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Property Consulting Group

Blaenau Gwent County Borough Council

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1. Introduction

Introduction

- CACI have been instructed by Blaenau Gwent County Borough Council to carry out a 'Health Check' on the retail centre of Blaina.

- This report uses CACI models such as Retail Footprint and ProVision along with audit data collected specifically for this project to give a summary of the current situation with regards to retail in the primary retail pitch.

- A more qualitative SWOT analysis (Strengths, Weakness, Opportunities and Threats) has also been included in the project.

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2. Methodologies

Methodologies

- **Plan of retail pitch**

  Extent of the primary retail pitch was gathered during an audit of the towns and the boundaries were recorded.

- **Ranking of centres**

  Taken from CACI's Retail Footprint gravity model (see later slides).

- **Retail Rental Levels and Yield**

  Data provided by Cooke and Arkwright.

- **Gross floorspace for Convenience and Comparison Goods**

  Data for net floorspace was gathered during an audit of the towns. A standard ratio of 70% (net to gross) was used to calculate gross floorspace.

- **Estimated turnover Comparison and Convenience Goods**

  Data on spend was taken from CACI's Retail Footprint Model. Turnover typically equates to between 40% and 60% of market potential. CACI have therefore applied a 40% ratio to Comparison Goods expenditure to derive estimated turnover. The Convenience Goods spend in this model relates to spend when on a Comparison Goods shopping trip.

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Methodologies

- **Type and quality of commercial units**
  This data was collected during an audit of the towns.

- **Vacancy rate**
  This data was collected during an audit of the towns.

- **Primary, Secondary and Tertiary Catchment**
  Maps showing catchments were produced using CACI's Retail Footprint model (see later slides).

- **Market Flow map for Co-operative supermarket**
  A map showing the market flows to the Co-operative supermarket in Blaina was produced using CACI's ProVision model (see later slide).

- **National and Independent retailers**
  This data was collected during an audit of the towns.

- **SWOT**
  An analysis of the Strengths, Weaknesses, Opportunities and Threats to the towns was undertaken.

Retail Footprint 2008: An Overview

- In order to accurately assess the scope of current retail catchments and market shares within the study area, CACI have made use of Retail Footprint.

- Retail Footprint is CACI's national comparison goods shopping model, covering circa 3,600 shopping destinations across Great Britain. It is built using gravity modelling principles, ie: the flow of customers from a postal sector will be directly proportional to the size of the Centre and inversely proportional to its Distance/Drivetime.

- Catchments, predicted shopper/expenditure flows and postal sector market share penetration outputs are recalibrated annually using retailer exit surveys and credit card transaction data. Retail Footprint recognises that shoppers have a choice therefore catchments overlap – Retail Footprint defines primary, secondary, tertiary and quarternary sub-catchments for each retail centre.

- Retail Footprint is used by a significant and increasing number of local authorities and retailers to understand local shopping patterns, current and future retail capacity, town centre performance and as a key input into store location planning.

Retail Footprint 2008: Gravity Modelling Methodology

- Within CACI's Retail Footprint gravity modelling system all retailers trading in every venue are scored based on average turnover (weighted based on specific quantitative & qualitative locational characteristics).

- The Retail Footprint score for each centre also takes account of footfall drivers e.g. banks as well as independent clothing and footwear retailers located in the centre and assigns them a score of 1.

- The spatial distribution of expenditure for every GB postal sector is then calculated given this competitive hierarchy and a drivetime matrix from every postal sector to every competing retail venue.

- In order to define sub-catchments, all GB postal sectors are ranked according to a centre's achieved market share penetration, with the greatest percentage at the top.

- These proportions are then accumulated until at least 50% of total available catchment expenditure captured by the centre has been assigned - this defines the primary catchment.

- The remaining sectors are then accumulated to define the 3 remaining catchments at 75% (secondary) 90% (tertiary) and 100% (quaternary) respectively.

Retail Footprint 2008: Study Towns

- In Retail Footprint, centres are described by their Class, which defines the role or function of centres within the retail hierarchy and the consequent characteristics of shopping trips. For instance, Classes such as 'Primary Centres' see strong shopper flows over large distances, and very strong flows from local customers. At the other end of the hierarchy customers will only travel to 'Small Rural Centres' or 'Small Local Centres' if they live very close by.

- CACI recalibrate Retail Footprint on an annual basis using new data on shopper flows received from a combination of credit and debit card transactions, client's own in-house exit surveys and loyalty cards.

- Blaina is classified as a Rural Centre.

  Rural Centres have a lower level of retail provision and corresponding smaller catchments than Regional Centres. These isolated centres tend to serve the local community effectively but do not have the mix of outlets to encourage shoppers from further distances. Conversely, these centres tend to have fairly high levels of loyalty from locals due to the 'cost' of travelling to an alternative centre. Some of these centres are highly isolated and have a small but loyal and relatively static retail catchment.

  Similar sized centres in less remote areas would see much higher levels of competition from nearby more attractive centres and would compete poorly. There are 606 centres falling into this classification and average Comparison Goods expenditure is £14.9 million.

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ProVision 2008

- ProVision is CACI's model of over 5,000 supermarkets and their catchments across the UK.
- It works in a similar way to Retail Footprint, where stores of different fascias and sizes have varying levels of attractiveness.
- Supermarkets larger than 4,000 sq ft net floorspace are included in the model.
- CACI has used ProVision to estimate grocery spend patterns in the Blaina area in order to provide a market flows map for the Co-operative supermarket in the centre of Blaina.

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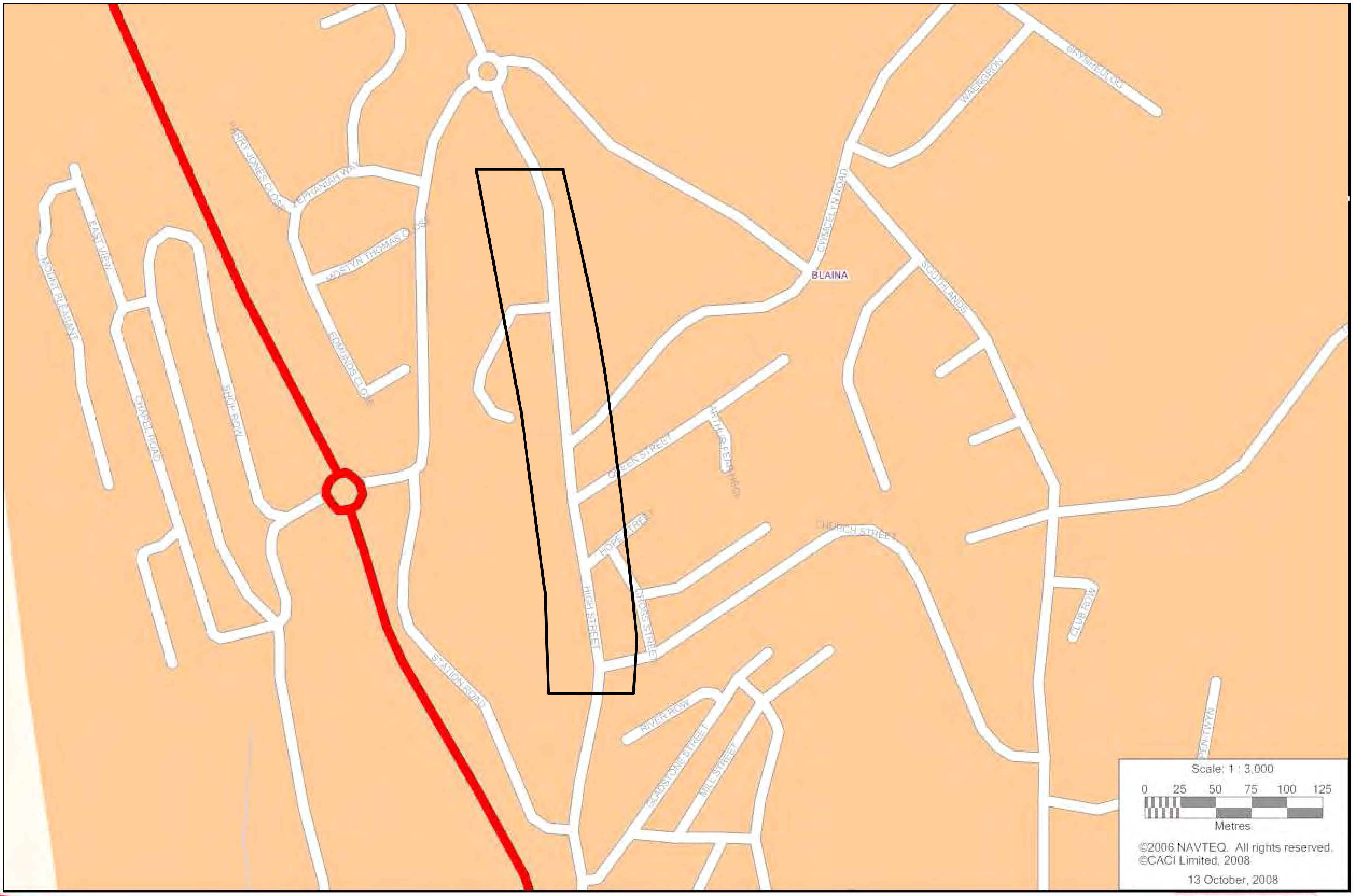
3. Blaina Current Market Review

Blaina: Plan of Retail Pitch



Blaina: Ranking in Wales and UK

- Below is a table showing the position of Blaina in the CACI UK Retail Footprint ranking.

Rank	Centre	Comparison Spend (£000s) per annum	Rank	Centre	Comparison Spend (£000s) per annum
2831	Radyr	£390.7	2841	Histon	£379.3
2832	Kiveton Bridge	£389.7	2842	Sileby	£376.4
2833	Epsom - Tattenham Corner	£388.8	2843	Ripley - Surrey	£375.6
2834	Stafford - Rising Brook	£388.1	2844	Arbury - Arbury Court	£375.5
2835	Bensham	£385.3	2845	Cricklade	£375.2
2836	Bramley	£385.0	2846	Windsor - Eton	£372.5
2837	Bolton - Little Lever	£384.0	2847	Yelverton	£371.8
2838	Golborne	£381.7	2848	Newcastle-Upon-Tyne - West Monksea	£370.9
2839	Birmingham - Highters Heath	£381.0	2849	Wheatley Hill	£370.3
2840	**Blaina**	**£380.0**	2850	Sheffield - Lowedges	£369.7

- Below is a table showing the position of Blaina in the ranking of Welsh Retail Footprint centres.

Rank	Centre	Comparison Spend (£000s) per annum	Rank	Centre	Comparison Spend (£000s) per annum
189	Llandudno Junction	£801.7	199	Briton Ferry	£362.1
190	Llanfairfechan	£767.1	200	Hirwaun	£360.9
191	Llanberis	£766.2	201	Griffithstown	£333.2
192	Llandaff	£597.0	202	Penmaenmawr	£314.3
193	Pontyclun	£582.7	203	Rhymney	£289.7
194	Bethesda	£573.4	204	Rhiwbina	£287.4
195	Neyland	£571.0	205	South Chepstow	£265.9
196	Swansea - Mansleton	£480.3	206	Gresford	£183.8
197	Radyr	£390.7	207	Cardiff - Dinas Powys	£182.3
198	**Blaina**	**£380.0**	208	Llanharan	£117.1

Blaina: Ranking in Wales & UK (same Retail Footprint class only)

- Below is a table showing the position of Blaina in the UK ranking of Rural Centres.

Rank	Centre	Comparison Spend (£000s) per annum	Rank	Centre	Comparison Spend (£000s) per annum
553	Stanstead Mountfitchet	£513.2	563	Yelverton	£371.8
554	Lanchester	£478.4	564	Wheatley Hill	£370.3
555	Wilton	£457.2	565	Kilburnie	£368.6
556	South Brent	£429.7	566	Chagford	£363.5
557	Loughborough - Thorpe Acre	£429.3	567	Hirwaun	£360.9
558	Kelvedon	£401.7	568	Hartford	£354.6
559	Liss	£396.1	569	Newlyn	£345.2
560	Earby	£392.8	570	Penmaenmawr	£314.3
561	Epsom - Tattenham Corner	£388.8	571	Long Stratton	£309.8
562	**Blaina**	**£380.0**	572	Watlington	£290.7

- Below is a table showing the position of Blaina in the Welsh ranking of Rural Centres.

Rank	Centre	Comparison Spend (£000s) per annum
94	Llandudno Junction	£801.7
95	Llanfairfechan	£767.1
96	Llanberis	£766.2
97	Pontyclun	£582.7
98	Bethesda	£573.4
99	Neyland	£571.0
100	**Blaina**	**£380.0**
101	Hirwaun	£360.9
102	Penmaenmawr	£314.3
103	Rhymney	£289.7
104	South Chepstow	£265.9
105	Llanharan	£117.1

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Blaina: Retail Rental Level and Yield

- This table shows prime retail yield and rental figures for Blaina.

	Blaina
Zone A Rent (£ psf)	£15
Yield (%)	10.0%

Source: Cooke & Arkwright, October 2008

Blaina: Gross Floorspace for Convenience & Comparison Goods

- The table below shows the net and gross floorspace for Convenience and Comparison Goods in the primary retail pitch in Blaina.

Blaina	**Total Retail Floorspace (sq ft)**	**Convenience Floorspace (sq ft)**	**Comparison Goods Floorspace (sq ft)**	**Sales Density Comparison Goods (£ per sq ft)**
Net	7,031	4,584	2,447	£62.1
Gross	10,044	6,549	3,496	-

Blaina: Estimated Expenditure and Turnover for Convenience and Comparison Goods sales in the catchment

- The table below shows the estimated expenditure and turnover of Convenience and Comparison Goods in Blaina per annum.

Category	Blaina Expenditure per Annum (£ 000s)	% of Total Market Potential	Estimated Turnover (£m)
Clothing & Footwear	£120.0	15.6%	£48.0
House & Home	£12.7	1.7%	£5.1
Leisure Goods	£75.0	9.7%	£30.0
Personal Goods	£20.0	2.6%	£8.0
Personal Care	£44.7	5.8%	£17.9
Durable Goods	£107.6	14.0%	£43.0
Comparison Goods	**£380.0**	**49.4%**	**£152.0**
Convenience	£319.7	41.6%	£127.9
Catering	£69.5	9.0%	£27.8
Grand Total	**£769.2**	**100.0%**	**£307.7**

Blaina: Type and quantity of commercial units

- The table below shows type and quantity of commercial units in the primary retail pitch of Blaina.

Type of Commercial Unit	Count
Amusements	0
Bank/Building Society	0
Betting Shops	1
Café/Restaurant	0
Estate Agents	0
Financial/Mortgages/Solicitors	1
Hair/Beauty Salon	2
Laundry / Dry Cleaners	0
Library	0
Medical/Dentist	0
Miscellaneous	1
Offices	0
Place of Worship	1
Post Office	1
Pub/Bar	3
Recruitment Agents	0
Social Club	2
Support/Advice/Education	1
Take Away	7
Travel Agents	0
Total	**20**

NB. Miscellaneous include units such as vets, nursery's, bingo, print shops and police stations

Blaina: Vacancy rate

- The table below shows the breakdown of units including the vacancy rate in the primary retail pitch in Blaina.

Blaina	**Total**	**Retail**	**Non retail**	**Charity**	**Vacant**
Count of Units	43	10	20	1	12
Percentage	100%	23%	47%	2%	28%

Blaina: Primary, Secondary and Tertiary catchment areas

- The table below shows details of the Primary, Secondary and Tertiary Catchments for Blaina. It also gives the market share of Blaina. A map showing the catchments is also shown.

Catchment	**Total Unweighted Population**	**Total Unweighted Households**	**Total Expenditure (£ 000s) per annum**	**Market Potential (£ 000s) per annum**	**Spend per capita (£) per annum**	**Market Share (%)**
Primary	5,129	2,141	£10,276.0	£213.7	£2,004	2.1%
Secondary	18,801	8,060	£36,735.4	£130.7	£1,954	0.4%
Tertiary	6,123	2,689	£12,279.3	£35.6	£2,005	0.3%
Core Catchment	23,930	10,201	£47,011.4	£344.4	£1,965	0.7%
Major Catchment	30,053	12,890	£59,290.7	£380.0	£1,973	0.6%
Total Catchment	**30,053**	**12,890**	**£59,290.7**	**£380.0**	**£1,973**	**0.6%**

Core Catchment – Primary and Secondary Catchment
Major Catchment – Primary, Secondary and Tertiary Catchment

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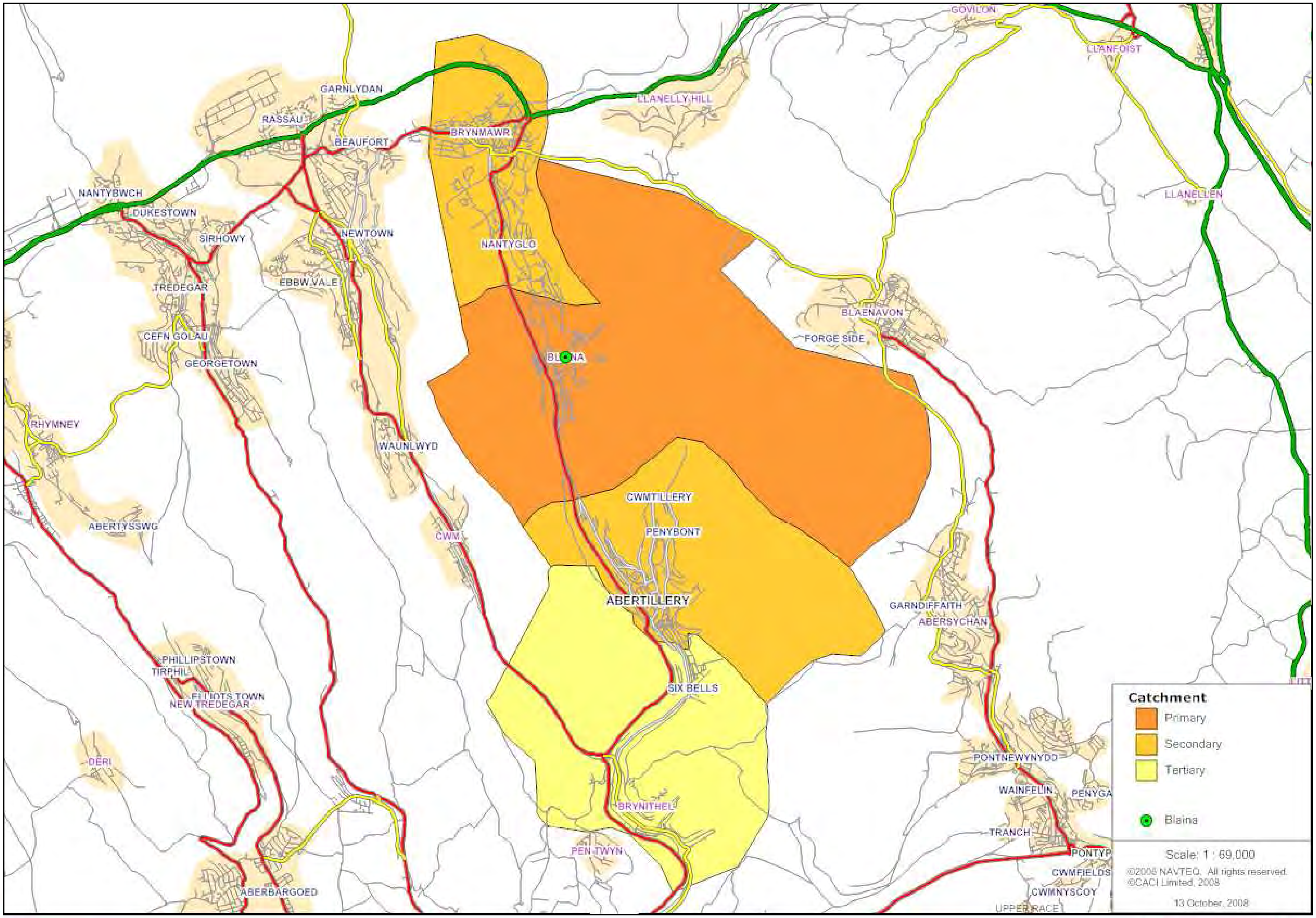
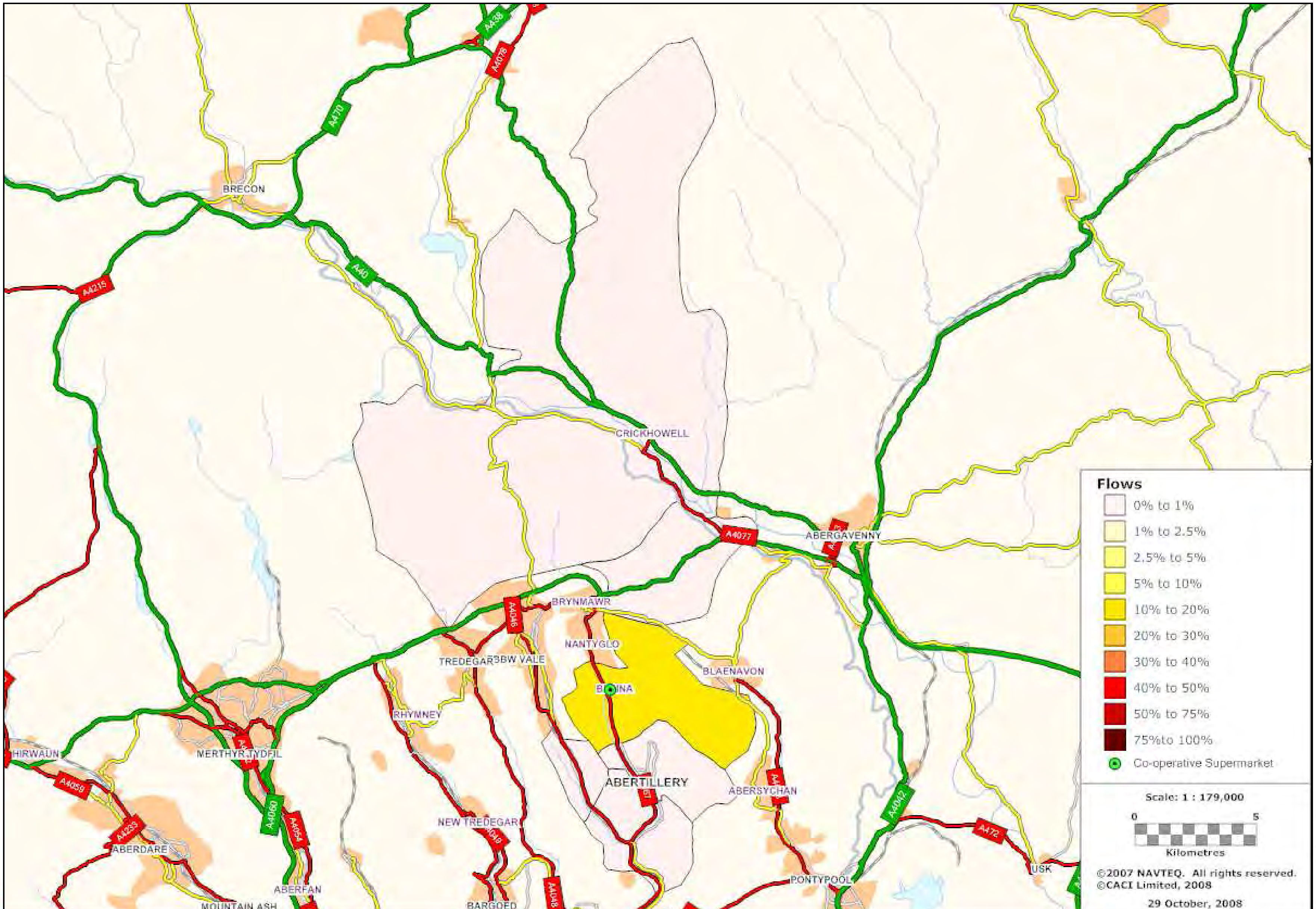
Blaina: Primary, Secondary and Tertiary catchment areas



ProVision: Market Flows map for Blaina Co-operative supermarket



Blaina: National retail chains and independent stores

- A count was taken of the retail units in the primary retail pitch and the percentage of national and independent retailers was calculated. A list of the national retailers is also given below.

Independent	National	Total Number of Retail Units
9	2	11
82%	18%	-

National Retailers in Primary Retail Pitch	Count
Co-operative Supermarket	1
Premier Stores	1

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Blaina: SWOT Analysis

Strengths	**Weaknesses**
- Co-op supermarket attracts footfall into centre - Parking facilities	- High vacancy rate - Lack of Comparison Goods retailing - Low weekday footfall - Fast food takeaway outlets dominate
Opportunities	**Threats**
- Attract more Comparison Goods retailers or service operators in order to attract footfall to the town - Highlight the services on offer in town e.g. Co-operative supermarket and Post Office	- Vacant units not being filled may lead to decline of centre

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