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Planning & Development Consultancy

Perth & Kinross Retail Review 2011

April 2010

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Appendix 1 Post code sectors in the 5 sub areas of Perth & Kinross

Appendix 2 Comparison expenditure projections and special forms of retailing

Appendix 3 St Catherine's Retail Park- list of retailers

1 Introduction

1.1 The Update

1.1.1 **Roderick MacLean Associates Ltd** was commissioned by Perth & Kinross Council to prepare this report. It updates and replaces the Perth & Kinross Retail Review 2006.

1.1.2 The current Review contains forecasts of retail expenditure capacity for 2011-16 and cumulatively, from 2011-21. It also contains an appraisal of the current retail trends and provides commentary on the retail market in Perth & Kinross. Conditions have changed considerably since the previous review; with the current economic slow down.

1.1.3 The previous Retail Review was underpinned by a household shopping telephone interview survey covering a sample of 1,001 households in the Council area. The 2011 Review also draws on the survey findings on shopping patterns, with some exploration of where changes may have occurred. By and large, it is assumed that the patterns will not have changed much since 2006.

1.1.4 The main purpose of the study is to contribute updated information to support the Perth & Kinross Development Plan. A review of the current and emerging retail planning policy framework is provided in section 2 and the implications of the study

findings for the retail policy framework are stated.

1.1.5 All values are expressed in constant 2009 prices, which is the latest price base for expenditure projections by Pitney Bowes in their *AnySite* reports.

1.2 Sub area retail catchments

1.2.1 This update references the same five sub areas within the Council area for retail analysis. These areas are based on the local plans and include Perth, Kinross, Strathearn, Highland and the Strathmore & the Glens area - see Map 1.1. They broadly represent the main retail catchments for the smaller towns in each area. For Perth, the sub area represents the primary catchment, with the secondary catchment covering the rest of the Council area.

1.3 Population projections

1.3.1 The current and projected populations for Perth & Kinross and the sub areas are shown on Table 1.1. Note that these projections derive from the Registrar General's 2006 based population projections for the Council area. These are lower than the 2008 projections, but the Council view the 2006 projections as being more realistic. Appendix 1 shows the postcode sectors comprising the sub areas.

Table 1.1
Perth & Kinross Council area: population projections to 2021
RG 2006 based-see note

Sub area	a 2001	b 2011	%	c 2016	c 2021
Perth	75,350	81,841	55.5%	85,164	88,673
Kinross	11,078	11,841	8.0%	12,322	12,829
Strathearn	19,130	21,397	14.5%	22,266	23,183
Highland	11,650	12,949	8.8%	13,475	14,030
Strathmore & the Glens	17,741	19,304	13.1%	20,088	20,915
Total Perth & Kinross Council area	134,949	147,332	100.0%	153,314	159,631

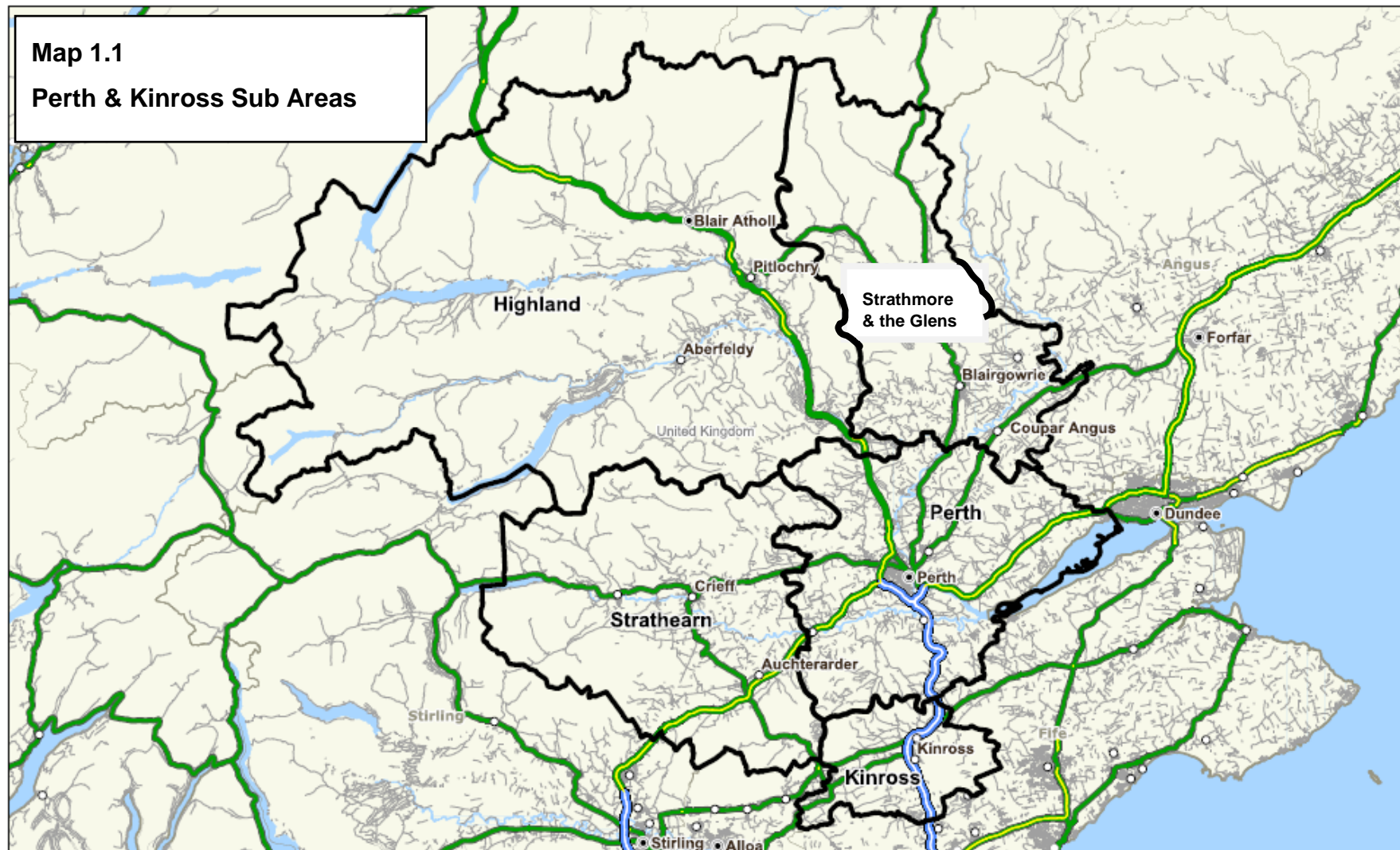
Note: The Council consider that the RG 2008 based projections are too high and select the 2006 based projections.

(a) from Pitney Bowes AnySite report for Perth & Kinross Council area

(b) from Pitney Bowes AnySite report for Perth & Kinross Council area- same as 2006 RG based projection for 2011

(c) Total from 2006 based RG projections for the Council area, apportioned to the sub areas from the rounded %s in (b)

Appendix 1 contains a map showing the postcode sectors which comprise the sub areas



Perth & Kinross Council Area

2 Retail planning policy framework

2.1 Introduction

2.1.1 This section provides a summary of the current and emerging planning policy framework in Perth & Kinross, as it relates to retailing.

2.2 SPP

2.2.1 Since the 2006 Retail Review, the Scottish Government has combined planning policy guidance into one document- *Scottish Planning Policy- 2010*. The SPP is brief on retail planning issues, with the main emphasis on improving town centres, the sequential test and provision of a network of centres. The requirement to protect the vitality and viability of town centres remains central to government policy.

2.2.2 From the Council perspective, the requirements of the SPP support existing policies protecting established centres, but introduce a greater emphasis on defining the relationships between centres and their role and status. The 2011 Retail Review assists by providing an updated assessment of the retail expenditure and turnover relationships within the Council area, together with the forecast capacity opportunities.

2.3 Perth & Kinross Structure Plan

2.3.1 The Structure Plan was approved by the Scottish Ministers in June 2003. Among the key themes stated in the Plan, those which are particularly relevant to retailing include:

- Ensure that (new) development supports a network of local services
- Promote the vitality and viability of shopping centres and aim to reduce expenditure leakage from the Council area
- Locate new development so as to reduce the need to travel

2.3.2 Under '*Strategy 1*', Perth is promoted as the key retail and service centre in the Council area. It promotes further improvements to the range and quality of retailing, leisure and other services. Under

'*Strategy 2*', the role of town centres among other towns and villages is protected, along with integrated town centre improvements and promotion of transport links to Perth.

2.3.3 Under the *Sustainable Communities Policies 7 and 8*, Perth city centre is described as an economic and social focus for the whole of Perth & Kinross, as well as being an important visitor destination. Perth's role as a sub regional shopping centre will be supported as the focus for major retail and commercial development. The towns of Aberfeldy, Auchterarder, Blairgowrie, Crieff, Kinross and Pitlochry have important roles in the rural areas they serve and shall continue to be the preferred location for new retail development, among other services.

2.3.4 *Sustainable Economy Policy 5* encourages extension of the prime retail area in, or adjacent to, the retail core of the city centre. This policy also promotes expansion of St Catherine's Retail Park by the city centre, subject to tests.

2.3.5 *Sustainable Economy Policy 6* does not support proposals for convenience or comparison retail floorspace (over 1,000 sq m gross) outside the city centre. Certain criteria will require to be met to justify exceptions.

2.3.6 *Sustainable Economy Policy 7* supports the development of a 3,500 sq m gross supermarket in Scone

2.3.7 *Sustainable Economy Policy 8* directs all new retail proposals over 1,000 sq m gross to town centres. Certain criteria will require to be met to justify exceptions.

2.4 TAYplan

2.4.1 The emerging Strategic Development Plan (SDP) for Dundee, Angus, Perth & Kinross and East Fife (TAYplan) will eventually supersede the Structure Plan. Following publication of the Main Issues Report for the TAYplan and completion of the associated consultations, the proposed Plan has recently been published (February 2011), It covers the period from 2012- 2032 and requires to be ratified by the four Councils

before the next period of consultation and examination. Eventual approval of the TAYplan by the Scottish Ministers is estimated to be around the end of 2012.

2.4.2 The section on town centres and retailing reiterates the provisions of the SPP. However, it introduces a hierarchy of retail centres in the TAYplan area under Policy 7.

2.4.3 Strategies, plans, programmes and new development proposals should focus comparison retail development in the towns specified in the hierarchy, with the largest proposals in the largest centres- see Table 2.1. Dundee is defined as a regional centre and Perth below it, as a sub regional centre.

2.4.4 Local Development Plans are required to identify town centre boundaries and identify other service roles, including commercial centres, bulky goods and other retail and local centres for convenience and comparison retailing, particularly within the cities and Arbroath. Planning decisions will require to reflect the hierarchy, among other factors.

2.5 Adopted Local Plans

2.5.1 There are six local plans covering the Council area, which include the areas shown on Map 1.1, with two in Perth- The Perth Central Area Local Plan and the Perth Area Local Plan. The area covered by the Central Area Local Plan is shown on Map 2.1, which illustrates the city centre boundary and the primary retail area.

2.5.2 Whilst the Local Plans are not current, the principle of supporting Perth as the main focus for retail development in the Council area remains. The local plans will be replaced by the emerging Perth & Kinross Local Development Plan.

2.6 Local Development Plan-retail issues

2.6.1 The LDP will cover the Council area, aside from those areas within the National Parks. The Main Issues Report (MIR) was published in October 2010. The proposed LDP is scheduled for publication at the end of 2011, followed by further consultation/modification, with adoption of the LDP anticipated at the end of 2014.

2.6.2 Under *Key Issue 15 (Retail)* in the MIR, Perth is identified as facing competition from Dundee and other major towns and there is a need to maintain its market share. There has been a lack of investment in new retailing in the city centre in recent years. It is necessary to broaden the range and choice of retailing to maintain Perth's status as a quality shopping destination and retain its distinctiveness.

2.6.3 For **comparison retailing** in Perth, the MIR states that there is a need to attract quality retailing and retailers not currently represented to the city centre, especially to sites well related to the primary retail area. The High Street/Mill Street redevelopment site is described as an ideal opportunity, but this may be in doubt owing to the refurbishment of the former Woolworth's store. A city centre strategy should be progressed to support the primary role and function of the city centre.

2.6.4 The MIR refers to the need to refurbish St Catherine's Retail Park and the Council has agreed to extend the range of goods that can be sold there, linked to partial redevelopment and improvement of the Park. This will provide further opportunities for comparison retailing which cannot be accommodated in the city centre, but if more sites for bulky goods are required, this could be accommodated at Glenearn Road.

2.6.5 For **convenience retailing**, the MIR states that there is no identified need for additional superstores in the Perth core area, following the approval of a new supermarket at Scone (see Table 4.5). There is scope for qualitative improvements and expansion of existing superstores. Future housing expansion in Perth may generate a need for further provision to service the housing and two site options to serve the North West of the city are shown in the MIR, in close proximity to St Johnstone FC stadium.

2.6.6 For local centres in Perth, the MIR proposes to add protection and promote enhancement.

2.6.7 In terms of the future LDP retail policies and allocations for the whole Council area, the following were also presented for consultation in the MIR:

- Requirement to refresh the retail hierarchy. (This appears to have been largely achieved by Policy 7 in the recent proposed TAYplan).
- Kinross- need to improve the retail offer through the provision of a large format supermarket. The old High School site has been identified (Map 2.1)
- Strathearn- preferred site identified for a mid size supermarket in Crieff, which is

the subject of a legal challenge (Map 2.1). Comparison retailing to be confined to the town centre, but with limited bulky goods retailing from an identified site. Possible scope for a new foodstore in Auchterarder, potentially supported by longer term residential expansion.

- Strathmore & the Glens- no particular retail allocations
- Highland- need for a new supermarket, possibly located in Pitlochry, or perhaps less likely, in Aberfeldy.

Table 2.1
Hierarchy of Comparison Retail Centres- proposed TAYplan, Feb 2011

Regional centre	Dundee				
Sub regional centre	Perth				
Larger town centres	Arbroath	Cupar	Forfar	Montrose	St Andrews
Smaller town centres	Aberfeldy Alyth Anstruther	Auchterarder Blairgowrie Brechin	Carnoustie Coupar Angus Crieff	Kirriemuir Kinross Monifieth	Newburgh Pitlochry

Map 2.1 Perth City Centre- Local Plan Boundary

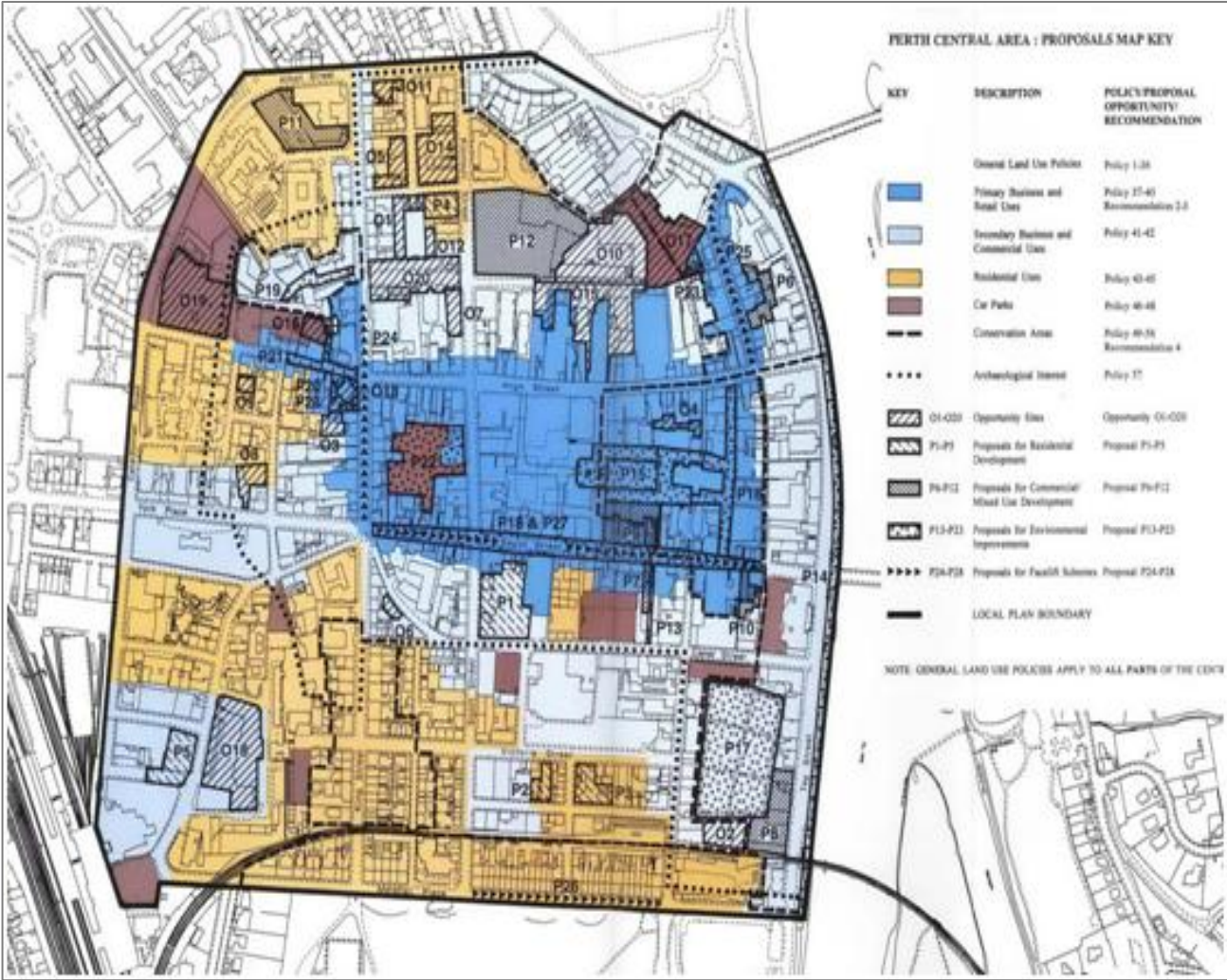
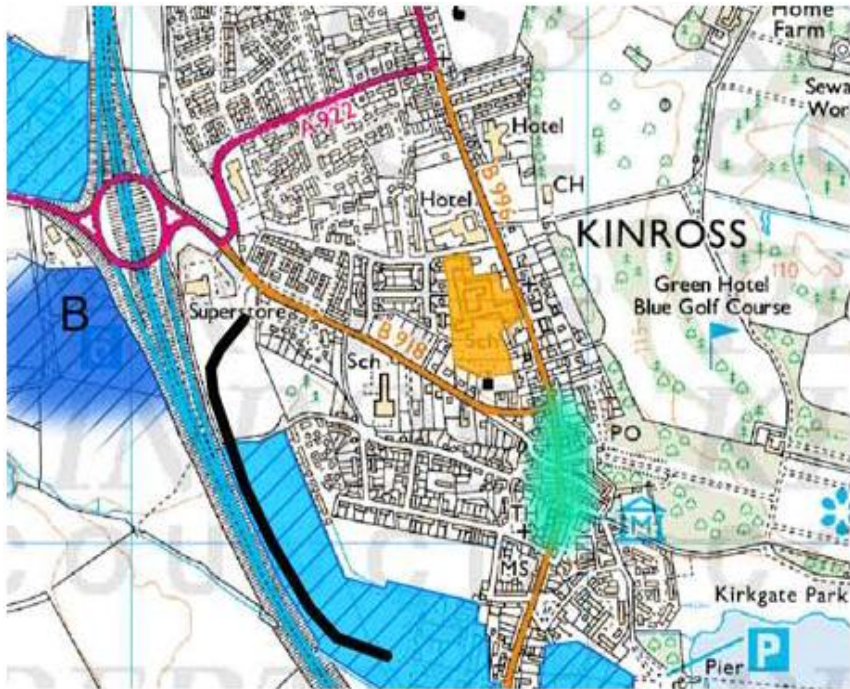
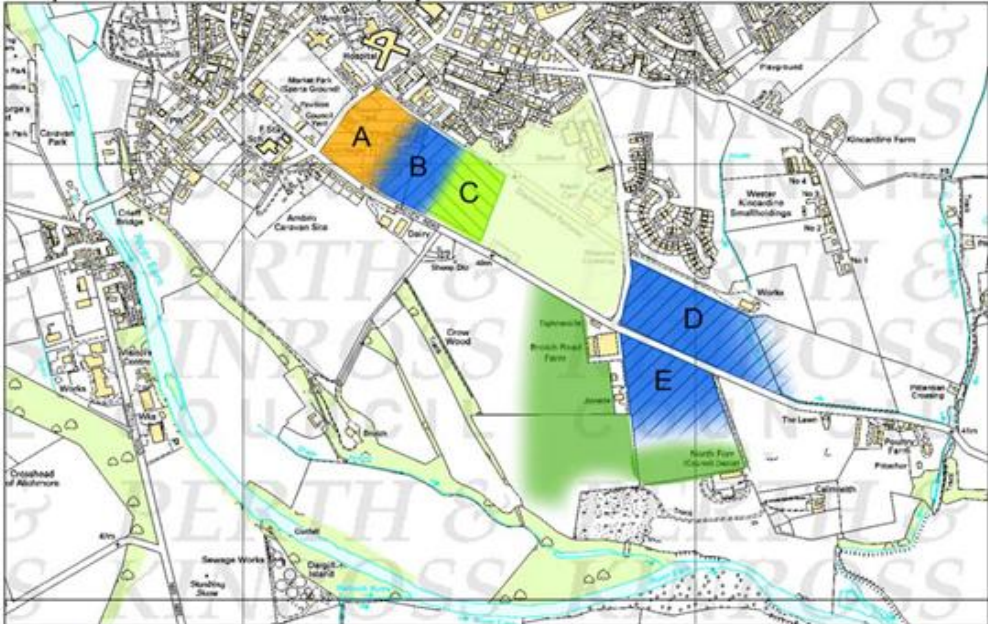


Table 2.2 Supermarket sites identified in Crieff and Kinross in the Main Issues Report for the LDP

Kinross- preferred supermarket site



Crieff- preferred supermarket site (Site A)



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Site A - 2.8ha retail land

↑ Scale: 1:15,000

3 Retail trends and market demand

3.1 Introduction

3.1.1 This section provides commentary on general trends in the retail market in Scotland, partly based on an overview by Ryden from their *Scottish Property Review* and other sources, together with more specific commentary for Perth & Kinross.

3.2 General retail market

3.2.1 Occupier demand for retail property throughout Scotland remains at a low level as the economy struggles with debt, low growth, job cuts and reduced retail spending. Development activity is curtailed by the lack of availability of funding in the property market. The situation is a particularly difficult environment for developing major shopping malls for example, where there can be long project lead in times before completion.

3.2.2 Ryden point out that consumer confidence is lower in Scotland than in the rest of the UK, with cautious retail spending as a consequence. There is evidence of this in recent trading figures for some major retailers represented in both Scotland and England.

3.2.3 Estimates of growth in comparison retail spending are lower than in the past, owing to the current economic conditions. Oxford Economics estimate that the annual growth rate in comparison expenditure per annum will be 3.8% in the UK, but less in Perth & Kinross –see section 6.

3.2.4 At a national level, sales in bulky goods, homewares and clothing are depressed compared to last year, but there is some vigour at the value end of the retail clothing market, with operators such as Matalan, Primark and Peacocks.

3.2.5 Internet retail sales continue to expand rapidly and this factor will probably reduce the requirements for conventional retail floorspace in the longer term in some sectors, such as book sales for example, where this has occurred already.

3.2.6 The outlook is for a gradual recovery in retail expenditure which will filter through to retailer demand over the medium term.

3.2.7 In contrast to most other retail sectors, the supermarket sector is quite buoyant and competitive. The main operators are continuing to seek new stores across a wide range of locations, with evidence of considerable interest in the middle sized and small towns in Scotland. The more common store formats include superstores of around 7,500 to 9,500 sq m, mid size stores of 3,000- 5,000 sq m and various small store formats of around 300 sq m.

3.2.8 Superstores now account for a substantial proportion of comparison sales in the UK. Recently, even mid size store proposals can have up to 30% of the sales floorspace devoted to non food sales. Superstore proposals can have around 40-50%. Comparison sales are of key importance to the operators in terms of increasing their market shares, where growth in convenience spending is almost minimal. Customers have come to expect substantial levels of comparison floorspace in superstores, but the situation has increased the competition with town centres in cases where superstore developments are not in town centres.

3.3 Perth retail market overview

3.3.1 At a national level, the reduced retail expenditure due to the current economic conditions is accompanied by difficulties in funding major retail developments. The result is some curtailment of market growth and potential. This applies to Perth, as it does to other cities.

3.3.2 There has been no major shopping centre development in the city centre since development of the St Johns Centre in the late 1980s. Elsewhere, over the past decade, many other locations have significantly improved their retail offer- Glasgow (Buchanan Galleries), Aberdeen (Union Square), Braehead, (Silverburn), Edinburgh (Ocean Terminal), Livingston (The Centre), Stirling (Thistle Marches), Dundee (Overgate) and more recently Dunfermline (Kingsgate extension). At present, there are rather few new town centre retail schemes in the pipeline, but examples include 14,400 sq m at 185-221 Buchanan Street, Glasgow and the proposed expansion of the Mercat Centre in Kirkcaldy (still at application stage).

3.3.3 In Perth city centre, the major retail redevelopment scheme at Mill Street (17,400 sq m) has not progressed with the former Woolworth's building being refurbished. The proposed City Hall development for retailing has now been abandoned.

3.3.4 Since the 2006 Retail Review, the level of occupied comparison retail floorspace in Perth city centre has dropped from 71,000 sq m gross to around 62,000 sq m gross currently. However, some of the former retail floorspace has simply changed to other town centre uses, including non retail services and restaurants. This assessment derived from the same base data, which was from a Council floorspace survey updated by Goad in 2006 and again in 2010 (Goad to update in June 2011). The closure of Woolworths contributed to this change, but most of the change is attributable to a reduction in the number of smaller retailers in the city centre. BHS also closed its department store in Perth, but the property has been reoccupied by Primark.

3.3.5 The reduced retail representation in the city centre generally, will probably relate strongly to the difficult market conditions, rather than simply to Perth itself.

3.3.6 Therefore the market outlook for Perth suggests that the city centre will need to maintain investment in its retail property and retain a good range of quality retailers in order to maintain its market share as economic conditions improve. This will require the attraction and retention of speciality retailers, including visitor orientated shopping, which would assist differentiating the city from other centres, especially Dundee.

3.3.7 While major new retail developments in Perth would retain some expenditure leakage to larger centres, it is also likely that the draw to larger centres will increase over time, owing to their greater scale and range of shops, where most retail investment is focussed. So further substantial investment in the city centre remains essential, but the pace will be probably be modest over the next few years.

3.3.8 In general, multiple retailer space requirements vary, but many traditional town centre units are often too small to meet modern requirements, or have a less than ideal layout. Retailers prefer regular shaped units. Aside from the small unit requirements, typical mid size High Street requirement ranges would be 2,500- 5,000 sq ft (232- 465 sq m) with some requirements for

larger units at mostly 5,000 to 7,500 sq ft (465 sq m to 700 sq m), plus very large units relating to department stores for example. It is suggested that the Council could undertake some research on the mix of units which appear in recent shopping malls and extensions in Scotland for example.

3.3.9 Outside the city centre, there is a current application to improve the appearance and configuration of St Catherine's Retail Park, including demolition of the former B&Q unit and construction of new units. The forecast growth in bulky goods retail expenditure in section 6 is very low, which combined with sluggish demand, suggests limited requirement for significant additional bulky goods floorspace in Perth.

3.3.10 Following the closure of Caithness Glass, the consent for retailing and a visitor centre on the site has been developed in units known as the 'Highland Gateway'. Occupiers include Graham Tiso (outdoor clothing etc), and Nevada Bob's (golf equipment). Several of the units appear vacant. There is an application for a supermarket in the unit originally proposed as a visitor centre and manufacturing premises.

3.3.11 Many of the small towns in Perth & Kinross, may benefit from visitor spending relating to increased holidays taken in the UK, as a consequence of the weak pound and tight household budgets. This will also apply to establishments such as the House of Bruar, for example, which has enjoyed recent expansion.

3.3.12 In the supermarket sector, market interest in locating in Perth & Kinross is evident on a number of sites, as described in section 5 and additional new stores could be developed over the next few years.

3.4 Zone A retail rents

3.4.1 In their *Scottish Property Review, October 2010*, Ryden report that prime retail rents in 20 centres in Scotland are falling. For Perth, the 2006 Retail Review quoted prime rents of £75 per sq ft. In a more recent review in 2009, the figure was £72.50. Among the Zone A rents in the 30 largest retail centres in Scotland, Perth was rated as the 17th highest. That position is slightly lower than in 2006, where it was the 16th highest.

3.4.2 In their *Research Bulletin Scottish Cities, October 2010*, GVA Grimley report a decline in prime retail rents achieved from 2009 to 2010 in a number of cities and towns in Scotland,

including Perth. So the figure is probably less than shown in the previous paragraph. For 2010, Grimley indicate the following achieved rental levels (from a selection):

- Inverness £100 per sq ft
- Dundee £90 per sq ft
- Stirling £65 per sq ft
- Perth £55 per sq ft

3.5 City centre vacant units

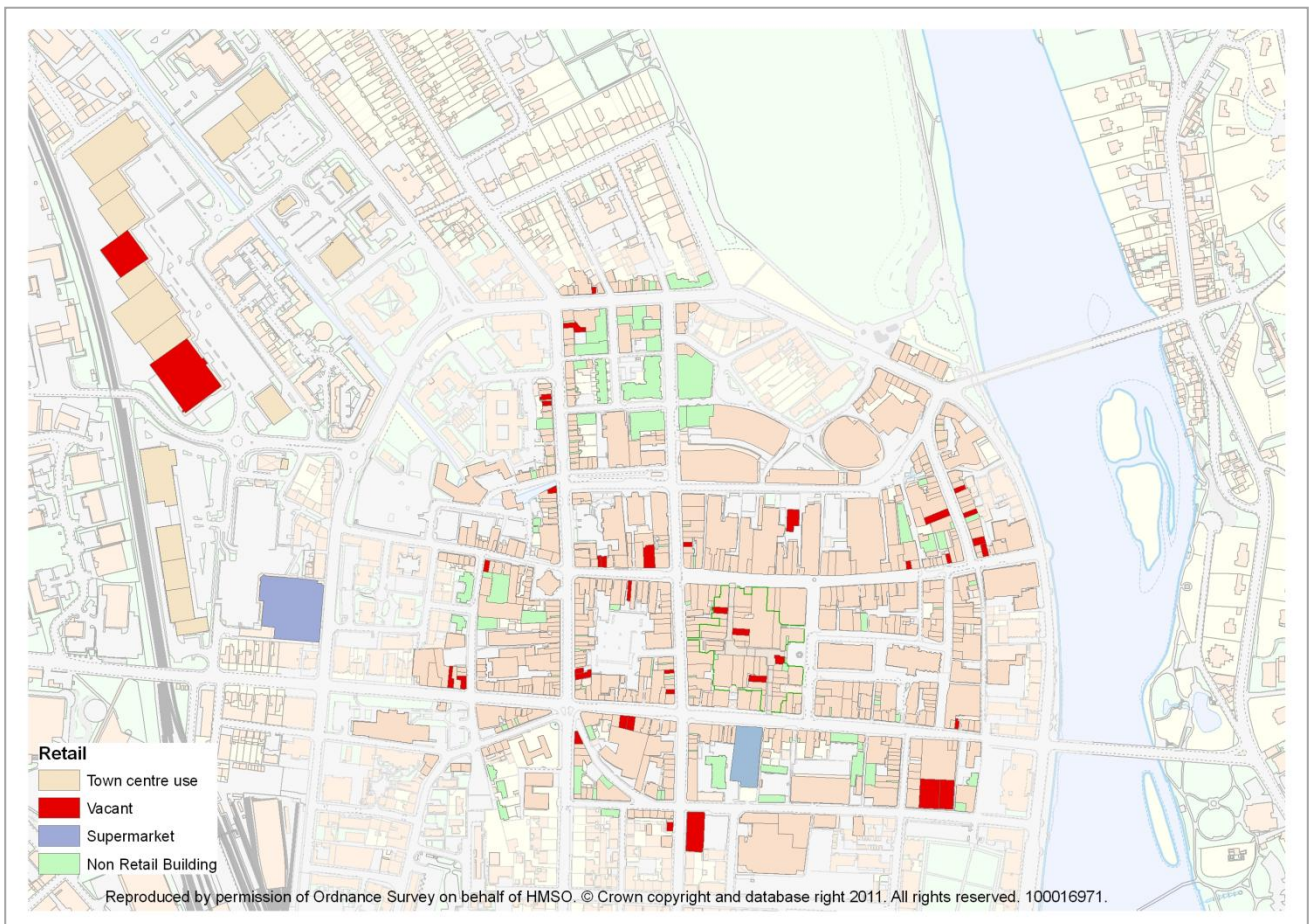
3.5.1 Based on the Goad survey in 2010, there were 62 vacant units (11,440 sq m gross) relating to retail and service use in the city centre.

3.5.2 Map 3.1 illustrates the location of the vacant units. The total stock of retail and service

units in the city centre, including vacant units, was 599 units (117,050 sq m gross). Thus the vacancy rate was 10%. Service units include restaurants, pubs, amusements, banks etc, but in this report, exclude public buildings, churches, cinemas, clubs and so on.

3.5.3 In 2006, there were 41 vacant retail and service units in the city centre with a floorspace of 11,614 sq m. So the vacancy rate by floorspace was similar to the present level, but the number of units is greater today. By comparison, the vacancy rate in Stirling city centre was 8% (2009 Council survey) and nearly 9% in Inverness in 2010 (Council update to Goad survey).

Map 3.1 Vacant retail units in Perth City Centre



4 Convenience retail expenditure and turnover

4.1 Introduction

4.1.1 This section of the report examines the convenience expenditure and turnover relationships in Perth & Kinross, taking account of the current shopping patterns. The market shares of each of the five sub areas are estimated, together with the forecast growth to 2021

4.2 Convenience expenditure potential

4.2.1 Retail expenditure per capita data for Perth & Kinross was commissioned from Pitney Bowes for this Review- see Table 4.1. The information is based on official government data on consumer spending, modelled to reflect the socio economic profile of the Council area. The projected growth forecast derives from Oxford Economics for the UK, adjusted on a computerised basis by Pitney Bowes to correspond with the particular socio economic profile of the Council area. Until recently, only national growth rates were available for application.

4.2.2 The average growth rate for convenience expenditure per capita in Perth & Kinross for 2011-21 is 0.58% per annum, which is slightly higher than the UK average of 0.4% per annum- see the footnotes in Table 4.1. Presumably it is higher because the local

socio economic profile contains groups whose rate of convenience spend is forecast to increase faster than the national average. However, the forecast annual growth rates for convenience expenditure are very low compared to the forecast growth rates for comparison expenditure.

4.2.3 Special forms of retailing, including internet spending, mail order etc, have been removed, as shown in the table. This allows compatibility with the provision of retail floorspace.

4.2.4 It should be noted that the low proportion of special forms of retailing mainly refers to non store-based sales and will not reflect the substantial internet grocery sales which are picked off supermarket shelves.

4.2.5 Table 4.2 shows the total convenience expenditure potential for Perth & Kinross. It is currently £285 million and forecast to rise to £305 million by 2016. Thus, the growth to 2016 is nearly £20 million or 6.9%. The forecast expenditure in 2021 is over £327 million. So for 2011-21, the growth is 14.8% or about £42 million. The latter projection should be treated with caution, owing to the greater uncertainty over time.

Table 4.1
Perth & Kinross residents' convenience expenditure per capita per annum (in 2009 prices)

2009 £	2011 £	2015 £	2016 £	2020 £	2021 £
1,941	1,962	2,004	2,016	2,066	2,079
<i>*Excluding special forms of retailing</i>					
1,916	1,936	1,978	1,990	2,039	2,052
Derived average annual growth rate for P & K 2011-2021 is			0.58%	per annum	
UK national average growth rate 2009-20 is 0.4% per annum (Table 3.4, P Bow es Retail Expenditure Guide 2010-11)					
Note					
The top row of figures for 2009, 2015 and 2020 are direct from the Pitney Bow es AnySite report for Perth & Kinross, based on the forecasts by Oxford Economics. The years in bold are interpolations and an extrapolation for 2021.					
*Special forms of retailing (1.3%) have been removed- figure drawn from P Bow es Retail Expenditure Guide 2010-11.					
SPF includes internet spending, mail order and other forms of retail spending not from conventional retail floorspace.					

Table 4.2
Perth & Kinross residents' convenience expenditure potential (in 2009 prices)

(excluding special forms of retailing) Sub area	2011 £ million	% growth 2011-16	2016 £ million	% cumulative growth 2011-21	2021 £ million
Perth	158.5		169.5		181.9
Kinross	22.9		24.5		26.3
Strathearn	41.4		44.3		47.6
Highland	25.1		26.8		28.8
Strathmore & the Glens	37.4		40.0		42.9
Total Perth & Kinross Council area	285.3	6.9%	305.1	14.8%	327.5
Note From Tables 1.1 and 4.1					

4.3 Convenience expenditure patterns

4.3.1 Little has changed in terms of major new convenience store provision in the Council area since 2006. There have been no new major supermarkets or superstore developments completed, although consents exist for supermarkets in Crieff, Pitlochry and Scone. So the convenience shopping patterns are likely to be similar to those identified by 2006 household shopping survey.

4.3.2 Based on the household survey, Table 4.3 shows the origin and destination of convenience shopping by sub area. The table illustrates the dominant attraction of the Perth supermarkets as the main destination for local residents and also high for proportions of shoppers from the Strathearn and Highland sub areas.

4.3.3 In Kinross, the former Somerfield is operated by Sainsbury's. It was extended by them in 2010. The other Kinross convenience stores are also quite small and the household survey indicated some attraction to the Perth supermarkets, which may possibly be reduced following the arrival of Sainsbury's.

4.3.4 Elsewhere, Table 4.3 indicates a high reliance on local supermarkets and shops in Strathearn, although the existing supermarket provision is limited. In the Highland area, the high level of attraction to Perth for food shopping suggests scope for an additional supermarket to reduce the need to travel. In the Strathmore & the Glens area,

convenience shopping is fairly self contained, aided by the presence of a mainstream operator (Tesco).

4.3.5 With regard to convenience expenditure outflows from Perth & Kinross, the proportions were too small to be recorded by the 2006 household survey. There will be a small proportion though, which may relate mainly to Dundee.

4.3.6 Inflows of convenience expenditure are also low. In the recent Fife household shopping survey (2009), about 5% of respondents from East Fife identified Perth as their main food shopping destination. This equates to nearly £7 million. The proportion from the rest of Fife was negligible. From the Stirling household survey (2006), the proportion of respondents identifying Perth as their main food shopping destination was 0.5%, based on the Stirling and Clackmannanshire areas. This equates to about £2 million. The proportion from outside Perth & Kinross identifying Perth as their main food shopping centre from the Dundee household shopping survey (2006) was also negligible.

4.3.7 Thus, the total inflows may equate to about 3% of the Perth & Kinross residents' expenditure potential in Table 4.2. Given that this small proportion will be reduced by outflows, the Council area expenditure and turnover is treated as being approximately in balance in this report, as it was in the 2006 Review.

Table 4.3 Perth & Kinross convenience shopping patterns (main food and top up combined)						
sample size 1001 <i>Destination</i>	<i>Origin by sub area</i>					by Total
	Perth	Kinross	Strathearn	Highland	Strathmore & the Glens	
Perth City Centre (Tesco SS & CC shops)	14%	2%	1%	4%	1%	8%
Other Perth supermarkets (Aldi, ASDA, Lidl, Morrison, Tesco Crieff Rd, Tesco Edinburgh Rd)	71%	16%	33%	44%	5%	47%
Kinross Sainsbury's (was Somerfield)	0%	21%	0%	0%	0%	2%
Crieff Co-op	0%	0%	28%	0%	0%	4%
Auchterarder Co-op	0%	0%	7%	0%	0%	1%
Pitlochry Co-op	0%	0%	0%	21%	0%	2%
Aberfeldy Co-op	0%	0%	0%	12%	0%	1%
Blairgowrie Co-op, Tesco)	0%	0%	0%	1%	62%	10%
Coupar Angus Co-op	0%	0%	1%	0%	5%	1%
Other local shops	13%	58%	29%	18%	24%	22%
Internet	0%	0%	1%	0%	2%	0%
Mail order						
Don't do top up (as % of combined)	2%	3%	3%	2%	1%	2%
Total	100%	100%	100%	100%	100%	100%

Note: the percentages have been rounded the nearest whole figure
Shopping patterns derive from the Perth & Kinross household shopping survey 2006, for main food and tip up shopping, weighted 75:25 main food: top up shopping.

4.4 Convenience floorspace and turnover 2011

4.4.1 Table 4.4 shows the distribution and turnover of the convenience floorspace in Perth & Kinross at average company levels, based on Mintel's Retail Rankings 2010 for the supermarkets. The total turnover is controlled to the expenditure based total in Table 4.2. The difference indicates over trading at a very low level of 1% above the average levels, overall.

4.4.2 The market share based distribution of turnover from the household survey produced a number of anomalies, including greatly under stating the turnover of convenience shops in the city centre and rather extreme rates of over trading in Strathearn and Highland. So it cannot be applied without considerable interpretation and adjustment.

4.4.3 Thus, it is reasonable to assume that the distribution of turnover (at close to average levels) in the Council area in table 4.3 is likely to be more representative for the

purposes of this report, with the over trading perhaps added to Strathearn and Highland. Among the Co-op stores, it has been assumed that those which were former Somerfield stores, and the large Co-op in Pitlochry, are trading at higher levels than the Co-ops in Aberfeldy and Coupar Angus. The small Co-op in Auchterarder is also reported to be trading very strongly. So a true average for the Co-ops has not been applied in these cases, but the turnover levels are quite small and it is useful to assign the turnover in a single table.

Table 4.4				
Perth & Kinross: convenience floorspace and turnover, 2011 (in 2009 prices)				
	Floorspace sqm		Turnover ratio £/sq m	Turnover at average level £million
	gross	net		
PERTH				
(1) Perth City Centre total	7,073	4,404		41.2
Tesco, South Street	2,948	1,916	12,440	23.8
Marks & Spencer foodhall	1,077	646	11,144	7.2
Rest of City Centre	3,048	1,841	5,500	10.1
(1) Perth out of centre stores-total	22,889	13,543		142.4
ASDA (7,833 sq m gross)-60% conv	4,700	2,820	12,726	35.9
Morrison (4,965 sq m gross)-90% conv	4,469	2,234	12,807	28.6
Tesco, Ed Rd (5,300 sq m gross)-75% conv	3,975	2,385	12,440	29.7
Tesco, Cr Rd (7,863 sq m gross)-65% conv	5,111	3,067	12,440	38.1
Lidl, Riggs Road	1,407	985	3,311	3.3
Aldi, Glasgow Road	1,160	812	3,311	2.7
(3) Other Perth	2,068	1,241	3,311	4.1
KINROSS total	3,850	2,525	3,300	24.4
(3) Sainsbury's	2,900	1,955	11,527	22.5
(2) Other shops	950	570	3,300	1.9
STRATHEARN total	5,825	3,495		18.1
(1) Crieff				
Co-op (was Somerfield)	1,450	870	8,200	7.1
Other shops	2,695	1,617	3,300	5.3
(2) Auchterarder				
Co-op	780	468	8,200	3.8
Other shops	900	540	3,300	1.8
HIGHLAND total	3,580	2,148		11.4
(2) Pitlochry				
Co-op	1,150	690	8,200	5.7
Other shops	620	372	3,300	1.2
(3) Aberfeldy				
Co-op	450	270	6,600	1.8
Other shops	1,360	816	3,300	2.7
STRATHMORE & THE GLENS total	8,120	4,872		45.1
(2) Blairgowrie				
Tesco	4,480	2,688	12,440	33.4
Co-op (was Somerfield)	1,060	636	8,200	5.2
Other shops	1,110	666	3,300	2.2
(3) Coupar Angus				
Co-op	669	401	6,600	2.6
Other shops	801	481	3,300	1.6
Total Perth & Kinross at average levels				282.5
<i>Overtrading</i>			<i>1%</i>	<i>2.8</i>
Total Perth & Kinross at actual levels				285.3
Notes				
(1) gross floorspace from Council surveys 2000-2005, updated by Ryden/ Goad in 2006, updated by further changes from Goad 2010 data				
(2) gross floorspace from Goad 2010 data, replacing 2006 Ryden survey/estimates				
(3) gross floorspace from 2006 Ryden survey/estimates				
Supermarket turnover ratios derive from the Retail Rankings 2010, with VAT added and petrol sales removed				

4.5 Convenience planning consents & opportunities

4.5.1 Table 4.5 shows the current convenience retail planning consents and opportunities in Perth & Kinross. The term 'opportunities' refers to sites (with planning applications) where there is Council support for new foodstore development in principle, but not necessarily for the specific applications.

4.5.2 As shown in Table 4.5, there are consents for four new supermarket developments at present. These are in Crieff (with Sainsbury as the operator), Scone (no named operator), Perth (Aldi- subject to signing Section 75 Agreement) and recently, the consent at Pitlochry (Sainsbury's). These consents would meet the emerging LDP requirement for additional foodstore provision in these areas. The combined turnover equates to £59 million, depending on the operator at Scone.

4.5.3 In Table 4.5, there is an identified opportunity site for a supermarket at Duchlage Farm, Crieff (Tesco), as the Council preferred alternative to the current consent.

4.5.4 Other opportunity sites which are not shown in Table 4.5 include those mentioned in the LDP Main Issues Report, which identify a site in Kinross and the two alternative sites in North West Perth.

4.5.5 Aside from the consents and opportunity sites, there are two other undetermined applications:

- Sainsbury propose to develop a 9,533 sq m gross/ 6,038 sq m net superstore at Huntingtower (09/02126/FLM), but not on the sites identified in the MIR,
- Proposed supermarket use of visitor centre (unit 7), Highland Gateway, Inveralmond (10/01844/FLM), 2,402 sq m gross, 1.858 sq m net

Table 4.5				
Convenience floorspace in Perth & Kinross: consents and opportunities 2011 (in 2009 prices)				
	Floorspace sq m		Turnover ratio £/sq m	Turnover £million
	gross	net		
Consents				
Supermarket, Market Park, Crieff (total 3,400 sq m gross 78% conv) 07/01998/REM Approved Sept 2008 (plus retail warehouse unit) Net floorspace 2,322 sq m: 1,822 sq m conv/ 500 sq m comp floorspace Applicant: Kensington & Edinburgh Estates (with Sainsbury as potential operator, but not named in application). Consent may have expired in Sept 2010	2,652	1,822	11,527	21.0
Supermarket, David Douglas Ave, Scone (A&J Stephen Ltd) 09/01311/IPM Approved Jan 2010. 3,500 sq m gross (72% conv) Net floorspace 2,450 sq m: 1,764 sq m conv/ 686 sq m comp floorspace No named operator	2,520	1,764	12,375	21.8
Supermarket, Bridge Rd, Pitlochry (Sainsbury) total 2,417 sq m gross/ 1,393 sq m net 10/00666/FLM. Split of 80:20 conv: comp sales	1,934	1,114	11,527	12.8
Supermarket, Stephen House, 16 Edinburgh Rd, Perth (Aldi) 08/01459/FLL Consent minded, subject to signing S75 Agreement	1,654	1,158	3,311	3.8
Opportunities- applications				
Supermarket, land at Duchlage Farm, Crieff (A&L King and Tesco) 08/01955/FLM. Undetermined but Council preferred site alternative to Market Park Total 3,425 sq m gross, 2,000 sq m net, with 1,600 sq m conv (80%): 400 sq m comp	2,740	1,600	12,440	19.9
Note Floorspace from P&K Council. Estimated turnover based on company averages from the Retail Rankings 2010.				

5 Spare convenience capacity to 2021

5.1 Definition

5.1.1 Spare expenditure capacity can exist in the following ways:

- Over trading above average company levels;
- Projected expenditure growth retained in the area;
- Potential to re-capture expenditure leakage/ increase inflow; and
- 'Acceptable' levels of retail impact.

5.1.2 Table 5.1 sets out the forecasts of spare convenience expenditure capacity in Perth & Kinross by sub area to 2016 and cumulatively to 2021. The forecasts incorporate reductions relating to the existing planning consents. Given the low expenditure growth rate, no particular allowance is incorporated for estimated increases in convenience floorspace efficiency. This term refers to assumptions that the average turnover per sq m will increase over time.

5.1.3 There is current over trading of less than £3 million in the Council area, which has been attributed to shops in Strathearn and Highland in Table 5.1, based on commentary in the previous section. Forecast growth from 2011 to 2016 is nearly £20 million, with cumulative growth of some £42 million from 2011-21.

5.1.4 In Perth & Kinross, the potential to recapture leakage/ attract new trade principally relates to expenditure flows to the out of centre Perth supermarkets by shoppers from the other four sub areas. In Table 5.1, the potential trade diversion in relation to the four current supermarket consents is shown in the footnote.

5.1.5 Table 5.1 shows that, overall, the over trading and expenditure growth to 2016 is well short of that required to service the consents. There will be very high impacts on the existing shops in Stathearn and some rationalisation is likely to occur. Medium levels of impact are anticipated on Highland stores.

5.1.6 Also, there will be high cumulative trade diversion on the Perth out of centre

supermarkets of over £32 million. This equates to a high impact of around 22%.

5.1.7 After deducting the trade diversion to the consents, there will only be low levels of spare capacity in the Kinross and the Strathmore & the Glens sub areas. This is more relevant than the total for the Council area in terms of residual capacity to serve local areas.

5.1.8 Assuming the consents are developed, the total spare capacity for the Council area would be nearly **£5 million in 2016 and around £11 million by 2021**, relating to the sum of the surpluses in the Kinross and the Strathmore & the Glens sub areas. plus an insignificant surplus in Perth city centre by 2021.

5.1.9 The notion of 'acceptable' retail impact refers to the situation where trade diversion to a new development drives the turnover of established stores or centres below average levels. There is no hard rule on what percentage impact below average levels is acceptable, except that it should not threaten the vitality and viability of established shopping centres.

5.1.10 By way of guidance, this author would consider trade diversion that causes impacts of 20% or more below average levels, to be potentially threatening, but the level would vary depending on the trading strength of the centres/ stores. In fact the notion emerges from Table 5.1 in terms of the levels of trade diversion, which would result in impacts of more than 20% on Strathearn stores and the out of centre Perth supermarkets.

5.1.11 Table 5.2 shows the overall forecast spare convenience capacity in the Council area, together with the equivalent supermarket floorspace for rough guidance.

5.2 Interpretation

5.2.1 Expression of the overall spare capacity for the Council area in Table 5.2 should not be interpreted as potentially

Table 5.1								
Perth & Kinross: forecast spare convenience expenditure capacity to 2021 (in 2009 prices)								
	a	b	c	d	e	c+d-e	f	c+f-e
Sub area	Turnover at average levels 2011 £million	Turnover at actual levels 2011 £million	b-a Overtrading £ million	2011-16 Expenditure growth £m 6.9%	Less: *consents £ million	2016 spare capacity £ million	2011-21 Cumulative exp growth £m 14.8%	2021 spare capacity £ million
Perth	183.5	183.5	0	12.7	47.3	-34.5	27.1	-20.1
City Centre	41.2	41.2	0	2.9	5.1	-2.3	6.1	1.0
Out of centre	142.4	142.4	0	9.9	42.1	-32.2	21.1	-21.1
Kinross	24.4	24.4	0	1.7		1.7	3.6	3.6
Strathearn	18.1	19.8	1.7	1.4	8.4	-5.3	2.9	-3.7
Highland	11.4	12.4	1.1	0.9	3.9	-1.9	1.8	-0.9
Strathmore & the Glens	45.1	45.1	0	3.1		3.1	6.7	6.7
Over trading	2.8							
Total Council area	285.3	285.3	2.8	19.8	59.5	-36.9	42.2	-14.5
Total- excluding those sub areas with negative capacity						4.8		11.2
Note: Forecast spare capacity assumes the consents are developed and operational by 2016								
a - from Table 4.4. b apportionment of over trading to Strathearn & Highland . c from Table 4.4 d from b-a e total from Table 4.5 f from Table 4.2								
* consents	Turnover £m							
Crieff supermarket	21.0	assume 40% trade diversion from Stathearn and 60% from out of centre Perth supermarkets						
Scone supermarket	21.8	assume 20% trade diversion from city centre and 80% from out of centre Perth supermarkets						
Aldi	3.8	assume 20% trade diversion from city centre and 80% from out of centre Perth supermarkets						
Pitlochry supermarket	12.8	assume 30% trade diversion from Highland and 70% from out of centre Perth supermarkets						

Table 5.2 Perth & Kinross: total spare convenience expenditure capacity to 2021 also indicating equivalent gross retail floorspace		
	2011-16 £ million	cumulative 2011-21 £ million
Convenience	4.8	11.2
	<i>sq m</i>	<i>sq m</i>
<i>Gross floorspace equivalent</i>	813	1,891
<i>rounded</i>	800	1,900
<p>Note- refers to capacity over and above existing consents</p> <p>Important- the total figure should not be regarded as relevant to supporting a single potential development</p> <p>Based on the sum of positive spare capacities in each of the five sub areas- see Table 5.1.</p> <p>The gross equivalent floorspace is expressed on the basis of the average turnover ratio of the four main operators, £12,375 per sq m net, assuming a net/gross floorspace ratio of 60%, allowing a notional 20% of the floorspace to be devoted to comparison sales</p>		

servicing one development, but relates to the sum of low levels of spare capacity in Kinross and the Strathmore & the Glens sub areas, as shown in Table 5.1.

5.2.2 In Kinross, the small amount of spare capacity would support store extensions or a discounter, for example, or possibly relocation to the preferred site in the MIR. The latter would result in more trade diversion on the out of centre Perth supermarkets though.

5.2.3 Within the Perth sub area, there will be no obvious capacity for an additional superstore, especially if the current opportunity sites in the other sub areas are developed. The high cumulative impacts on the Perth out of centre supermarkets are unlikely to cause any closures though, but there is little scope for any additional trade diversion.

5.2.4 For shoppers in the Strathmore & the Glens area, there is little association with the Perth supermarkets, so the forecast capacity is limited, as indicated in Table 5.1. Furthermore, more trade from this area may be diverted to Dundee in the future, following the recent ASDA consent on the north eastern edge of the city.

6 Comparison retail expenditure and turnover

6.1 Introduction

6.1.1 As described in section 3, Perth is a sub regional shopping centre in the TAYplan hierarchy. Its offer of specialty shopping and visitor orientated shopping differentiates the city and provides complementary role to Dundee. Therefore comparison retailing is of key importance to the future of the city and also to the smaller towns, where visitor spending is an important contributor to the local economy.

6.1.2 This section of the report examines the comparison expenditure and turnover relationships in Perth & Kinross, taking account of the current shopping patterns. The comparison goods turnover of each of the five sub areas is estimated, together with the forecast growth to 2021.

6.1.3 In addition, the forecast growth in bulky goods expenditure and turnover is estimated for the Council area. In this report, the bulky goods categories refer to: *furniture/ floorcoverings and household fabrics, domestic appliances and DIY*. The definition is narrower than the one used in the 2006 Review, in that it no longer includes small

electrical items and audio visual goods. The reason is provide sharper guidance on items which have some justification for not being sold in town centres.

6.2 Comparison expenditure potential

6.2.1 As for convenience expenditure, comparison retail expenditure per capita data for Perth & Kinross was commissioned from Pitney Bowes for this Review- see Table 6.1. The sources and bases for forecasts are described in section 4.

6.2.2 The average growth rate for comparison expenditure in Perth & Kinross (Pitney Bowes) for 2011-21 is 3.3% per annum per annum, which is slightly lower than the UK average of 3.8% per annum from 2009-20- see Appendix 2. The reason for the difference relates to the socio economic profile of Perth & Kinross compared to the UK average (which influences the expenditure growth rate), as explained in paragraph 4.2.2 for convenience retailing. For bulky goods, the forecast annual growth rate in Perth & Kinross is much lower, at 1.4% per annum.

Table 6.1
Perth & Kinross residents' comparison expenditure per capita per annum (in 2009 prices)
after deducted special forms of retailing

	2011 £	2016 £	2021 £
Bulky goods	681	691	713
All comparison goods	3,036	3,420	3,884
Note			
From Appendix 2: original Pitney Bowes data minus special forms of retailing, including internet expenditure			

Table 6.2
Perth & Kinross residents' comparison expenditure potential (in 2009 prices)

(excluding special forms of retailing) Sub area	2011 £ million	% growth 2011-16	2016 £ million	% cumulative growth 2011-21	2021 £ million
All comparison goods					
Perth	248.5		291.2		344.4
Kinross	36.0		42.1		49.8
Strathearn	65.0		76.1		90.0
Highland	39.3		46.1		54.5
Strathmore & the Glens	58.6		68.7		81.2
Total Perth & Kinross Council area	447.3	17.2%	524.3	38.6%	620.0
Bulky goods					
Total Perth & Kinross Council area	100.4	5.5%	105.9	13.4%	113.9
Note From Tables 1.1 and 6.2					

6.2.3 Special forms of retailing, including internet spending, mail order etc, have been removed, as shown in Appendix 2. The proportion of comparison retail expenditure attributable to internet spending is growing, and therefore increasing proportions are deducted from the expenditure per capita in the forecasts from 2011- 21. Thus, the proportion of special forms of retailing for comparison goods in 2011 is estimated at 8.8%, rising to 15.8% by 2021.

6.2.4 Table 6.2 shows the total comparison expenditure potential for Perth & Kinross. It is currently £447 million. Comparison expenditure growth in the Council area up to 2016 is 17.2% or £77 million. For 2011-21, it is 38.6% or about £173 million. The latter projection should be treated with caution, owing to the greater uncertainty over time. As shown in Table 6.2, forecast growth for bulky goods expenditure is much lower.

6.3 Comparison expenditure patterns

6.3.1 There has been limited new comparison retail development in Perth & Kinross since the 2006 Review. New developments include: development of the Highland Gateway, (Inveralmond) and extensions to the House of Bruar. Approval was granted for refurbishment and part redevelopment of the former Woolworth's building in the city centre, which is now underway. However, no development of the major city centre retail scheme at Mill Street has taken place. The proposed City Hall

redevelopment for speciality retailing also failed to progress.

6.3.2 Nor has there been any major retail development outside Perth & Kinross which is likely to have a significant bearing on the shopping patterns. Perhaps the nearest would be the major extension to the Kingsgate Shopping Centre in Dunfermline.

6.3.3 However, there has been a reduction in the numbers of comparison retailers in the city centre since 2006, with an associated, significant reduction in the level of comparison floorspace identified in 2011. Some of the reduction is accounted for by the closure of Woolworth's, which was vacant at the time of the Goad survey (2010). The building is currently being redeveloped and will be occupied by Next. Otherwise, with less comparison retailers overall, it is fair to consider that the expenditure outflows from Perth & Kinross have probably increased slightly since the last Review.

6.3.4 Therefore the comparison expenditure outflows are assumed to have increased from 20% to 22% since 2006, with inflows remaining at 13%.

6.3.5 The inflows of comparison expenditure were based on visitor surveys in Perth, Crieff and Eaglesgate in 2006, combined with visitor data from VisitScotland. Local authority household shopping surveys in Dundee (2006), Stirling (2006) and Fife (2009) broadly reinforce the assumed comparison inflows to Perth, but not with precision.

6.3.6 Table 6.3 shows the updated comparison expenditure and turnover relationships for the Council area in 2011, based on these patterns and projected to 2021. The growth potential is substantial, prior to consideration of planning consents and opportunities.

6.4 Comparison floorspace and turnover 2011

6.4.1 Table 6.4 shows the distribution and turnover of the comparison floorspace by sub area in Perth & Kinross, controlled to the expenditure based totals in the previous table. It is estimated that the turnover levels are about average for Perth and the smaller towns and that there is no over trading, for example.

6.4.2 A list of the retail warehouses in St Catherine's Retail Park is included in Appendix 3. Description of other out of centre

comparison retail floorspace is provided in the footnotes to Table 6.4.

6.4.3 In the 2006 Review, the market share based estimates of turnover from the household survey required adjustments to remove inconsistencies. The distribution of turnover in the Council area in 2006 was close to the average anticipated levels at the time, with a small amount of over trading assumed in the city centre and at St Catherine's Retail Park. So the main difference is that there is no assumed over trading in 2011, as shown in Table 6.4

Table 6.3
Perth & Kinross comparison expenditure and turnover patterns in 2009 prices

	%	2011 £million	Growth £m 2011-16	2016 £million	Growth £m 2011-21	2021 £million
Residents' expenditure potential		447.3		524.3		620.0
Plus inflows	13%	58.2		68.2		80.6
Less outflows	22%	-98.4		-115.3		-136.4
Retained expenditure (turnover)		407.1	70.0	477.1	157.1	564.2

Note

From Table 6.2 and expenditure patterns from the 2006 Retail Review, with outflows increased from 20%

Table 6.4				
Perth & Kinross comparison retail floorspace and turnover 2011 (in 2009 prices)				
	Floorspace sq m		Av. turnover £ per sq m	Turnover levels £million
	Gross	Net		
Perth	104,970	70,503		326.6
City Centre	62,147	38,130	5,714	217.9
St Catherine's Retail Park	20,630	16,504	2,800	46.2
*Comparison floorspace in o/c supermarkets	7,707	4,280		32.3
B&Q Crieff Road	5,806	4,645	1,806	8.4
** Other out of centre	8,680	6,944	3,143	21.8
Kinross	1,640	984	2,857	2.8
Strathearn	14,770	9,455	3,143	29.7
Crieff	7,570	4,745		
Auchterarder	3,300	1,980		
Eaglesgate (Tullibardine)	3,900	2,730		
Highland	14,505	9,275	3,143	29.2
Pitlochry	6,010	3,606		
Aberfeldy	2,772	1,663		
***House of Bruar	5,723	4,006		
Strathmore & the Glens	9,956	5,974	3,143	18.8
Blairgowrie	8,950	5,370		
Coupar Angus	1,006	604		
Total Perth & Kinross				407.1
Note				
Retail floorspace derives from the same sources as convenience retailing in section 4				
* this refers to the comparison floorspace in supermarkets- see calculations below				
ASDA, Dunkeld Road (7,833 sq m gross)-40% comp	3,133	1,723	7,636	13.2
Morrison, St C R Park (4,965 sq m gross)-10% comp	497	248	7,684	1.9
Tesco, Edinburgh Road (5,300 sq m gross)-25% comp	1,325	795	7,464	5.9
Tesco, Crieff Road (7,863 sq m gross)-35% comp	2,752	1,514	7,464	11.3
Total	7,707	4,280		32.3
** Other out of centre includes the Highland Gateway units 1-6 retail (4,330 sq m gross)- Tiso, Nevada Bob's etc, Christian Bookshop, Riggs Road (former Lidl unit) 1,350 sq m gross Plus nominal allowance for other comparison floorspace in Perth, outside the city centre (3,000 sq m gross)				
*** Includes expansion (953 sq gross and 1,570 sq m gross)				

6.5 Bulky goods expenditure and turnover

6.5.1 Retail floorspace data relating to bulky goods sales cannot readily be identified in a comprehensive way. While it is easy to distinguish some bulky goods retail warehousing for example, the same is not true in town centre stores where bulky goods are often mixed with other items.

6.5.2 However, this presents no obstacle to making forecasts of spare bulky goods expenditure based on the expenditure patterns derived from the household survey, updated to 2011.

6.5.3 For bulky goods, the findings of the 2006 survey indicated that leakage from the Council area was a similar proportion to that for all comparison expenditure. Accordingly, this proportion is assumed to rise to 22% for the current study, with 78% retention in the Council area. Information on inflows of bulky goods expenditure is sketchy and the inflows will probably be very low (say 5% at a guess), given the characteristics of Perth & Kinross.

6.5.4 Table 6.5 shows the estimated bulky goods expenditure and turnover in Perth & Kinross in 2011, projected to 2021. The growth potential is very low compared to all comparison expenditure.

6.6 Comparison planning consents & opportunities

6.6.1 Table 6.6 shows the current comparison retail planning consents and

opportunities in Perth & Kinross. Definition of 'opportunities' is provided in section 4.

6.6.2 Some comparison planning consents have been developed since 2006 and are not included in Table 6.6. These include the Highland Gateway at Inveralmond (former Caithness Glass), extensions to the House of Bruar and the Christian Bookshop in the former Lidl unit in Perth. These changes are embraced into the current retail floorspace in Table 6.4.

6.6.3 The consents in Table 6.6 are mostly in, or by, the city centre, plus a retail warehouse unit in Crieff. Under the opportunities, improvements to St Catherine's Retail Park would have some policy support under the Structure Plan and in the emerging LDP in terms of location, but the current application has yet to be determined.

6.6.4 The proposed redevelopment of the Woolworth's building is very supportive of the city centre, but lack of progress on the Mill Street scheme is a setback. Perth needs a major new city centre retail scheme in order to maintain its position. The challenge is to identify an opportunity in the city centre core area, with strong prospects for development when the market picks up.

6.6.5 Other than the consents and opportunities, there is a current application to develop some retail units in Pitlochry (921 sq m).

Table 6.5
Perth & Kinross bulky goods expenditure and turnover patterns in 2009 prices

	%	2011 £million	Growth £m 2011-16	2016 £million	Growth £m 2011-21	2021 £million
Residents' expenditure potential		100.4		105.9		113.9
Plus inflows	5%	5.0		5.3		5.7
Less outflows	22%	-22.1		-23.3		-25.0
Retained expenditure (turnover)		83.3	4.6	87.9	11.2	94.5

Note

From Table 6.2 and expenditure patterns from the 2006 Retail Review, with outflows increased from 20%, plus a nominal allowance for 5% inflow of bulky goods expenditure

Table 6.6				
Comparison floorspace in Perth & Kinross: consents and opportunities 2011 (in 2009 prices)				
	Floorspace sq m		Turnover ratio £/sq m	Turnover £million
	gross	net		
Consents				
111-119 High St, Perth (application to subdivide former Wooworths into two mult storey units (10/01580/FLL) - area from 2006 Review . Approved Dev 2010	3,317	1,990	4,000	8.0
Riggs Rd, Perth (redevelopment for non food retail) Direct Flooring 06/02581/FUL Consent March 2007	836	585	3,000	1.8
Additional unit beside Matalan, Victoria Rd, Perth 07/00916/FUL Consent Oct 2007	705	564	3,000	1.7
Retail warehouse unit, Market Park, Crieff (plus supermarket) 07/01998/REM Approved Sept 2008. Plus 500 sq m net comp supermarket floorspace	930	725 500	2,200 6,916	1.6 3.5
Opportunities- applications				
Reconfiguration of units in St Catherine's Retail Park (11/00092/FLM) New unit on the former B&Q site is 6,537 sq m on two floors	6,537	5,230	1,500	7.8
Mill Street redevelopment, Perth- demolition of mixed use properties, including 11,930 sq m gross retailing and replacement with 17,375 sq m gross retailing Net increase 5,445 sq m gross retail (Supporting Statement) 07/02516/FLM Approved subject to S75, but not signed. No progress	17,375	10,425	5,000	52.1
Note Floorspace from P&K Council and supporting information with the applications				

7 Spare comparison expenditure to 2021

7.1 Introduction

7.1.1 A definition of the components of spare capacity has been provided in section 5. For comparison retailing, there is not assumed to be any over trading, so the components are:

- Projected expenditure growth retained in the area;
- Potential to re-capture expenditure leakage/ increase inflow; and
- 'Acceptable' levels of retail impact.

7.2 Range of spare capacity

7.2.1 The approach adopted in this report is to present a range of spare comparison expenditure capacity. The **low** range comprises the projected expenditure growth, after deducting planning consents. The **high** range allows for some claw back of expenditure leakage from Perth & Kinross, including some increased inflow.

7.2.2 **Low range:** Table 7.1 sets out the forecasts of spare comparison expenditure capacity in Perth & Kinross by sub area to 2016 and cumulatively to 2021. The forecasts incorporate reductions relating to the existing planning consents.

7.2.3 In Table 7.1, the forecast spare capacity is around £54 million in 2016 and £141 million cumulatively from 2011 to 2021. The latter figure is very substantial and probably unrealistic for Perth & Kinross, without interpretation. It should also be treated with caution as it is a ten year forecast and growth rates may change.

7.2.4 Assuming the growth rates remain true, and there is limited development of new comparison floorspace in Perth & Kinross, then turnover/floorspace ratios would rise and leakage would probably increase too. If there is significant development of new retail floorspace, the turnover ratios would probably not rise so much.

7.2.5 A common way of addressing this issue is to apply an assumed growth in turnover/ floorspace efficiency, as in the 2006 Review, at 1% per annum. The effect reduces the available forecast capacity. However, it

remains rather an arbitrary convention, where there is little supporting evidence. For example, increasingly few comparison retailers make their turnover ratios readily available in the Retail Rankings publications.

7.2.6 Table 7.2 shows the reduced forecast spare capacity, after applying the floorspace efficiency growth factor. (This term is explained at the beginning of section 5). Thus, the spare capacity becomes about £32 million to 2016 and £97 million, cumulatively from 2011-21. These figures are assumed to represent the low range in this report and are showed with the high range in Table 7.4.

7.2.7 **High range:** allows for recapture of a proportion of the comparison expenditure leakage/new trade attracted. Table 7.3 shows this allowance as a proportion of the leakage, for simplicity, which is estimated to equate to potentially, 20% of leakage in 2016 and 2021. In the 2006 Review, the estimate was 30%, but a lower estimate may now be more prudent in view of the context of Perth in relation to the larger cities and centres.

7.2.8 Under the high range, the forecast spare capacity is £55 million by 2016 and nearly £125 million cumulatively from 2011-21, as shown in Table 7.4

7.2.9 **Retail floorspace equivalent:** is shown for rough guidance in Table 7.4, based on the assumptions shown in the footnote to that table. These estimates are much less accurate than the monetary figures and are simply presented to assist interpretation.

7.2.10 For bulky goods, the equivalent figures are shown in each of the tables for all comparison spare capacity. As indicated in Table 7.4, the forecast spare capacity for bulky goods to 2021 is minimal. It should be noted that this prediction is based on the low growth forecasts for this sector, which may of course change in the future. In terms of support for future retail warehousing, the forecast is not quite so limiting as it may appear, as other goods categories are frequently sold in retail parks.

7.2.11 As introduced in the section on convenience retailing, the concept of 'acceptable retail impact' also applies as a form of spare capacity. For example, it could contribute towards supporting a major scheme in the next few years for example, but has not been specified in this report.

7.3 Interpretation

7.3.1 The forecast range of spare comparison expenditure capacity would support a major new retail development in the city centre by 2016, such as the Mill Street scheme. It would also support further major developments up to 2021. The proposed improvements to St Catherine's retail park would also be supported, but the low forecast growth in bulky goods expenditure suggests little pressure to provide more retail park space for strictly bulky goods categories.

7.3.2 Some retailers of Class 1 goods have large formats which cannot always be readily accommodated in town centres, or have town centre and retail park requirements. Examples include Matalan, TK Maxx, JJB Sports and Brantano. A number of these retailers are already represented at St Catherine's. So there may be a case for providing retail warehouse space for potential additions, to attract those retailers, who might otherwise not come to Perth. Care would have to be taken that the provision would complement the city centre and not compete with it. Indeed, this is the concept behind Dundee's Gallagher Retail Park.

Table 7.1						
Projected spare comparison expenditure capacity to 2021 (in 2009 prices)						
	a	b	c	b-c	d	d-c
All comparison goods	Turnover in 2011	2011-16 turnover growth £m	Less: *consents	2016 spare capacity £ million	2011-21 Cumulative exp growth £m	2021 spare capacity £ million
Sub area	£million	17.2%	£ million		38.6%	
Perth	326.6	56.2	11.4	44.8	126.0	114.6
Kinross	2.8	0.5		0.5	1.1	1.1
Strathearn	29.7	5.1	5.1	0.1	11.5	6.4
Highland	29.2	5.0		5.0	11.3	11.3
Strathmore & the Glens	18.8	3.2		3.2	7.2	7.2
Total Council area	407.1	70.0	16.5	53.6	157.1	140.6
Bulky goods		5.5%			13.4%	
	83.3	4.6	3.4	1.2	11.2	7.8
Note						
a - from Table 6.4. b from Table 6.2. c from Table 6.4 d from Table 6.2						
* consents Turnover £m						
High St/ Riggs Rd/Victoria Rd-	11.4	Assume Riggs may relate to bulky goods				
Crieff Market Park	5.1	Retail warehouse unit will relate to bulky goods				

Table 7.2		
Spare comparison expenditure capacity with 1% per annum growth in floorspace efficiency applied (in 2009 prices)		
All comparison goods	2011-16 £ million	2011-21 £ million
Perth	27.5	79.9
Kinross	0.3	0.8
Strathearn	-1.7	3.0
Highland	3.5	8.2
Strathmore & the Glens	2.3	5.3
Total Council area	31.9	97.2
Bulky goods		
Total Council area	0.1	0.1
The application of 1% per annum growth in floorspace efficiency reduces the spare capacity shown in Table 7.2- as in the 2006 Retail Review. It lowers growth based capacity and has also been applied to the consents. In the table, it is assumed that the planning consents would be developed by 2016		

Table 7.3		
Potential additional capacity: recapture of 30% of comparison expenditure leakage from Perth & Kinross (in 2009 prices)		
	2016 £ million	2021 £ million
Residents' expenditure potential- Table 6.3	524.3	620.0
Leakage 22%- from Table 6.3	115.3	136.4
possible recapture of 20% of leakage	23.1	27.3
for bulky goods (same assumptions applied)	4.7	5.0

Table 7.4				
Range of spare comparison expenditure capacity in Perth & Kinross in 2009 prices				
also indicating equivalent gross retail floorspace				
	2011-16		2011-21 cumulative	
	low £ million	high £ million	low £ million	high £ million
All comparison	31.9	55.0	97.2	124.5
<i>Gross floorspace equivalent</i>	8,900	15,300	25,700	33,000
Bulky goods	0.1	4.7	0.1	5.1
<i>Gross floorspace equivalent</i>	<i>sq m</i> 0	<i>sq m</i> 2,500	<i>sq m</i> 100	<i>sq m</i> 2,600
<p>Note</p> <p>From Tables 7.2 and 7.3</p> <p>For all comparison goods, the equivalent floorspace assumes £ 5,700 per sq m net and net/gross at 60%</p> <p>This is a city centre equivalent only</p> <p>For bulky goods, the equivalent floorspace assumes £ 2,200 per sq m net and net/gross at 80%</p> <p>These turnover ratios are assumed for 2011, and are increased by 1% per annum to 2016 and 2020.</p> <p>Note that the equivalent floorspace estimates are rough guidance only, owing to variations in retail formats and that the ratios for all comparison retailing will be lower outside the city centre</p>				

8 Conclusions

8.1.1 The 2011 Retail Review updates and replaces the previous Review in 2006, while maintaining consistency in format and also continuing to draw on the household shopping survey findings on shopping patterns. In the current Review, the only change is that leakage of comparison expenditure is estimated to have increased slightly.

8.1.2 Current retail market conditions are difficult, owing to the continuing period of slow economic recovery. Most of the difficulties are associated with reduced growth in consumer spending and problems with funding major new comparison retail development in town centres. The supermarket sector remains buoyant.

8.1.3 In Perth city centre, has been a reduction in the level of comparison floorspace with the disappearance of a significant number of retailers since 2006. Some of the closures are at a national level though, on account of the economic conditions, therefore not unique to Perth.

8.1.4 The city centre has also attracted some new retailers though, but there has been a lack of major retail development in the city centre, with schemes in the previous Review failing to materialise. However, planning consents exist for a number of developments in the city centre and beyond. The current application to reconfigure and improve St Catherine's Retail Park is encouraging.

8.2 Spare convenience retail capacity

8.2.1 The forecast spare convenience retail capacity in Perth & Kinross is nearly **£5 million by 2016** and just over **£11 million, cumulatively from 2011-21**. It represents capacity over and above the existing supermarket consents in Crieff, Scone, Pitlochry and the proposed Aldi in Perth. For rough guidance, the equivalent supermarket floorspace is only *800 sq m gross* in 2016 and *1,900 sq m gross* by 2021.

8.2.2 Thus, the residual spare capacity is very low indeed. Importantly, it practically only relates to the Kinross and the Strathmore & the Glens sub areas, and comes with an assumed high trade diversion on the existing out of centre Perth supermarkets and on stores in Strathearn. Note that the total forecast figures for the Council area do not represent the opportunity for a single supermarket development. In summary, assuming the existing consents are developed:

- There will be near minimal convenience expenditure capacity to support further supermarket development up to 2021;
- The capacity relates to the Kinross and the Strathmore & the Glens sub areas; and
- There is no obvious expenditure available to support a new superstore in Perth

8.3 Spare comparison retail capacity

8.3.1 The forecast range of spare comparison capacity in Perth & Kinross is between **£32 to £55 million to 2016** and **£97 to £125 million cumulatively from 2011 to 2121**. This represents capacity over and above the existing consents. The equivalent city centre type floorspace would be *8,900 to 15,300 sq m gross* by 2016 and *25,700 to 33,000 sq m gross* by 2021. The floorspace figures are for rough guidance only.

8.3.2 The forecast spare capacity would support an additional major city centre retail development by 2016, with capacity to support further major comparison retail developments in the city centre up to 2021.

8.4 Implication for planning policies

8.4.1 The findings on spare retail capacity to 2021 in the Review appear broadly supportive of the existing retail policies and also those in the emerging LDP, although the spare convenience capacity leaves little margin. Otherwise, there is no major issue to explore in terms of potentially omitted opportunities. That could of course change as time progresses and monitoring will be required.

8.4.2 Perhaps the principal issue is the need for further investment in Perth city centre, to improve the range and quality of the retail offer and to retain its market share against competing centres. This includes the position of Perth as a speciality shopping centre in relation to the larger city of Dundee within the TAYplan hierarchy. Also, the provision of new retail floorspace needs to match modern retailer requirements in terms of unit sizes, as explained in paragraph 3.3.8. The forecasts of spare comparison capacity in this Review will not necessarily be retained in Perth if there is little progress towards more investment in the city centre.

8.4.3 In summary, assuming the existing consents are developed:

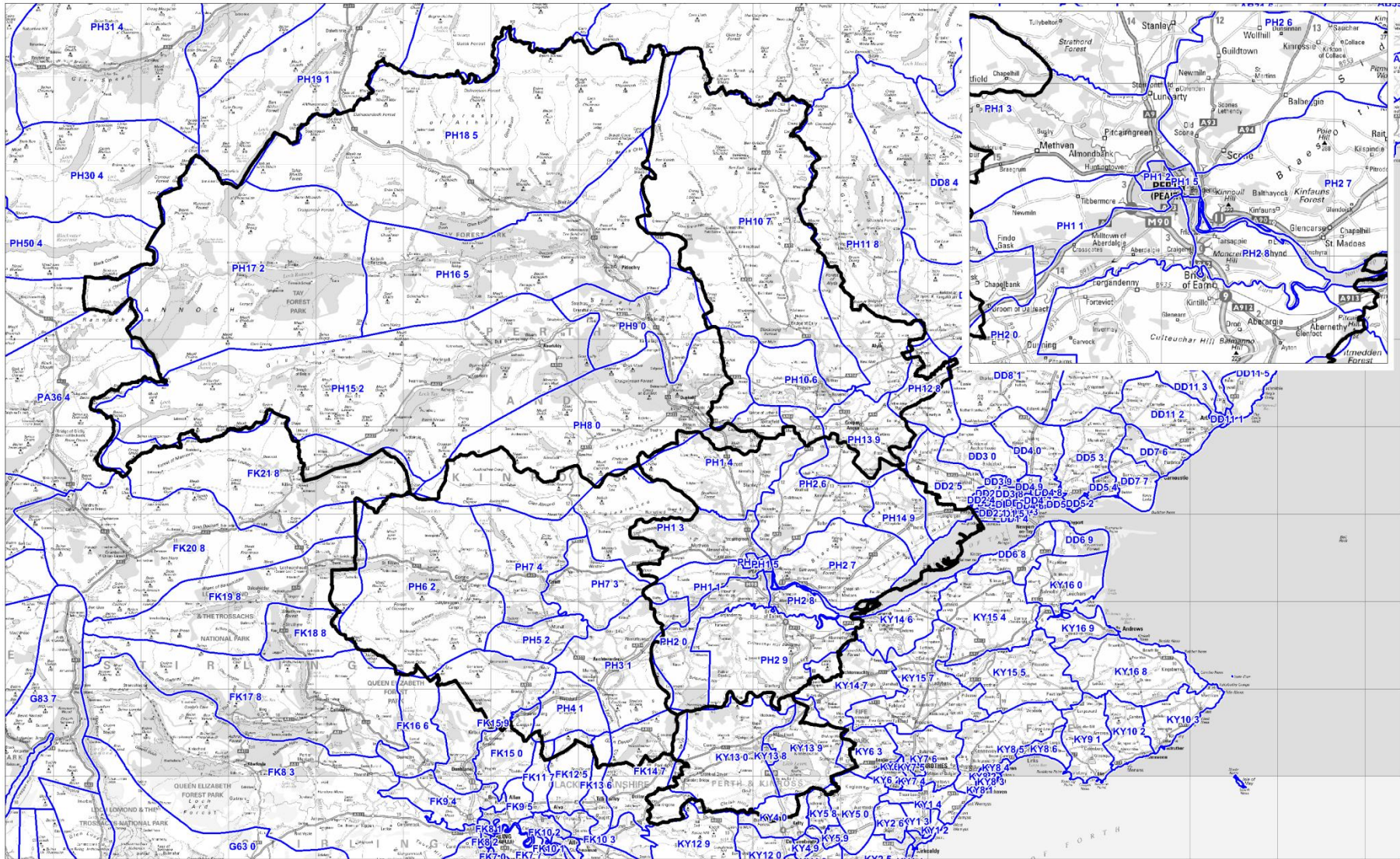
- The forecast spare comparison capacity is up to £55 million by 2016 and up to £125 million by 2021;
- Relating to the above, the equivalent floorspace is up to 15,300 sq m gross by 2016 and up to 3,000 sq m gross by 2021;
- The forecast spare capacity for bulky goods is very limited up to 2021;
- Perth city centre needs to maintain and improve its retail offer and strengthen its range and quality of retailing to maintain its position against competitor centres and also in relation to Dundee;
- The forecast capacity will not necessarily be retained if continual improvement to the city centre offer is not maintained; and
- The city centre needs a major new retail development to secure its future in relation to previous comment.

Appendix 1

Postcode sectors in the 5 sub areas of Perth & Kinross

Perth & Kinross postcode sectors by catchment zones- 2001 Census

Perth Area	Postcode Sector DD2-5 part PH1-1 PH1-2 PH1-3 PH1-4 PH1-5 PH14-9 part PH2-0 PH2-6 PH2-7 PH2-8 *PH2-9/KY14-6
Kinross Area	KY13-0/FK14-7/KY4-0 (parts of each) KY13-8 KY13-9/KY6-3 (parts of each) KY14-6 (incl. with Perth PH2-9)
Strathearn Area	FK15-9part/PH5-2 PH3-1 PH4-1/FK15-0 part PH6-2 PH7-3 PH7-4
Highland Area	PH15-2 PH16-5 PH18-5/PH17-2 PH8-0/PH9-0
Strathmore & the Glens Area	PH10-6 PH10-7 PH11-8/PH12-8 (parts of each) PH13-9 part
Source: 2001 Census Scotland online – also see map overleaf	



Perth & Kinross Council Area (inc. Postal Sectors)

Appendix 2

Comparison expenditure projections and special forms of retailing

Table A1						
Perth & Kinross comparison expenditure per capita per annum (in 2009 prices)						
<i>before deducting special forms of retailing</i>						
	2009	2011 £	2015 £	2016 £	2020 £	2021 £
Bulky goods	742	755	780	794	849	864
All comparison goods	3,128	3,330	3,733	3,877	4,452	4,612
Derived average annual growth rate for P&K comparison exp for 2011-2021 is				3.3%	per annum	
UK national average growth rate 2009-20 is 3.8% per annum (Table 3.4, Pitney Bowes Retail Expenditure Guide 2010-11)						
Derived average annual growth rate for P&K bulky goods exp for 2011-2021 is				1.4%	per annum	
Note						
The original figures are taken directly from the Pitney Bowes AnySite report for Perth & Kinross which provide the projected expenditure per capita for 2009, 2015 and 2020- as applied by Oxford Economics to the study populations. The years in bold are interpolations and an extrapolation for 2021.						
Bulky goods in this table is defined to include the following categories in the Pitney Bowes report: <i>furniture/floorcoverings/soft furnishings</i> <i>domestic appliances</i> <i>DIY, including repair/ maintenance materials, tools, garden plants, but excluding china/ glass/ utensils</i> The 2006 Retail Review also included some other electrical spend, but that is not continued in this update, to reflect a tighter definition of bulky goods.						

Table A2				
Proportion of special forms of retailing, including internet expenditure, showing forecasted increases at 6% per annum				
	2008	2011	2016	2021
Bulky goods	8.2%	9.7%	13.0%	17.4%
All comparison goods	7.4%	8.8%	11.8%	15.8%
Note:				
The 2008 proportions derive from the Pitney Bowes Retail Expenditure Guide 2010-11				
The %s for <i>all bulky goods</i> are based on applying weighting from the UK expenditure per capita from the Explanatory Volume-see below :				
Weighted averages-derivation of the %s for bulky goods	(SPF) % P Bow es %	2008 UK exp £ per cap	multiplied	
Furniture/floorcoverings/ soft furnishings	5.1%	377	19.2	
Domestic appliances	11.0%	96	10.6	
DIY repair and maintenance	9.2%	116	10.7	
Tools	14.6%	85	12.4	
Garden plants	11.5%	63	7.2	
Bulky goods average	8.2%	737	60.1	
Assumes an annual increase of		6.0%	per annum	

Appendix 3

St Catherine's Retail Park- list of retailers

St Catherine's Retail Park- list of comparison retailers	
Source: Goad survey 2010	
	sq m gross
Harveys	630
Topps Tiles	580
JJB Sports	1,010
Wickes	2,190
Bensons For Beds	290
Pets At Home	1,070
PC World	1,490
Dunelm Mill	2,870
Carpetright	950
*Halfords (non retail)	
Homebase	3,540
Currys	970
Dreams	960
Comet	1,580
Brantano Footwear	510
T K Maxx	1,990
Total	20,630
<p>Note</p> <p>Car accessories are not defined as comparison retail expenditure under the Pitney Bow es definition, based on official national statistics. As Halfords contains a high proportion of car accessories, it has been excluded, to match the expenditure data. This is common practice in retail studies.</p>	

Vacant units recorded by Goad in 2010	sq m gross
Unit 8 (former B&Q)	3,440
Unit 4	1,510