

# Kirkby Town Centre

## Capacity for new retail floorspace in Knowsley Town Centre

February 25th 2010

1

KMBC/SB

17038766/1

Version	Date	Amended by	Principal Changes
Final Version			

# Kirkby Town Centre

## Capacity for new retail floorspace in Knowsley Town Centre

1.	Introduction	1
2.	Calculating Turnover	1
3.	Scale of Development in the Town Centre	1

## 1. Introduction

- 1.1 This short report deals with the issue of identification of potential floorspace capacity in respect of a new town centre development project in Kirkby Town Centre. The report is based upon research undertaken by Drivers Jonas LLP in January 2010.

## 2. Calculating Turnover

- 2.1 The basis for calculating the potential turnover to be ascribed to the amount of new floorspace in Kirkby Town Centre is based on an number of data sources.
- The Inspectors report into the Kirkby Town Centre development project ( dated July 2 2009) along with the evidence submitted to the Inquiry including agreed statement of reasons.
  - More localised survey work undertaken specifically to inform the Knowsley Core Strategy as set out in the NEMS Household Shopper Survey carried out in 2008. This document has been used to inform the development of retail policy a set out within the LDF Core strategy.

## 3. Scale of Development in the Town Centre

- 3.1 The Inspectors Report notes that the case for convenience floorspace of between 4500 – 5000 sqm nett is not in dispute. We understand that the actual planned amount of space in the Tesco Extra store would accommodate 4645 sqm nett of convenience floorspace. This equates to a gross floor area (ignoring non – food space) of say 7742 sqm ( applying a ratio of 60% gross to nett).
- 3.2 With regard to comparison floorspace using the survey work carried out by NEMS it is fair to assume that current turnover within the Town Centre equates to £19m based on a nett sales area of 12,376sqm. This figure is calculated at 2012/13. The figure is based on a turnover rate of £1,535/sqm. This figure, comparative to other town centres is low but perhaps illustrative of the type and mix of retail floorspace currently in the town centre.
- 3.3 The Inspectors Report identified a potential capacity for comparison expenditure to 2013 of £98m.
- 3.4 Based on the difference between current turnover and potential turnover there is therefore capacity to 2013 for £79m of new comparison expenditure within the Town Centre.
- 3.5 The above would be based on a range of assumptions related to retention of expenditure and reduced leakage, but importantly the numbers would be in line with policy related to hierarchy and would not counter views expressed by neighbouring authorities at the Inquiry.
- 3.6 To derive the amount of floorspace that could be supported by the available expenditure an assessment of turnover related to the new space is required.
- 3.7 In this regard it is clear that new space will in part be delivered as part of a Tesco Extra store and in part by new comparison floorspace built in the town centre. Tesco Extra average comparison turnover is c £9000 per sqm. The turnover of other stores will fall within a range and is very much

- determined by type of store. At the inquiry average turnover was agreed to be c £3800 per sqm.
- 3.8 We have therefore assumed that the balance of a Tesco Extra store dedicated to comparison retail would have a floor area of 4645 sqm nett. Applying a gross to nett ratio of 60% this equates to 7742 sqm This would generate a turnover using Tesco average figures of £41.806m.
- 3.9 This would leave a further £37.196m of expenditure available to support a further component of comparison retail. Using the average turnover figure adopted at the Inquiry to calculate the remaining element of comparison capacity i.e £3,800 per sqm that would generate a further 9789 sqm nett of capacity to 2013. Again applying a gross to nett ratio of 70% this equates to 13,984sqm of gross comparison retail floorspace.
- 3.10 By adding the various figures together we can confirm that by 2013 there would be capacity in the town centre for upto 29468 sqm gross of combined floorspace based upon the assumptions set out above.
- 3.11 Much will depend upon the nature of the scheme brought forward but this seems to Drivers Jonas to be reasonable for calculation purposes.
- 3.12 This above calculation takes no account of demolition of existing trading space. For the avoidance of doubt the potential clearance of the empty Asda store would not contribute to the calculation.
- 3.13 In summary and. based upon the assumptions and parameters set out herein a scheme of c 30,000 sqm gross could be brought forward and supported in policy terms up until 2013.