

Reference: P:/Planning/643/Projects/02A586650

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Signed For & On Behalf Of GVA GRIMLEY LLP

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Date.....

CONTENTS

PAGE NO.

1.	Introduction	1
2.	Planning Policy Framework	3
3.	Development Plan	14
4.	Retail Trends	19
5.	Sub-Regional Context	27
6.	Bedford Town Centre Health Check	32
7.	Scope for Retail Development	40
8.	Policy Recommendations	50

APPENDICES

Appendix 1: Capacity Modelling

PLANS

Plan 1: Survey Area/Zones

Plan 2: Main Shopping Provision

1. INTRODUCTION

- 1.1 GVA Grimley was appointed by Bedford Borough Council in June 2005 to prepare a retail study for the Borough to determine the need and capacity for further retail developments in the Borough. This builds on the GVA Grimley led work commissioned by the Council and English Partnerships to prepare a Development Framework for the centre.

PURPOSE

- 1.2 The purpose of the independent study is to provide robust and up to date information on which to develop a retail planning strategy and retail policies for inclusion within the Council's Local Development Framework, and to provide a sound basis for considering current development proposals for the centre.

- 1.3 Bedford Borough Council's requirements for the study include:

- A review of the existing retailing situation in the Borough and how it has changed,
- Identification of Bedford's catchment area, the existing and projected consumer expenditure levels for the catchment and the assessment of any leakage of expenditure outside the Borough,
- The identification of existing/ committed floorspace in the Borough and an estimate of existing/ committed retail turnover figures,
- The identification of future needs for retail development in the borough and the assessment of accommodating future retail development in the town centre and the need for any out of centre locations,
- An assessment of whether existing Local Plan policies need to be updated.

STRUCTURE

- 1.4 In order to meet the requirements of the brief, our methodology incorporates a comprehensive up-to-date review of retailing needs and how these can best be addressed within the planning policy context. To ensure the assessment is appropriately informed we draw on a household telephone survey, a town centre health check, a review of competing retail provision, retail capacity assessments and a review of potential development opportunities.
- 1.5 Section 2 of this assessment sets out the policy framework within which the existing development plan should be assessed and within which the Local Development Framework must be progressed. Accordingly this section highlights key policy objectives, the pertinent aspects of national planning

guidance and the aspirations of regional guidance. Building on this, section 3 briefly summarises the existing Local Plan and previous retail studies of the Borough.

- 1.6 In section 4 we consider recent trends in retail provision and the connotations of these on provision within the Borough. We review the sub-regional context in section 5, focusing in particular on the Bedford's role within the wider hinterland, the attraction of competing centres and the resulting influence of rival destinations.
- 1.7 In section 6 the retailing situation within Bedford is examined. This includes a detailed health check for Bedford town centre and draws on the results of the household survey to assess the centre's overall vitality and viability.
- 1.8 The scope for additional retail development is reviewed at section 7 having regard to the quantitative retail needs within the Borough. The quantitative capacity exercise draws on the household telephone survey to understand the current usage of the main shopping destinations in the Borough and the future needs of the Borough's residents.
- 1.9 Bringing together the results of the analysis, we set out our conclusions and subsequent recommendations for retail development and policy formulation in section 8.

2. PLANNING POLICY FRAMEWORK

2.1 In this section, we examine the key points of relevance from national and regional planning policy guidance.

DELIVERING SUSTAINABLE DEVELOPMENT

2.2 The Government is continuing to take forward a major programme of reform to the planning system to support its drive to create sustainable communities, promote sustainable development and achieve a better balance of housing supply and demand.

2.3 The Planning and Compulsory Purchase Act received Royal Assent on 13th May 2004. The Act sets a statutory objective for development plans to contribute to the achievement of sustainable development, placing sustainability objectives at the heart of the planning system.

2.4 Planning Policy Statement (PPS) 1; Delivering Sustainable Development, issued in February 2005, sets out the overarching planning policies on the delivery of sustainable development through the planning system. The guidance confirms that sustainable development is the core principle underpinning planning, clarifying that the concept is a simple idea of ensuring a better quality of life for everyone now and for future generations.

2.5 The Government makes clear that planning should facilitate and promote sustainable and inclusive patterns of urban and rural development through a number of initiatives, including the need to ensure that new developments provide good access to jobs and key services for all members of the community. In promoting sustainable development, the Government reaffirms through the guidance that, amongst other things, the planning system needs to:

- Recognise that economic development can deliver environmental and social benefits;
- Make suitable land available for development in line with economic, social and environmental objectives - ensuring that suitable locations are available for industrial, commercial, retail, public sector, tourism and leisure development, so that the economy can prosper;
- Promote urban and rural regeneration to improve the well being of communities, improve facilities, promote high quality and safe development and create new opportunities for the people living in those communities. Promote mixed use developments for locations that allow the creation of linkages between different uses and can thereby create more vibrant places;
- Provide improved access for all jobs, health, education, shops, leisure and community facilities, open space, sport and recreation, by ensuring that new development is located where everyone can access services or facilities on foot, bicycle or public transport rather than having to rely on access by car, while recognising that this may be more difficult in rural areas;

- Promote the more efficient use of land through higher density, mixed use development and the use of suitably located previously developed land and buildings. Bring vacant and underused previously developed land and buildings back into beneficial use to achieve the targets the Government has set for development on previously developed land.
- 2.6 PPS1 elevates the importance of design in the achievement of sustainable development. The document emphasises that good design ensures attractive, usable, durable and adaptable places and is a key element in achieving sustainable development, adding that 'good design is indivisible from good planning'. PPS1 highlights that good design goes beyond aesthetic considerations and must also address connections, integration and linkages, and ensure safe, successful and inclusive settlements while offering a full range of opportunities and facilities to society.
- 2.7 PPS1 highlights the importance of community involvement to planning and the achievement of sustainable development. One of the principles of sustainable development is to involve the community in developing the vision for its area through the concept of 'front loading', i.e. seeking early consensus. The Planning and Compulsory Purchase Act 2004 requires local planning authorities to prepare a Statement of Community Involvement, in which they set out their policy on involving their community in preparing regional spatial strategies, local development documents and on consulting on planning applications.
- 2.8 PPS1 widens the remit of local authorities who now have responsibility for reporting, on an annual basis, the extent to which policies set out in LDF's are being achieved. Keith Hill commented that under the new planning system the ability to produce various local development documents, as opposed to one local plan document, allows authorities to respond quickly to new issues and changing priorities for sustainable development in their area. A Good Practice Guide sets out how the new local plan system should be monitored.

PPS6: PLANNING FOR TOWN CENTRES, MARCH 2005

- 2.9 PPS6 was issued in March 2005 and supersedes the previous guidance contained in PPG6, Town Centre and Retail Development. The central message of the guidance is the need for a more proactive approach to securing new investment in centres, and achieving more sustainable patterns of development.
- 2.10 The previous guidance (PPG6) had four objectives, with equal weighting attached to promoting/sustaining town centres and promoting a range and choice of retailing and innovation. PPS6 however shifts this emphasis, with the focus firmly on protecting/sustaining town centres making it clear that the Government's key objectives for town centres are to promote their vitality and viability by:
- Planning for the growth and development of existing centres; and

- Promoting and enhancing existing centres, by focusing development in such centres and encouraging a wide range of services in a good environment, accessible by all.
- 2.11 The statement makes clear that, in addition to retail uses, town centre policy relates to a number of additional uses, including leisure, entertainment, recreational, office and cultural and tourism uses. The guidance also makes it clear that other, wider, Government policy objectives remain relevant, including the promotion of social inclusion, regeneration of deprived area, promoting economic growth; sustainable patterns of development, transport choices and high quality and inclusive design.
- 2.12 The guidance encourages Local Planning Authorities to actively plan for growth and change in town centres over the period of their development plan documents by:
- Selecting appropriate existing centres to accommodate the identified need for growth by:
 - Making better use of existing land and buildings, including where appropriate, redevelopment;
 - Where necessary, extending the centre.
 - Managing the role and function of existing centres by, for example, promoting and developing a specialist or new role and encouraging specific types of uses in some centres; and
 - Planning for new centres of an appropriate scale in areas of significant growth or where there are deficiencies in the existing network of centres.
- 2.13 In promoting and enhancing existing centres, regional planning bodies and local planning authorities are encouraged to consider the relevant network of centres and their relationship in the hierarchy. At both regional and local level, authorities are encouraged to consider whether there is any need to rebalance the network of centres to ensure that it is not overly dominated by the largest centres, that there is a more even distribution of town centre uses, and that people's everyday needs are met at the local level.
- 2.14 Where existing centres are in decline, local planning authorities are advised to assess the scope for consolidating and strengthening these centres by seeking to focus a wider range of services there, promote the diversification of uses and improve the environment. Where reversing decline is not possible, local planning authorities are encouraged to recognise that such centres may need to be reclassified at a lower level within the hierarchy of centres, and reflect this revised status in the policies applied to the area. The guidance makes clear that this may include allowing retail uses to change to other uses.
- 2.15 In selecting sites for development, PPS6 requires local planning authorities to:

- a) Assess the need for development – in assessing the need and capacity for additional retail and leisure development, local planning authorities should place greater weight on quantitative need for additional floorspace for the specific types of retail and leisure development. However, local planning authorities should also take account of qualitative considerations. In deprived areas which lack access to a range of services and facilities, and there will be clear and demonstrable benefits in identifying sites for appropriate development to serve communities in these areas, additional weight should be given to meeting these qualitative considerations.
- b) Identifying the appropriate scale of development – in selecting suitable sites for development, local planning authorities should ensure that the scale of opportunities identified are directly related to the role and function of the centre and its catchment. The aim should be to locate the appropriate type and scale of development in the right type of centre, to ensure that it fits into that centre and that it compliments its role and function.
- c) Applying the sequential approach to site selection – the sequential approach requires that locations are considered in the following order:
 - First, locations in appropriate existing centres where suitable sites or buildings for conversion are, or are likely to become, available within the development plan document period, taking account of an appropriate scale of development in relation to the role and function of the centre;
 - Edge-of-centre locations, with preference given to sites that are or will be well connected to the centre;
 - Out-of-centre sites, with preference given to sites which are or will be served by choice of means of transport and which are close to the centre and have a high likelihood of forming links with the centre.
- d) Assess impact – making additional sites available for development may have both positive and negative impacts on existing centres. Positive benefits are likely to be stronger so where additional development takes place in the centre, or by an expansion of the centre, followed by edge-of-centre sites where a development would be well connected to the centre and result in a significant number of link trips and claw back expenditure. Where a site is proposed to be allocated in an edge-of-centre or out-of-centre location, local authorities should assess the impact that the potential development of the site would have on centres within the catchment. Where the potential development of the site or sites proposed to be allocated in a centre would substantially increase the attraction of the centre and could have an impact on other centres, the impact on other centres will also need to be assessed.
- e) Ensure locations are accessible – the Government is seeking to reduce the need to travel, to increase the use of public transport, walking and cycling and reduce the reliance on the private

car, to facilitate multi purpose journeys and to ensure that everyone has access to a range of facilities. Jobs, shopping, leisure and tourist facilities and a wide range of services should be located in town centres wherever possible and appropriate, taking full advantage of accessibility by public transport.

- 2.16 PPS6 clarifies that the “centre” for a retail development constitutes the primary shopping area whilst for all other main town centre uses the “centre” should be regarded as the area embraced by the town centre boundary. PPS6 defines the primary shopping area as the area where retail development is concentrated, generally comprising primary and secondary shopping frontages, which are contiguous and closely related to the primary shopping frontage. Primary frontages are defined as the frontages that are likely to include a high proportion of retail uses and secondary frontages are defined as those that provide greater opportunities for a diversity of uses.
- 2.17 The guidance defines town centres as including the primary shopping area and areas of predominantly leisure, business and other main town centre uses within or adjacent to the primary shopping area. For retail purposes edge of centre sites are, generally, considered to be those outside the primary shopping area, but within easy walking distance (i.e. up to 300 metres) of the primary shopping area. For all other main town centre uses edge of centre is likely to be within 200 metres of a town centre boundary.
- 2.18 Notwithstanding this, in determining whether a site falls within the definition of edge-of-centre PPS6 advises that planning authorities should take account of local circumstances, such as barriers to pedestrian movement, such as crossing major roads or car parks and the attractiveness and perceived safety of the route. The Council should not consider that a site is well connected to the centre where it is physically separated from it by a barrier such as major road, railway line or river and there is no existing or proposed pedestrian route which provides safe and convenient access to the centre.
- 2.19 PPS6 makes clear that in planning for growth in town centres, local planning authorities should allocate sufficient sites to meet the needs identified, for at least the first five years from the adoption of their development plan documents, although it does acknowledge that for larger schemes a longer period may be appropriate to allow for site assembly. Local Planning Authorities are encouraged, where necessary, to consider the scope for site assembly using their compulsory purchase powers, to ensure that suitable sites within or on the edge-of-centres are brought forward for development.
- 2.20 In assessing proposed developments, PPS6 confirms that the key considerations are the same as those for allocating sites in development plan documents, as outlined above.

PPS12: LOCAL DEVELOPMENT FRAMEWORKS, 2004

- 2.21 PPS12 sets out the Government's policy on the preparation of local development documents which will comprise the local development framework. The local development framework is not a statutory term, however it sets out, in the form of a 'portfolio', the local development documents which collectively deliver the spatial planning strategy for the local planning authority's area.
- 2.22 The Local Development Framework (LDF) will be comprised of local development documents including statutory development plan documents and non-statutory supplementary planning documents which expand policies set out in a development plan document or provide additional detail: -
- Development Plan Documents: have been subject to independent examination and have the weight of development plan status as defined by Section 38(6) of the Act: and
 - Supplementary planning documents: are not subject to independent examination and do not have development plan status. They must not be used to allocate land or contain policies that should be subject to independent examination.
- 2.23 The LDF will also include the statement of community involvement, the local development scheme and the annual monitoring report. Furthermore, local planning authorities should also include any local development orders and/or simplified planning Zones which have been adopted. The LDF, together with the regional spatial strategy, provides the essential framework for planning in the local authority's area.
- 2.24 The Local Development Scheme (LDS) is a public statement of the local planning authority's programme for the production of the full suite of local development documents. Local planning authorities must submit their first local development scheme to the Secretary of State within six months of commencement of Part 2 of the Act (The Planning and Compulsory Purchase Act 2004) (July 2004). Bedford's LDS was prepared in accordance with this and published in April 2005.
- 2.25 An LDS should: -
- identify local development documents to be prepared and which are to be development plan documents;
 - state which policies and proposals of existing saved development plans (i.e. local plans and unitary development plans) will be replaced by local development documents and which will be saved;
 - provide an explanation of the relationship between local development documents and set out the planned timetable for completion of each local development document;

- set out any other supplementary planning guidance which the LPA will continue to use as a material consideration; and,
 - set out methods for monitoring and review.
- 2.26 The LDS should be revised when necessary. This may either be as a result of the annual monitoring report which should identify whether the local planning authority has achieved the timetable set out in the scheme or if there is a need to revise and/or prepare new local development documents, for example an Area Action Plan (AAP). Local planning authorities must consult with the Government Office and the Planning Inspectorate in the development and review of the local development scheme, so that the timing of the examinations of development plan documents and the statement of community involvement can be confirmed.
- 2.27 The Local Development Framework should include the following statutory development plan documents:
- i) Core strategy;
 - ii) Site specific allocation of land; and
 - iii) AAPs (where needed).
- 2.28 The Core Strategy should set out the key elements of the planning framework for the area. Once adopted, all other development plan documents must be in conformity with it. The core strategy should normally be the first development plan document to be produced, except where the local planning authority has up-to-date saved policies and where the priority in the local development scheme is the preparation of an AAP or other development plan documents.
- 2.29 AAPs should be used to provide the planning framework for areas where significant change or conservation is needed. A key feature of AAP's will be the focus on implementation, providing an important mechanism for ensuring development of an appropriate scale, mix and quality for key areas of opportunity, change or conservation. AAP's with a geographic or spatial dimension will benefit from having development plan status in contrast to their previous status as supplementary planning guidance. They should:
- Deliver planned growth areas;
 - Stimulate regeneration;
 - Protect areas particularly sensitive to change;
 - Resolve conflicting objectives in areas subject to development pressures; or
 - Focus the delivery of area based regeneration initiatives.

- 2.30 In areas of change, AAP's should identify the distribution of uses and their inter-relationships, including specific site allocations, and set the timetable for the implementation of the proposals. Further guidance, such as the layout of uses within these allocations and design requirements etc, may be provided in the relevant AAP or in one or more supplementary planning documents in the form of a master plan.

USE CLASSES ORDER 2005

- 2.31 Proposals for radical changes to the Use Classes Order (UCO) were first announced in Parliament in November 2003. Planning Minister, Keith Hill, has claimed that the new-look UCO will be welcomed, stating, 'these will give local authorities more control to manage town centre development while minimising the negative impacts of a proliferation of pubs, takeaways and night clubs'. The proposed changes took effect on 21st April 2005.
- 2.32 The reforms at present are limited to the 'A' (retail) Use Class and to Nightclubs. Only restaurants and cafes will retain their A3 classification, with a permitted change to A1 or A2 Use Classes, but with all other changes of use requiring planning permission. Under the reforms, pubs and bars will be reclassified under a new and separate use Class A4, with a permitted change to A1, A2 or A3 Use Classes, with all other changes requiring planning permission.
- 2.33 Takeaways have been reclassified under a new and separate Use Class A5, with a permitted change to A1, A2 or A3 Use Classes, with all other changes requiring planning permission. Nightclubs have been classified as Sui Generis and are excluded from the Use Classes. This brings nightclubs under specific and separate planning control. Planning permission will be required for any change of use to or from Nightclub use.
- 2.34 In addition to these changes further amendments include the reclassification of Internet cafes as an A1 use, Retail Warehouse Clubs are re-affirmed as sui generis use (i.e. constituting a class of its own), and motor vehicle showrooms no longer enjoy permitted development rights to change to A1. Keith Hill has told Parliament that the Government has decided not to amalgamate the A1 and A2 classifications, a move which was suggested in 2002.

EAST OF ENGLAND PLAN

- 2.35 This document sets out a draft spatial strategy to guide development in the East of England for at least the next 20 years. The Plan is formally a draft revision to the Regional Planning Guidance for the East of England and part of the South-East of England. It covers Bedfordshire, Luton, Cambridgeshire, Peterborough, Hertfordshire, Essex, Southend-on-Sea, Thurrock, Norfolk and Suffolk.

- 2.36 The spatial planning vision for the East of England is to “sustain and improve the quality of life for all people who live in, work in, or visit the region, by developing a more sustainable, prosperous and outward-looking region, while respecting its diversity and enhancing its assets.”
- 2.37 In terms of retail the Plan recognises that the sector is an important driver of the regional economy. Policy SS4 in the ‘core spatial strategy’ chapter sets the wider context for town centres, whilst policy E9 considers the role of retail centres and identifies Bedford as a Regional Centre.
- 2.38 The East of England has an established structure of retail centres ranging from major regional centres to smaller market towns and villages, all of which play a key role in meeting the needs of their catchment areas. In the north of the region retail centres tend to be more widely dispersed with relatively discrete catchments, while in the south the larger centres are closer with more complex, overlapping catchments.
- 2.39 The Plan’s policies look to locate new retail development in existing centres on a scale that is consistent with the size and character of the centre and its role in the regional structure. The Plan states that local development documents will propose a higher order provision only where:
- a need is clearly established,
 - it would result in a more sustainable pattern of development and movement, including a reduction in the need to travel,
 - there would be no significant detrimental impact on other centres or the transport network, and there is environmental capacity.
- 2.40 The Plan considers that there is no need for any additional regional out-of-town shopping centres in the plan period. Policy states that Local development documents will define the current and future role of existing out-of-town centre retail sites in relation to existing town centres, in particular to determine whether:
- out-of-town centre sites should remain purely retail centres
 - they should be developed into town centres with a full range of service provision.
- 2.41 Out-of-town centres will only be developed into town centres where they will:
- improve social, environmental and economic sustainability
 - deliver improved sustainable transport accessibility, particularly improved public transport access.
- 2.42 The Plan sets out policies for a number of Sub-regions within the area, one of which is defined as the ‘Bedford and Luton Growth Area’. Proposals for development in the Bedfordshire growth areas,

Bedford/ Kempston and Luton/Dunstable/Houghton Regis, are set out in a separate sub-regional strategy for the Milton Keynes and South Midlands sub-region. This document's key points are summarised below.

MILTON KEYNES AND SOUTH MIDLAND SUB-REGIONAL STRATEGY MARCH 2005

- 2.43 The Sub-Regional Strategy was prepared in response to the Government's request to the three Regional Planning Bodies whose areas cover parts of the sub-region to develop proposed Alterations to Regional Planning Guidance for the South East, East Midlands and East of England.
- 2.44 The strategy recognises that within the sub-region economic growth rates have been high, but uneven, with Milton Keynes and Northampton developing more balanced economies while difficulties in achieving structural changes have held back growth in other centres, particularly Bedford, Corby and Luton.
- 2.45 The strategy identifies the area of Bedford/ Kempston/ Northern Marston Vale as a location for growth. It states that the emphasis should be on strengthening the role of this key area through economic regeneration and growth. Priorities will be urban renaissance, improved economic performance and harnessing the potential of the northern Marston Vale. In order to strengthen the existing role and function of Bedford as a regional centre, key priorities will be the revitalisation of Bedford town centre and the provision of new employment in the town. A specific key priority is to achieve the revitalisation of Bedford town centre and enhancing retail, cultural and leisure facilities.

SUMMARY

- 2.46 Government guidance makes clear that sustainable development is the core principle underpinning planning. Accordingly PPS1 sets out a range of overarching policies aimed at facilitating sustainable patterns of urban and rural development through a number of initiatives, including the need to ensure that new developments provide good access to jobs and key services for all members of the community.
- 2.47 PPS6 reaffirms the Government's commitment to protecting/sustaining town centres. Accordingly the central objective of the guidance is to promote the vitality and viability of town centres by, planning for the growth of existing centres and enhancing existing centres by promoting them as the focus for new development. It makes clear that where reversing the decline in centres is not possible, local authorities should consider reclassifying such centres within the retail hierarchy.
- 2.48 In allocating sites and assessing proposed development, PPS6 requires local planning authorities to assess the need for the development; identify the appropriate scale, apply the sequential approach, assess the impact on existing centres; and ensure locations are accessible and well served by a choice of means of transport. Local planning authorities should, having considered these factors,

consider the degree to which other considerations such as physical regeneration, employment, economic growth and social inclusion are relevant when considering development proposals.

- 2.49 The draft East of England Plan identifies Bedford as a Regional Centre within the retail hierarchy and the Plan's policies look to locate new retail development in existing centres on a scale that is consistent with the size and character of the centre and its role in the regional structure. The Plan states that local development documents will propose a higher order provision only where, a need is clearly established and it would result in a more sustainable pattern of development and movement with no significant detrimental impact on other centres. The Plan also considers that there is no need for any additional regional out-of-town shopping centres in the plan period.
- 2.50 The Milton Keynes and South Midlands Sub-regional strategy identifies the area of Bedford/ Kempston/ Northern Marston Vale as a location for growth. In order to strengthen the existing role and function of Bedford as a regional centre, the strategy's key priorities are the revitalisation of Bedford town centre and the provision of new employment in the town and enhancing retail, cultural and leisure facilities.

3. DEVELOPMENT PLAN

- 3.1 In this section, we summarise the key points from the Structure Plan and Local Plan and examine the main conclusions to arise from previous retail studies.

BEDFORDSHIRE COUNTY COUNCIL STRUCTURE PLAN

- 3.2 The long term land use and transport policies are set out in Bedfordshire County Council Structure Plan 2011. Since The Planning & Compulsory Purchase Act 2004 Structure Plans are no longer required and at the request of central Government, work on a replacement Structure Plan 2016 was abandoned. Until such time as the replacement Regional Spatial Strategy and Local Development Documents have been published and approved, the present adopted Structure Plan 2011 remains the official planning policy for Bedfordshire and Luton.
- 3.3 The Plan seeks sustainable levels, locations and forms of development which contribute towards the environmental stewardship of the County's natural and built resources. It also looks to enhance the economic and social opportunities available to its population. Bedfordshire's development strategy seeks to assist economic development and regeneration, especially within Luton/ Dunstable/ Houghton Regis and in Bedford/ Kempston; and looks to protect and promote the vitality and viability of town centres.
- 3.4 Policy states that proposals for new shopping developments will be expected to reflect the retail hierarchy in terms of the size of the development, scale, massing, layout and character. The hierarchy identifies the sub-regional centres as Bedford and Luton and identifies Kempston as a major town centre. The Plan sets out that the preferred location for major retailing developments, including large food and non food stores and retail warehouses, will be within or adjacent to town centres.
- 3.5 The Plan looks to maintain and strengthen the vitality and viability of the existing town centres by measures which:-
- enhance the appearance, safety and environmental quality of the centre and increase the diversity and quality of retailing, employment opportunities, leisure, social, educational and cultural facilities to meet the needs of the local population;
 - control the use of the private car and further improve access and road safety for public transport users, pedestrians, cyclists and those with special needs;
 - retain and increase residential accommodation;
 - encourage and support the preparation of town centre strategies, design frameworks and urban design/redevelopment briefs for major sites within or near town centres;

- encourage the effective management and promotion of town centres by the preparation of town centre management strategies;

BEDFORD BOROUGH LOCAL PLAN OCTOBER 2002

- 3.6 The Bedford Borough Local Plan was adopted in 2002 and was intended to cover the period up to 2006. A key aim of the Plan is to move towards more sustainable forms of development and policy states that the Council will use its influence and resources to encourage the beneficial reuse of derelict and under-utilised urban sites in order to expand the range of housing available, foster the vitality and viability of Bedford town centre and to encourage the creation of new and additional employment opportunities.
- 3.7 The key retail issues in the Borough are identified as:
- The town centre's vitality and viability particularly that of the primary shopping area must be enhanced
 - Priority must be given to attracting new retail investment to sites within the primary shopping area before considering edge of centre sites
 - The maintenance of the wide range of shopping facilities in the Borough
 - To promote sustainable locations for new retail development which offer a choice of access
 - To safeguard and strengthen local convenience shopping and service functions in district and local centres
 - To address the environmental effects of retail outlets, particularly in residential areas
 - To safeguard and strengthen local convenience shopping in the rural area and protect and encourage village shops.
- 3.8 The Plan sets out the retail hierarchy in the Borough which states that Bedford town centre is the primary shopping area with a district centre at Kempston and a range of local and village centres around the Borough. Policy states that the primary shopping area within the town centre of Bedford will be the preferred location for new and upgraded shopping development and that the Council will look to enhance Bedford's role as a sub regional centre by adding to the quality or range of goods. In terms of the district centre at Kempston the Plan's policies look for new development to be of a scale and form which is appropriate to the convenience and service function of the centre.
- 3.9 Policy SH12 and SH16 state that the primary shopping area and district centre are the preferred locations for new comparison and convenience retail floorspace. Proposals for new retail development outside these centres will not be permitted unless a need for the development

consistent with retail policies can be demonstrated. Any development must not have a negative impact on the vitality and viability of the town, district and local centres and it must be demonstrated that the site is easily accessible by means of transport other than the car.

PREVIOUS RETAIL STUDIES

- 3.10 The last comprehensive retail study was undertaken by Hillier Parker in 1995 which was updated in 1997 and again in 2000.
- 3.11 The 1995 study concluded that although Bedford town centre has a good range of department, variety store and other multiple retailers, many of the units are smaller than retailers requirements and the range of choice of goods offered is poorer than in other locations, such as Cambridge. There were few specialist and higher quality retailers and no modern retail scheme unlike many of its competitors. Rents were lower than its competitors and had only recently stabilised after a long period of decline although yields had improved which suggested that investors expect at least some rental growth in the future.
- 3.12 Bedford's trade draw was diminishing with distance from the centre as residents became increasingly drawn to other competing centres such as Milton Keynes, Northampton and Peterborough. At the time the clothing and footwear sector as well as electrical goods were the most important to Bedford town centre in terms of trade retention.
- 3.13 At the time the town centre had not experienced significant trade diversion to out of town stores, although it was considered that this would change and that the town centre would be impacted upon by retail warehouse floorspace already permitted out of the town centre. It was considered at the time that existing out of centre commitments meant that there would be insufficient surplus expenditure to support the proposed Pilgrim Square town centre scheme.
- 3.14 By the 1997 update of the study it was considered that significant improvements had been undertaken in the town centre, generally in the form of small scale town centre infill developments. On the basis of the relevant vitality and viability indicators Bedford had changed relatively little and its position had declined relative to its main competitors. Despite attracting a number of new multiple retailers the number of vacant units had increased. Bedford was also under performing in terms of rents and yields. There was an indication of increased retail demand although there was a shortage of suitable units in the prime retail area to meet this.
- 3.15 The main developments that had taken place since 1995 were retail warehousing in the form of the Interchange Retail Park and the development at Riverfield Drive. It was estimated that these commitments could have more than a 10% impact on the town centre comparison sector. The 1997 study concluded that with the exception of Pilgrim Square there was no need to identify any sites for major retail development and that there was no scope for additional convenience goods development.

- 3.16 Notwithstanding the challenges facing Bedford, and its ability to retain and enhance its status as a sub-regional town centre, the analysis has consistently identified the significant potential which exists for additional comparison shopping floorspace development within the town centre. The 1995 study identified capacity for circa 15,000 sq. m net comparison shopping floorspace by 2001. The 1997 update indicated capacity for up to 25,000 sq. m net additional comparison shopping floorspace by 2006.
- 3.17 The 2000 study update again highlighted Bedford's under performance in terms of rental and yield values compared to other centres in the region. Since 1997 there had also been a significant fall in retailer demand it was considered that without further quality retail development in the town it was unlikely that Bedford would attract new quality multiple retailers.
- 3.18 Bedford was experiencing significant competition from out of town retailing and it was notable that there has been a considerable fall in pedestrian flows in the prime retail area. It was considered that although public funding had led to a range of town centre improvements, this had not been matched by private sector investment and that in the absence of new development Bedford is likely to be vulnerable as a consequence of the growth of out of centre development and the increasing polarisation of retail activity towards larger centres.
- 3.19 The work commissioned by the Council and English Partnerships in 2004 also looked at capacity projections for Bedford based on revised populations and expenditure estimates. It was concluded that in quantitative terms there was likely to be relatively little capacity for additional significant convenience goods shopping floorspace at that time. It was however considered that there was a clear qualitative need for a large modern superstore in Bedford town centre. On the assumption that Bedford is able to maintain its market share in the face of increased competition the study identified capacity for circa 50,000sqm gross of comparison shopping in the town centre.

SUMMARY

- 3.20 The Structure Plan sets out the retail hierarchy for the County and identifies Bedford as a sub-regional centre and Kempston as a major town centre. The Plan looks to maintain and strengthen the vitality and viability of the existing town centres and states that the preferred location for major retailing developments, including large food and non food stores and retail warehouses, will be within or adjacent to town centres.
- 3.21 The Bedford Local Plan identifies Bedford town centre as the primary shopping area and has clear policies that look to focus additional retail development within the existing Bedford town centre. Key issues for shopping include the protection or enhancement of the vitality and viability of the primary shopping area and the safeguarding and strengthening of local convenience and service functions.
- 3.22 The 1995, 1997 and 2000 retail studies all indicate that the town centre of Bedford is not performing as well as its surrounding competing centres, such as Milton Keynes and Cambridge. Indicators such

as rents, yields and retailer demand all indicate that Bedford is under performing and is vulnerable. This is partly due to the out of centre developments that have taken place over this time and the lack of specialist and high quality retailers in the town centre. The English partnership study also identified a need for a large, modern foodstore in the town centre.

- 3.23 A key recommendation to come from these studies is that the Council seeks to protect the town centre from further inappropriate out of centre development as in the absence of new town centre development the comparison retail offer of Bedford is likely to be vulnerable.

4. RETAIL TRENDS

4.1 To put our assessment of the quality of existing provision and the need for additional floorspace into context, it is relevant to consider the wider economic and social trends likely to influence retailing in Bedford. A number of trends are likely to have a bearing on the future pattern of retail provision in the Borough, and the opportunities arising from development proposals. This section examines key trends and drivers for change in the retail industry. We outline the key national trends in retailing and service provision of relevance to Bedford drawing from a range of published data sources, including research by Verdict Analysis, Mintel and the New Economics Foundation.

i) Income and Expenditure

4.2 The retail sector has seen significant changes over the last 25 years, which have fundamentally altered the way we shop. One of the main drivers behind change has been the growth in incomes and expenditure. Consumer retail expenditure per head over the last 25-30 years has grown at an average compound rate of about 3% per annum in real terms, but most of this growth has been in comparison goods, with virtually no increase in convenience goods expenditure.

4.3 Over the last 25-30 years comparison goods expenditure per head has shown growth of nearly 5% per annum in real terms, i.e. an overall increase of over 200% in real terms over the last 25 years. In contrast, convenience goods expenditure per head has increased at less than 1% per annum in real terms. Over the last 15-20 years even stronger growth has occurred, particularly in recent years. Such very strong expenditure growth trends are unlikely to continue, but reasonably strong growth in line with long term trends appears probable over the medium-long term.

4.4 Strong income and expenditure trends have also affected retailing in another important way – the rise in car ownership and mobility. Over the last 25 years the number of households owning one or more cars has increased from about 55% to about 75%. Equally significant, the number of households with two or more cars has nearly trebled from 11% to 30%. Households are now much more mobile than they used to be and therefore their choices for shopping centres to visit and the distances they can travel are much greater.

ii) Out-of-Town Retailing

4.5 Over the past 10 years, out-of-town has been the engine of retail growth. While retail sales as a whole increased by 62.1%, sales at out-of-town (OOT) stores grew nearly twice as fast, at 118%. OOT retail parks have provided retailers with larger, lower cost units than in town centre locations and they have used this opportunity to broaden their product offer and drive down prices. It has been a winning formula not just for grocers' superstores and bulky goods retailers but also, if carefully applied, for a growing number of high street retailers.

- 4.6 In 2003, however, sales at OOT retail parks grew by 5.5%, the lowest rate ever. While this still significantly outstrips total retail expenditure of 3.7%, it is a significant decline from the 6.2% of 2002. In its brief history, OOT sales growth has always been driven by physical expansion but an increasingly hard line taken by local authorities as they seek to interpret government policy has cut the number of new parks approved. Planning refusals have become common and this has caused a cutback in new store expansion plans. In 2003 space grew by only 4.4% - the lowest growth rate on record. As a consequence, many OOT retailers are becoming more innovative in store design, in-store merchandising and, in many cases, customer service.
- 4.7 Verdict expect OOT retail sales to grow by an average of 5.2% per year over the next five years, a slowdown from 6.7% per year over 1998-2003 as a shortage of new sites and cost increases force retailers to place greater emphasis on improving same store sales, which they expect to increase from 1.4% to 2.4% per year. While lobbying by retailers has been successful in watering down some of the most restrictive elements of the Government's original proposals, the latest planning policy statement is still strongly in favour of consolidating retail activity in town centres whenever possible. This will mean that while OOT growth slows down, sales growth in in-town locations will strengthen over the next five years and space will grow slightly on account of major urban renewal schemes.
- 4.8 Despite the renaissance in some centres, Verdict expect OOT retail sales to experience an overall growth of 28.9% over the next five years, considerably faster than retail spending as a whole. While this is a slower rate than OOT achieved over the past five years, because the difficulty of obtaining planning consents will limit new development, it illustrates the ongoing challenge to centres like Bedford which face extensive out of centre competition.
- 4.9 Conversely in-town sales will show a faster rate of increase over the forecast period as town centre renewal projects contribute to more robust growth. However, to date most of this growth has been focused in large (i.e., circa 50,000sqm) schemes in the top 70 centres. Given the inherent advantages of established out of town centres, we consider at the local level the only way to reverse the decline of town/ district centres market share is by attracting new development capable of 'clawing back' lost trade.
- 4.10 In terms of individual sectors, Verdict expect DIY to be the fastest growing OOT sector, with sales up 39.2% over the next five years. Clothing and footwear will be the second fastest growing OOT as retailers take up more units on shopping parks to take advantage of more spacious accommodation. General merchandise retailers will also grow strongly (35.4% over the next five years), in particular Argos. This trend is reflected on a number of retail warehouse parks where a number of clothing and general merchandising retailers, including Next, Boots, Gap, Borders, Peacocks and Carphone Warehouse, are becoming increasingly common. Electrical retailers are expected to grow by 35.3% driven by demand for new technologies such as LCD TVs and recordable DVDs.
- 4.11 According to Verdict, Grocers' OOT sales will grow more slowly than other sectors but it will remain the largest sector accounting for 65.5% of all OOT sales. This rate of growth is much faster than the

15.4% growth expected in spending on food due to the increasing quantity of space at grocers' large OOT stores devoted to non-food products – where demand is growing more strongly. This will be a significant challenge in Bedford, where all the dominant food superstores are currently outside the centre.

iii) Town Centre/High Street Retailing

- 4.12 Despite the growth of OOT retailing, high street retailers (including those in shopping centres) achieved sales of £122.7 billion in 2003 or 49.1% of the money spent by consumers on retail. The High Street's share of all retail spending is only fractionally down on its 50.8% share of 10 years ago. While OOT sales have grown massively and online retailing is also now taking a growing share of the market, it is convenience goods retailers located in the neighbourhood that have borne the brunt of this migration of shoppers and not the high street.
- 4.13 Deflation has become a major issue for retailers on the high street. In 1993-98, high street retailers experienced average annual inflation selling prices of 2.4%, but over the last five years there has been deflation of 0.7%. Several factors have contributed to deflation, including aggressive price competition from OOT retailers creating a growing price differential with their high street rivals. But OOT competition is not the only explanation; on the high street itself, new low cost retail models such as Primark, Savers and Wilkinson are able to challenge established retailers like M&S, Boots and Woolworths.
- 4.14 The High Street has become a high cost location. A shortage of units in prime locations has put upward pressure on already high rents, employment, insurance and distribution/servicing costs are rising, as are tax burdens for retailers signing new leases. Despite these difficulties many high street retailers are thriving. The thrivers (Argos, Debenhams, HMV, John Lewis and Next) have managed to grow sales by 62.8% or £4.2 billion over the last five years, while the strugglers (Bhs, Boots, Dixons, House of Fraser and M&S) have only achieved a 12% or £1.5 billion uplift in sales. The most important ingredient for reinforcing margins appears to be a distinctive product offer.
- 4.15 Perhaps the most encouraging indicator of the long term health of the high street is the strong pipeline of new developments over the next five years. As planning consent for OOT sites has become harder to gain, developers have switched their attention back to the city centre. Though 2004 was a relatively quiet year for development after the boom of 2003, there is a strong pipeline of new centres for 2005-2008. Many of these schemes have taken years to receive approval and will provide much needed revitalisation of town and city retail infrastructure.
- 4.16 Against a background of sustained spending growth, and new development activity, national retail trends indicate a continuing contraction in the number of shop units. Total store numbers in the UK have declined by 11% over the last 10 years. This masks variations in the decline of different types of stores and different locations. With the emergence and growth of superstores during the 1990s, there has been a decline in the number of smaller and more specialist food retailers. The number of

food specialists has declined by 19% from 48,301 in 1992 to 39,131 in 2002, while the number of large superstores has increased by 50% from 860 in 1992 to 1,292 in 2002.

- 4.17 During 1992-2002 leading supermarket multiples increased their share of the grocery market, as a result of the success of the superstore format. Superstores have grown their market share from 30% in 1992 to just over 40% in 2002. In Bedford's catchment, Sainsburys, Clapham Rd; Tesco, Cardington Ave; and Tesco Riverfield Drive, illustrate this trend.
- 4.18 In the convenience sector, certain specialists have suffered more than others. The fishmongers share of the total grocery market has declined from 0.5% in 1992 to 0.1% in 2002. Butchers have also lost nearly 2% of their market share, declining from 4.1% to 2.2%. Greengrocers, bakers and other specialists have been slightly more robust, yet all three have lost market share. While local neighbourhood centres will retain a more localised 'top up' role, many are likely to decline irrespective of new development proposals.
- 4.19 The last few years have seen a sustained fall in the pipeline OOT shopping centre and retail park development. A corresponding resurgence in activity has been mainly concentrated into a few large schemes in dominant regional centres. The top 70 centres in the country now attract over 50% of the country's population for comparison goods shopping. Almost half of the shopping centre floorspace in the pipeline is destined for these same 70 centres which will further reinforce their dominant market share. Much of this new development is in large schemes, i.e. circa 40-50,000 sqm, reflecting the need to incorporate anchor stores and achieve a viable retail mix.
- 4.20 The growth of multiple traders and increased competition between traders has meant that the retail structure is increasingly dominated by large companies. In tandem with this change has been the desire by multiple traders to occupy larger shop units. Shopping centres which have been able to accommodate this demand for larger sized units (typically 500-2,000 sq m or larger in the largest centres) have grown in importance reinforcing the trend of higher order centres growing in relative importance, i.e. polarisation in the retail hierarchy.
- 4.21 The growth in car ownership and mobility, coupled with increased affluence, has led to shoppers travelling greater distances to shop in larger centres with a strong retail offer, and this trend is set to continue. This presents both a challenge and an opportunity to centres like Bedford. Without a new development of sufficient critical mass, the gravitation of retailing towards Bedford's larger competitors is likely to threaten its ability to function as a regional centre as envisaged by the East of England Plan.

vi) The Internet and Non Store Trading

- 4.22 Home shopping (mail order and internet shopping) is the main component of non-store retailing. In total, non-store retailing amounts to about 7% of comparison goods expenditure. Mail order has a long history, and whilst it has suffered to some extent from the rise of the internet, it has evolved and

new retailers have entered the market and expanded, such as Next and Marks & Spencer and more recently John Lewis. GUS bought Argos and Homebase and Littlewoods bought Index. These retailers expect home shopping to play an increasing, but supplementary, role to traditional store based shopping.

- 4.23 The growth of e-tailing has been phenomenal over the last few years, but from a very small base. Growth rates of 70% per annum were not unusual two years ago, but growth has now come down to about 30% per annum, but this is still a very strong growth rate compared to bricks and mortar retailing. It is estimated that about 5% of retail expenditure is now conducted on the internet, although most foodstore operators have closed their virtual stores or warehouses and operate home deliveries out of existing stores. Books, games, DVD's/videos and CD's along with finance, insurance and travel services have been the most affected, but small electrical goods, computer hardware and software, white goods, toys and gifts, and some clothing and footwear could see internet sales take an increasing share of retail spending.
- 4.24 It is possible that retail warehouses could suffer proportionately more than town centres, due to the types of goods sold in them, but all centres will be affected to a greater or lesser extent depending on the type of goods they sell and the function they perform. Where town centres adapt, and become more leisure orientated, and retailers increasingly use their shops as showrooms running web sites in parallel, conventional retailing should continue to prosper, but price competition and low inflation/deflation looks likely to be a permanent state of affairs.
- 4.25 In the convenience sector it is considered that internet shopping is unlikely to have a significant effect in the future. Although Verdict predict that growth will be fuelled by the increasing savviness of consumers and ordering is speeded up by broadband, overall they forecast that this will not have a significant effect on sales. Verdict predict that on-line grocery sales will increase from £1.4bn in 2001 to £5.3bn by 2007, this will still however only make up 4% of all grocers and food specialist sales.

vii) Convenience Retailers

- 4.26 The leading foodstore operators are continuing to innovate to increase their market share. Some have developed smaller store formats such as Tesco Metro and Sainsbury's Local and have been more innovative in their town centre proposals. Discount retailers continue to seek opportunities to expand their networks. There has also been a growth in 'forecourt' retailing, operated either by the large supermarket chains or the major oil companies. These are likely to present opportunities for local neighbourhood convenience facilities serving new and existing communities in the Borough.
- 4.27 In the past five years supermarket multiples have strengthened their hold on the UK grocery market, taking share from most other operators in the process. Independent and smaller chains of grocers and convenience stores have been the key losers and acquisition targets, with 2003 share of the market a mere third of the level in 1998. All food specialists have come under pressure while off-

licences have suffered heavily from the growing 'beer, wine and spirits' offer of both major grocers and convenience stores.

- 4.28 The growing share of the supermarket multiples has primarily been driven by the performance of four players – Tesco, Asda, Morrisons and the Co-op, which between them have put 9.8% on their combined market shares over this period. These players have emerged as the leading sales winners among UK grocers, while the rest of the market has typically struggled. At a national level the pressure for larger superstores and hypermarkets will continue, although any further proposals for expansion of existing out-of-centre convenience stores must be considered in terms of need, sequential approach and impact.

viii) Convergence of Retail and Leisure

- 4.29 Since the mid-1990's, despite higher rents, there has been a steady trend, driven by central government policy, towards building new leisure schemes in town/edge of centre locations. A number of factors have helped drive the growth of leisure venue provision in town and city centres. For example, urban living is back in fashion; town centres can offer consumers a much more vibrant atmosphere in which to eat and drink; and they also offer a much wider choice of leisure venues, allowing more spontaneous decisions. For bars, restaurants and health & fitness clubs, the attraction of the town centre is 'daytime trade', and the ability to capitalise on proximity to businesses and shoppers.
- 4.30 This change in location has also been combined with the inclusion of leisure complexes that incorporate both retail and leisure facilities. Leisure facilities can be used as a way of encouraging customers to stay longer and consequently spend more. The Trocadero in London's West End is an example of this, with mainstream retailers such as HMV, Whittards, Sock Shop and Accessorize taking advantage of the high pedestrian flows created by the major leisure attractions such as Funland, the UGC multiplex and Planet Hollywood. This is also the case in the Metro Centre, Gateshead where a large leisure centre has been incorporated into the retail complex. Mixed-use retail and leisure development has proved to be a real growth area in town centres.

THE NEXT FIVE YEARS

i) Retail Operating Influences

- 4.31 Retail deflationary price pressures are expected to intensify, due to the growth of the internet, competition amongst retailers, globalisation, the strong £ etc. This will force retailers to concentrate on supply chains, cut costs and be more efficient. This will favour the larger retailers who have stronger buying power and encourage take-overs to achieve improved economies of scale, i.e. the larger and stronger multiples will grow larger and stronger.

4.32 On-line sales will continue growing strongly, as broad band becomes cheaper and more widely used. Traditional catalogue mail order is likely to suffer most, not the high street. Verdict expect that on-line sales will increase 155% (20% pa) over the next five years (2004-2009), whereas total retail spending will increase by 21% (3.9% pa) and mail order spending will increase by 8.7% (1.7% pa). Verdict expect total retail sales to be £317.1 bn in 2009, of which £291.5 bn will be store based and £25.6 bn will be non-store based (on-line, mail order and TV shopping). Interestingly the on-line total is made up of £10.1 bn from bricks and mortar retailers, £3.1 bn from Pure Play internet retailers and £2.5 bn from mail order on-line sales.

ii) Social Influences

4.33 Verdict expect a continuation of present trends of longer working hours and the decline of the nuclear family, so affecting when spending occurs and on what. They expect further growth in convenience stores, located near where people live, and work and longer opening hours to cater for longer working hours.

4.34 Over the next five years the over 60's age group will grow by 13m or 14.5% and half of that growth will be in the 60-64 age group. The Under 60's age group will decline by 0.2m (or -0.5%). The age profile of the Bedford primary catchment population includes a particularly low proportion of the retired aged 65 and over, although between the years 1991 -2001 the proportion of retired people in Bedford was growing at a faster rate than the rest of the UK. The representation of other age groups is broadly in-line with the average. Older shoppers have a younger mindset than in the past, are more fashion aware and financially better off as a result of house price growth as well as income growth (but pensions will be a concern). They will have more time to shop, will spend more on DIY and gardening and will expect good customer service. Younger shoppers will have higher University fees to pay, will experience higher housing costs, will spend more on entertainment/leisure and so will have less to spend in the retail sector.

iii) Technological Influences

4.35 Verdict expect major changes that will affect the supply chain. RFID (radio frequency identification) is a microscopic electronic tag within each product that is set to replace the ageing bar code. This will enable retailers to identify individual articles rather than specific types of products and it does not require contact with a scanner as radio signals can be picked up within a range of about 20 feet. They can also be scanned very quickly and do not require individual scanning.

4.36 XML (Extensible Mark-up Language) will transmit information between computers and will affect the relationship between retailers and suppliers. This is an improvement over the currently used EDI (electronic data interchange) as computers running different software can communicate with each other. These new technologies will help reduce costs, enhance collaboration between retailers and suppliers, bring new products to the market quicker and improve efficiency.

SUMMARY

- 4.37 National retail trends indicate a continued growth in incomes and expenditure, albeit not at such strong levels as in the last 15-20 years. The growth in expenditure is focused on comparison goods with virtually no increase in convenience goods expenditure.
- 4.38 Increased car ownership has resulted in greater household mobility and therefore the choices for shopping centres to visit and the distances that can be travelled are much greater. Internet shopping has grown phenomenally in the last few years and looks set to continue in certain sectors, it remains however only a very small percentage of overall spending.
- 4.39 Retail planning policy has become much more focused on promoting and protecting town centres. Although new forms of retailing, such as purpose built out-of-centre regional shopping centres, factory outlet centres and retail warehouse parks have emerged, where these are out-of-centre, they are now largely restricted by planning policy.
- 4.40 The foodstore operators have continued to evolve their formats and offer. With restrictions on out-of-centre stores growing, and changing socio-economic trends, several large operators have returned to the high street with small convenience stores. Operators are also seeking to extend their comparison goods offer, turning stores into variety or mini department stores. This trend poses a threat to smaller centres, where the large out-of-centre stores become one stop shopping destinations negating trips to the town centres.
- 4.41 There has been a continued polarisation towards larger centres and the provision of larger stores in these larger centres. Where smaller centres have been unable to diversify their offer or create niche markets they have suffered. The focus on urban renewal has increased demand for town centre sites for a wider range of land uses.
- 4.42 Since the mid-90's, despite higher rents, there has been a steady trend, driven by central government policy, towards building new leisure schemes in town/edge of centre locations. Mixed-use retail and leisure development has proved to be a real growth area in town centres. These trends present significant opportunities and challenges to Bedford's centres.

5. SUB-REGIONAL CONTEXT

- 5.1 This section reviews the context of Bedford in the wider region, and the Borough's relationship with the key competing centres. The Household Telephone Survey identifies the Borough's main competitors are Milton Keynes, Northampton, Peterborough and Cambridge.

Table 5.1: Competing Centres

Centre	Shopping population rank position	Retailer Demand	VenueScore Rank	Floorspace sqm gross	Drivetime from Bedford (mins)
Milton Keynes	15	112	31	156,000	28
Peterborough	22	107	51	131,000	37
Cambridge	27	200	71	120,000	43
Northampton	42	114	49	121,000	34
Luton	79	78	112	92,000	31
Bedford	97	64	108	85,000	-
Stevenage	102	53	108	64,100	26

- 5.2 We have reviewed a number of data sources including PROMIS; Venuescore retail rankings, Focus Property Intelligence database, Retail Promis and EGi, and have assessed information available from the relevant local authorities to clarify the position regarding development in the pipeline. The rank of a town is obtained using a scoring system which takes account of the presence in each location of multiple retailers, anchor stores, fashion operators and non-fashion multiples. The score attached to each operator is weighted to reflect their overall impact on shopping patterns. We present our assessment of competing centres identifying the main retail offer and the extent to which this is likely to change and influence shopping patterns in the Bedford catchment area in the future.
- 5.3 The shopping population rank of each of the larger competing centres has been derived from PROMIS (National Survey). According to this indicator, Milton Keynes is the strongest competitor assessed with the largest shopping population rank position and catchment area. Peterborough is ranked second highest after Milton Keynes in terms of shopping population rank position followed by Cambridge and Northampton. Luton, Bedford and Stevenage have the smallest floorspace figures and also the lowest rank position.

CAMBRIDGE

- 5.4 Cambridge is located 30 miles to the east of Bedford, and dominates an extensive catchment area. Cambridge has approximately 120,000 sq m gross of retail floorspace, with the historic core shopping

area centred on Petty Cury, Lion Yard, Market Hill, Market Street, St Andrews Street and Sidney Street. The city boasts extensive upmarket and speciality shopping, which extends its extensive mid market offer. Department store provision includes Debenhams and John Lewis.

- 5.5 Cambridge has two managed shopping centres. The Grafton Centre opened in 1983 and has a floorspace of approximately 40,000 sqm gross. The centre is anchored by Bhs and Debenhams, and a number of multiples, including Boots, New Look and Next. In contrast to the core area, up market provision in the Grafton Centre is limited, and the emphasis is on main stream fashion. There is also an 8 screen Warner Village multiplex cinema within the centre which was developed as part of an extension in the mid 1990's. Planning permission to extend the centre was granted in March 2003. The £10m extension added circa 2,800 sqm gross of additional retail floorspace split into 7 new units and was completed in November 2004.
- 5.6 The Lion Yard Shopping Centre is located within the historic core and flanks the prime pitch. The enclosed shopping centre opened in 1974 and has a retail floorspace of circa 11,000 sqm gross. The units at Lion Yard are small and there is no major anchor; amongst the largest occupiers are Dixons, Game and HMV. Aberdeen Property Investors have permission for a 1,800 sqm extension to the centre however work is unlikely to start before the Grand Arcade development gets underway. The Lion Yard Shopping Centre will eventually be linked to the new Grand Arcade shopping development. Lion Yard has full planning permission for further refurbishment work on the centre. This will include a link to the Grand Arcade scheme and the construction of a small food court.
- 5.7 Construction has started on a major redevelopment of the area around the outmoded John Lewis department store on St Andrews Street, to create a new two level shopping centre – the Grand Arcade. The scheme will total around 42,000 sqm gross with the first phase being the construction of a new 26,000 sqm gross John Lewis store. The existing John Lewis store will then be redeveloped to create space for 50 unit shops and restaurants. The scheme is likely to be completed in 2008. Grosvenor Developments are also currently redeveloping the former Co-op Store on Burleigh Street to create 2,000 sqm gross of unit shops, together with offices and flats on the upper floors. It is likely however that John Lewis will move into the redeveloped site on a temporary basis while the Grand Arcade scheme is being developed.

MILTON KEYNES

- 5.8 Milton Keynes is located 17 miles from Bedford. The primary catchment area stretches along the north-south axis of the M1, almost as far as Rugby in the north and including parts of Dunstable and Luton in the south. To the west, the catchment is bounded by the M40; in the east it stretches out towards St. Neots, also including parts of Bedford.
- 5.9 Milton Keynes is a fully managed centre, developed in phases. The main centre originally opened in 1979 and has recently re-branded 'the centre:mk'. Anchored by John Lewis and House of Fraser department stores, as well as Marks & Spencer, the centre:mk has a strong tenant mix. The centre

accommodates a range of well-known retailers such as Boots, Woolworths, Bhs and WH Smith. There is a good range of mainstream fashion retailers throughout, including Next, Etam, Laura Ashley, Monsoon, Principles, River Island, Bay Trading, Dorothy Perkins and Warehouse.

- 5.10 Midsummer Place shopping centre opened in 2000, and is anchored by Debenhams, situated at the end of West Walk. Other key retailers include Mango, Virgin Megastore, Jane Norman, Mexx, New Look, Top Shop/Top Man/Miss Selfridge and West One. Key fashion retailers on East Walk include Hugo Boss, H&M, Planet, River Island and Karen Millen; other fashion retailers include Baron Jon Direct, Kookai, Morgan, Pilot, Base and Oasis. Ottakars, Shop @ Panasonic and Sports Soccer also have sizeable stores in this part of the centre.
- 5.11 The process of re-fashioning the central area of thecentre:mk is already underway, involving the replacement of much of the existing surface level car parking with shops and leisure uses, with adjacent multi-storey parking. Outline consent has been granted for an extension to thecentre:mk, which will provide just under 55,750 sqm of additional retail floorspace, including a new superstore, in three phases of development up until 2012. We understand that both the House of Fraser and John Lewis department stores will be substantially enlarged, with House of Fraser also being relocated within the centre; Waitrose intends to relocate from The Food Centre into the new foodstore within the scheme.
- 5.12 It has been reported that Sainsbury also intends to leave its premises in The Food Centre for a new store to the west of the central area at the junction of Witan Gate and Avebury Boulevard. In the longer term, the site currently occupied by The Food Centre may also become available for redevelopment.

PETERBOROUGH

- 5.13 Peterborough's primary catchment extends north into Lincolnshire, encompassing a number of small, fairly affluent towns such as Bourne, Stamford and Market Deeping. To the west Peterborough's catchment is constrained by Corby and Leicester, while Cambridge limits its extent to the south-east. Peterborough benefits from good road and rail connections. In particular, the city is linked by dual carriageway to the A1, five miles to the west, providing good access to London and the North.
- 5.14 Managed floorspace is concentrated mainly in the Queensgate Centre, which is anchored by a large John Lewis department store, M&S, Bhs, Argos and Virgin stores. The Queensgate Centre benefits from very good parking provision, with a number of multi-storey car parks.
- 5.15 The Rivergate Centre is situated at the southern end of Bridge Street, and comprises a mall of shop units, to the rear of which are three larger stores (occupied by Comet, Poundstretcher and Iceland), an Asda superstore and a large car park. It was hoped that the Rivergate Centre would strengthen the southern part of the city centre, but its location beyond a busy main road (Bourges Boulevard)

separates it from the rest of the main shopping area, and it has remained decidedly secondary, suffering from a high turnover of tenants since it opened at the end of the 1980s.

- 5.16 The city's third managed centre, Hereward Cross Centre, is situated on Broadway, at the northern edge of the central shopping area. This arcade dates from the 1960s; it subsequently suffered as the retail focus shifted from a linear towards a more compact orientation following the opening of the Queensgate Centre. Hereward Cross is mainly occupied by local traders and pedestrian flows are low, we understand that if there is sufficient demand the Centre may be reconfigured to create larger units.
- 5.17 The most significant scheme in the pipeline in Peterborough city centre is for a large extension to the Queensgate Centre. The Local Authority have selected a joint venture of Morley Fund Management (the owners of the Queensgate Centre) and Hammerson as preferred developers for up to 48,300 sqm of additional retail floorspace and 9,300 sqm of leisure floorspace. A planning application has yet to be submitted.

NORTHAMPTON

- 5.18 Northampton is located 22 miles driving distance from Bedford. Northampton's primary catchment area is extensive but largely rural. It extends east to include Wellingborough and south beyond Roade; to the west it stretches as far as Daventry. To the north, Leicester, Rugby and Kettering limit the catchment area, while to the south its catchment overlaps with that of Milton Keynes.
- 5.19 Town centre retail floorspace in Northampton is estimated at 120,800sqm and includes a broad range of national multiples including three department stores, Beatties, Debenhams and the Co-op. The Grosvenor Centre is the dominant shopping centre in Northampton. The Centre is anchored by Beatties department store, Littlewoods and Sainsbury's and accommodates a standard range of national multiples. A major extension of the centre is now under consideration.
- 5.20 The 9,300 sqm Peacock Place opened in 1988. It has no department or variety stores, although key tenants include Next, Laura Ashley, Evans and Dorothy Perkins. St Peter's Way was completed in 1996 in a very secondary area of the town, linking Gold Street with Woolmonger Street. It is a hybrid shopping centre/retail park, with six large units (grouped around a car park) connected by an open mall (lined with very small units) to the existing shopping street. Argos, Iceland, Peacocks and Aldi are the main tenants.
- 5.21 In view of the anticipated expansion of Northampton's population, the Borough Council envisages further scope for retail development. The Council has prepared forecasts to guide the level of retail development over the period 1993-2006 and believes that there may be a need for as much as 31,300 sqm of additional comparison shopping floorspace throughout Northampton's town and district centres.

LUTON

- 5.22 Luton is situated 19 Miles from Bedford. The town centre retail floorspace in Luton is estimated at 92,000sqm. The main shopping provision is concentrated in the Arndale Centre, which comprises 70,049sqm. It is anchored by Argos, Boots the Chemists, Debenhams, Mothercare, Next, Tesco, WH Smith, Wilkinson and Woolworths.
- 5.23 The centre has seen no significant new development since the Arndale Centre opened, and is likely to have fallen behind its competitors. However, Ballymore Properties is intending to submit an application for a mixed use retail/residential development on land at Power Court, Luton, which is expected to comprise circa 50,000sqm gross of A1/A2/A3 floorspace, which will meet the capacity identified by the Council.

STEVENAGE

- 5.24 Stevenage lies just east of the A1(M) motorway, some 26 miles from Bedford. Town centre retail floorspace in Stevenage is estimated at 64,100 sqm with around 49% of the total retail floorspace accounted for by the town's 4 managed shopping centres. The Forum Centre was opened in 1997 and measures 8,268sqm. It is anchored by Dixons, JJB Sports, TK Maxx and V Shop. The Westgate Centre opened in 1988 measures 10,219 sqm and is anchored by Adams Childrenswear, Burton, d2, Dorothy Perkins, Officers Club (The), Post Office and River Island.
- 5.25 Stevenage Council has approved a regeneration strategy, focusing on plans to create a 9,297 sqm department store and 10,596 sqm of other retail, developed on a new pedestrianised street linking Stevenage's leisure centre, the Westgate Centre and the town square.

SUMMARY

- 5.26 Bedford faces competition from Peterborough, Northampton, Luton, Milton Keynes, Stevenage and Cambridge. In terms of trade draw, the survey shows that Milton Keynes, Northampton, Peterborough and Cambridge as the key competing centres. All these centres are set to enhance their retail offer still further, with major new retail schemes either under construction or in the pipeline. Collectively, the level of investment planned in the competing sub-regional centres will strengthen their role in the retail hierarchy, and increase their market share from the Bedford catchment area.
- 5.27 Combined with the ongoing competition from out of centre retailing around Bedford, the town centre and Kempston district centre both face significant challenges. Bedford is currently ranked 97th in the UK by catchment and while previous studies have consistently identified the potential for significant new development in the town centre, the level of competition and threat of continued polarisation of retail activity to Bedford's larger competitors suggest securing this development is now critical to safeguarding its future.

6. BEDFORD TOWN CENTRE HEALTH CHECK

6.1 Having examined the sub regional context and identified Bedford's position and performance relative to its principal competitors, in this section we set out the results of our detailed assessment of the vitality and viability of the centre, based on the PPS6 indicators. This analysis draws on our own surveys and data sources, and other specialist databases.

DIVERSITY OF USES

6.2 The Experian Goad Town Centre Report (November 2004) identifies a total of 85,000 sqm of ground floor floorspace for retail trade and services, comprising 407 units. The floorspace figures derived from the Experian Goad Plan only show the footprint of units, within the building lines, and do not provide a definitive figure of net or gross floorspace.

6.3 Table 6.1 highlights the composition of Bedford by the number of units. It is evident that the centre has a below average representation of units occupied by retailers in the convenience category. The number of comparison retail units is 1.56% above the national average. The number of retail units in the service, and miscellaneous (i.e. employment, careers, post offices) categories are above the national average. We consider this composition and implications for Bedford throughout this section.

Table 6.1: Bedford Retail Composition by Number of Units

Retail Category	No. of Units	Percentage of Total (%)	National Average (%)	Variance (%)
Convenience	29	7.13%	9.17%	-2.04
Comparison	201	49.39%	47.83%	1.56
Service	130	31.94%	31.38%	0.56
Vacant	34	8.35%	10.26%	-1.91
Miscellaneous	13	3.19%	1.36%	1.82
Total	407	100.00%	100.00%	

Source: Experian Goad Town Centre Report, November 2004

6.4 Table 6.2 highlights the composition of Bedford by floorspace. It is evident that the amount of floorspace occupied by comparison goods retailers is above the national average and there is a particularly low proportion of floorspace within the convenience goods category, following the closure of the principal town centre foodstores in recent years.

Table 6.2: Retail Trade Group Floorspace

Retail Trade Group	sq.m	%	%GB	Index
Convenience	4,650	5.46%	16.89%	32
Comparison	56,490	66.38%	53.07%	125
Service	17,650	20.74%	20.76%	100
Vacant	5,020	5.90%	7.99%	74
Miscellaneous	6,320	1.52%	1.29%	118
Total	90,130	100.00%	100%	

Source: Experian Goad Town Centre Report, November 2004

RETAILER REPRESENTATION

- 6.5 The 2000 Health Check identified the main concentrations of multiple retailers in Bedford to be in the Harpur Centre and Midland Road and Silver Street. This pattern is reflected by the concentrated pattern of pedestrian flows (considered later). The main changes which have taken place since the health check are the conversion of C&A on Midland Road to a New Look, and closure of Sainsbury's on Allhallows Road which has since been reoccupied by a Peacocks Variety Store. While there have been numerous other changes in the retail composition, the loss of Sainsbury's from the town centre represents the most significant change, bringing about a marked reduction in the diversity of the convenience retail offer.
- 6.6 Overall, in the comparison sector, Bedford still retains a reasonable range of multiple retailers, including Debenhams and Beales department store, supplemented by Marks & Spencer, Woolworths, Bhs, Boots and TK Maxx. However, this offer, is essentially focused on the mid market, and in the absence of new development opportunities, the centre has so far failed to attract any of the significant new quality multiple retailers which are increasingly seen as essential components of the most successful comparison shopping centres.
- 6.7 While there is no definitive industry standard retail centre ranking, the Experian rankings measure multiple retailer representation and the presence of key retailers to produce an overall vitality score, as a means of ranking the performance of different centres and changes over time. This indicated that Bedford was ranked 97th in 2001, but its position fell by 7 places to 104th in the 2002 index. Since 2003 the Experian index has only identified the rankings of the top fifty centres, in part reflecting the increased investment interest in these dominant locations. However, as a consequence of new development since then, Bedford's position is likely to have fallen further in the rankings.
- 6.8 To put these figures in to context, Peterborough ranked 38th in the 2002 rankings, falling five places since the previous year. Milton Keynes ranked joint 40th, increasing its position by two places, while Cambridge ranked 43rd, improving its rank position by one place. Northampton ranked 51st, again showing an increase in its rank position of six places over the previous year. Luton achieves the closest comparable rank to Bedford, at 107th, but shows an increase in its rank position of eleven places since the previous year. If Bedford is to achieve the status of a regional centre as identified in

the draft East of England Plan, it clearly needs to improve its retail offer significantly even to maintain its position relative to its competitors.

- 6.9 In addition to the failure to maintain and enhance its overall retail ranking based on its retail diversity, Bedford town centre currently has a limited range and quality of bars/restaurants and leisure facilities within the town centre. While the secondary retail areas contain a range of pubs, bars and cafés/restaurants there is no obvious focus for quality eating/drinking, either serving shoppers or the evening economy. In these circumstances the centre offers relatively limited diversity of uses for a town of its size.

RETAILER DEMAND

- 6.10 The 2000 Health Check reviewed changes in level of retailer demand in Bedford between October 1997 and October 1999, and compared Bedford’s position with its principal competitors. This indicated that the number of requirements for Bedford fell over this period, as did its overall rank position. Competing centres, in particular Milton Keynes, Cambridge and Peterborough all rank ahead of Bedford in terms of retailer demand, and both Milton Keynes and Cambridge improved their position in terms of overall rankings. This is consistent with the long standing picture of pent up retailer demand and the potential for further major comparison retail development in both centres.
- 6.11 Since the 2000 Health Check, the Focus database shows a steady increase in the number of requirements for Bedford, from 51 in October 2000 to 64 in April 2005. Bedford is still overshadowed by Milton Keynes, Northampton, Peterborough, and in particular Cambridge which has 200 requirements and ranks fourth in the country. Since October 2003, retailer demand has fallen, and Bedford’s rank position has declined, despite the renewed interest in the Bus Station opportunity.
- 6.12 This pattern is illustrated in Table 6.3, which summarises the change in the number of retailer requirements for Bedford since April 2001. In April 2005, Bedford had 64 retailer requirements, representing a significant increase over the last six months.

Table 6.3: Bedford Ranking of Retailer Requirements

Number of Requirements	Date
64	Apr 05
56	Oct 04
57	Apr 04
64	Oct 03
55	Apr 03
65	Oct 02
52	Apr 02
51	Oct 01
48	Apr 01

Source: Focus Property Intelligence, 2004

- 6.13 The Council's selected development partner, St Modwen, has indicated potential retailer demand for new/improved department store representation within the centre, and identified demand from a range of leading mid market fashion and other comparison multiple retailers. Their market analysis has also identified demand from Asda for a new main foodstore as part of the Bus Station scheme. On this basis, there are positive signs of retailer interest, albeit mainly from what may be regarded as mid market multiple retailers for new and improved representation provided new units can be provided of the right size and in the right location.

RENTS AND YIELDS

- 6.14 Table 6.4 outlines Prime Zone A Retail Rents in Bedford and competing centres. In 2003, rents in Bedford were £1,023 per sqm, i.e. lower than each of its competing centres. Rental levels in Bedford since 2000 have been consistently lower than its competitors and the centre has seen relatively little growth since then.

Table 6.4: Comparison of Prime Retail Rents (Per sqm)

Centre	2000	2001	2002	2003	2004
Milton Keynes	2,691	2,422	2,583	2,583	2,691
Peterborough	2,153	2,045	2,207	2,207	2,260
Cambridge	2,422	2,422	2,853	2,853	2,583
Northampton	1,346	1,292	1,346	1,399	1,399
Luton	1,830	1,722	1,844	1,844	1,884
Bedford	1,076	969	1,023	1,023	1,076

Source: Colliers CRE 2004

Note: there are no figures available for Stevenage

- 6.15 The 2000 Health Check indicated that rents at that time had circa £1,070 per sq. m Zone A, indicating a level well below the competing larger regional centres of Peterborough, Cambridge and Milton Keynes. The previous health check indicated that rental values had not grown to the same extent as competing larger centres, notably Cambridge and Milton Keynes which are both currently the subject of major new development proposals.
- 6.16 Valuation Office data indicates that Zone A retail rents in Bedford are still broadly at circa £1,100 per sq. m, indicating that the centre has seen relatively little rental growth since then. This reflects the absence of significant new comparison retail development in the centre and major new comparison retail letting within the primary area since then, which can have the effect of setting a new rental tone.
- 6.17 Table 6.5 compares prime retail yields in Bedford with competing centres in the wider catchment area. Northampton, Stevenage and Bedford have the highest (or worst) yield, and Milton Keynes, Peterborough, Luton and Cambridge have the lowest (or best) yield. Milton Keynes has the lowest

yield out of all the centres. Yields in all the centres have remained mostly static highlighting the economic/ investment stability in these centres since 2002.

Table 6.5: Comparison of Prime Retail Yields (%)

Centre	April 2002	April 2003	January 2004
Milton Keynes	4.75	4.75	4.75
Peterborough	5	5	5
Cambridge	5.25	5.5	5.25
Northampton	6	6	6
Luton	5.5	5.5	5.5
Bedford	6	6	6
Stevenage	7	7	7

Source: Property Market Report 2004

- 6.18 Again this may be accounted for by the lack of investment transactions within the primary retail area over this period, but indicates generally lower investor confidence in Bedford than in its larger competitors, and is indicative of the centre's relative under performance in rental and investment terms over the past four years.

VACANT RETAIL PROPERTY

- 6.19 The proportion of vacant street level property is one of the relevant indicators, which can be used when assessing the vitality and viability of a town centre. It should be used with caution, however, as vacancies can arise even in the strongest town centres, particularly where properties are under alteration. Conversely, the absence of any vacancies can be a symptom of under provision of space, and prevent new retailers and current retailers in the centre from securing new or enhanced representation.
- 6.20 The 2000 Health Check indicated 38 vacant units in the centre in May 2000, accounting for 9.7% of the total number of units compared to the national average at that time of 11.61%. Significantly, when considered in relation to floorspace, only 5.26% of total retail floorspace in Bedford was vacant, compared to a national average of 9.18%. This contrast suggests that the higher proportion of vacant units within the centre at that time were generally small, and were generally located within secondary retail areas.
- 6.21 Since then, a retail assessment undertaken by WYG in 2001 in support of retail proposals elsewhere in Bedford identified a total of 37 vacant units, representing 8% of the total, and accounting for 4,970 sqm gross of floorspace or 6% of the total. This analysis indicates both the number of vacant units and proportion of floorspace vacant remained relatively static between 2000-2001. The Goad survey in November 2003 indicated a modest reduction in the number of vacant units, to 36 or 8.9% of total units, compared to the national average of 10.39%, but a more marked increase in the total level of vacant stock at 8.11% of total floorspace, which is above the national average of 7.8%. Overall, this

analysis suggests the number of vacant units in the centre has remained relatively constant, but the average size of vacant units has increased.

- 6.22 The latest Experian Goad Survey (November 2004), identifies 34 vacant units in Bedford, equating to a vacancy rate of 8.35%, compared with the national average of 10.26%. In terms of retail floorspace, 5.9% of floorspace in Bedford town centre is vacant, compared to a national average of 7.99%. This represents a significant reduction in the level of vacant floorspace since November 2003. The latest figures are set out in Table 5.6.

Table 6.6: Vacancy Rate in Bedford- by Unit and Floorspace

Vacant Units	Percentage of Total Units	National Average (%)	Vacant Floorspace (sqm)	% of Total Floorspace	National Average (%)
34	8.35	10.26	5,016	5.9	7.99

Source: Experian Goad Town Centre Report, November 2004

- 6.23 In overall terms, the majority of vacancies are still focused in secondary retail areas, and are mainly small units which are poorly suited to modern multiple retailers' requirements. While there are no significant concentrations of vacancies, there are a number of vacant units situated along the northern end of High Street, and in the vicinity of Greyfriars/Midland Road. Experience indicates that where larger units have become available closer to the primary retail area, they have secured alternative replacement tenants, albeit primarily retailers focused on the mid to lower end of the market.

PEDESTRIAN FLOWS

- 6.24 The 2000 Health Check drew on pedestrian flow counts undertaken in 1991, 1994 and May 2000. The 2000 survey indicated the highest flows were achieved in the pedestrianised parts of the town centre along Midland Road, Midland Road now outside the Harpur Centre, and Silver Street. The area outside Sainsbury's and Allhallows also achieved high pedestrian flows. Analysis highlighted that total weekly pedestrian flows within Silver Street and on the eastern end of Midland Road fell significantly between 1994 – 2000.
- 6.25 The PMRS flow counts carried out in July 2002 indicated the total average weekly flow count over the 30 points surveyed fell from 34,960 people over a six hour period in 2000 to 33,280 people in 2002. Midland Road, in the vicinity of Marks & Spencer, still achieved the highest pedestrian flow, achieving a weekly flow of 78,200 people which is above the figure in 2000 but still lower than the flow count measured in 1994. Elsewhere, the analysis indicates that shopper flows along Silver Street and High Street fell significantly.
- 6.26 The 2002 figures also show a marked reduction in pedestrian flows at Peacocks, on Allhallows, and in the secondary areas of Greyfriars. This is consistent with an overall picture of increased

consolidation of retail activity within a relatively compact primary retail pitch comprising the Harpur Centre and Midland Road/Silver Street between the junctions with Allhallows and High Street. This reinforces the need for new development of sufficient scale and attraction to re-establish activity in these areas.

- 6.27 We have reviewed the latest pedestrian flow counts taken by Pedestrian Market Research Services in 2002 and 2004. The data shown in Table 6.7 highlights pedestrian flows in Bedford town centre counted over a Friday and a Saturday. It is evident that some of the highest pedestrian movements in Bedford town centre, in 2002 and 2004 are on Midland Road, outside WH Smith and Marks and Spencer. The 2004 count revealed higher pedestrian movements outside WH Smith than in 2002. The majority of major multiple retailers are located here, providing a strong pull for shoppers. The second highest count in 2004 was taken outside Next on Silver Street which also has a higher count than the one recorded in 2002. Other high counts in 2004 were recorded outside Peacocks and Superdrug on Allhallows.
- 6.28 The 2004 survey indicates a drop in pedestrian flows outside The Link and Boots the Chemist in the Harpur Centre, than in 2002. Lower pedestrian movements were observed outside the primary retail frontages particularly on High Street where there are more independent comparison retailers and more A2 and A3 uses. The flow counts for High Street are relatively consistent between 2002 and 2004. The lowest pedestrian counts in 2002 and 2004 were recorded outside the secondary retail frontages along the western end of Midland Road, outside the Nags Head Public House and outside Kall Kwik on Greyfriars. Both Greyfriars and the western end of Midland Street are characterised by independent retailers, whilst the latter contains a number of vacant units.

Table 6.7: Pedestrian Flows, Bedford Town Centre, 2002 and 2004

Occupier	Street	Index 2002	Index 2004	Variance
		Combined Friday	and Saturday	
WH Smith	Midland Road	167	267	100
Next	Silver Street	154	226	72
Marks and Spencer	Midland Road	235	No Count	N/A
Peacocks	Allhallows	116	166	50
Superdrug	Allhallows	98	164	66
Burger King	Harpur Street	81	157	76
The Link	Harpur Centre	189	147	-42
Boots the Chemist	Harpur Street	No Count	144	N/A
Timpson Shoe Repair	Church Arcade	144	109	-35
Boots the Chemist	Harpur Centre	95	75	-20
Mcdonalds	High Street	74	65	-9

Yorkshire Bank	High Street	49	37	-12
Kall Kwik	Greyfriars	27	26	-1
The Nags Head	Midland Road	34	21	-13

Source: PMRS 2002 & 2004 – Results shown in Thousands, Index - % of average weekly flow (benchmarked at 100)

- 6.29 The change in flowcounts over the period 2002-2004 suggests consolidation of the core area of Bedford, along Midland Road/Silver Street, and continued decline in activity in the secondary areas of the High Street and Midland Road to the west of Greyfriars.

SUMMARY

- 6.30 In summary, our review indicates that Bedford remains a vital and viable centre, and as described elsewhere, has benefited from further significant environmental improvements. In retail terms, its strengths are its compact and partly pedestrianised retail core, and range of key anchor stores including Debenhams/Beales. Its principal weakness in retail terms is the lack of large modern quality units capable of meeting the long term requirements of existing and new retailers.
- 6.31 The centre lacks mid/up market multiple retail representation, a quality main foodstore, and complementary eating/drinking/leisure provision within the town centre. Against a number of indicators, the centre has shown signs of underlying consolidation and decline, which will continue without new development.
- 6.32 The only current opportunity for major new retail development in the town centre is the Bus Station site which has potential to accommodate significant new retail floorspace as part of a mixed use development, and has the potential to be linked effectively in to the existing primary shopping area and primary shopping frontages. There is potential to extend this development area to the west, to facilitate a larger scale of retail development, and for other, complementary opportunities in other parts of the centre, including Riverside Square and Castle Lane.
- 6.33 The major threats to the centre arise from the continued expansion of larger, regional shopping centres, and from the existing stock of 'out of centre' retail provision in Bedford which has the potential to continue to expand its market share and compete with the traditional town centre offer. Securing the early redevelopment of the Bus Station site, and maximising the contribution this area can make to meeting Bedford's long term retail needs are paramount and should be one of the key objectives of the development framework.

7. SCOPE FOR RETAIL DEVELOPMENT

- 7.1 Previous retail studies in Bedford have consistently identified scope for a significant amount of additional comparison goods floorspace in the town centre. The 1997 study identified the scope for 24,500 sqm net of additional comparison good floorspace by 2006. The more recent, limited capacity update undertaken by GVA Grimley as part of the Town Centre Development Framework exercise identified scope for circa 31,600 sqm net of comparison goods floorspace by 2012, which we estimated would translate into a gross requirement for circa 50,000 sqm.
- 7.2 The January 2005 update did not include any detailed assessment of convenience goods floorspace capacity, but identified the more modest level of expenditure growth in this sector and concluded in quantitative terms there may not be significant scope for new development. In qualitative terms, the need for a large modern foodstore within the town centre was recognised, in order to reverse the pattern of decentralisation which has taken place in Bedford over many years and address a clear qualitative need.
- 7.3 The January 2005 update identified the need for a more detailed assessment of floorspace capacity, based on an update household interview survey. This is needed to define more accurately Bedford's catchment area, and its market share and those of Kempston and Bedford's out-of-centre foodstores and retail warehouse park, as a basis for producing more reliable capacity estimates to underpin the forthcoming LDF and AAP for the town centre. This forms a key part of the current study.

METHODOLOGY

- 7.4 The approach we have adopted follows current Good Practice, and is broadly consistent with the previous studies undertaken in the Bedford area. We have drawn on our ongoing work on behalf of the ODPM to develop Good Practice Guidance for Retail/Leisure Need and Impact Assessments, and drawn on the most up to date population and expenditure estimates and reflected other retail trends identified elsewhere in this report. We have adopted a step-by-step approach: -
- We have used the previous studies and other published survey data to define the survey area and series of zones as a basis for commissioning a fully independent household interview survey to examine convenience and comparison shopping patterns. These are shown on Plan 1. (This has been undertaken in discussion with Donaldsons, who are acting for St Modwen Properties in respect of their town centre proposals to agree a common methodology to the questionnaire etc. However, the survey results are fully independent.)
 - Within the Survey Area, we have obtained up-to-date population and expenditure estimates based on the Experian Business Solution Database. These are derived from the 2001 Census, and take into account forecasts of population growth in the Bedford Study Area which has been discussed with Council Officers.

- Per capita expenditure estimates have also been derived from the Experian Database, and reflect the current socio-economic characteristics of the Study Area. We have applied long term growth rates, of 0.7% per annum of convenience goods and 4.3% per annum comparison goods expenditure growth, and made appropriate adjustments to remove Special Forms of Trading (SFT) i.e. mail order, internet to provide a realistic estimate of forecast available expenditure within the Study Area for the period up to 2011 and 2016.
- We have used a weighted average of the household survey results to model convenience and comparison goods expenditure patterns within the Study Area, to identify the market share and turnover of the town centre, Kempston district centre and free standing foodstores and retail parks as a basis of building up accurate baseline picture of current shopping patterns and turnovers. The distribution of existing facilities is shown on Plan 2.
- To examine capacity, we have assessed the forecast growth in the turnover of existing centres/stores against the current baseline position, after making an allowance for 2.5% per annum increase in sales efficiency of comparison goods floorspace, to identify the headroom or surplus capacity in each based on the current market shares.
- As an alternative, in order to give a range of capacity figures, we have also examined the current turnover of existing facilities against a notional 'benchmark' turnover based on average sales figures (where known). This examines whether there is any basis to conclude that existing shopping facilities are either under or over performing i.e. whether a surplus or deficit in capacity exists at the baseline position.
- Finally, we have examined the global expenditure capacity generated on this approach, translated into floorspace requirements, and drawing on our analysis of existing provision, identified where we consider additional floorspace should be best be accommodated in order to comply with national, regional and local policy objectives.

7.5 The full results of this analysis are set out in Appendix 1. In this section, we summarise the conclusions for convenience and comparison goods floorspace requirements separately, as required by PPS6.

CONVENIENCE FLOORSPACE NEEDS

7.6 We estimate the total population within the Study Area of 2005 is 384,662. The most populous zone is Zone 1, centered on Bedford itself, which has a population of 112,059. Experian estimate the Study Area population will increase to 403,792 by 2011, and overall growth rate of 5%, and 2,417,606 by 2016 – a growth rate of 9% between 2005 – 2016. We understand the Borough Council considers these figures are broadly consistent with its own growth expectations.

- 7.7 Convenience goods expenditure per capita is currently estimated at £1,574. Applying the Experian ultra long term growth of 0.7% per annum, this is expected to increase to £1,641 per capita in 2011 and £1,699 per capita by 2016. After allowing for SFT, accounting for 1.85% of total expenditure, we estimate the Study Area generates a total convenience goods expenditure of £605.28m, which is forecast to grow to £662.54m by 2011 – an increase of £57.25m. To put the projections into context, the level of growth forecast between 2005 – 2011 is broadly consistent with the expected turnover of a large modern food superstore.
- 7.8 Based on the household interview survey, we estimate that Bedford town centre's total convenience goods turnover is circa £27.8m in 2005, and on current market shares would be forecast to grow to £30.23m by 2011. The analysis indicates that Lidl and Iceland in the town centre are both trading well, and above their respective average sales level. The Marks & Spencer Food Hall appears to be trading below average, although it is difficult to accurately reflect the top-up role that this type of store traditionally performs and in practice our survey probably under estimates its true performance. Equally, the survey suggests other town centre convenience retail floorspace is performing significantly stronger than we would expect, again possibly indicating the margin of error inherent in assessing local convenience retailers' turnover. In overall terms, the survey suggests Bedford town centre is only accounting for 13% of convenience goods expenditure within Zone 1, and attracts very little trade from beyond this area.
- 7.9 Kempston district centre accounts for some 11% of convenience goods expenditure in Zone 1 and 16% of expenditure within Zone 4, and has a more limited draw from the rest of the Study Area. This indicates the Sainsbury's Store which underpins the centre is currently achieving a turnover of £29.66m which is just above the 'average' turnover expected of a Sainsbury's Store of this size. Assuming this centre maintains its market share, the store would be expected to achieve a modest increase in turnover, up to circa £32.18m by 2011. Collectively, Bedford town centre and Kempston district centre currently achieve a convenience goods turnover of £57.4m, which equates to only 9.4% of total convenience expenditure generated within the wider Study Area.
- 7.10 The analysis demonstrates the dominance of the three out-of-centre foodstores in Bedford. Tesco at Cardington Road and Riverfield Drive, and Sainsbury's at Clapham Road collectively achieve an estimated turnover of £181.40m, and achieve a combined market share of 60% within Zone 1 and 73% within Zone 2. The survey indicates that Tesco at Riverfield Drive achieved the highest turnover, at over £81m, followed by Tesco at Cardington at circa £53m. Sainsbury's at Clapham Road is estimated to achieve a current turnover of circa £46.9m. All three stores are achieving sales levels significantly ahead of their respective averages, implying there is likely to be significant capacity for additional convenience goods floorspace.
- 7.11 In discussion with the Borough Council we have identified two current convenience goods commitments; Lidl on Bedford Road, Kempston and a new food superstore as part of the Elstow new settlement. We estimate their combined turnover at the present time would be £36.7m, which we

have used as a baseline figure in order to offset the turnover of these stores against forecast capacity in the Bedford area. After taking account of these commitments, comparing the combined current turnover of existing foodstores against their notional 'average' generates a residual capacity of circa £52.7m convenience goods expenditure by 2009, which is forecast to increase to circa £66.7m by 2011. At an average of £10,000 per sqm, this equates to the capacity for circa 5,272 sqm net of additional convenience goods floorspace, i.e. over and above current commitments, by 2009. This would increase to 6,672 sqm net by 2011.

- 7.12 Much of this capacity arises as a consequence of the strong sales of the three out-of-centre food superstores compared to their respective average levels. Looking at the town centre convenience sector in isolation, the analysis indicates capacity for only circa 1,158 sqm net by 2009, increasing to 1,241 sqm net by 2011. Equally, while Sainsbury's in Kempston appears to be trading marginally above average, there is little forecast capacity arising within this centre based on current market shares. This illustrates the extent to which the balance of foodstore provision in Bedford has shifted towards the three dominant out-of-centre stores.
- 7.13 Bedford as a whole currently retains circa 39.4% of total convenience goods expenditure generated within the wider study area, of which 30% is accounted for by out-of-centre food superstores and only 9.4% is accounted for by the town centre and Kempston District Centre. This has arisen as a consequence of the closure of all the town centre foodstores and successive impact of the growth of the out-of-centre sector on both Bedford town centre and Kempston district centre, which the forthcoming LDF should seek to reverse.
- 7.14 The clear conclusion from our analysis is that there is capacity to accommodate a large foods superstore in Bedford town centre. This reinforces the qualitative need identified previously, and provides the only realistic means of redirecting a significant proportion of out-of-centre sales back in to the town centre. We consider current commitments, and a large new food superstore in the town centre would largely account for forecast capacity arising up to 2011.
- 7.15 We consider the second priority should be to maintain and enhance the performance of Kempston district centre. While the centre appears to be performing adequately, its anchor store is increasingly out dated and performing poorly relative to the out-of-centre competition. Our analysis suggests that there may be capacity to support the extension and/or redevelopment of this store in order to reinforce the function of Kempston district centre and to provide a more balanced network of large modern superstores serving Bedford and its wider catchment, which should be identified in policy.
- 7.16 Finally, our capacity projections identify the dominance of the large modern food superstores in the area. These will inevitably account for the bulk of main food shopping requirements. However, any additional capacity arising as a result of forecast population and spending growth, over and above the priorities outlined, should be directed towards supporting the network of smaller, local centres, comprising small foodstores and ancillary facilities of an appropriate scale to serve local shopping

needs. These should be the subject of appropriate policies in the LDF to support a sustainable network of local centres while ensuring new development is restricted to meeting local needs, and consistent with the current and intended role of the town centre and Kempston district centre.

- 7.17 Finally, we should add the caveat that the convenience capacity forecasts in this study are based on the difference between current/forecast turnover of existing stores/centres and a notional average sales density. While this reflects normal practice as a means of defining surplus capacity, these figures do not in themselves necessarily constitute a 'need' in planning terms. In order to establish whether any individual store or centre is 'over trading' to the extent that current turnover levels give rise to a need for extra floorspace, it would be necessary to corroborate these findings with other qualitative indicators i.e. congestion, over crowding etc. In this respect, beyond the priority to secure a large modern food superstore in Bedford town centre, and to continue to provide for small scale local convenience facilities to meet population growth, our analysis does not demonstrate a 'need' to make provision for additional stores, or any extension to existing out-of-centre stores.

COMPARISON FLOORSPEACE NEEDS

- 7.18 In the comparison sector, the effect of higher expenditure growth, at 4.3% per annum is forecast to increase total comparison goods expenditure within the study area from £998.6m in 2005 to £1,349m by 2011 i.e. growth of circa £350.9m. This takes account of SFT at 7.7% of total spending, although as a note of caution some practitioners are suggesting that internet retailing may account for a larger proportion of total comparison expenditure in the future. As a consequence, in terms of 'high street' spending the growth estimates used are likely to represent the best case scenario.
- 7.19 Applying the household survey results, using a weighted average of market shares for different classes of non-food goods, we estimate Bedford town centre currently attracts 52% of all comparison goods expenditure within Zone 1, and overall achieves a market share of 28% within the wider study area. This is remarkably consistent with the 29.3% market share identified in the 1997 study update and suggests that while Bedford's market share has fallen, it has not suffered to the extent Hiller Parker estimated following the growth of new retail parks and competing centres over the last 7 years.
- 7.20 The combined market share of the three principal retail parks is circa 9.6%, indicating that comparison retail provision within Bedford as a whole currently accounts for just over 37% of total comparison expenditure within the wider study area. We have not attempted to model the comparison goods turnover of Kempston district centre or other free standing retail warehouses or local centres on the basis that the limited survey response makes it impossible to produce reliable estimates for these facilities.
- 7.21 We estimate Bedford town centre achieves a total comparison goods turnover of circa £257.7m. This equates to a current turnover of just over £7,000 per sqm which is a reasonably strong performance

and reflects the positive health check indicators described previously. The three principal retail parks achieve a combined turnover of £88.45m, with the Interchange Retail Park accounting for £49.8m. All three parks are trading just ahead of expectation based on the 'average' turnovers of the retailers represented on them.

- 7.22 The survey data does not enable us to produce an accurate estimate of the comparison goods turnover of the three principal superstores in the Bedford area, although we would expect these stores to collectively achieve a significant and growing turnover. This is in addition to the turnover of the town centre and retail parks identified. It is also appropriate to make some allowance for the Elstow new settlement, as an existing commitment. We have assumed that the comparison element of this development would achieve a turnover of circa £15m, which we have offset against our global capacity estimates.
- 7.23 Taking Bedford as a whole, and adopting 2005 as the baseline position, the effect of population and expenditure growth generates residual comparison goods expenditure of circa £46.3m by 2011, and £118.28m by 2016. This equates to capacity for circa 9,269 sqm net at 2011, rising to 23,658 sqm net by 2016. These figures should be regarded as conservative, on the basis that they take no account of the potential to increase market share by new town centre development or the effect of any increased market share arising from the Elstow New Settlement development. They also assume existing floorspace is in 'equilibrium' at 2005, whereas the consistent conclusion of previous studies has been that there is a significant and growing current capacity for extra floorspace in Bedford which is not reflected in these figures.
- 7.24 In these circumstances, adopting an alternative approach, we have compared the current turnover of the town centre/retail parks against their 'benchmark' turnover to assess the extent of any existing surplus expenditure. In contrast to retail parks, where the identity and average sales of existing retailers can be accurately accounted for, there are no generally accepted 'benchmark' sales levels for town centre floorspace. For the purposes of this study, we have assumed a notional sales density of £5,000 per sqm for the town centre, but would caution that this does not necessarily represent an appropriate or sustainable 'benchmark' level and implies a significant level of dilution of existing sales densities.
- 7.25 Adopting this approach, comparing the current comparison expenditure retained in the Bedford area, at £346.15m in 2005, against the current 'benchmark' sales requirements of existing floorspace at £255.44m generates a current residual spending of £90.7m. This implies a current capacity for circa 18,333 sqm net. After taking into account population and expenditure growth, and allowing for 2.5% increased sales efficiency in the current 'benchmark' sales level, forecast capacity increases to 24,844 sqm net by 2009 and 30,530 sqm net by 2011. At 2016 total capacity is forecast to amount to 47,712 sqm net although like any long term forecast this should be treated with a degree of caution.

- 7.26 In line with national, regional and local planning policy objectives, we consider the majority of the forecast comparison floorspace capacity arising should be focused on Bedford town centre. Bedford already has a good range of modern retail warehouse facilities and we consider there is unlikely to be any need for further out-of-centre retail warehousing over the LDF period. The only exception may arise in the case of specific opportunities for retailers selling large 'bulky' goods e.g. DIY, furniture etc. in fast growing sectors where there may be genuine difficulties accommodating forecast needs wholly within the town centre. The scope for this type of development (if any) should be considered on its individual merits against criteria based policies.
- 7.27 Assuming that most of the forecast capacity should be met within Bedford town centre, depending on the baseline figure used at 2011 we estimate capacity for up to 30,530 sqm net, which adopting a 75% net gross ratio equates to 40,706 sqm gross of comparison goods floorspace. While this capacity projection implies some dilution of the sales per sqm of existing floorspace in Bedford town centre, it also takes account of the potential to increase the town's market share as a consequence of new development. In these circumstances, we consider the figure represents a robust estimate for planning purposes up to 2011.
- 7.28 Over the period up to 2016, we estimate capacity for up to 47,712 sqm net of additional comparison goods, which equates to circa 63,616 sqm gross of additional comparison goods floorspace. This figure should be treated with some caution; it takes no account of potential growth in internet retailing and assumes the long term comparison goods growth rate of 4.3% per annum continues. Conversely, the figure is still based on Bedford's current market share and takes no account of the potential for a significant well anchored new development to improve the town's position relative to its competitors. In these circumstances, we consider LDF policy for the period post 2011 should continue to plan for further significant comparison development within the town centre beyond the current opportunity sites identified.
- 7.29 The current indicative proposals by St Modwen Properties for the Bus Station Site comprise circa 27,000 sqm gross of additional comparison goods floorspace, including a department store, general retailing, and comparison sales within the proposed food superstore. It is evident from our analysis that these proposals are supportable by current/forecast capacity arising well before 2011. Providing the development attracts new quality retailers, and is effectively anchored and integrated into the rest of the centre, our analysis suggests there is scope to increase Bedford's market share, and the level of trade diversion from other parts of the centre is likely to be minimal.
- 7.30 In these circumstances, the LDF should support the scale of comparison floorspace envisaged in the current proposals consistent with meeting current identified needs, and identifying longer term opportunities where it may be appropriate to accommodate forecast needs arising beyond 2011.

OTHER TOWN CENTRE REQUIREMENTS

7.31 The capacity projections outlined above identify forecast convenience and comparison floorspace needs, which is the main focus of this study. However, in parallel there will be significant growth in expenditure on eating and drinking, and other leisure pastimes. To give some indication, total expenditure on eating and drinking within the Bedford Study Area is currently estimated at £373 million, and is forecast to increase to £441 million by 2011. A breakdown of expenditure on different categories of leisure, and forecast growth in each for the Bedford Study Area is summarised in Table 7.1 below.

Table 7.1: Leisure Expenditure in the Study Area (2% growth per year)

	2005 (£000)	2009 (£000)	2011 (£000)	2016 (£000)
CULTURAL SERVICES	96,449	107,993	114,019	130,193
GAMES OF CHANCE	51,226	57,358	60,558	69,148
RESTURANTS, CAFES ETC	372,989	417,634	440,935	503,483
TOTAL	520,663	582,985	615,512	702,823

Source: Experian

7.32 Previous studies and our own health check have all identified a need for improved eating and drinking, commercial leisure and cultural facilities within the town centre. We would expect a range of restaurants and bars to be an integral part of the Bus Station redevelopment. We have also identified significant potential for the Riverside area, and High Street, and Castle Lane area to all contribute to meeting forecast leisure/cultural and eating and drinking needs, capitalising on their historic environment and waterside location.

7.33 As a consequence of the scale of needs identified in Bedford over the period up to 2011 and beyond, it is evident that the LDF needs to make provision to expand the centre, and to maximise the use of key opportunity sites identified within or on the edge of the current Primary Shopping Area (PSA).

7.34 We have reviewed sites within and on the edge of the current PSA, having regard to the guidance in PPS6. This indicates that when identifying sites, and considering expansion of the PSA, the local authority should have regard to the suitability, viability and availability of alternative opportunities to meet identified needs within the timescale in which they arise. In this case, an important consideration is the need to accommodate significant further comparison and convenience floorspace within the town centre in the period up to 2011 to meet current needs. On this basis, we

have attached significant weight to the potential availability of sites and the progress made towards bringing forward development opportunities, particularly in relation to the Bus Station site.

- 7.35 In addition to availability, other key considerations which we have taken into account when considering the extent of a PSA and potential retail allocations include the need to ensure any new development is effectively linked into the primary shopping frontage and is capable of forming an integral part of the retail circuit. We have also had regard to the physical suitability of alternative sites, given the commercial requirement for a viable scale of development and to accommodate modern retailer requirements, particularly the need for larger shop units.
- 7.36 Based on these considerations, it is evident that opportunities to extend the primary shopping area to the east, beyond High Street, are constrained. Taking into account vacant or potentially available sites, we have not identified any areas to the east of High Street which we consider would be capable of accommodating the scale and form of additional comparison/convenience retail floorspace required, and providing the necessary level of effective integration into the primary shopping frontage. Even taking into account the potential to remove traffic from High Street and achieve more effective linkages between this area and the current primary shopping frontages, we do not consider there are any suitable sites/areas east of High Street capable of meeting the scale of need identified, or accommodating retailers requirements for larger units.
- 7.37 The only significant opportunity identified to the east of High Street is the land and the facility of Castle Lane, which is more likely to be suitable for smaller scale, 'fine grain' residential and specialist/eating and drinking uses. In these circumstances, we do not consider there is any justification to seek to extend the primary shopping area further to the east.
- 7.38 To the south, the potential for any further expansion is limited by St Paul's Church and the Council Offices. The most significant opportunity is Riverside Square which offers the potential to link the primary shopping area to the under used river site. However, in isolation, we do not consider the Riverside Square site would be capable of making any significant contribution to meeting the comparison and convenience shopping needs identified, or achieving the necessary scale of extension to the Primary Shopping Area. As such, while we consider there will be potential to accommodate further retail and eating and drinking uses as part of a mixed use Riverside quarter, we do not consider it will be appropriate to seek to extend the Primary Shopping Area to include Riverside Square.
- 7.39 To the north, we have considered potential to extend the Primary Shopping Area beyond St Loyes Street and Line Street. However, we consider the potential for a significant northern extension of the Primary Shopping Area is ultimately restricted by Dame Alice Street and the prison. We anticipate there may be longer term potential for redevelopment of the Line Street site, and potentially the telephone exchange, linked with redevelopment of existing retail uses within the northern part of the Primary Shopping Area. However, the Line Street site in itself is too small to accommodate the scale

- and form of retail development required. We consider a larger scale extension/redevelopment within the northern part of the PSA and extending into the Line Street area and/or telephone exchange could not be regarded as being suitable, viable or available within the timescale needed to meet identified needs.
- 7.40 In these circumstances, having reviewed all the other alternatives, we conclude the most appropriate location to meet the significant additional convenience/comparison need identified is on the Bus Station site. Given the scale of convenience and comparison floorspace required, and in particular retailers requirements for larger units including a large new foodstore which meets a clearly defined 'need' we consider the requirements could not be accommodated entirely within the currently defined Primary Shopping Area, and therefore fully support extension of the PSA as currently envisaged. We consider this represents the only significant opportunity to accommodate current shopping needs in the period up to 2011 and should be strongly supported providing new development is effectively integrated with the rest of the Primary Shopping Area.
- 7.41 In parallel with the development of the Bus Station site, we consider there will be scope for some additional retail and eating and drinking facilities to be incorporated within the mixed use redevelopment of Riverside Square. Based on our capacity projections, there is likely to be scope for up to circa 10,000 sqm gross of additional comparison shopping floorspace in Bedford in the period up to 2011, beyond the provision within the Bus Station site. We anticipate Riverside Square would be appropriate to accommodate a range of more specialist comparison and convenience retailers, linked to the residential development and riverside location, catering mainly for the new and adjoining residential areas and visitors to the centre.
- 7.42 Equally, we consider there will be scope for some additional small scale comparison and convenience retailing and eating and drinking/leisure uses within the Castle Lane area. Again these are likely to be small scale and comprise generally smaller units consistent with the finer grain of this area and its main function as a new residential/cultural quarter.
- 7.43 While we consider Riverside Square and the Castle Lane both have the potential to accommodate further comparison retail development, and additional capacity is likely to be available beyond that which would be met on the Bus Station site, we considered the main determinant of the scale and form of retail development appropriate in both locations will be the physical capacity of the sites, and the need to secure an appropriate mix of uses including residential and eating and drinking. In these circumstances, we do not consider it is appropriate to attempt to define the scale of comparison or convenience retailing appropriate in each location in policy. However, in practical terms this will be restricted by the requirement to accommodate a mix of uses and the clear policy presumption in favour of accommodating any large scale comparison/convenience retailing within the major town centre expansion area of the Bus Station.

- 7.44 Our analysis suggests that there is sufficient capacity to accommodate the scale of additional development envisaged on each of the key opportunity sites by 2011, without any significant displacement of activity from the High Street or other parts of the PSA. However, in practice reflecting retail trends and the inevitable shift in the focus of the primary shopping frontages towards the western side of the town, we consider the function of the eastern side of the centre (and in particular High Street) are likely to continue to change and evolve.
- 7.45 Critical to the longer term success of the High Street is to remove unnecessary traffic, and create a more attractive environment which is needed to support the development of a wider range of quality eating and drinking facilities and more specialist shops. These will benefit from the additional footfall generated by new development within the main opportunity areas. Again we consider this transformation is achievable by 2011 provided the full potential of the identified opportunity areas is realised, and each is effectively integrated into the existing fabric of the centre.
- 7.46 Looking beyond 2011, we have identified continued capacity for further significant comparison goods shopping floorspace in Bedford town centre. Following the redevelopment of the Bus Station site and the extension of the PSA westwards, we consider the key focus for further stages of the town centre development area likely to focus on the land currently bounded by Allhallows, Dame Alice Street, High Street and Silver Street. We consider it may be appropriate for the AAP to identify this area as a possible location for further retail led mixed use redevelopment, subject to other planning policy objectives for the area.
- 7.47 Redevelopment of this area would help to reinforce the creation of a stronger retail circuit, linking the Bus Station redevelopment to the northern end of the High Street. We consider options for this part of the centre should include reconsidering the role of Lime Street, and the potential to incorporate the telephone exchange and other large underused buildings in this part of the centre.

SUMMARY

- 7.48 Our capacity analysis identifies significant scope for additional convenience goods shopping floorspace. There is a clear quantitative and qualitative need for a large modern food superstore in Bedford town centre, in addition to current commitments. There is also likely to be scope to support the redevelopment/extension of Kempston district centre and additional small scale local shopping facilities, but no need for any further out-of-centre food superstores or expansion of existing facilities.
- 7.49 There is a clear quantitative and qualitative need for circa 40,000 sqm gross of additional comparison goods floorspace by 2011 which should be focused in the town centre. This supports the scale of floorspace proposed as part of the Bus Station redevelopment, which should be the key priority, and also supports additional ancillary comparison and convenience retailing within the Riverside Square and Castle Lane opportunity areas. Provided new development is of sufficient quality and is well

integrated into the existing retail offer, we consider this scale of development is fully supportable by 2011 without any significant adverse impact on existing retailing within the PSA.

- 7.50 In addition, we expect to see significant growth in the demand for eating and drinking, and other leisure facilities within the town centre. We anticipate these needs will be met by additional facilities to be incorporated within the Bus Station redevelopment, Riverside Square, Castle Lane, and within High Street subject to the introduction of environmental improvements and exclusion of traffic. We consider these and other identified needs can be accommodated within the PSA, and on the adjoining Riverside Square and Castle Lane opportunity sites.
- 7.51 Looking beyond 2011, we anticipate continued pressure for additional comparison retail floorspace within Bedford town centre, building on the success of the Bus Station redevelopment and other initiatives. Based on the current constraints on the PSA, and the need to maintain a compact centre with strong linkages, we consider the main focus of search for further retail led mixed use development within the town centre, is likely to be within the northern part of the town centre between Dame Alice Street, High Street, Alhallows and Silver Street, and we consider this area should be identified as a future opportunity area subject to other policy considerations.

8. POLICY RECOMMENDATIONS

- 8.1 Drawing on our analysis of the role and performance of Bedford town centre and Kempston district centre, and the existing out-of-centre provision within the Borough, and our forecast of future needs over the period 2011 and beyond, in this section we set out our policy recommendations for the core strategy, AAP, and other detailed policies for incorporation within the forthcoming LDF.

CORE STRATEGY

- 8.2 The core strategy should set out the Borough Council's aspiration to maintain and enhance Bedford's role as a sub-regional centre, as the main focus for new retail and leisure development to meet the Borough's current and future needs up to 2011 and beyond.
- 8.3 Our analysis suggests that the Bus Station site provides the key opportunity to meet the Borough's defined shopping needs for the period up to 2011. In order to accommodate this scale of development, the core strategy should recognise the need to extend the PSA to the north west to accommodate this scale of development. The core strategy should make clear the Council's support for these proposals, as part of a range of initiatives to be detailed in the emerging AAP (see later).
- 8.4 We consider the core strategy should continue to define Kempston as the only district centre within the Borough, and to continue to support proposals to extend/redevelop the heart of this centre to reinforce its main food and associated local retail service function appropriate with its status. We have considered whether it is appropriate to continue to identify Kempston as a district centre, given the relatively limited range of facilities beyond the Sainsburys foodstore and other local shopping provision. We have also considered whether it will be appropriate to seek to extend the boundary of Kempston to include nearby shop units on Bedford Road and Bunyan Road to create a larger centre. Our overall conclusion is that it is still desirable to identify Kempston as a district centre, particularly in order to seek to encourage further investment and redevelopment of the somewhat dated facilities within the centre. We do not consider there is any merit in seeking to extend the district centre boundary at this stage to include adjoining local centres which serve a separate function.
- 8.5 In the case Elstow new settlement, it is appropriate to identify this as an emerging centre. However, until the existing development is completed, and the centre becomes more established, it is premature to afford this the status of a centre in PPS6 terms. The effect of such a designation would be to provide in principle support for further development of the centre. We consider the need for, and impact of any further development at Elstow would need to be the subject of further analysis, once the effects of the permitted development have been properly examined.
- 8.6 We have also considered whether there is need to identify other district centres, for example Riverfield Drive and Sainsburys at Clapham Road. It is evident that these facilities have some of the characteristics of a district centre, notably large foodstores and a range of other ancillary facilities.

However, we do not consider either centre displays the full characteristics of a district centre as defined in PPS6, and would be concerned at the potential impact of further significant convenience and comparison development in these or other out of centre locations given the core strategy for expansion of Bedford town centre. On this basis, we consider the core strategy should continue to identify these as out of centre locations, and to require applications for further retail or other key town centre uses to be properly examined against criteria based policies consistent with the requirements of PPS6 i.e. need, appropriateness of scale, sequential approach, impact and accessibility.

- 8.7 We do not consider there is any current need to identify sites for new or expanded out-of-centre foodstores or additional retail warehousing within the Borough in the period up to 2011. The core strategy should seek to focus all new retail, leisure and other key town centre uses within the defined sub-regional centre, or if appropriate, district centre of Kempston. Further out-of-centre development should only be supported in exceptional circumstances where there is a clearly defined need that cannot be met within or on the edge of the existing centre, subject to the criteria identified in PPS6 and detailed policies of the LDF.
- 8.8 In addition to supporting the redevelopment of the Bus Station site, the core strategy should set out the Council's vision for co-ordinating the development of other opportunity sites within the town centre, and the Council's commitment to adopting a pro-active role, through the AAP, to identify appropriate mixed use development opportunities and take the necessary steps to support and promote their development including, if necessary, site assembly.

TOWN CENTRE AREA ACTION PLAN

- 8.9 Given the scale of change anticipated in Bedford, and the need to co-ordinate the planning and delivery of a range of mixed use development opportunities, we support the development of an AAP for the town centre. This should set out a clear vision for the town centre and identify the Council's key objectives and priorities to maintain and enhance the retail and other key town centre functions of the centre; to create a more diverse mix of uses; and successfully integrate new development within the expanded PSA. These key objectives should be articulated in a single overarching strategic policy for the town centre.
- 8.10 The Town Centre AAP should identify specific policies for key areas of change. In the case of the Bus Station site, the Plan should identify the extent of the site, and in particular the extension of the PSA and to accommodate the scale of retail, leisure and other mixed use development required. In addition to identifying the development site, and the scale and form of development likely to be supportable, based on the analysis in Section 7, we consider the AAP should identify the key development principles. This should include the scale/mix of uses envisaged; provision for highway

improvements/travel plan; town centre and residents' car parking; and integration with the established PSA and primary shopping frontages (PSF).

- 8.11 The AAP should identify Riverside Square as a residential led mixed-use development with retail/leisure uses at the ground floor to create activity and interest on this key Riverside location. We consider there is scope for up to 10,000 sqm gross of A Class uses, which will predominantly comprise small scale units, consistent with the character of the area and its complementary role relative to the PSA. The AAP should include a policy setting out its requirements in terms of key design principles; integration and linkages with the PSA and the rest of the town centre; and safeguarding the character and routes alongside the river.
- 8.12 The AAP should identify Castle Lane as an opportunity for mixed use, residential/cultural uses, consistent with the wider policy objective to reinforce the role of High Street and Castle Lane as Bedford's cultural/eating and drinking quarter. We anticipate that the scope for any significant A1 retail floorspace in this area is likely to be limited to small scale niche/specialist units, which would be consistent with conserving the special character of the area and the constraints on large scale development in this part of the town centre.
- 8.13 The AAP should identify the key role which High Street performs and the need to secure the exclusion of traffic in order to sustain and enhance the function of this part of the town centre for more specialist retail, leisure and cultural uses as part of the development of Bedford's cultural quarter and evening economy. In addition to setting out a clear strategy for removal of traffic and environmental improvements along High Street, and the support for redevelopment and improvement of existing premises, the AAP should set out clear policy guidance for the range/diversity of uses which will be appropriate on High Street. We consider High Street should continue to be identified as a secondary shopping frontage (SSF) and a more flexible approach should be taken to the change of use from Class A1 retail to other A Class uses subject to appropriate criteria based policies.
- 8.14 In addition to the defined opportunity sites to meet needs up to 2011, we consider the AAP should identify the longer term potential for expansion of the PSA to the north, up to Dame Alice Street, in order to facilitate the redevelopment of this part of the town centre for further retail led mixed use development. This could include a wider area, potentially encompassing the Progress Ford Garage as a further long term opportunity to expand the town centre to meet retail/leisure and other key town centre needs post 2011.

PLANNING POLICIES

- 8.15 In addition to the more strategic Core Strategy Policies, more detailed policies are required. Our analysis broadly supports the shopping and town centre policies of the adopted local plan, although we consider there is scope to rationalise the current policies to avoid duplication with the Core Strategy/AAP.

- 8.16 We consider the LDF should identify an overarching strategy to focus the development of key town centre uses into Bedford, to sustain and enhance its role as a sub-regional town centre, and to support new development within Kempston district centre which is appropriate to its scale and function.
- 8.17 We anticipate that detailed policies for the Bus Station, Riverside Square etc. will be incorporated into the AAP. The LDF should set out the Council's view that collectively these sites are expected to meet the identified needs for retail/leisure and other key town centre uses within the Borough of the period up to 2011 and beyond. In these circumstances, proposals for new development outside the extended PSA and district centre of Kempston will only be supported in exceptional circumstances, and require clear evidence to demonstrate: -
- That additional development on the site in question is required in order to meet a defined quantitative and qualitative need beyond those identified in the plan.
 - That there are no sequentially preferable sites within or on the edge of the defined PSA or Kempston district centre which could be regarded as being suitable, viable and available within a reasonable timescale to meet such needs.
 - That the impact of the proposal, including its cumulative impact, would be unlikely to undermine the vitality and viability of any established centre or prejudice the Borough Council's strategy for the town centre and Kempston district centre.
 - That the scale of development proposed is appropriate to the role and function of Bedford town centre, the defined district centre and other established retail locations within the Borough.
 - The new development is genuinely accessible to its intended catchment by a choice of means of transport.
- 8.18 In the case of Bedford town centre, with the exception of the extension of the PSA to accommodate the Bus Station site, we support the retention of the currently defined primary and secondary shopping frontages based on current movement patterns in and around the centre. We also support the retention of the current policy to resist the loss of A1 retail uses within the PSF, and to consider changes of use in SSF on their individual merits, having regard to their effect on the character and amenity of the area; compatibility of adjoining uses; provision for ground floor frontages; avoiding the concentration of similar uses to the detriment of the area; and the ability to make a positive contribution to the diversification of uses within the town centre.
- 8.19 Outside the defined PSA and district centre, the LDF should include policies to support the retention of an effective network of local centres, by encouraging retail and other uses which are appropriate to meeting purely local needs. The LDF should also incorporate policies which would support the creation of new local shopping facilities where they are genuinely needed and of an appropriate scale

to meet the needs of existing or new communities. However, for the avoidance of doubt, any such proposals should be subjected to the same key policy tests as outlined above.

- 8.20 In addition to the key policies to be included within the core strategy and AAP, the LDF should include provision for regular monitoring of retail needs and of the scope for new retail and other key town centre uses within Bedford, Kempston and the Borough as a whole. Specifically we consider the pattern of PSF and the policies for different parts of the centre should be reviewed following completion of the Bus Station, Riverside Square and Castle Lane developments, and the need to identify further development opportunities to accommodate forecast shopping needs post 2011 should be kept under careful review.