilities. Figure 6.6 below sets out the convenience goods expenditure capacity in Cowes and Sandown.

Figure 6.6: Quantitative Need for Convenience Goods Floorspace

Year	Benchmark Turnover (£m)	Turnover (£m)	Inflow (£m)	Surplus Expenditure (£m)	Floorspace Requirement (sq m net)	
					Min	Max
Newport						
2018	139.3	115.2	9.0	-15.0	-	-
2023	138.3	116.4	9.1	-13.3	-	-
2028	139.3	118.9	9.3	-11.1	-	-
2034	140.1	122.1	9.6	-8.4	-	-
Cowes						
2018	22.4	23.3	1.8	2.7	200	300
2023	22.4	23.5	1.8	3.0	300	300
2028	22.4	24.0	1.8	3.5	300	400
2034	22.6	24.7	1.9	4.0	300	400
Ryde						
2018	81.2	66.7	4.4	-10.2	-	-
2023	81.0	67.3	4.5	-9.2	-	-
2028	81.2	68.8	4.6	-7.9	-	-
2034	81.7	70.7	4.7	-6.4	-	-
Sandown						
2018	43.4	47.0	3.5	7.1	600	700
2023	43.3	47.5	3.6	7.7	600	800
2028	43.4	48.5	3.6	8.7	700	900
2034	43.7	49.5	3.7	9.9	800	1,000
Shanklin						
2018	12.1	6.0	0.3	-5.8	-	-
2023	12.0	6.1	0.3	-5.7	-	-
2028	12.1	6.2	0.3	-5.6	-	-
2034	12.2	6.4	0.3	-5.5	-	-
Ventnor						
2018	9.4	4.2	0.2	-4.9	-	-
2023	9.3	4.2	0.3	-4.9	-	-
2028	9.4	4.3	0.3	-4.8	-	-
2034	9.4	4.4	0.3	-4.7	-	-
Freshwater						
2018	22.4	14.1	0.6	-7.7	-	-
2023	22.4	14.2	0.6	-7.5	-	-
2028	22.4	14.5	0.7	-7.2	-	-
2034	22.6	15.0	0.7	-6.9	-	-
East Cowes						
2018	20.0	11.9	1.3	-6.8	-	-
2023	20.0	12.0	1.3	-6.7	-	-
2028	20.0	12.3	1.3	-6.4	-	-
2034	20.2	12.6	1.4	-6.2	-	-

Source: Tables 5a, 5b, 6a, 6b, 7a, 7b, 8a, 8b, 9a, 9b, 10a, 10b, 11a, 11b, 12a & 12b of Appendix F
 Minimum Floorspace Requirement - Average sales density assumed to be £11,952 per sq.m is based on the average sales density of the leading four supermarkets - derived by Global Data
 Maximum Floorspace Requirement - Average sales density assumed to be £9,886 per sq.m is based on the average of discount operators (Aldi & Lidl) - derived from Global Data
 2016 Prices

6.2.30 The Council has confirmed that, at the time of writing, there are no convenience goods retail commitments/planning permissions, providing a net sales floorspace of 200sq m and above, that need to be taken into account in this retail capacity assessment. Proposals of a lesser scale are unlikely to have a tangible effect on shopping patterns.

Capacity for Future Comparison Goods Floorspace

6.2.31 Turning to comparison goods capacity, it is first important to note that our methodology deviates from that which has been deployed in respect of convenience goods for two principal reasons. Firstly, it can be extremely difficult to attribute an appropriate benchmark turnover to existing comparison goods provision. Secondly, there tends to be greater disparity between the trading performance of apparently similar comparison goods provision depending on its location, the character of the area, and the nature of the catchment. As a consequence, we adopt the approach with comparison goods floorspace that it is trading 'at equilibrium' (i.e. our survey derived turnover estimate effectively acts as benchmark) at 2018.

6.2.32 We assume that there is therefore a nil quantitative need for any additional floorspace across the Isle of Wight administrative area at 2018. For the purpose of our initial quantitative modelling exercise, it has also been assumed that the future performance of the Isle of Wight's comparison goods facilities will be commensurate with their current market share. Our assessment also takes into consideration the fact that the Town Centres, any retail parks and standalone large format retail units will attract some, albeit limited custom from outside the Study Area. Through discussions with the Council and consideration of the previous retail study we have assumed that 10% of the overall turnover of comparison goods retailers in the town centres of Newport, Ryde, Cowes, Sandown, Shanklin and Ventnor and 5% of the turnover of comparison goods retailers of East Cowes and Freshwater town centre will derive from outside the Study Area. The inflow allowance has the net effect of increasing the Isle of Wight's identified comparison goods survey derived turnover from £469.7m to £497.3m at 2018.

6.2.33 In order to ascertain the likely need for additional comparison goods floorspace within each town, we consider them independently and identify their market share below.

6.2.34 The Council has confirmed that, at the time of writing, there are no comparison goods retail commitments/planning permissions on the Isle of Wight that need to be taken into account in the retail capacity assessment.

Newport

6.2.35 Facilities in the Newport area claim £315.1m of all comparison goods expenditure generated by Isle of Wight residents at 2018 which equates to a market share of 67%. Our assessment 'rolls forward' this market share to examine the likely level of comparison goods floorspace required to maintain the role and function of Newport's retail facilities going forward.

- 6.2.36 By 'rolling forward' this market share and making provision for inflow deriving from visitors to Newport, we estimate that facilities in Newport will attract £364.5m of comparison goods expenditure at 2023, increasing to £438.1m at 2028, and to £543.7m at 2034.
- 6.2.37 Given the forecast increases in comparison goods expenditure and population and allowing for year on year increases in the productivity of existing floorspace, we estimate that by 2023 there will be a substantial expenditure surplus of £19.0m to support additional comparison goods floorspace within Newport. As set out in Figure 6.7, this surplus is forecast to increase to £54.1m at 2028 and then to £108.9m at 2034. Account has been made for the turnover efficiency of existing comparison goods floorspace to increase (on the basis that operators are generally able to make their existing floorspace more productive over time). This surplus expenditure equates to a comparison goods floorspace requirement of between 3,300-5,800sq m net (depending on format and operator) by 2023, increasing to between 8,400-14,700sq m net by 2028 and increasing further to between 14,800sq m and 25,900sq m net by 2034.

Figure 6.7: Quantitative Need for Comparison Goods Floorspace in Newport

Year	Benchmark Turnover (£m)	Newport Turnover (£m)	Newport Inflow (£m)	Surplus Expenditure (£m)	Floorspace Requirement (sq m net)	
					Min	Max
2023	368.1	364.5	22.6	19.0	3,300	5,800
2028	411.2	438.1	27.2	54.1	8,400	14,700
2034	468.5	543.7	33.8	108.9	14,800	25,900

Source: Table 15a of Appendix G

Benchmark turnover to increase in line with improvements in turnover efficiency as set out in Figure 4b of Experian Retail Planner Briefing Note 15

Assumes constant market share of Study Area expenditure claimed by facilities in Newport
2016 Prices

Ryde

- 6.2.38 In assessing the quantitative need for additional comparison goods floorspace in Ryde, we once again adopt the position that existing facilities are trading 'in equilibrium' and that there is therefore a nil quantitative need for any additional floorspace across Ryde at 2018. It has also again been assumed for this assessment that the future performance of Ryde's comparison goods facilities will be commensurate with their current market share.
- 6.2.39 Through consideration of the comparison goods facilities in, and attractiveness of, the town centre to visitors/tourists, we have made an estimate of the proportion of centre/facility turnover derived from outside the Study Area. Our inflow estimates are set out in Table 18 of **Appendix G**.
- 6.2.40 The inflow allowance has the net effect of increasing Ryde's identified comparison goods survey derived turnover from £55.2m to £58.6m at 2018.

- 6.2.41 The £55.2m of comparison goods expenditure claimed from inside the Study Area at 2018 equates to a market share of 11.7% of all comparison goods expenditure generated by residents of the Study Area. Our assessment 'rolls forward' this market share to examine the likely level of comparison goods floorspace required to maintain the role and function of Ryde's retail facilities going forward.
- 6.2.42 By 'rolling forward' this market share and making provision for inflow deriving from visitors to the Study Area, we estimate that facilities in Ryde will attract £64.4m of comparison goods expenditure at 2023, increasing to £72m at 2028, and to £82m at 2034.
- 6.2.43 Given the forecast increases in comparison goods expenditure and population and allowing for year on year increases in the productivity of existing floorspace, we estimate that by 2023 there will be an expenditure surplus of £3.3m to support additional comparison goods floorspace within Ryde. As set out in Figure 6.8, this surplus is forecast to increase to £9.5m at 2028, and then to a fairly substantial £19.1m at 2034. Account has again been made for the turnover efficiency of existing comparison goods floorspace to increase.

Figure 6.8: Quantitative Need for Comparison Goods Floorspace in Ryde

Year	Benchmark Turnover (£m)	Ryde Turnover (£m)	Ryde Inflow (£m)	Surplus Expenditure (£m)	Floorspace Requirement (sq m net)	
					Min	Max
2023	64.4	63.8	4.0	3.3	600	1,000
2028	72.0	76.7	4.8	9.5	1,600	2,600
2034	82.0	95.2	5.9	19.1	2,900	4,500

Source: Table 18a & 18b of Appendix G

Benchmark turnover to increase in line with improvements in turnover efficiency as set out in Figure 4b of Experian Retail Planner Briefing Note 15

Assumes constant market share of Study Area expenditure claimed by facilities in Ryde
2016 Prices

Cowes, Sandown, Shanklin, Freshwater, Ventnor and East Cowes

- 6.2.44 Lower levels of comparison goods expenditure and floorspace capacity are identified for the smaller town centres which reflects their role and comparison goods provision. Figure 6.9 below sets out the comparison goods expenditure capacity for the remaining towns, Cowes, Sandown, Shanklin, Freshwater, Ventnor and East Cowes.

Figure 6.9: Quantitative Need for Comparison Goods Floorspace in Cowes, Sandown, Shanklin, Freshwater, Ventnor and East Cowes

Year	Benchmark Turnover (£m)	Turnover (£m)	Inflow (£m)	Surplus Expenditure (£m)	Floorspace Requirement (sq m net)	
					Min	Max
Cowes						
2023	17.0	16.5	1.3	0.9	200	300
2028	19.0	19.9	1.6	2.5	400	700
2034	21.6	24.7	2.0	5.0	800	1,200
Sandown						
2023	12.7	12.7	0.7	0.7	100	200
2028	14.2	15.2	0.9	1.9	300	500
2034	16.2	18.9	1.1	3.8	600	900
Shanklin						
2023	20.9	20.0	1.9	1.1	200	300
2028	23.3	24.1	2.3	3.1	500	800
2034	26.6	29.9	2.9	6.2	900	1,500
Ventnor						
2023	7.3	6.9	0.7	0.4	100	100
2028	8.1	8.3	0.8	1.1	200	300
2034	9.2	10.3	1.0	2.1	300	500
Freshwater						
2023	8.2	8.3	0.4	0.4	100	100
2028	9.2	10.0	0.5	1.2	200	300
2034	10.5	12.3	0.6	2.4	400	600
East Cowes						
2023	3.4	3.4	0.2	0.2	0	100
2028	3.8	4.1	0.2	0.5	100	100
2034	4.3	5.0	0.3	1.0	100	200

Source: Tables 16a, 16b, 17a, 17b, 19a, 19b, 20a, 20b, 21a, 21b, 22a and 22b of Appendix G 2016 Prices

6.2.45 In summary, Figure 6.9 shows that all of the towns have capacity for additional comparison goods floorspace over the plan period. However, for most of the towns, this remains relatively low until at least 2028. For Ventnor, Freshwater and East Cowes, capacity for comparison goods capacity is up to a maximum of 300-600sq m net (depending on format and operator) at 2034. For Cowes, Sandown and Shanklin, the floorspace capacity is higher of between 800-1,200sq m net for Cowes by 2034, 600-900sq m net for Sandown and 900-1,500sq m net for Shanklin.

6.3 Summary

- 6.3.1 The above assessment identifies that with the exception of Cowes and Sandown, there is no capacity for additional convenience floorspace on the Isle of Wight. This is primarily due to the existing convenience goods provision in the towns and the number of new foodstore openings in the last 4 years. The assessment identifies that many of the existing foodstores on the island are under trading suggesting that there is an over provision of convenience goods facilities.
- 6.3.2 For comparison goods, the capacity varies, with the majority of comparison goods floorspace capacity being identified in Newport (between 14,800sq m and 25,900sq m net by the end of the plan period). In addition, Ryde also has capacity for a relatively large level of comparison goods floorspace (2,900sq m and 4,500sq m net by the end of the plan period). Lower levels of floorspace capacity are identified for the smaller town centres, reflecting their roles and comparison goods offer.

7.0 Qualitative Assessment

7.1 Introduction

7.1.1 This section of the study provides a summary of the shopping patterns emerging from the household survey. It includes commentary on the market share for both convenience and comparison goods before providing a detailed qualitative assessment of need for the town centres in line with the NPPF requirements.

7.2 Retail Patterns and Market Share Analysis

7.2.1 This section contains a summary of the convenience and comparison goods shopping patterns within the study area. Both main food and top-up convenience goods shopping patterns are analysed and for comparison goods - combined comparison goods, bulky comparison goods and non-bulky comparison goods shopping patterns (excluding clothing and footwear) are examined separately. In addition, an analysis of the shopping patterns within each town associated with clothing and footwear purchases is also undertaken. A detailed breakdown of the comparison and convenience goods shopping patterns is shown within the market share tables at **Appendix F & G**.

Convenience Goods Shopping Patterns

Main Food Shopping

7.2.2 The survey responses identify that Newport captured 70% of main-food shopping trips from it's the Medina Valley zone (Zone 1). The majority (69%) is captured by the edge/out-of-centre stores in Newport (29% to Morrisons, 24% to Sainsbury's and 10% to Asda). Stores located in Cowes attract 15% (primarily the Aldi) of the trips and East Cowes 8% (primarily the Waitrose) of the trips. Only 2% of residents undertake their main-food shop via the internet (home delivery).

7.2.3 For Zone 2 (Ryde), Ryde attracts the majority of the market share of main food shopping trips (66%), with the majority of the remainder of Zone 2 trips being undertaken at nearby towns of Newport (15%) and Sandown (10%). The internet accounts for 3% of main food shops, with all of these being home delivery.

7.2.4 Sandown attracts just over half of main food shopping trips (53%) from its principal zone, The Bay (Zone 3). Other main food shopping trips from residents in The Bay zone (Zone 3) are undertaken in Ryde (21%), Shanklin (13%) and Newport (12%). Only 1% of main food shopping purchases from Zone 3 were made via the internet, all of which were received via home delivery.

Figure 7.1: Principal Main Food Shopping Patterns (%)

	Zone				
	1 Medina Valley	2 Ryde	3 The Bay	4 Ventnor	5 Freshwater
Newport	70	15	12	35	54
Newport Town Centre	1	0	2	2	2
Co-op, Pyle Street	0	0	2	0	1
Iceland, South Street	1	0	0	2	1
Others	0	0	0	0	0
Newport Edge/Out of Centre	69	15	10	33	52
Morrisons, South Street	29	4	1	22	19
Sainsbury's, Foxes Road	24	4	4	8	15
Lidl, River Way	6	2	0	0	12
M&S Foodhall, Litten Park	0	1	1	1	1
Asda, St George's Way	10	4	4	2	6
Cowes	15	0	0	0	6
Ryde	3	66	21	9	0
Sandown	1	10	53	31	0
Shanklin	0	2	13	8	0
Ventnor	0	0	0	8	0
Freshwater	1	0	0	0	31
East Cowes	8	1	1	2	2
Other	0	2	0	3	1
Internet/Delivery	2	3	1	5	7

Source: Derived from NEMS Household Survey Results (January 2018)

Notes: Figures may not add due to rounding

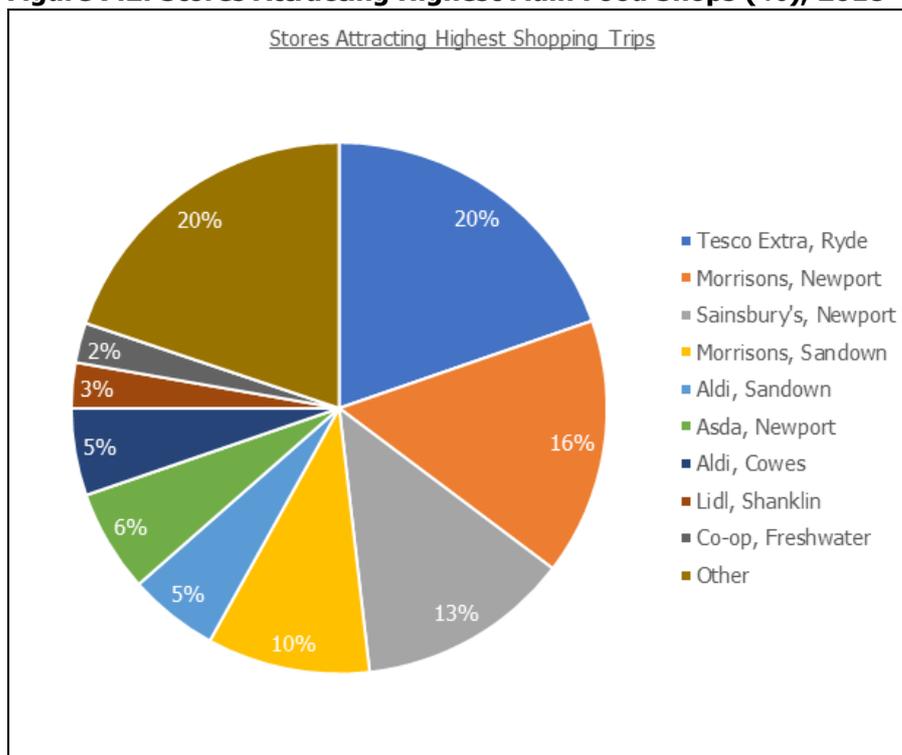
- 7.2.5 Despite Ventnor being the principal town in Zone 4 it only retains 8% of main food shopping trips. The majority of the trips are undertaken in Newport (35%) and Sandown (31%), which is perhaps unsurprising given the presence of larger main food stores within these towns compared to Ventnor. Similarly, for the Zone 5 (Freshwater) Newport captures the majority of the market share of trips for main food shopping (54%), followed by 31% of trips undertaken in Freshwater. For Zones 4 and 5, a slightly higher proportion of residents undertook their main food shopping via the internet (5% and 7% respectively), with 100% of these being delivered to home. The results are similar to the 2014 study, which found use of the internet for main food shopping was highest in the western part of the island.
- 7.2.6 The 2014 study identified 70% of the main food shopping trips were directed to: Tesco Extra, Ryde; Sainsbury's, Newport; Morrisons, Newport; and Morrisons, Sandown. Since this time, and following the opening of a number of new stores, the market share of the above stores has now altered. Figure 7.2 shows the stores that presently attract the highest trips across the island.

7.2.7 The 2014 study identified that 70% of the main food shopping trips were directed to: Tesco Extra, Ryde; Sainsbury's, Newport; Morrisons, Newport; and Morrisons, Sandown. Since this time and following the opening of a number of new stores on the Island, the market share of these stores has decreased:

- Tesco Extra Ryde – decreased from 21% in 2014 to 20% in 2018;
- Sainsbury's Newport – decreased from 19% in 2014 to 13% in 2018;
- Morrisons Newport – decreased from 18% in 2014 to 16% in 2018; and
- Morrisons Sandown – decreased from 12% in 2014 to 10% in 2018.

7.2.8 Figure 7.2 shows the stores that currently attract the highest trips across the island. The above 4 stores now cumulatively attract 58% of main food shopping trips, a reduction of 12% since 2014. Whilst they do not attract as higher proportion of shopping trips as the four main stores identified above, food shopping trips to stores within Cowes, Shanklin and Freshwater appear to have increased since 2014.

Figure 7.2: Stores Attracting Highest Main Food Shops (%), 2018



Source: Derived from NEMS Household Survey Results (January 2018)
Notes: Figures may not add due to rounding

Top-Up Shopping

7.2.9 Figure 7.3 identifies that Newport retains the majority (58%) of shopping trips from its zone, the Medina Valley (Zone 1) with 4% captured by town centre stores and 54% captured by out-of-centre stores. Of the out-of-centre facilities, the Sainsbury's, Foxes Road, captures 21% whilst the Morrisons, South Street

captures 16%. Cowes, situated in the north of the zone retains 23% of top-up shopping trips and East Cowes retains 9%.

7.2.10 For Zone 2, Ryde retains 67% of top-up shopping trips, 17% of which are captured by the Tesco Extra, Brading Road and 15% by the Co-op, Anglesea Street. Sandown retains the majority (60%) of top-up shopping trips from The Bay zone (Zone 3), with Shanklin capturing 29% and Newport 4%. The internet also accounts for 3% of top-up shopping purchases for residents in Zone 3, all of these purchases were home delivered.

7.2.11 For Zone 5, top-up shopping trips are largely carried out across small independent stores on the island (41%), 26% of which were at the out of centre Co-op, Main Road, Rookley. Ventnor retains 28% of top-up food shopping trips from its zone, with 11% to Newport and 10% to Sandown.

7.2.12 Freshwater retains a large proportion (84%) of top-up shopping trips from Zone 5 (Freshwater). The Co-op, Afton Road captures 54% of these trips. Other top-up food shopping trips for respondents in Zone 5 were made at smaller shops across the island (9%) and in Newport (6%).

Figure 7.3: Principal Top-Up Food Shopping Patterns (%)

	Zone				
	1 Medina Valley	2 Ryde	3 The Bay	4 Ventnor	5 Freshwater
Newport	58	6	4	11	6
Newport Town Centre	4	0	2	3	1
Co-op, Pyle Street	1	0	2	0	1
Iceland, South Street	1	0	0	0	0
Others	2	0	0	3	0
Newport Edge/Out of Centre	54	6	2	8	5
Morrisons, South Street	16	2	1	4	2
Sainsbury's, Foxes Road	21	1	0	1	1
Lidl, River Way	5	1	0	1	2
M&S Foodhall, Litten Park	2	1	0	1	0
Asda, St George's Way	5	1	0	0	0
Others	5	0	1	1	0
Cowes	23	0	0	0	0
Ryde	1	67	2	3	0
Sandown	0	2	60	10	0
Shanklin	0	1	29	4	0
Ventnor	0	0	0	28	0
Freshwater	1	0	0	2	84
East Cowes	9	1	0	0	0
Other	7	22	3	41	9
Internet/Delivery	0	0	3	0	0

Source: Derived from NEMS Household Survey Results (January 2018)

Notes: Figures may not add due to rounding

Comparison Goods Shopping Patterns

7.2.13 Newport attracts some 65% of comparison goods trips from its zone: The Medina Valley (Zone 1). It also attracts between 40-56% of comparison goods shopping trips from the other Island zones. The lowest market share (40%) is recorded from Zone 2; this is due to Ryde capturing some 25% of shopping trips. For all of the zones, the internet/mail order accounts for around 20% of comparison goods purchases.

Figure 7.4: Comparison Goods Shopping Patterns

	Zones				
	1 Medina Valley	2 Ryde	3 The Bay	4 Ventnor	5 Freshwater
Newport	65	40	47	56	55
Newport Town Centre	36	18	21	31	25
Newport Edge/Out-of-Centre	29	22	26	25	30
Wakes Retail Park, Medina Way	10	10	11	9	12
Carisbrooke Retail Park, Taylor Road	4	2	4	4	3
B&Q, Dodnor Lane	7	6	6	6	8
Other	8	4	5	6	7
Cowes	5	1	1	1	3
Ryde	1	26	6	3	1
Sandown	1	1	8	2	0
Shanklin	0	1	13	5	0
Ventnor	0	0	0	10	0
Freshwater	1	0	0	0	14
East Cowes	1	0	0	0	0
Other	0	2	1	1	2
Outside Isle of Wight	6	4	4	3	3
Southampton	4	3	3	2	3
Portsmouth	0	1	0	0	0
Other	2	1	1	1	0
Internet/Mail Order	19	22	18	19	21

Source: Derived from NEMS Household Survey Results (January 2018)

Notes: Figures may not add due to rounding

7.2.14 For Zone 3 (The Bay), after Newport (47%), Shanklin attracts 13% of comparison goods shopping trips, followed by Sandown (8%) and Ryde (6%). A large proportion of residents in Zone 4 (Ventnor) undertake comparison goods shopping in Newport (56%), with Ventnor retaining 10% of shopping trips, followed by Shanklin (5%), Ryde (3%) and Sandown (2%). For residents in Zone 5 (Freshwater), Freshwater retains 14% of comparison goods shopping trips, with the majority captured by Newport (55%).

7.2.15 Retail facilities on the mainland only account for between 3-6% of comparison goods shopping trips, with the majority of these being undertaken in Southampton.

Non-bulky comparison goods excluding clothing and footwear

- 7.2.16 Newport has an influence on non-bulky comparison goods trips from across the whole Island. The smaller towns have more limited catchments, primarily contained to their local zone.
- 7.2.17 Newport retains 63% of non-bulky comparison goods shopping trips (excluding clothing and footwear) from its principal zone (Zone 1 Medina Valley) with 39% captured by the town centre and 24% by out-of-centre facilities.
- 7.2.18 In terms of Zone 2 (Ryde), Newport and Ryde attract the highest proportion of the market share (32% and 31% respectively). Of Zone 3's (The Bay) shopping trips, again the highest proportion (40%) are attracted to Newport (23% in the town centre and 17% to out of centre facilities). The Bay towns of Shanklin and Sandown retain 16% and 8% of these shopping trips from this zone.

Figure 7.5: Non-Bulky Comparison Goods Shopping Patterns (excluding Clothing & Footwear)

	Zones				
	1 Medina Valley	2 Ryde	3 The Bay	4 Ventnor	5 Freshwater
Newport	63	32	40	49	48
Newport Town Centre	39	20	23	31	26
Newport Edge/Out-of-Centre	24	12	17	18	22
Wakes Retail Park	8	9	9	8	11
Carisbrooke Retail Park	3	1	3	5	3
Other	13	2	5	5	8
Cowes	7	1	1	1	4
Ryde	1	31	7	3	1
Sandown	0	1	8	2	0
Shanklin	0	1	16	6	0
Ventnor	0	0	0	14	0
Freshwater	0	0	0	0	12
East Cowes	2	0	0	0	0
Other	0	3	0	0	2
Outside Isle of Wight	5	5	5	3	3
Southampton	3	3	3	2	3
Other	2	2	2	1	0
Internet/Mail order	23	26	21	22	25

Source: Derived from NEMS Household Survey Results (January 2018)

Notes: Figures may not add due to rounding

- 7.2.19 For Zone 4 (Ventnor), Newport attracts approximately half of non-bulky comparison goods shopping trips, with the remainder being retained in Ventnor (14%) or attracted to Shanklin (6%), Ryde (3%) and Sandown (2%). A similar pattern is evident in (Zone 5 - Freshwater), where Newport again attracts approximately half of shopping trips. Freshwater itself retains 12% of shopping trips from its zone.

7.2.20 The internet accounts for between 21-26% of all non-bulky comparison goods (excl. clothing and footwear) shopping purchases. Residents in Zone 2 and 5 are most proficient at purchasing such goods online/via mail order with 26% and 25% respectively.

7.2.21 The Island has a good retention level of non-bulky comparison goods trips with retail facilities located on the mainland (primarily Southampton) only attracting between 3% and 5% of such trips.

Clothing and Footwear Shopping Patterns

7.2.22 Turning to the shopping patterns for clothing and footwear, Figure 7.6 shows the significant influence that Newport has on the market share of all zones, with the majority (except Zone 2 (45%)) of clothing and footwear shopping trips being undertaken there.

Figure 7.6: Clothing and Footwear Shopping Patterns (%)

	Zones				
	1 Medina Valley	2 Ryde	3 The Bay	4 Ventnor	5 Freshwater
Newport	64	45	57	62	72
Newport Town Centre	48	33	41	42	57
Newport Edge/Out-of-Centre	14	12	16	20	15
Marks and Spencer, Church Litten	6	10	8	12	6
Matalan, Furrongs	3	1	5	1	3
Other	5	1	3	7	6
Cowes	2	1	0	0	0
Ryde	2	15	5	1	0
Sandown	0	0	5	0	0
Shanklin	0	0	4	4	0
Ventnor	0	0	1	3	0
Freshwater	0	0	0	0	3
Outside Isle of Wight	13	11	7	6	9
Southampton	6	3	3	2	4
Portsmouth	2	5	1	2	1
Central London	1	1	1	1	0
Other	4	2	2	1	4
Internet/Mail Order	22	26	23	24	16

Source: Derived from NEMS Household Survey Results (January 2018)

Notes: Figures may not add due to rounding

7.2.23 These results are similar to the findings in the 2014 study which reported that Newport attracted a high proportion of clothing and footwear shopping trips across all zones. Indeed, Newport has actually seen in an increase in the proportion of clothing and footwear shopping trips from around 41% to between 55-72%.

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- 7.2.24 With the exception of Ryde, which attracts 15% of clothing and footwear shopping trips from Zone 2, the other centres on the Island, due to their limited clothing and footwear provision, have little influence on clothing and footwear shopping patterns.
- 7.2.25 Retail facilities on the mainland attract between 7% and 13% of clothing and footwear shopping trips from the Island zones. Southampton is the biggest attractor and captures around 2-6%, followed by Portsmouth and Central London. The leakage of shopping trips for clothing and footwear has remained broadly the same since the 2014 study, where it was identified overall that mainland stores accounted for around 9% of such purchases.
- 7.2.26 Internet/mail order captures a reasonably large proportion of clothing and footwear purchases from the Island (between 16% to 26%). The number of shopping purchases for clothing and footwear goods on the internet has increased since 2014, when it accounted for around 8%.

Bulky Comparison Goods

- 7.2.27 Newport attracts the majority of bulky comparison goods shopping trips across all the zones (between 57-78%), with edge/out of centre bulky comparison goods retail warehouse stores attracting the highest proportion of trips.
- 7.2.28 Again, with the exception of Ryde, which attracts 19% of bulky comparison goods shopping trips from Zone 2, the smaller towns on the Island have limited influence on bulky comparison goods shopping patterns although it is noted that both Sandown and Shanklin each attract 9% of trips from Zone 3 (The Bay) and Freshwater attracts 16% from Zone 5 (Freshwater).

Figure 7.7: Bulky Goods Shopping Patterns (%)

	Zones				
	1 Medina Valley	2 Ryde	3 The Bay	4 Ventnor	5 Freshwater
Newport	78	57	60	72	67
Newport Town Centre	26	11	10	30	12
Newport Edge/Out-of-Centre	52	46	50	42	55
Wakes Retail Park	18	15	18	13	20
B&Q, Dodnor Lane	24	22	22	23	26
Other	10	9	10	6	9
Cowes	3	0	0	0	1
Ryde	1	19	4	3	1
Sandown	1	2	9	3	0
Shanklin	0	1	9	4	0
Ventnor	0	0	0	4	0
Freshwater	1	0	0	0	16
Other	1	2	1	2	0
Outside Isle of Wight	4	5	5	2	1
Southampton	4	4	4	0	1
Other	0	1	1	2	0
Internet/mail order	10	13	11	11	13

Source: Derived from NEMS Household Survey Results (January 2018)

Notes: Figures may not add due to rounding

7.2.29 The internet also accounts for between 10% and 13% of all bulky comparison goods purchases across all zones. Of these, less than 3% of purchases were 'click and collect' purchases.

Internet

7.2.30 The NEMS survey results identify that, for certain comparison goods, residents on the Isle of Wight are proficient at shopping online. The goods most commonly bought online include, books, CDs & DVDs (between 36-44%). This is followed by small electrical goods (13-23%) and large household electricals (13-21%). Unsurprisingly, DIY and gardening goods are the least common comparison goods to be purchased by residents online (1-4%).

7.2.31 For convenience goods, the level of internet shopping varies between the zones, with only 1% of respondents in Zone 3 indicating they last undertook their main food shop online, compared to 5% and 7% in zones 4 and 5 respectively. As expected, given the nature of a top-up food shopping a very low proportion is undertaken online.

Figure 7.8 Internet Shopping Market Share (%)

Goods Category	Zones				
	1 Medina Valley	2 Ryde	3 The Bay	4 Ventnor	5 Freshwater
Main Food	2	3	1	5	7
Top-up Food	0	0	3	0	0
Clothing & Footwear	19	23	20	22	16
Books, CDs & DVDs	54	56	47	57	60
Furnishings & Household Textile Goods	11	25	12	18	18
Small Household Goods	9	11	3	9	7
Clocks, Jewellery, Watches	23	24	23	12	24
Toys, Games, Bicycles & others	37	38	27	19	37
Chemist Goods	2	2	3	6	4
Large Household Electricals	16	25	19	23	23
Small Electrical Goods	18	26	22	23	27
Furniture, Carpets & Floor Coverings	9	11	10	9	14
DIY incl. Gardening Goods	2	4	3	1	1

Source: Derived from NEMS Household Survey Results (January 2018)

7.2.32 In terms of how items purchased online are received, Figure 7.9 sets out the proportion that were via home delivery and those by click and collect.

Figure 7.9: Online Purchases Delivery Method

Goods Category	Online Delivery Method (%)	
	Home Delivery	Click and Collect
Main Food	100	0
Top-up Food	100	0
Clothing & Footwear	93	7
Books, CDs & DVDs	94	4
Furnishings & Household Textile Goods	90	8
Small Household Goods	97	2
Clocks, Jewellery, Watches	99	1
Toys, Games, Bicycles & others	93	5
Chemist Goods	100	0
Large Household Electricals	99	1
Small Electrical Goods	98	2
Furniture, Carpets & Floor Coverings	100	0
DIY incl. Gardening Goods	96	4

Source: Derived from NEMS Household Survey Results (January 2018)

7.2.33 In summary, the results show that:

- for online convenience goods shopping, all were received via home delivery;
- over 90% of all comparison goods categories were home delivered;
- over 95% of goods in categories: small household goods; clocks, jewellery and watches; chemist goods; small and large electricals; furniture carpets and floor coverings and DIY goods were home delivered;
- purchases for clothing and footwear and furnishings and household textile goods were the items most commonly collected from store (8% and 7% respectively); and
- around 3% of purchases for books, CDs and DVDs were downloaded rather than delivered or collected from store.

7.3 Qualitative Needs Assessment

7.3.1 This section of the study provides a qualitative need assessment for each town which is informed by the following:

- Vitality and Viability Town Centre Health Check Assessments based on the indicators published in the NPPG;
- stakeholder engagement with key stakeholders as identified by the Isle of Wight Council; and
- shopping patterns derived from the household shopper survey.

7.3.2 Vitality and viability health check assessments of each town centre on the Island is contained at **Appendix D**, our Stakeholder Engagement Statement is provided at **Appendix B** whilst our analysis of shopping patterns is provided earlier in Section 7.2.

Newport

Convenience Goods

7.3.3 With Morrisons, Sainsbury's, Lidl, Iceland, M&S Foodhall, and Co-op stores located in/on the edge of the town centre and providing 13,305sq m net convenience goods floorspace, foodstore provision is considered to be very good. The household survey identifies that the town is frequently visited for convenience goods shopping with some 62% of residents identifying that it was the main reason for visiting the town centre.

7.3.4 The quantitative assessment identifies that overall existing foodstore provision in Newport is under trading and there is no capacity for additional convenience floorspace in Newport in the plan period. Our qualitative assessment supports that there is currently no qualitative deficiency in terms of the convenience goods offer. The town provides a number of large foodstores capable of meeting the main food shop and is supplemented by smaller specialist stores.

Comparison Goods

7.3.5 Our qualitative assessment has found that the overall provision of comparison goods units in Newport Town Centre is above the UK average (44% compared to 31%) and has increased by 5 units since 2009. It is also higher than the UK average in floorspace terms (+13%).

7.3.6 Newport Town Centre has strengthened its market share since 2014 and is competing well against larger centres on the mainland and out-of-centre retail facilities.

7.3.7 In terms of national multiple/independent comparison goods retailer mix, around 38% are national multiples with 62% being independents. Overall, the centre is considered to provide a good range of independent retailers. In terms of national multiple retailers, the town centre provides just 18 of the 28 'major retailers' defined by Experian Goad retailers. Major national multiple retailers include Boots, M&S (edge of centre), TK Maxx, H&M, New Look, Next, Carphone Warehouse, Clarks and Superdrug. Notable major retailers defined by Experian not within the town centre include: John Lewis, House of Fraser, Debenhams, Argos, Wilko, Burton, Dorothy Perkins, Primark, River Island and HMV. Whilst the town centre would benefit from a centrally located department store, given the current economic climate, the catchment population of Newport, and the lack of potential opportunity site in the prime retail area, it is unlikely that the town centre will be attractive to a department store operator for the foreseeable future.

7.3.8 Overall, the comparison goods sector is considered to provide a good mix of retailers. Approximately 22% of units in comparison goods use offer clothing and footwear items which represents 9% of the total units in retail and service use which is slightly above the UK average of 6%. The current proportion of clothing and footwear units suggests that the centre provides a good clothing and footwear offer, albeit the provision generally consists of a mid-range offer rather than higher brands.

7.3.9 It is noted that the proportion of charity shops in the centre (6% (22 units)) is double the national average (3%). Whilst the proportion of charity of shops is reasonably high it was observed that they did not overly dominate the centre or provide a negative impression.

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- 7.3.10 The household survey identifies that 11% of respondents would visit Newport Town Centre if there were more high-quality shops. We note that the centre currently contains one large vacant unit on the High Street (no 62) comprising 1,060sq m floorspace. The former BHS unit (no. 57 High Street) has recently been re-occupied by B&M. The High Street would benefit further from the re-occupation of the remaining large vacant unit although we note that at the current time there are no specific published requirements from national multiple comparison goods retailers to open new premises in Newport Town Centre.

Ryde

Convenience Goods

- 7.3.11 Convenience provision in Ryde Town Centre, which includes a Co-op, Iceland and Sainsbury's Local store, has improved since the last retail study (+5 units) and is broadly in line with the UK average. In addition to town centre provision, a large Tesco Extra (9,810sq m gross) store is also located to the south of the centre.
- 7.3.12 The household survey identifies that Ryde retains the majority of shopping trips from its Zone (The Bay, Zone 2). Furthermore, respondents to the household survey and stakeholders contacted as part of this study did not consider there to be any qualitative deficiencies in convenience goods provision in the town.
- 7.3.13 Having regard to the existing convenience goods provision in the town centre, the towns convenience goods retention levels, and feedback from stakeholders/respondents to the household survey we do not consider that there are currently any convenience goods qualitative deficiencies in the town centre.

Comparison Goods

- 7.3.14 In terms of comparison goods qualitative need, we have identified that, whilst the number of comparison goods units has marginally fallen since 2009, the town centre still provides a higher than national average proportion of comparison goods units. The comparison goods retail offer is varied including stores offering clothing and footwear, carpets and flooring, furniture, household textiles, antiques, cards and gifts and electronics. Clothing and footwear units comprise around 8% of the total number of retail units which is above the UK average of 6%. The town centre has a strong independent retail offering although there are a number of key national multiples including New Look, Shoe Zone, Peacocks, M&Co and WH Smith.
- 7.3.15 The household survey identifies that Ryde retains around 26% of comparison goods shopping trips for from its Zone (Zone 2 Ryde). Given the extent and location of the Zone relative to Newport, and the stronger provision of comparison goods retailing in Newport, this retention level is not surprising.

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- 7.3.16 The household survey also identifies that 39% of residents would visit Ryde more often if there were more/better range of non-food shops. Whilst stakeholders recognise that residents may wish for a greater number of national multiple retailers the layout and formation of the centre is their main concern. In particular, stakeholders consider that the footfall in the centre could be improved if the distribution of independent stores, which are currently located at the periphery of the centre, were more centrally located and the provision of a key anchor store is located at the top end of the town centre.
- 7.3.17 Accordingly, whilst the level of comparison goods provision in the town centre is considered to be good, (particularly given the location of Newport) its retention levels would benefit from improvements to the provision and distribution of comparison goods retailers.

Cowes

Convenience Goods

- 7.3.18 Cowes Town Centre provides a reasonably good convenience goods offer, is roughly in line with the UK average (8% compared to 9%) and has increased by 2 units since 2009. The offer is largely provided through the M&S Simply Food and Sainsbury's, supplemented by specialist independent convenience retailers. Town Centre convenience provision is supplemented by the out-of-centre Aldi store at Airfield Way.
- 7.3.19 At the current time, there are no requirements from a foodstore or convenience goods operator to locate in Cowes. It is also noted that respondents to the household survey and stakeholders haven't identified that the town centre's convenience goods offer is deficient or in need of improvement.
- 7.3.20 Accordingly, having regard to existing convenience goods provision in the town centre, its role/size, and feedback from residents/stakeholders, we do not consider that there are any qualitative deficiencies in convenience goods retailing.

Comparison Goods

- 7.3.21 Turning to the comparison goods offer, Cowes Town Centre provides a significantly higher proportion of units than the national average (42% compared to 31%). Of the comparison goods units, around 31% offer clothing and footwear items and include a number named brands including Joules, Henri Lloyd, Musto, Fat Face and White Stuff.
- 7.3.22 The shopping patterns demonstrate that Cowes does not retain a significant proportion of comparison goods shopping trips from its zone (Zone 1, Medina Valley). However, it is noted that Newport is situated within Zone 1 and captures the majority of comparison goods shopping trips from all zones. This is therefore, not surprising or a cause for concern.

7.3.23 The comparison offer in the town centre is unique in that it is geared towards the towns focus on sailing. Our stakeholder engagement did not identify any specific qualitative issues in terms of the comparison goods provision and nor did the household survey results. Accordingly, given the above we do not consider there to currently be a qualitative deficiency in comparison goods provision in the town centre.

Sandown, Shanklin, Ventnor, Freshwater and East Cowes

7.3.24 Following a review of the health check assessments, shopping patterns and stakeholder feedback, there are no obvious deficiencies in the convenience or comparison goods provision in any of the remaining centres on the island. We briefly set out our key findings for each town below:

Convenience Goods

- Sandown – Convenience provision in the town centre is limited to small basket/top-up facilities including a Sainsbury's Local and a small Co-op store. The out-of-centre Aldi and Morrison stores cater for main food shopping needs and together retain the majority of main food shopping trips from 'The Bay Zone' (Zone 3). The existing provision in the town is considered to currently meet the food shopping needs of its residents.
- Shanklin – The town centre provides a medium sized Co-op store together with a smaller Co-op store, Spar convenience store, and a number of newsagents, butchers, bakers and delicatessens. Convenience provision is considered to be reasonably good with the household survey identifying that some 50% of residents that visit the town centre do so for food shopping. The out-of-centre Lidl store supplements the convenience provision in the town centre and the Morrison's and Aldi stores in Sandown are only a 5-minute drive away from Shanklin. Accordingly, given the existing convenience goods provision in the town and a short drive away we do not consider there to be any qualitative need for a material increase in convenience goods provision in Shanklin.
- Ventnor – The town centre's convenience goods provision is broadly in line with the UK average. Provision includes a small Co-op foodstore and other 'local' sized convenience stores including Tesco Express and U-Save Supermarket. Whilst a reasonably high proportion of residents are travelling to the Morrisons and Aldi at Sandown or larger foodstores in Newport, given its size and role we do not consider that the town centre could physically support a medium/large foodstore capable of clawing back this trade.
- Freshwater – The household survey identifies that Freshwater retains the majority of top-up shopping trips from its zone (Zone 5, West Wight) and around 31% of main food shopping trips. The convenience provision in the centre is in line with the UK average and is supplemented by a 651sq m gross Co-op store at Afton Road which opened in September 2015.

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- East Cowes – The town centre provides a healthy convenience goods offer significantly enhanced by the opening of the Waitrose store in November 2010. Given the size, role and catchment of the town we do not consider there to be any notable qualitative deficiencies in convenience goods provision.

Comparison Goods

- Sandown - The proportion of comparison goods units (37%) has largely remained unchanged since 2009 (39%) with the current proportion being higher than the UK average. The town centre has a low multiple retailer representation and would benefit from a greater number of higher quality retailers. It is however noted that at the current time there are no requirements from national retailers seeking presence in the town centre and there are currently no/limited centrally located medium/large units likely to be able to accommodate such requirements. The town centre clearly forms a dual function as a local and visitor centre and it will be important to balance the 'local' and 'visitor' comparison goods offer going forward.
- Shanklin – Shanklin also functions as a tourist destination and service centre for the local population. The proportion of comparison goods units (40%) is above the UK average (31%) and has increased by some 28 units since 2009. Approximately 13% of the comparison goods units offer clothing and footwear, with other goods being sold including antiques, furniture and household items, books, gifts, electrical items, jewellery and charity shops/second hand goods. The majority are retailers are independents with national multiples limited to Shoe Zone, Peacocks, Boots, Toymaster and Poundland. For its size and role there is not considered to be any comparison goods qualitative deficiencies in the town centre albeit we note that there are currently outstanding retailer requirements from The Works and Poundworld.
- Ventnor - For its size the town centre offers a reasonable range of comparison goods outlets, for both visitors and locals, which sell a variety of goods including clothing and footwear, antiques, art, household goods, gifts and jewellery. Independent retailers make up the majority of the comparison goods offer. Whilst 25% of respondents in the household survey would visit the centre more often if there were a greater number of independent retailers we do not consider there to be any qualitative deficiency in comparison goods provision in the town centre. Our assessment is supported by the absence of any requirements for comparison goods retailers to open premises in the town centre. Again, like Sandown and Shanklin, the town centre forms a dual function as a local and visitor town centre. It will be important to monitor the balance going forward.

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- Freshwater – The comparison goods provision in the town centre has increased by 4 units since 2009. Given the role and scale of the town centres and its reasonably limited catchment population we do not consider that there is a qualitative deficiency in comparison goods provision in the town centre. It is however noted that the relatively high number of charity shops in the town centre was raised as a concern. Whilst the number of charity shops did not have any notable impact on the vitality and viability of the centre a better mix of comparison goods retailers would help to improve its health.
 - East Cowes - the proportion of units offering comparison goods is below the UK average and largely restricted to chemists, charity shops, a pet shop and DIY store. More/better clothes shops were specifically referred to by 33% of respondents as a measure to encourage them to visit the centre more often and stakeholder feedback suggested more restaurants and leisure facilities would encourage greater visits. However, given the centre's role, catchment and proximity to Newport and Cowes we do not consider there is a qualitative need for additional comparison goods floorspace.

7.4 Summary

- 7.4.1 The above section sets out the shopping patterns and provides our qualitative retail need assessment of for each town centre on the Island. Where floorspace capacity is identified and additional convenience/comparison goods provision is required, the Council should seek to identify suitable sites/units, in accordance with the sequential approach, to deliver future retail development.

8.0 Key Findings and Recommendations

8.1 Introduction

8.1.1 This section contains the key findings of the study and provides recommendations in relation to the identified need, demand from operators, and the retail policy approach in the emerging Island Plan that would support the vitality and viability of town centres.

8.2 Summary of Identified Need

Convenience Goods

8.2.1 The study identifies that, with the exception of Cowes and Sandown, there is no capacity for additional convenience good retail floorspace in the towns on the Isle of Wight. This is primarily due to the existing level of convenience goods provision in the towns and the number of new foodstore openings in the last 4 years, including the Asda at Newport, Co-Op in Freshwater, and Aldi in Sandown). The assessment identifies that most of the existing foodstores on the island are currently under trading which suggests that there is an overprovision of convenience goods facilities.

8.2.2 The capacity for additional convenience goods floorspace for Cowes and Sandown is summarised in Figure 8.1 below.

Figure 8.1: Quantitative Need for Convenience Goods Floorspace

Year	Surplus Expenditure	Floorspace Requirement (sq m net)	
	£m	Min	Max
Cowes			
2023	3.0	300	300
2028	3.5	300	400
2034	4.0	300	400
Sandown			
2023	7.7	600	800
2028	8.7	700	900
2034	9.9	800	1,000

Notes:

Minimum Floorspace Requirement - Average sales density assumed to be £11,952 per sq.m is based on the average sales density of the leading four supermarkets - derived by Global Data

Maximum Floorspace Requirement - Average sales density assumed to be £9,886 per sq.m is based on the average of discount operators (Aldi & Lidl) - derived from Global Data 2016 Prices

Comparison Goods

8.2.3 The comparison goods capacity for each town varies and is summarised in Figure 8.2 below.

Figure 8.2: Quantitative Need for Comparison Goods Floorspace

Year	Surplus Expenditure	Floorspace Requirement (sq m net)	
	£m	Min	Max
Newport			
2023	19.0	3,300	5,800
2028	54.1	8,400	14,700
2034	108.9	14,800	25,900
Ryde			
2023	3.3	600	1,000
2028	9.5	1,600	2,600
2034	19.1	2,900	4,500
Cowes			
2023	0.9	200	300
2028	2.5	400	700
2034	5.0	800	1,200
Sandown			
2023	0.7	100	200
2028	1.9	300	500
2034	3.8	600	900
Shanklin			
2023	1.1	200	300
2028	3.1	500	800
2034	6.2	900	1,500
Ventnor			
2023	0.4	100	100
2028	1.1	200	300
2034	2.1	300	500
Freshwater			
2023	0.4	100	100
2028	1.2	200	300
2034	2.4	400	600
East Cowes			
2023	0.2	0	100
2028	0.5	100	100
2034	1.0	200	200

Notes:

Minimum Floorspace Capacity - Average sales density assumed to be £3,000 per sq m which WYG considers to be towards the lower end of what could be achieved in the towns.

Maximum Floorspace Capacity - Average sales density assumed to be £5,250 per sq m/£4,750 per sq m which WYG considers to be towards the lower end of what could be achieved in Newport/remaining towns.

Assumes constant market share of Study Area expenditure claimed by facilities in each town.

2016 Prices

8.2.4 The majority of comparison goods floorspace capacity is identified in Newport (between 14,800sq m and 25,900sq m net by the end of the plan period). A relatively large level of comparison goods floorspace capacity is also identified for Ryde (between 2,900 and 4,500sq m net by the end of the plan period). Lower levels of floorspace capacity are identified for the smaller town centres which reflects their current role and comparison goods provision.

8.2.5 As a result of the findings of this study, we would recommend that the Council identify suitable sites in accordance with the sequential approach to site selection for the identified future floorspace capacity. Given the level of identified comparison goods need it is likely that more than one site will need to be identified for the towns of Newport and Ryde.

8.3 Identified Demand from Operators/Businesses

8.3.1 The identified demand from national retailers/operators for each town is summarised in Figure 8.3 below. Operators comprise a mix of convenience, comparison and commercial leisure uses.

Figure 8.3: Demand from New Operators

Name	Minimum Size (sq m)	Maximum Size (sq m)
Newport		
Pavers	232	372
Harry Ramsdens	186	557
Snap Fitness 24-7	372	929
KFC	167	325
Ryde		
The Works	163	232
Vets for Pets	139	186
Anytime Fitness	372	743
Snap Fitness 24-7	372	929
Marstons	465	836
Cowes		
The Works	163	232
Superdrug	232	511
Jones Bootmaker	111	232
Holland and Barrett	93	650
Clintons	186	279
Vets for Pets	139	186
Sandown		
Vets for Pets	139	186
Shanklin		
The Works	163	232
Poundworld	465	1,858

Source: 'The Requirements List'

8.3.2 There is very limited demand from national retail operators seeking presence in Newport, which is surprising given it is the main shopping destination on the Island. A similar limited requirement from national retail operators seeking presence for Ryde is also identified. For its size and role Cowes has a reasonable level of demand from retailers and, based on published national retailer requirement data, appears to currently be the most attractive town centre for new retailers to locate on the Island. Given the size and role of the other small towns on the Island the limited level of demand is not surprising.

8.4 Review of Relevant Retail Policy

8.4.1 We have undertaken a review of the relevant retail policies within the Adopted Core Strategy (2012).

8.4.2 We consider the general wording of Policy DM9 Town Centres is appropriate and in accordance with the NPPF, with the following suggested amendment proposed to the final paragraph of the policy:

"Proposals for new retail development will be expected to be located within the Town Centre Boundary, except for Newport Town Centre, where it should firstly be located in the Primary Shopping Area, before edge-of-centre and then out-of-centre sites are considered. Any proposal for retail development which falls outside of the identified Primary Shopping Area (for Newport only) or town centre boundaries will be assessed on a sequential and impact basis as outlined in national policy."

(underline is new suggested wording by WYG)

8.4.1 The proposed wording, for inclusion within the emerging Island Plan, will ensure that new retail developments are supported within the Primary Shopping Area within Newport Town Centre. WYG has reviewed the town centre boundaries, and proposed revised town centre boundaries, Primary Shopping Frontages (PSF), Secondary Shopping Frontages (SSF) for each of the towns, as detailed below. In addition, for Newport Town Centre we recommend addition of a Primary Shopping Area (PSA) and therefore, propose the above amendment to the wording of Policy DM9 in accordance with the new PSA. Following this amendment, we consider the wording of Policy DM9 is appropriate in ensuring future development contributes to the diversity, choice, vitality and viability of the town centres.

8.4.2 We also make recommendations on the following for inclusion in the emerging Island Plan:

- Town Centre Hierarchy;
- Local Retail Impact Assessment Threshold; and
- Town Centre Boundaries and Shopping Frontages.

Town Centre Hierarchy

8.4.3 In drawing up Local Plans, Paragraph 23 of the NPPF requests the LPA to define a network and hierarchy of centres that is resilient to anticipated future economic changes.

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- 8.4.4 The assessment undertaken as part of this study, identifies that whilst Newport Town Centre is most dominant for retail purposes, all of the centres function as town centres and meet the shopping and service needs of the residents of the towns and their catchment areas.
- 8.4.5 Accordingly, we consider that the hierarchy within Core Strategy Policy DM9 is still relevant and each of the 8 centres should continue to be designated as Town Centres for retail purposes.

Local Retail Impact Assessment Threshold

- 8.4.6 The commission required the study to provide recommendations on relevant retail impact assessment threshold/s to be included within the emerging Island Plan Review.
- 8.4.7 National planning policy states it is appropriate to identify locally set thresholds for the scale of edge-of-centre and out-of-centre retail development which should be subject to the assessment of the impact criteria set out by paragraph 26 of the NPPF. The NPPF sets a default retail impact threshold of 2,500sq m gross. The NPPG explains that gross retail floorspace is defined as "*the total built floor area measured externally which is occupied exclusively by a retailer or retailers, excluding open areas uses for the storage, display or sale of goods*" (paragraph 16).
- 8.4.8 We note that the adopted Core Strategy does not set a local retail impact assessment threshold and therefore, the default NPPF threshold of 2,500sq m applies.
- 8.4.9 When setting a locally appropriate threshold, the NPPF considers the following aspects important:
- Scale of proposals relative to town centres;
 - The existing viability and vitality of town centres;
 - Cumulative effects of recent developments;
 - Whether local town centres are vulnerable;
 - Likely effects of development on any town centre strategy; and
 - Impact on any other planned investment.
- 8.4.10 WYG does not consider that a blanket threshold is suitable for all types of centre across an administrative area. For example, a convenience store with a net sales area of 250sq m (which could be operated by Tesco Express or Sainsbury's Local) will likely have a greater impact on a smaller centre (e.g. East Cowes) on the island than on Newport Town Centre.
- 8.4.11 Accordingly, we recommend that policy should advocate a tiered approach whereby the threshold applied to planning applications at edge-of-centre and out-of-centre locations varies in relation to the role and function of a particular centre.

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- 8.4.12 In our experience, it will only generally be development of a scale greater than these impact thresholds which could lead to a 'significant adverse' impact and merit the refusal of an application for town centre uses in accordance with the provisions of paragraph 27 of the NPPF. In setting the thresholds, we have had regard to the trading model of the smaller convenience goods store format operated by the likes of Co-op, Sainsbury's and Tesco. Such stores generally have net sales areas slightly below the 280sq m net sales area limit for extended Sunday trading and generally have a gross floorspace approaching 400sq m. Whilst of a relatively moderate size, these convenience stores often have a relatively substantial turnover and it is considered necessary for the local planning authority to retain control in respect of the considerations of impacts arising from the implementation of such proposals.
- 8.4.13 The thresholds should not only apply to new floorspace, but also to changes of use and variations of condition to remove or amend restrictions on how units operate in practice.
- 8.4.14 Turning first to Newport Town Centre, the study finds that the town centre is competing well and attracts the majority of shopping trips for comparison goods across the island. However, the town centre has seen a slight reduction in its market share of shopping trips since the 2014 study, in particular for clothing and footwear and larger sub-regional centres off the island attract between 7-13% of trips now, compared to 9% in 2014.
- 8.4.15 Having regard to, *inter alia*, the current health of the town centre; performance of the town centre; retail unit and floorspace composition of the town centre; increasing competition from the internet; and the lack of available units in the prime shopping area capable of meeting potential national multiple occupiers (and in turn the potential for retailer/leisure operators to instead locate outside the town centre) we recommend that a reasonably conservative threshold of 750sq m gross should be considered by the Council. This will provide the Council with sufficient flexibility to assess the merits and potential impact implications of edge and out-of-centre retail applications.
- 8.4.16 For the other centres on the island, having regard to our assessments of the centres, existing provision and the role and nature of each centre, we recommend the following thresholds:
- 500sq m gross – Ryde and Cowes; and
 - 350sq m gross – Sandown, Shanklin, Ventnor, Freshwater and East Cowes.
- 8.4.17 It is important to stress that whilst the locally set threshold would require the submission of an impact assessment for all edge-of-centre and out-of-centre developments exceeding the thresholds, national guidance states that the impact test should be undertaken in a proportionate and locally appropriate way, commensurate to the scale of development proposed. The level of detail would typically be agreed with planning officers during the pre-application process in order to avoid overly onerous requirements that may otherwise restrict and delay development opportunities from coming forward.

Town Centre Boundaries and Shopping Frontages

8.4.18 The NPPF (Chapter 2) aims to boost the vitality of city, town, district and local centres. Paragraph 23 of the NPPF states that planning policies should be positive, promote competitive town centre environments and set out policies for the management and growth of centres over the plan period. In doing this, Local Planning Authorities should:

"Define the extent of town centres and primary shopping areas, based on a clear definition of primary and secondary shopping frontage in designated centres, and set policies that make clear which uses will be permitted in such locations"

8.4.19 Frontage designations are the most important mechanism for ensuring retail and commercial leisure uses (particularly A1 uses) are both maintained and allowed maximum opportunity to develop within the town centre. The NPPF does not specify acceptable proportions of retail and non-retail in these frontages, as it is a matter for Local Planning Authorities to decide. The frontage designations should promote the vitality and viability of town centres and provide high quality and accessible retail services.

8.4.20 The existing Policies Map defines Town Centre Boundaries and Primary Retail Frontages for each of the centres. The Policies Map does not identify primary or secondary shopping frontages. As part of this study, and in line with the brief, WYG has reviewed the existing town centre boundaries and frontages. Our recommendations are informed by our vitality and viability health checks and detailed analysis of each town centre. The recommendations for the Town Centre Boundaries, Primary Shopping Area (Newport only), Primary Shopping Frontages and Secondary Shopping Frontages are presented visually on plans at **Appendix H**.

Glossary of Terms

Capacity	Retail capacity in terms of this report refers to surplus/deficit of expenditure (£m) which represents the difference between the expenditure and turnover of the identified facilities.
Comparison Goods	Comparison goods relate to items not obtained on a frequent basis, these include clothing, footwear, household and recreational goods.
Convenience Goods	Convenience goods relate to everyday essential items including confectionary, food, drinks, newspapers and magazines.
District Centre	District centres will usually comprise groups of shops often containing at least one supermarket or superstore, and a range of non-retail services, such as banks, building societies and restaurants, as well as local public facilities such as a library.
Expenditure Per Capita	The average spend of each person within the defined Study Area on a variety of retail goods.
Expenditure	Expenditure is calculated by taking the population within a defined area and then multiplying this figure by average annual expenditure levels for various forms of goods.
Expenditure Forecasts	This assessment has been undertaken using the 'goods based' approach as prescribed in the Planning for Town Centres Practice Guidance. Retail expenditure forecasts have been derived from Experian Retail Planner Briefing Note 14 (November 2016).
Experian (MMG3)	The database used to identify population, expenditure and socio-economic breakdown of the Study Area population.
Gross Floorspace	Represents the level of total floorspace or footprint of a specific development (i.e. sales area, storage, checkouts, café, display, and so on).
GOAD Plans	Provide accurate information on the composition of town centres, shopping areas, out-of-town retail parks and outlet villages in the UK. Identifies the fascia name, retail category, floorspace, and exact location of all retail outlets and vacant premises.
GOAD Reports	Provide a snap-shot of the retail status or demographic make-up of Goad surveyed town centres. Provides a comprehensive breakdown of floorspace and outlet count for all individual trade types in the Convenience, Comparison, Retail Service, Leisure, Financial/Business Services and Vacancy sectors.

Local Centre	Local centres include a range of small shops of a local nature, serving a small catchment. Typically, local centres might include, amongst other shops, a small supermarket, a newsagent, a sub-post office and a pharmacy. Other facilities could include a hot-food takeaway and launderette. In rural areas, large villages may perform the role of a local centre.
Net Floorspace	Represents the level of internal area devoted to the sale of goods.
Market Share	Market shares derived from the household survey results, which are based on either the proportion of shopping trips or the proportion of expenditure attracted to a particular centre/facility.
National Multiple	This is a retail or service operator which is or part of a network of nine or more outlets.
Price Base	The price base for the Study is 2015; all prices are or have been adjusted to 2015 in order to be consistent.
Rates of Productivity	This takes into account the potential for existing retail floorspace to improve their turnover productivity (e.g. smaller goods could be sold from a smaller area for more money, increased opening hours, etc.).
Sales Density	Retail capacity figures are expressed in term of floorspace, relying on the application of assumed sales density figures to the surplus expenditure identified. This is based on the typical turnover of a store by square metre/foot.
Special Forms of Trading	Defined by Experian as expenditure not directed to traditional floorspace such as the internet, mail order, party plan and vending machines and other non-store activity such as market and road-side stalls.
Study Area	This represents the household survey area, which is based on postal sectors.
Trade Draw	This refers to the level of trade attracted to a particular facility/centre.
Turnover	The turnover figure relates to the annual turnover generated by existing retail facilities.
Town Centre	A town centre will usually be the second level of centres after city centres and, in many cases, they will be the principal centre of centres in a local authority's area. In rural areas they are likely to be market towns and other centres of similar size and role which function as important service centres, providing a range of facilities and services for extensive rural catchment areas. In planning the future of town centres,

local planning authorities should consider the function of different parts of the centre and how these contribute to its overall vitality and viability.