Fife Council

Fife Retail Capacity Study 2016

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Roderick MacLean Associates Ltd

In association with Ryden

1/2 West Cherrybank, Stanley Road Edinburgh EH6 4SW Tel. 0131 552 4440 Mobile 0775 265 5706

e mail roderick @ rmacleanassociates.com

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1 Introduction

1.1 The consultants

1.1.1 In December 2015, Fife Council commissioned Roderick MacLean Associates Ltd to undertake this retail study, with Ryden LLP as sub consultants covering the retail market.

1.2 Purpose and contents

1.2.1 The Fife Retail Capacity Study 2016 is the latest in a series of annual retail capacity studies produced by consultants for Fife Council. These follow a similar format, with updates to the retail capacity forecasts every year and updates on retail market conditions every second year.

1.2.2 The main purposes are to contribute updated information to inform the emerging FIFEplan Local Development Plan and to assist development management on issues relating to planning applications for retail development.

1.2.3 The Study contains the following updates from previous editions:

- Identification of the three retail catchment areas in Fife (includes updates), and population projections;
- Summary of the planning policy framework on town centres and retailing covering Fife;
- Appraisal of retail trends and retail market demand in Fife;
- Broad overview of the general quality of the retail offer in the main towns;
- Forecasts of spare convenience and comparison retail capacity for 2016-21 and 2021 to 2026; and
- Interpretation of the findings

1.3 Price base

1.3.1 All values of expenditure and turnover in this study are expressed in constant **2015 prices**.

1.4 Fife household survey 2016

1.4.1 In early 2016, Fife Council commissioned NEMS Market Research to undertake a household telephone interview survey to update their original survey in 2009. The survey covered some 1,800 households, with questions on shopping patterns and use and perceptions of the main town centres in Fife. This Retail Capacity Study draws on the findings of the NEMS survey on current shopping patterns, so it represents a major update from previous retail capacity studies.

1.4.2 The interview survey was divided into quotas applied to ten zones, and at a higher level, the three retail catchment areas. These areas are shown in Appendix 1. The list of questions is provided in Appendix 2. The output tables produced by NEMS Market Research, showing the questions and responses, are provided in separate documents held by Fife Council.

2 Retail catchment areas and population

2.1 Sub area retail catchments

2.1.1 As in previous annual Retail Capacity Studies in the series, Fife has been divided into three retail catchment areas which form the basis of the analysis. These are West Fife, Mid Fife and East Fife, as shown on Map 2.1.

2.1.2 Note that the catchment areas differ slightly from the previous capacity studies following the NEMS household interview shopping survey for the Council in March 2016. The difference relates to the boundary between Mid Fife and East Fife, where the area north of Glenrothes, up to Newburgh, is now included in Mid Fife, to which it relates more closely than to East Fife for shopping. The list of postcode sectors which comprise each catchment area is shown in Appendix 1

2.2 Population projections

2.2.1 The current and projected populations for Fife and the three retail catchment areas is shown in Table 2.1. The projections for Fife are the recently published 2014 based population projections by the Register General. Experian provided population projections for each of the three retail catchment areas, which have been controlled to the 2014 based projection totals for Fife in this report- see Appendix 3.

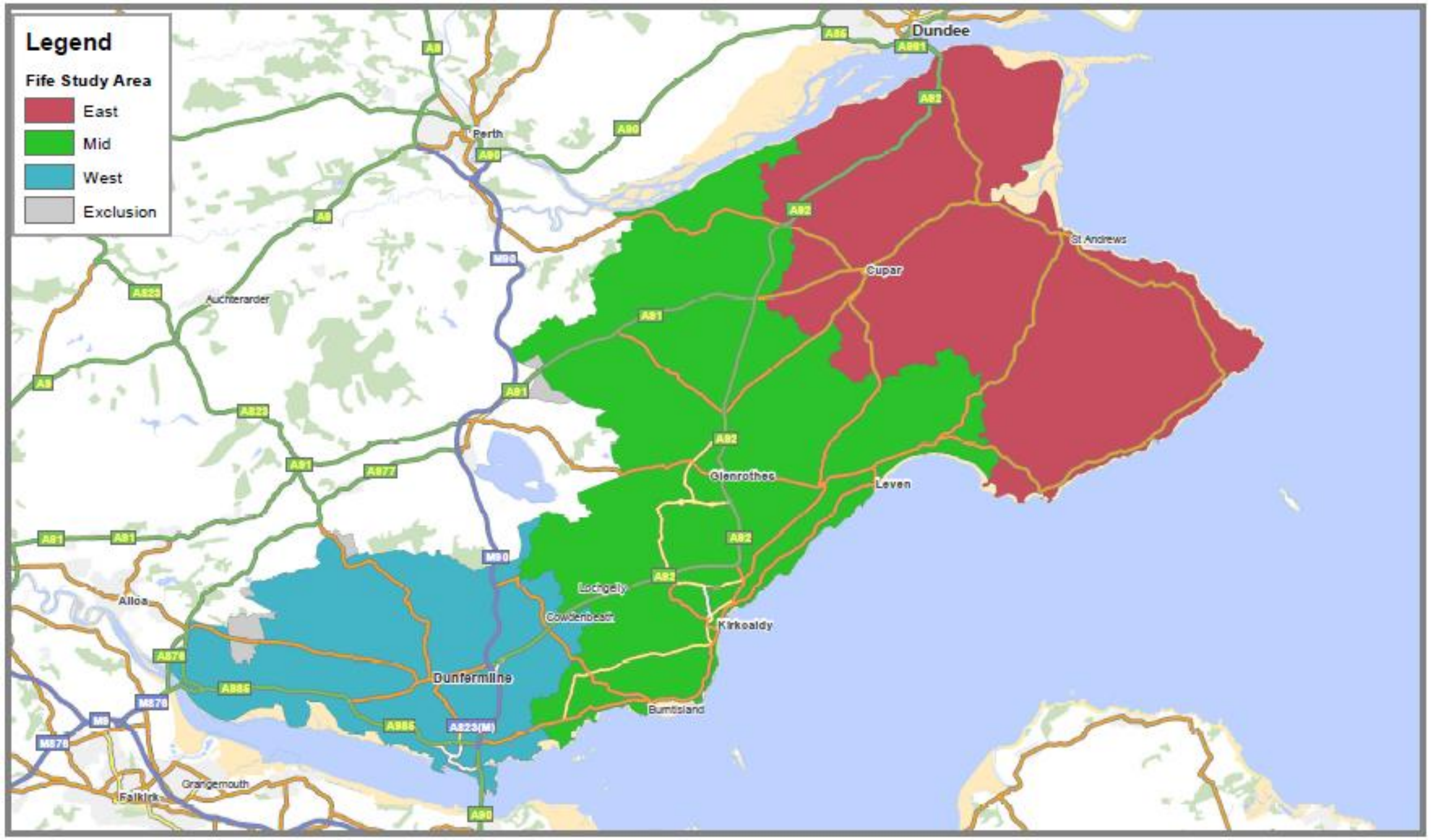
2.2.2 There is a projected increase in the Council area population of 9,750 from 2016-26 (+2.6%). The 2014 based projections are lower than 2012 based projections, where the projected increase over the same period was +4%.

Table 2.1
Fife retail catchment area population projections

Retail catchment area	Census 2011	2016	2021	2026
West Fife	123,608	125,172	126,601	128,728
Mid Fife	181,860	182,721	184,817	186,814
East Fife	59,730	61,077	62,217	63,179
Total Fife	**365,198**	**368,970**	**373,635**	**378,720**

Note
The 2011 data is taken directly from the 2011 Census, Scotland, based on postcode sector population data for each catchment.
The projected populations for 2016,2021 and 2026 derive from the Experian projections for each catchment area, re-apportioned to the 2014 based RG population projections for Fife as a w hole. See Appendix 3

Map 2.1 Fife Retail Catchment Areas 2016



Source: Experian. Note- Exclusion refers to parts of postcode sectors where the population is so small that it is supressed in official sources

3 Planning policy framework

3.1 Introduction

3.1.1 This section provides a summary of the current and emerging planning policy framework in Fife, as it relates to town centres and retailing.

3.2 Scottish Planning Policy

3.2.1 The most recent version of the SPP was published in June 2014. It has a strong focus on encouraging the diversity of uses and vitality within town centres generally, alongside support for improvement to the quality of the centres as places to live and work.

3.2.2 Preparation of the 2014 SPP was undertaken in parallel with the External Advisory Group's Report to the Scottish Government entitled Community and Enterprise in Scotland's Town Centres, published in June 2013. This document sets out a 'town centres first' principle, where the health of town centres is given central focus. A list of health check indicators is contained in Appendix A of the 2014 SPP. Also, a detailed methodology on application of performance indicators is set out in the USP (Understanding Scottish Places) Town Audit 2015.

3.2.3 The 'town centres first' policy is promoted in the 2014 SPP, when planning for uses which attract significant numbers of people, including retail, commercial and leisure uses, offices, community and cultural facilities. Plans should identify a network of centres (city centres, town centres, local centres and commercial centres), explaining how they interrelate. For commercial centres, the function should be specified to protect town centres. Health checks of town centres should be undertaken regularly to assess their vitality and viability and strengths/ weaknesses. These checks should be used to develop town centre strategies.

3.2.4 Development plans should adopt the sequential approach to preferred locations for uses which generate significant footfall, including retailing and other uses, in the following order of preference:

- Town centres
- Edge of town centres
- Other commercial centres
- Out of centre locations that are readily accessible by a choice of transport.

3.2.5 All parties are advised to be realistic and flexible in applying the sequential test. New development in a town centre should contribute to diversity and be of a scale appropriate to that centre. A retail impact analysis is required for retail and leisure developments over 2,500 sq m gross which are contrary to the development plan. For smaller developments which affect vitality and viability, an impact analysis may also be required.

3.2.6 Out of centre locations should only be considered where the town centre/ edge of centre and commercial centre options are unavailable or do not exist, together with meeting other criteria specified in the SPP.

3.3 Current and Proposed SESplan

3.3.1 The current SESplan was approved by the Scottish Ministers in 2013, and its replacement has reached the Proposed Plan stage, following publication in June 2016. The period for receiving representations ended in November 2016. As the latest version, our commentary focuses on the Proposed Plan. The area covers the West Fife retail catchment area and most of the Mid Fife catchment, excluding a small part to the north (see TAYplan).

3.3.2 The Proposed SESplan requires local development plans to support a wide mix of uses in town centres. This includes high footfall generating uses, including retailing. Table 5.4 in the Proposed Plan shows the framework for establishing the network of centres:

- Edinburgh City Centre
- Strategic Centres (includes Dunfermline, Glenrothes, Kirkcaldy and Livingston)
- Town Centres- LDPs to define
- Local Centres-LDPs to define
- Commercial Centres- LDPs to define

3.4 Current and Proposed TAYplan

3.4.1 The current TAYplan was approved in 2012, and this will be replaced by the Proposed TAYplan 2016-36, published in May 2015. It was submitted to the Scottish Ministers for approval in June 2016, so our study refers to this replacement version. In Fife, the TAYplan covers the East Fife retail catchment area and a small part of the Mid Fife retail catchment area including Falkland and Newburgh.

3.4.2 There is a hierarchy of principal settlements in the Proposed TAYplan. Tier 1 includes Perth and Dundee, which are anticipated to accommodate the majority of new development. Tier 2 settlements will take smaller shares of development, but have the potential to make significant contributions to the regional economy. Tier 3 settlements will take a small share of development and make a modest contribution to the regional economy. Cupar and St Andrews are defined as *larger town centres.* Anstruther and Newburgh are *defined as smaller town centres*.

3.4.3 Policy 2 in the Proposed Plan aims to ‘Shape Better Quality Places’. Of principal relevance to our study is Policy 5 -Town Centres First, which is to protect and enhance the vitality, viability and vibrancy of city/ town centres.

3.5 Proposed FIFEplan

3.5.1 The FIFEplan Local Development Plan will replace the three local plans in Fife which were adopted in 2012. The Proposed FIFEplan was published in 2014 and the Scottish Government published the related Examination Report in November 2016. The reporters’ recommendations will be reported to the Council in February 2017, when the LDP will be presented to the Council for adoption.

3.5.2 *Policy 6* in the Proposed LDP is the Town Centres First policy. It re-iterates the policy requirements in the SPP on promoting town centres and establishing a network of centres.

3.5.3 In Fife, application of the sequential test must relate to the retail market area level, rather than at the town level, as illustrated in Figure 6.1 of the Proposed Plan. Note that the boundaries between the Mid Fife and East Fife catchment areas have changed slightly in this Retail Capacity Study, following the recent NEMS household survey. Figure 6.3 shows the size thresholds for proposed developments where the sequential test would apply.

3.5.4 Figure 6.2 in the Proposed Plan sets out the framework for the roles of town centres, local centres and commercial centres in Fife.

3.5.5 Town centre frameworks have been developed for the town centres and out of centre commercial centres and these must be referenced alongside the policies. Details of the types of use that would be appropriate in the town centres and commercial centres are set out in Figures 6.4 and 6.5. Together, these Figures identify the main towns and commercial centres in Fife:

Town Centres

- Dunfermline
- Kirkcaldy
- Glenrothes
- St Andrews
- Cupar
- Cowdenbeath
- Leven
- Lochgelly
- Dalgety Bay Town Centre

Commercial Centres

- Fife Leisure Park
- Halbeath Retail Park
- Fife Central Retail Park
- Saltire Retail Park

4 National trends in retailing

4.1 Introduction

4.1.1 This section describes the national trends in retailing which form the context for assessment of the retail market in Fife.

4.2 Overview

4.2.1 The retail market trend for towns such as those typically found in Fife has been negative for several years. The market has been operating in favour of large cities and destination shopping malls and retail parks. Consumers increasingly travel to access a wider range of goods and services; or shop via the internet.

4.2.2 The 2008 recession accelerated this trend as some retailers failed or contracted; but far fewer came forward to replace them. Many towns have tended consequently to exhibit high vacancies and a shift towards convenience and leisure uses. In some cases, this has undermined their traditional roles in mainstream shopping such as clothing, footwear and household goods. Fife does however, have some significant towns and commercial centres providing shopping and services for large district catchments.

4.3 The economy

4.3.1 The Scottish slowed during 2015 (see Figure 4.1). Economic activity in Q2 2016 was 0.7% higher than in Q2 2015, and growth during Q2 2016 was 0.4%. During the second quarter of this year the services sector grew by 0.5% and production by 0.3%, but was held back by contraction in the construction sector (-1.9%).

4.3.2 The Brexit vote in June 2016 has added significant uncertainty on top of this already weak growth. Fraser of Allander Institute forecasts a “sharp slowdown” in economic growth due to uncertainty and to the damage to trade and investment prospects. Forecast annual growth is reduced to 0.9% in 2016, 0.5% in 2017 and 0.7% in 2018.

4.4 Retail market

4.4.1 Following the economic recovery in 2013 illustrated on Figure 4.1, consumer expenditure on retail goods in Scotland has also been rising for the past three years (Figure 4.2), although at a lower rate than across Great Britain. Retail sales in Scotland grew by 2.1% during Q3 2016 and by 4.9% annually (Q3 2015 to Q3 2016).

4.4.2 As the consumer economy resumed growth, the retail property market has also recovered. Retailer demand, shop vacancy rates and retail rents have generally stabilised since 2014. In some locations, however, this stabilisation is at a much lower level of business – with fewer national retailers, lower rents, shorter leases and higher vacancies – than they historically enjoyed.

4.4.3 Following the 2008/09 recession, many familiar High Street names, such as Woolworths, disappeared. In addition, major retailers such as *Marks & Spencer*, Arcadia Group (*Burton, Dorothy Perkins*) and *Thorntons* are shrinking their branch networks to provide outlets in larger centres only. Most recently, *BHS* and *Austin Reed* entered administration and closed in many locations.

4.4.4 Retailer demand for premises is strongest among a cohort of large city centres (e.g. Glasgow and Edinburgh), regional shopping malls (e.g. Braehead) and shopping parks (such as Glasgow Fort). The current redevelopment of the St James Centre in Edinburgh is also testimony to this market trend.

4.4.5 Demand for premises from national retailers in the many Scottish town centres which are not among this favoured cohort of destination centres has fallen dramatically. Towns which developed shopping malls occupied by multiple retailers in the 1980s/90s, then retail warehouse parks in the 1990s/2000s, have seen multiple retailer demand decline dramatically to only a few ubiquitous shop and leisure chains.

Figure 4.1 Scottish economy: growth rates

Source- Scottish Government

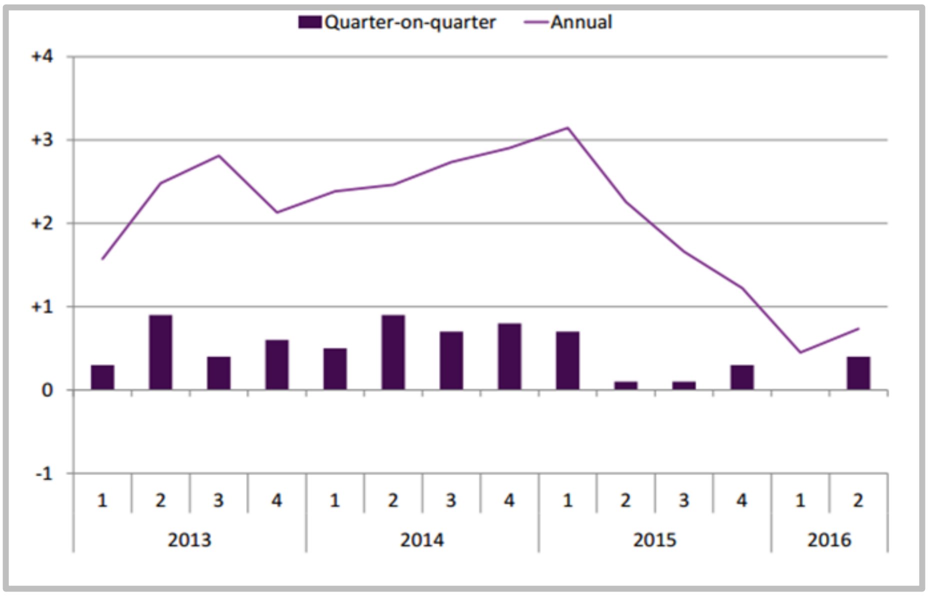
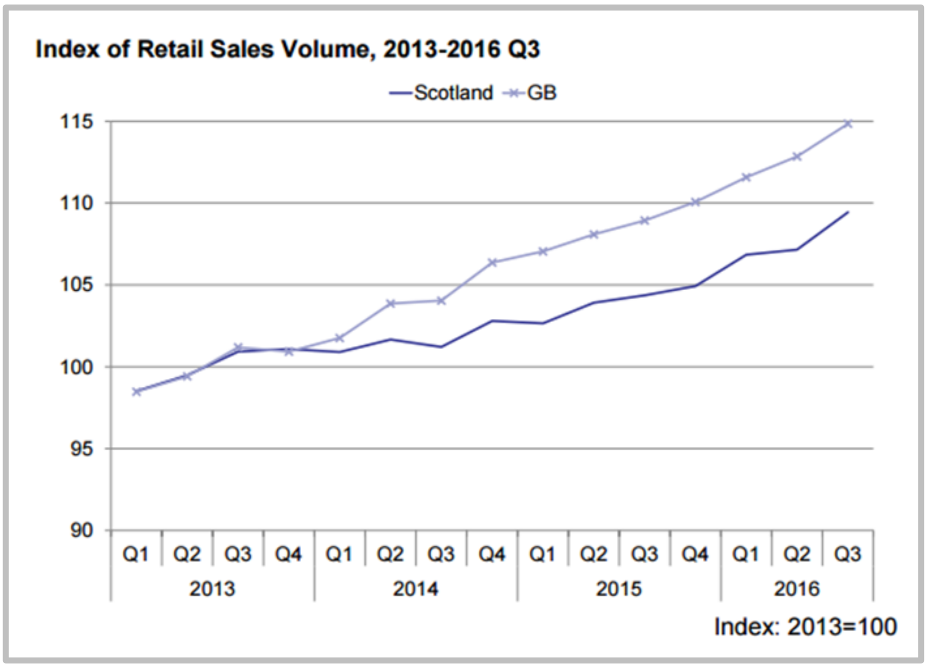


Figure 4.2



4.4.6 This focus of demand into fewer locations affects retail property rents, which are static in most locations. In turn, developers and investors are targeting locations which can support national retailers, often in purpose-built premises, on long leases, with the prospect of rising rents. Within this market, some niche sectors such as discount retailers *Poundland* and *B&M* stores – and in the convenience sector *Aldi* and *Lidl* – have found a place in the market to cater for everyday goods at low prices, which is attractive to squeezed household budgets.

4.4.7 Most recently, there is an emerging resurgence in mid-market activity as consumer expenditure on household goods increases. This is driving renewed retailer activity which is benefiting mainly modern, purpose-built retail locations. Active retailers include *Sofology*, *The Range* and *Pets at Home*.

4.4.8 Market interest in retail parks in general has picked-up, but this is mostly in the form of developers and operators seeking relaxation of restrictions on the ranges of goods that can be sold and reconfiguration of existing space; not demand for additional retail parks.

4.4.9 Online retailing is a significant challenge to town centres, signalled by the *Amazon* regional distribution centre at Dunfermline. The recent household survey in Fife indicates that non-food internet retailing now accounts for around 25% of all spending on comparison goods, for example. Internet shopping is predicted to grow further.

4.4.10 The growth of supermarkets into comparison goods had also affected traditional retailers, but retrenchment by those retailers and town centre-first planning policies have reigned-in this expansion. Supermarkets are now much more focused on discount foodstores and local convenience shops. The surge in numbers of local convenience outlets which had been evident over the past few years has now eased; the main operators such as Tesco and Sainsbury are more selective.

4.4.11 The most active commercial sector in the current market cycle has been leisure uses. Restaurants, bars, cafes, cinemas, and hotels are complementary to retailing, by tapping into additional expenditure and bringing new customers (or extending the duration of their visits). Up to half of requirements for new premises can be leisure such as restaurants and cafes, rather than traditional comparison or convenience retail. Fife Leisure Park is an early and successful example of this.

4.4.12 Retail service chains such as financial services and estate agents are uncertain occupiers of town centres over the long term. Mobile delivery of banking and other services is likely to remove the need for full branch networks. Travel agents are an early example of this on-line migration where there are now fewer national operators on High Streets, but also a few local specialists. Personal services including beauty and healthcare on the other hand are increasing their town centre presence.

4.4.13 The market changes and adjustments in the retail, leisure and retail services sector described above are complex and ongoing. Fundamentally, the gradual retrenchment of multiple retailers into prime destinations (and onto the internet), and their replacement in many locations with other commercial and employment uses, is a challenge to many traditional shopping centres.

4.5 Summary

- Concentration of multiple retailer demand into the largest city centres and malls- away from mid-sized towns.
- Growth in internet shopping is changing the demand for new retail floorspace.
- Leisure has been the most active area of commercial development and forms a vital role in creating a 'destination' in combination with major retail developments.
- The personal service sector is performing well in smaller towns, but occupiers such as estate agents and financial services have an uncertain future in some locations.
- Centres such as Dunfermline, Kirkcaldy and Glenrothes face a continuing competitive challenge to retain their retail mix and maintain their market positions.

5 Fife retail market overview

5.1 Introduction

5.1.1 This section of the report contains a review of the retail market in Fife. It includes broad assessment of retailing in the main town centres: Dunfermline, Cowdenbeath, Kirkcaldy, Glenrothes, Leven, St Andrews and Cupar. The market assessments also include the leisure related, non-retail service sector, who are important occupiers of town centres.

5.1.2 Assessment is also included of the retail parks at Carnegie Drive and Halbeath in Dunfermline; Fife Central Retail Park in Kirkcaldy and Saltire Retail Park in Glenrothes.

5.1.3 The convenience and comparison floorspace in the main towns is shown in the tables in sections 6 and 8. The retail park occupiers are listed in Appendix 9.

5.2 Fife overview

5.2.1 On convenience shopping, Fife is now well endowed with supermarkets and current planning applications and consents for new development are just for a few additions to the convenience offer, mostly in the form of discount foodstore development proposals *(Lidl and Aldi)*, plus the higher end market offering by *M&S Simply Food*. The graphs in Figure 6.1 illustrate the most popular food stores used by the residents of West, Mid and East Fife.

5.2.2 In line with national trends, there are no proposals for traditional mid-size supermarkets or superstores in Fife. The existing mid-size supermarket consents in Fife (which have not been developed) are now the subject of planning applications for other retail development- mostly associated with discount foodstores and discount non-food operators such as *B&M* and *Home Bargains* for example, or for non-food retailing.

5.2.3 While modern local convenience retailing, characterised by operators such as *Tesco Express* and *Sainsbury's Local,* have made considerable inroads at a national level, the neibourhood market is quite complex. For example, in West Fife, the planning consents for neibourhood food shopping in Dunfermline East are not known to have secured retail operators and the prospects for their realisation appear negligible.

5.2.4 On non-food or comparison retailing, there are major differences between the three retail catchment areas in Fife. In West Fife, the Kingsgate Centre in Dunfermline is performing very strongly, as is Halbeath Retail Park. Evidence of the popularity of this offer is revealed by the graphs in Figure 8.1, which show the most popular destinations for non-food shopping.

5.2.5 **In West Fife**, zone A retail rents in *Dunfermline town centre* (Table 5.1) independently corroborate evidence from the household survey and the associated expenditure analysis in section 8 that the town centre is performing at a much higher level than others in Fife. Most of this will probably be associated with the Kingsgate Shopping Centre. Rental levels have been maintained for some time, unlike many of the other towns. The vacancy rate is higher than the national average, but this is probably because of weaker quarters within the town centre (Table 5.2) Multiple retailer representation is good at nearly 50%- see Table 5.3.

5.2.6 The adjacent *Carnegie Retail Park* contains a strong DIY and budget clothing offer to complement the town centre, but nothing unusual. *Halbeath Retail Park* has a fair range of retailers and is located close to the Leisure Park. It is likely to be trading well. Indeed, there is a planning application for a major extension- see Table 8.12. A list of retailers on these two retail parks is provided in Appendix 10.

5.2.7 The smaller centre of *Cowdenbeath* has a limited non-food retail offer and it is not performing very well, as indicated by the zone A rents in Table 5.1, and in Table 5.2 showing quite high vacancy rates. As Cowdenbeath is close to Dunfermline, this is unsurprising as residents can readily visit these larger facilities. Retail rents have fallen in recent times.

Table 5.1
Zone A retail rents in the main town centres in Fife

	2012 £ per sq ft	2016 £ per sq ft
Dunfernline	60	60
Cowdenbeath	16	10
Kirkcaldy	40	up to 34
Glenrothes	40	35
Leven	31	20
Cupar	15	20-25
St Andrews	60	60

Source: Ryden
2012 Zone A rents from the *Fife Retail Capacity Study 2012*

Table 5.2
Vacant units in the main town centres in Fife - 2016

	Vacant units	Total units	Vacancy rate %
Dunfernline	54	380	14.2%
Cowdenbeath	28	144	19.4%
Kirkcaldy	70	384	18.2%
Glenrothes	30	195	15.4%
Leven	21	166	12.7%
Cupar	21	208	10.1%
St Andrews	6	242	2.5%
Scottish town centre average -2 sources			
The Local Data Company, March 2016			11.7%
Scottish Retail Consortium, July 2016			7.5%

Note: vacancy rate= vacant units/ (retail and non-retail service units & vacant units)
Sources: Goad 2016 surveys

Table 5.3
Multiple retailer representation in the main town centres in Fife - 2016

	*Multiple retailers	Convenience and comparison shops	% multiple retailers
Dunfernline	72	149	48%
Cowdenbeath	15	46	33%
Kirkcaldy	70	151	46%
Glenrothes	52	81	64%
Leven	20	56	36%
Cupar	17	62	27%
St Andrews	38	114	33%
Other- City Centres			
Dundee-*Dundee Retail Review 2015*	133	223	60%
Stirling- *Goad 2015/Ryden*	105	200	53%

Note
* refers to multiple retailers only, excluding multiple non-retail services. Includes national multiples and regional chains. A multiple is defined as a retailer w ith 9 or more outlets (Experian). Charity shops have not been classified as muliples here.

5.2.8 **In Mid Fife**, comparison shopping in the town centres of *Kirkcaldy and Glenrothes* attract much lower zone A rents, which reflect weaknesses compared to Dunfermline town centre (Table 5.1), where the turnover/ floorspace ratio is also much greater (Tables 8.9 and 8.10). The situation corresponds with the findings of the 2016 household survey, which reveals a steep increase in outflows of comparison outflow from Mid Fife since 2009, especially to Edinburgh and even to Dunfermline. Retail rents have fallen a bit in recent years. Vacancy rates are relatively high in Kirkcaldy, as shown in Table 5.2. Nevertheless, the town has a similar number of major multiples as Dunfermline and a similar proportion of multiples.

5.2.9 Kirkcaldy town centre has a number of detractions for shopping, notably its extended linear form, and the empty shell of the Postings Centre, without Tesco, among others. Essentially, there are probably too many shops without concentrated quality into fewer, high quality retailers.

5.2.10 *Fife Central Retail Park* appears to be performing strongly, as indicated by the wide range of offer and popularity from the household survey findings on main shopping destinations (Figure 8.1). Investors Hammerson have pursued applications to increase the quality and variety of their holdings on Fife Retail Park. The existing range of retailers on the Park is shown in Appendix 10 and the scale of the Park is evident from Table 8.10. There is little doubt that this retail park is now amongst the biggest attractions in Mid Fife and a competitor to Kirkcaldy and Glenrothes town centres.

5.2.11 The vacancy rates are also higher than the nation average in *Glenrothes Town Centre*, which is more worrying for a shopping mall (Kingdom Centre) with a high proportion of multiple retailers (Tables 5.2 and 5.3). The mall appears very well maintained and clean, but the property is rather from a past era. The large vacant former Co-op unit, used as some sort of pop-up market does not enhance the Centre. It is understood that regeneration of the Kingdom Centre is planned. Retail rents in Glenrothes have fallen slightly in recent years (Table 5.1). *Saltire Retail Park* in Glenrothes has a range of mainly budget-orientated retailers, and there is planning consent to expand the offer.

5.2.12 Elsewhere in Mid Fife, *Leven town centre* has a limited retail offer, which has been strengthened recently by a mix of modern retailers on the nearby Riverside Retail Park. The town essentially services the local population, who also have ready accessibility to Kirkcaldy. Retail rents in Leven have fallen quite steeply recently (Table 5.1).

5.2.13 **In East Fife**, a high proportion of non-food shopping is done in Dundee. The University town of St Andrews is the main shopping centre. It has a large number of shop units with quality multiple retailers in small units which is unusual, plus high quality independent shops (Table 5.3.) The retail offer is probably the consequence of being an affluent University town, together with being a destination for tourists and golfers. Zone A rents are high, which also reflects the relatively small size of many of the shop units compared to larger centres- no change since 2012. The vacancy rate is very low indeed (Table 5.2)

5.2.14 Cupar is more of a local service centre for shopping. It has a low proportion of multiples, but only a moderate level of vacancies. Zone A rents are fairly low, but consistent with a town of this scale. Encouragingly, rents have risen in recent years.

5.3 West Fife- market activity and demand

5.3.1 **Dunfermline-** there has been some activity in the Kingsgate Shopping Centre. New shops have been opened by *The Works* stationer and gift shop, *The Entertainer* toy store, *DW Sports* (in the former JJB Sports shop) and *Warren James* jewellers, while *Costa* opened a café within Debenhams. The long-awaited Tesco store opened on Carnegie Drive in the town centre at the end 2014.

5.3.2 The town centre also saw some closures. The *99p Store* closed in the Kingsgate, however *Poundland* relocated from across the mall into the vacant unit, while *Johnsons Dry Cleaners* also closed here as did *West Coast*. Independent store *Miss Pauleys* closed its store on Chalmers Street (and is now trading online). The Post Office on Queen Anne Street is to close and is moving into the ground floor of WH Smith on the High Street, elsewhere on the High Street, *Semichem* closed.

5.3.3 As noted in the previous section, the leisure sector has been active. New restaurants and cafes in Dunfermline town centre include: The Fire Station Creative (a gallery and café) in the former fire station on Carnegie Drive; Dine 29 (in the former Alberto's) and Incontri Italian restaurant both onBruce Street; Caffé Nero and The Hub on the High Street; and Tapas Ducal on Netherton Broad Street. A 19-bedroom hotel was opened at Wetherspoons' Guildhall and the Linen Exchange pub on the High Street. Conversion of the former Ballroom nightclub into a 240-seat restaurant is proposed.

5.3.4 The Zone A retail rents for Dunfermline remains at around £60 per sq.ft, with commercial yields around 10%.

5.3.5 **Carnegie Retail Park** which is located on Carnegie Drive by the town centre, is owned by Zurich Insurance. Occupiers comprise *B&Q*, *Matalan, Dreams* and *Farmfoods*. Recent store openings are by *Home Bargains* in 2014 and *Pagazzi Lighting* in 2015. However, Halfords (who relocated to Halbeath Retail Park) and *Rosebys/Bensons for Beds* closed here and their former stores are currently vacant. *Pure Gymn* propose to convert the former Halfords unit to a gymn.

5.3.6 Royal London Asset Management's **Halbeath Retail Park** is located in north east Dunfermline. Occupiers here are *Homebase, B&M, Harveys, Carpetright* and *Curry's/PC World*. The former Focus unit was sub-divided into four retail units, three of which were immediately occupied: by *Argos* who relocated from the Kingsgate; *Halfords* who relocated from Carnegie Drive Retail Park; and *Pets at Home* who had a requirement in 2012; the fourth unit remains unoccupied. In addition, a stand-alone Harvester restaurant trades here and an ASDA superstore adjoins the retail park. There are proposals to construct the third phase, with retailing comprising 4,532 sq m intended for M&S Simply Food and Lidl, and 5,435 sq m of bulky goods retail warehouses. The proposals also include a drive-thru Costa Coffee unit and three small kiosks.

5.3.7 In the leisure sector, *Marstons* extended their restaurant operation at Fife Leisure Park to include a new hotel.

5.3.8 In 2012 there were four named retailer requirements for Dunfermline. Of these, one has opened (Pets at Home on Halbeath Retail Park). One is no longer opening new stores, and one remains on the requirement list (Topps Tiles) and one (Ann Summers) does not appear to a live requirement now. In addition, a requirement by Costa Coffee came to the market in 2013 and this has been fulfilled (concession inside Debenhams). There are currently six retailer/ non-retail and non-retail service requirements for Dunfermline, as shown in Table 5.4.

5.3.9 **Cowdenbeath-** an Aldi discount supermarket opened on Stenhouse Street, off the High Street, in 2015. On the High Street, closures include *Thomas Cook, Cash 4 Clothes* and Dunfermline Building Society. A café "*Toys Sweets n Sumin to Eat*" opened on the High Street. Charity shops *Chest Heart & Stroke* opened in the Raith Centre and *The Salvation Army* opened a store on the High Street.

5.3.10 In 2012 there were two named retailer requirements for Cowdenbeath. Of these, one is no longer trading (*Card Warehouse*), and one remains on the requirement list (*Brighthouse*). There are currently four retailer/ non-retail service requirements for Cowdenbeath, as shown in Table 5.4. There is a current application to develop a discount foodstore and a discount non-food retail store at North End Park (Table 8.1

5.4 Mid Fife- market activity and demand

5.4.1 **Kirkcaldy** town centre has suffered from two large store closures. The Tesco supermarket closed in the Postings Shopping Centre in 2015, and the BHS Store at the Mercat Shopping Centre closed in 2016. Other closures include *Top Shop, Henderson the Jewellers, Argos* (who relocated to Fife Central Retail Park), *Greggs bakers, Bethany Christian Trust* charity store, *Present Purrfections* and *Store 21* (which opened in 2015 and closed in 2016)

5.4.2 However, the town centre has seen new store openings. These include within the Mercat Shopping Centre: *Pep & Co* in the former HMV unit, *Greggs* expanding into an adjoining unit, *Toy Town, West Coast, EE*

Table 5.4
West Fife retailer and non-retail service requirements, Winter 2016

Retailer	Size requirements sq.m. gross	Location
Dunfermline		
Topps Tiles	279 – 743	Trade / retail park
Bon Marche	186 - 464	Prime/ good secondary high street or shopping centre
Machine Mart	139 - 929	A1 Retail or Quasi-Retai, trade park
Sub total retail	**604 - 2,136**	
Non-retail		
McDonalds Drive Thru	Min 334	Stand alone restaurants w ith Drive-thru lane, Retail & leisure parks, Main arterial routes
Halfords Autocentre	325 - 557	Trade park
Vets 4 Pets	111 - 186	Arterial road / suburban locations
Cowdenbeath		
Brighthouse- retail	**93 - 325**	High Street or shopping centre
Non-retail		
Vets 4 Pets	111 - 186	Arterial road / suburban locations
Marstons Inns	0.2 – 0.6 ha	Land for Development
Domino's Pizza	74 - 93	Hot food takeaw ay
Total West Fife retailer requirements	**697 - 2,461**	

Source: Ryden

phone shop and *JD Sports*. Both the Post Office and *Capability Scotland* relocated from The Postings shopping centre to the High Street.

5.4.3 The former McDonalds on the High Street has been subdivided and opened in 2015, retailers here are local enterprises *Cupcake Coffee Box, Gelato Box* and *The Farm Shop. Pandora* jewellery also opened on the High Street.

5.4.4 Morrisons opened a supermarket on the former B&Q site on The Esplanade at the end of 2014. Lidl proposes to relocate its store to the former Stagecoach depot site further along The Esplanade, adjacent to Morrions. A planning application has been submitted-see Table 6.12.

5.4.5 Recent transaction evidence indicates retail rents on prime sections as £16 to £34 per sq.ft in Kirkcaldy town centre and commercial yields are around 10%.

5.4.6 **Fife Central Retail Park** is located to the north west of Kirkcaldy, beside the A92. There has been notable market activity here: a large *Next* clothing and home store (including a Costa) opened at the end of 2014 and *M&S Simply Food* opened in 2016. *Poundworld* opened a discount store here. PC World and Currys stores have merged and have moved into the refurbished Currys unit leaving the former PC World unit vacant.

5.4.7 Homebase closed in summer 2015 and owner, Hammerson, has won a planning appeal to subdivide the former Homebase unit into five units. However, it will now be divided into four smaller units, of which three are under offer to *Sofology, Wren Kitchens and DW Sports. It is understood that PC World* will move to combine with *Currys* and *Tapi Floors and Carpets* will move into the unit to be vacated by PC World.

5.4.8 Premier Inn has had planning permission approved for a 60-bedroom hotel with restaurant adjacent to the retail park at John Smith Business Park.

Table 5.5
Mid Fife retailer and non-retail service requirements, Winter 2016

Retailer	Size requirements sq.m. gross	Location
Kirkcaldy		
Deichmann	372 – 557	Town centre
Maplin	279 – 464	Retail park, High Street
HSL (Chair specialists)	186 – 372	Standalone, trade counter
Sub total retail	**837 - 1,393**	
Non-retail		
Travelodge	-	-
McDonalds	Min 334	Stand alone restaurants with Drive-thru lane, Retail & leisure parks, Main arterial routes
Marstons Inns	0.2 – 0.6 ha	Land for development
Glenrothes		
Deichmann	372 – 557	Town centre
Pets at Home	372 – 1,393	Retail parks, standalone units
Sub total retail	**744 - 1,950**	
Non-retail		
McDonalds Drive Thru	Min 334	Stand alone restaurants with Drive-thru lane, Retail & leisure parks, Main arterial routes
Marstons Inns	0.2 – 0.6 ha	Land for Development
KFC Drive Thru	0.182 ha	Main road close to retail
Papa Johns Pizza	79 - 93	Franchise. Local high streets, retail parades, neighbourhood centres
National Tyres & Autocare	232 - 464	Trade park
Leven		
Brighthouse- retail	**93 - 325**	High Street or shopping centre
Non-retail		
Vets 4 Pets	111 - 186	Arterial road / suburban locations
Marstons Inns	0.2 – 0.6 ha	Land for development
Domino's Pizza	74 - 93	Hot food takeaway
Total Mid Fife retailer requirements	**1,674 - 3,668**	

Source: Ryden

5.4.9 In 2012 there were four named retailer requirements for Kirkcaldy. Of these, two are no longer opening new stores and two remain on the requirement list (Deichmann Shoes and Maplin). In the interim period a Costa Coffee requirement came to the market and has been fulfilled as a concession within Next at Fife Central Retail Park as noted above, and a Topps Tiles requirement has been met. There are currently six retailer and non-retail service requirements for Kirkcaldy, as shown in Table 5.5, alongside those for other Mid Fife towns.

5.4.10 In the **Kingdom Shopping Centre**, Glenrothes, store openings include *Warren James* jewellers, *Pep & Co, Trespass* and a *DEBRA* charity shop. *Store 21* opened but then closed again, as did *West Coast*.

5.4.11 Easy Living Developments plan to develop on the site of the CISWO club on North Street, their proposal includes an M&S Simply Food, Tony Macaroni restaurant and Marston's pub. (see commitments)

5.4.12 **Saltire Retail Park** is located off Caskieberran Drive around one mile south of Glenrothes town centre. The Park comprises eight retail units and occupiers include *Matalan, Homebase, Carpetright* and *Bensons for Beds*. *Poundstretcher* incorporating The Pet Hut opened in 2014 and following liquidation, Brantano closed its shoe shop.

5.4.13 In 2012 there were three named retailer requirements for Glenrothes. One is no longer opening new stores and two remain on the requirement list (*Deichmann Shoes* and *Pets at Home*). In addition a requirement by *Warren James* jewellers came to the market in 2014 which has been fulfilled, as has a requirement by Costa Coffee which opened in 2016. There are currently seven retailer and non-retail service requirements for Glenrothes, as shown in Table 5.5.

5.4.14 **Leven-** there have been some store openings in the town, including charity shops *Chest Heart & Stroke* and *Salvation Army Trading Co* on the High Street. Artisan coffee shop *The Lemon Tree* and sweet and ice-cream store *Candy Planet* both opened in 2016. An Aldi discount supermarket opened in Windygates Road in late 2013. Store closures in Leven include clothing retailers *Cumming* and *M & Co* on the High Street.

5.4.15 **Riverside Retail Park** is located on the edge of Leven's town centre. It comprises three retail warehouse units occupied by B&Q, Argos and B&M. Sainsbury's and Home Bargains are situated close to the retail park. The investment is currently for sale for £7.13 million. JD Wetherspoon purchased the Old Threeways Inn in 2015, although this is not yet open.

5.4.16 In 2012 there was one named retail requirements for Leven. This remains unfulfilled and is still on the requirement list (*Brighthouse*). There are now four retailer and non-retail service requirements for Leven shown in Table 5.5.

5.5 East Fife- market activity and demand

5.5.1 **St Andrews-** cosmetic brand *Bobbi Brown* opened its first stand-alone store in Scotland in 2015 on Bell Street, following the opening of a *Jo Malone* perfume outlet nearby. *Hosies* opened an electrical store on South Street. *An EE Phone Store and the Isle of Skye Candle Company* and *Podofit* opened on Market Street. *The Continental Pantry* opened on Church Street.

5.5.2 Store closures include *St Andrews Health Food, KK Electrics, Elspeth's* ladieswear, and Viyella & Country Casuals.

5.5.3 Crucible Alba Group redeveloped the former abattoir site on Largo Road to provide a 65-bedroom Premier Inn hotel and restaurant, and a 929 sq.m. M&S Simply Food store. Both opened in 2015.

5.5.4 New restaurants have also opened in St Andrews including *The Vine Leaf* on Market Street, *Prezzo* opened a restaurant in the former Argos store in South Street and *Nardini's* opened a café next door. Also, Burger opened on South Street. *Tony Macaroni* opened in Bell Street. *Bella Italia* closed along with *Bibi's Bakery* and *Nahm Jim* Thai restaurant

5.5.5 In 2012 there were six retail requirements for St Andrews. One has been fulfilled (*EE*). One is no longer opening new stores. One an un-named, and one is no longer listing a requirement for St Andrews (Halfords). Three remain active (*Bensons for Beds, Pets at Home* and *Farmfoods*). There are currently nine retailer and non- retail requirements for St Andrews, one of which is for a hotel (Table 5.6).

5.5.6 **Cupar**- new stores include *The Chamomile Room* on Ferguson Square, *Lady Jane Vintage Parlour* and *Minick of St Andrews* butchers on Crossgate.

5.5.7 Closures in the town include *The Outdoor Shop, The Computer Repair Centre* and *Baguette Express*.

5.5.8 London & Scottish Investments purchased a vacant site on South Road from Tesco (adjacent to a Tesco Extra store) in Cupar. There is a current application to develop 4,878 sq m of retail warehousing for the sale of comparison goods-see Table 8.14. Elsewhere on South Road an Aldi discount supermarket opened in the summer of 2015.

5.5.9 In 2012 there were two named retail requirements for Cupar. One of these remains on the requirement list (*Farmfoods*) and the other is no longer opening new stores. There are currently three retailer and non-retail service requirements for Cupar, as shown in Table 5.6.

5.5.10 The next sections contain the analysis of retail expenditure and turnover, leading to the forecasts of spare retail expenditure to 2021 and 2026. Commentary is included on how the spare capacity relates to retail market demand.

Table 5.6 **East Fife retailer and non-retail service requirements, Winter 2016**		
Retailer	**Size requirements sq.m. gross**	**Location**
St Andrews		
Farmfoods	557 - 743	Busy main roads
Topps Tiles	279 – 743	Trade / retail park
Pets at Home	372 – 1,393	Retail parks, standalone units
British Red Cross	74 - 186	Strong retail pitch
Sub total retail	**1,282 - 3,065**	
Non-retail		
Travelodge	-	-
Vets 4 Pets	111 - 186	Arterial road / suburban locations
McDonalds Drive Thru	Min 334	Stand alone restaurants w ith Drive-thru lane, Retail & leisure parks, Main arterial routes
Marstons Inns	0.2 – 0.6 ha	Land for development
Papa Johns Pizza	79 - 93	Franchise. Local high streets, retail parades, neighbourhood centres
Cupar		
Brighthouse	93 - 325	High Street or shopping centre
Farmfoods	557 - 743	Busy main roads
Sub total retail	**650 - 1,068**	
Non-retail		
Costa Coffee	84 – 279	
Total East Fife retailer requirements	**1,932 - 4,133**	
Source: Ryden		

6 Convenience expenditure and turnover

6.1 Introduction

6.1.1 This section of the report assesses the convenience expenditure and turnover relationships for each the three retail catchment areas and for Fife, taking account of the convenience shopping patterns identified by 2016 NEMS household shopping interview survey.

6.1.2 The total turnover in each catchment area derives from the residents' expenditure potential, plus inflows, less outflows. The distribution of the turnover among the various centres and supermarkets is then controlled to the total deduced turnover for each catchment area from the shopping patterns.

6.2 Convenience goods-definition

6.2.1 Convenience goods include:

- *Food and non- alcoholic drinks*
- *Alcoholic drinks*
- *Tobacco*
- *Non-durable household goods (90%); and*
- *Newspapers and magazines.*

6.2.2 This definition is provided in the *Experian Retail Planner Briefing Note 14, dated November 2016*, based on Central Government survey classifications.

6.3 Convenience expenditure potential

6.3.1 Table 6.1 shows the forecast convenience expenditure per capita data for each of the three retail catchment areas in Fife, based on data commissioned from Experian for this study. The forecast growth rate from 2016-26 is negative at -0.12% per annum.

6.3.2 Special forms of trading (SFT), include internet shopping, mail order and other forms of retailing which are not wholly dependent on retail floorspace. In fact, internet shopping comprises almost all SFT. For retail planning purposes, it is removed from the expenditure per capita data, so that the expenditure relates to conventional store floorspace, as shown in Table 6.1.

6.3.3 The proportion of SFT, or non-store sales, is forecast to increase up to 2026. It should be noted that the proportions of SFT shown in this table are mostly non-store sales and the proportions are low. Not included are internet related SFT sales with home delivery or click and collect for example, because the goods mainly come off existing supermarket shelves and that proportion is much larger, but excluded here. The national proportions are applied in Table 6.1, based on data from Experian.

6.3.4 Forecasts of the total convenience expenditure potential of the residents of each catchment area are shown in Table 6.2.

6.4 Convenience shopping patterns-market shares

6.4.1 In the 2016 NEMS household shopping interview survey, the respondents were asked where *they last visited for their main food shopping*, and *the time before that*. They were also asked where *they last visited for their top-up shopping*. The findings were combined to provide estimates of all convenience shopping patterns relating to each of the catchment areas, as shown in Table 6.3. The supporting information is provided in Appendix 4.

6.4.2 Market shares refer to the proportions of expenditure from residents of a defined area which are spent in that area and in other areas. Table 6.3 shows the convenience market shares for each catchment area, based on the shopping patterns identified from the household survey.

6.4.3 In West Fife, 92% of convenience shopping is done locally, with small proportions undertaken in Mid Fife and in centres outside Fife. In Mid Fife, 87% of convenience shopping is done locally and 8% in West Fife, with small proportions elsewhere. In East Fife, 73% of convenience shopping is done locally and 17% outside Fife and 10% in Mid Fife.

Table 6.1
Fife convenience expenditure per capita per annum (in 2015 prices)

Catchment areas	2014 £	2016 £	2021 £	2026 £
West Fife	2,257	2,230	2,211	2,204
Mid Fife	2,192	2,166	2,147	2,141
East Fife	2,761	2,729	2,705	2,697
**excluding special forms of trading*				
West Fife	*2,202*	*2,164*	*2,125*	*2,103*
Mid Fife	*2,139*	*2,101*	*2,063*	*2,042*
East Fife	*2,695*	*2,647*	*2,599*	*2,573*

Note
Original Experian figures for 2014 are in 2014 prices. These have been adjusted to 2015 prices by a factor of 0.98673
from *Experian Retail Planner Briefing Note 14, Appendix 4b- dated November 2016*
The growth rates derive from the above Experian document, Table 4a.

		2014-16	2016-21	2021-26
Growth rates		0.9884	0.9912	0.9970

*An allowance for special forms of trading (SFT) is deducted so that the exenditure per capita relates to sales from conventional retail floorspace. The % deductions derive from *Experian Retail Planner Briefing Note 14, Appendix 3, Figure 5 - November 2016.*

Deductions for SFT	-2.4%	-3.0%	-3.9%	-4.6%

Table 6.2
Fife residents' convenience expenditure potential (in 2015 prices)
Excluding SFT (special forms of trading)

Catchment areas	2016 £ million	*growth 2016-21* *£ million*	2021 £ million	*growth 2021-26* *£ million*	2026 £ million
West Fife	270.8	*-1.8*	269.0	*1.7*	270.7
Mid Fife	383.9	*-2.6*	381.3	*0.2*	381.5
East Fife	161.7	*0.1*	161.7	*0.8*	162.5
Total Fife	816.4	*-4.4*	812.0	*2.7*	814.7

Note
From Tables 2.1 and 6.1. Figures are rounded.

Table 6.3
Fife Council area residents- all convenience shopping patterns (Q1-Q3 combined) 2016

	Origin			
Catchment areas	West Fife	Mid Fife	East Fife	Total Fife
Destination				
West Fife	92%	8%	0%	35%
Mid Fife	4%	87%	10%	46%
East Fife	0%	3%	73%	13%
Outside Fife	5%	2%	17%	6%
Total	100%	100%	100%	100%

Source: NEMS household shopping interview survey 2016 for Fife Council
The above data relates to the weighted survey data and filtered to remove don't knows, varies, internet and mail order
Main food shopping (Q1&Q2) and top-up shopping (Q3) is weighted 80%:20% for the combination

6.4.4 For Fife, 94% of convenience expenditure is retained in the Council area, leaving only 6% leakage.

6.4.5 Figure 6.1 provides graphs showing the most visited stores for main food shopping by the survey respondents from each zone.

6.5 Convenience expenditure and turnover by catchment area

6.5.1 The relationship between total expenditure and turnover in each retail catchment area is defined at the beginning of this section.

6.5.2 Appendix 5 shows the estimates of expenditure inflows to each catchment area in detail, based on the household survey (Table 6.3) and visitor spending (Fife STEAM data) and convenience expenditure made in Fife by residents of [1]Perth & Kinross. Inflows from Dundee are negligible (Dundee Retail Study 2015). Total estimated convenience expenditure inflows to Fife amount to nearly £16 million, or 2%. The expenditure outflows derive from Appendix 4 and Table 6.3.

6.5.3 Tables 6.4 to 6.7 show the survey based convenience expenditure and turnover relationships for each catchment area and for Fife in 2016, 2021 and 2026.

6.5.4 Comparison of the inflows and outflows from the 2009 NEMS survey findings is made in Table 6.8. The main differences are increased outflows from Mid Fife in 2016 and greatly reduced outflows from East Fife. The 2015 edition of the Fife Retail Capacity Study incorporated adjustments to the 2009 net flows which brought the estimates close to the 2016 survey findings, but there is still a greater outflow from Mid Fife in 2016.

6.6 Convenience floorspace and turnover 2016

6.6.1 The current distribution of convenience floorspace in the three retail catchment areas is shown in Tables 6.9 to 6.11, based on the latest data provided by Goad (2016) and other sources, including Council data for most of the out of centre main supermarkets.

6.6.2 Average company turnover/ floorspace ratios from the Retail Rankings 2016 are applied to the main supermarkets and discount foodstores, with adjustments to include VAT and remove petrol/ non-retail sales, expressed in 2015 prices. These ratios also embrace recent research published by Mintel on the split of convenience and comparison floorspace among the various operators and the associated division of turnover.

6.6.3 Estimated average ratios are applied to all other shops. Those in the smaller towns are apportionments from the turnover ratios in the largest town centres in each catchment area. The turnover ratios for Aldi and Lidl, based on Mintel's research are well up from previous years, which is unsurprising given that they have taken some market share from the main supermarkets. Tables 6.9 to 6.11 show the total average turnover in each sub area at average levels, based on this method.

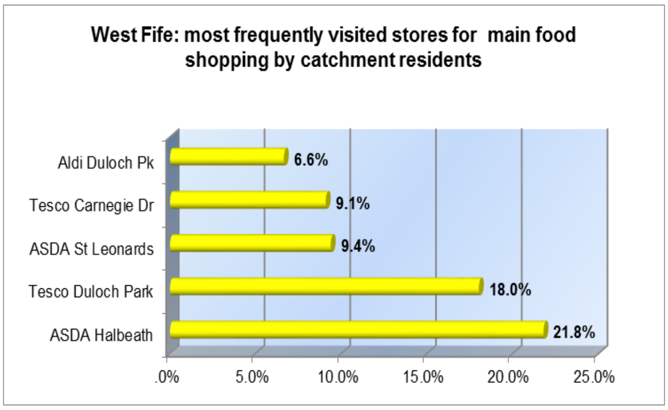
6.6.4 Comparison with the survey based totals (actual turnover) is included for each area. This reveals moderate under-trading in West Fife, slight under-trading in Mid Fife and above average trading in East Fife.

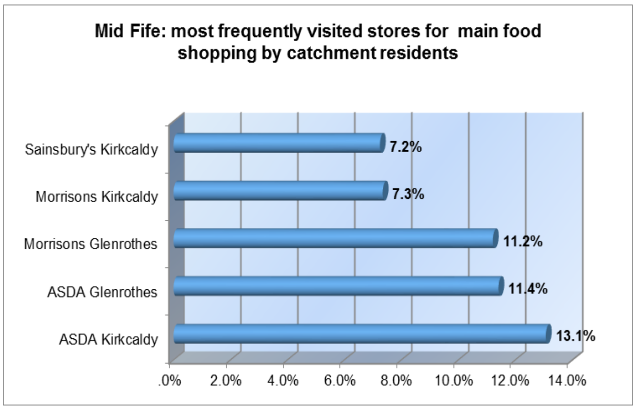
6.6.5 On a technical point, there is there is no widely agreed benchmark for determining any over/ under-trading. Some consultants ignore the subject and rely on the survey based ratios only, although there are issues related to accuracy at the individual store level and consistency in the treatment of turnover of new development proposals.

[1] Perth & Kinross Town Centre & Retail Study 2016

Figure 6.1 Main food shopping patterns- most frequently visited stores (household survey)

Q1 & Q2 combined, excluding don't knows, varies, internet





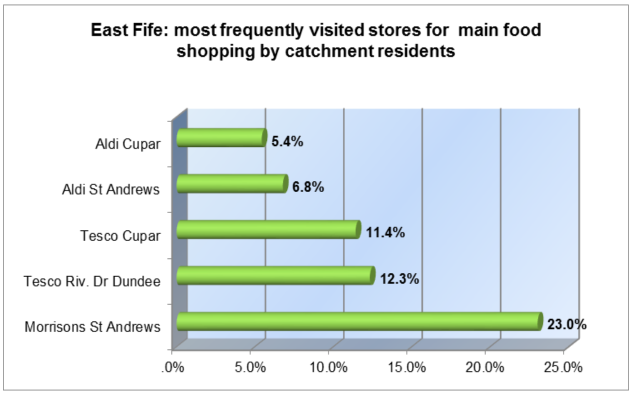


Table 6.4
West Fife convenience expenditure and turnover 2016 (in 2015 prices)

	%	2016 £million	2021 £million	2026 £million
Main catchment residents' expenditure potential		270.8	269.0	270.7
Add: inflows from rest of Fife	11%	30.5	30.3	30.5
inflows from outside Fife	4%	10.5	10.5	10.5
Less: outflows	-8%	-22.8	-22.7	-22.8
Retained expenditure (turnover)		289.0	287.1	288.9

Note
Inflows and outflows from Appendix 5

Table 6.5
Mid Fife convenience expenditure and turnover 2016 (in 2015 prices)

	%	2016 £million	2021 £million	2026 £million
Main catchment residents' expenditure potential		383.9	381.3	381.5
Add: inflows from rest of Fife	7%	25.6	25.5	25.5
inflows from outside Fife	1%	3.4	3.3	3.3
Less: outflows	-13%	-49.8	-49.4	-49.4
Retained expenditure (turnover)		363.2	360.7	360.9

Note
Inflows and outflows from Appendix 5

Table 6.6
East Fife convenience expenditure and turnover 2016 (in 2015 prices)

	%	2016 £million	2021 £million	2026 £million
Main catchment residents' expenditure potential		161.7	161.7	162.5
Add: inflows from rest of Fife	7%	10.6	10.6	10.6
inflows from outside Fife	1%	1.9	1.9	1.9
Less: outflows	-27%	-43.9	-43.9	-44.1
Retained expenditure (turnover)		130.3	130.3	131.0

Note
Inflows and outflows from Appendix 5

Table 6.7
Fife convenience expenditure and turnover 2016 (in 2015 prices)

	%	2016 £million	2021 £million	2026 £million
Main catchment residents' expenditure potential		816.4	812.0	814.7
Add:				
inflows from outside Fife	2%	15.8	15.7	15.8
Less: outflows	-6%	-45.2	-45.0	-45.1
Retained expenditure (turnover)		782.5	778.1	780.8

Note
Inflows and outflows from Appendix 5

Table 6.8
NEMS household surveys 2009 & 2016: convenience expenditure inflows and outflows compared

	2009 survey	2009 survey	2009 survey	2016 survey	2016 survey	2016 survey
	inflow	outflow	net difference	*inflow	outflow	net difference
West Fife	*10%*	*-6%*	+4%	15%	-8%	+7%
Mid Fife	*6%*	*-9%*	-3%	8%	-13%	-5%
East Fife	*5%*	*-34%*	-29%	8%	-27%	-19%
Outflows from Fife		*-5%*		*1%*	-6%	-6%

Note:
The inflows in 2016 include a small allowance for visitor spending form outwith Fife, and also from Perth & Kinross residents, as shown in the previous tables.

6.7 Online food shopping

6.7.1 Among those who bought their groceries on the internet in Fife, the household survey indicates that, for main food shopping (Q1&Q2), 40% used Tesco, 18% used ASDA, and 11% used Sainsbury's.

6.8 Convenience planning consents & opportunities

6.8.1 Table 6.12 shows the current convenience retail planning consents and opportunities in Fife, which include minor supermarket development proposals in West and Mid Fife, serving localised catchment areas. These commitments require to be deducted from forecasts of spare capacity.

6.8.2 Planning consent for a neighbourhood supermarket at South Fod in Dunfermline East is highly unlikely to proceed. The Council report that an application to develop housing on the site has been lodged. Therefore, the site is not included in this Study.

6.8.3 Nor has the consent for a new Tesco supermarket at South Road, Cupar, been included in this Study, because there is a current application to develop the site for comparison retailing instead, as shown in Table 6.12. Its exclusion from this analysis does not affect the status of the consent in any way, but recognises that it is highly unlikely to be implemented.

6.8.4 There are also current applications which include foodstore developments at Halbeath and in Kirkcaldy (see Table 6.12). These have not yet been determined by the Council, so are not assumed as deductions from capacity.

Table 6.9
West Fife: convenience floorspace and turnover, 2016 (in 2015 prices)

	Floorspace sq m		Av. turnover	Turnover
	gross	net	ratio £/sq m	£million
Dunfermline Town Centre				
*Marks & Spencer (2,120 sqm gross)-30% conv	636	413	9,981	4.1
*Rest of Town Centre	2,590	1,684	5,700	9.6
Sub total	3,226	2,097		13.7
*Tesco, Winterthur Lane (total 7,350 sq m gross-est 70% conv)	5,145	3,087	10,875	33.6
*ASDA Halbeath (total 9,540 + 1,162 mez) sq m gross- est 55% conv	5,886	3,532	14,838	52.4
ASDA St Leonards-total 4,749 sqm (75% conv)	3,562	2,137	14,838	31.7
Tesco Duloch-total 6,147 sq m (82% conv)+ ext 2,747 (22%conv)	5,645	3,387	10,875	36.8
Aldi Duloch (1606 sqm gross-est 80% conv)	1,285	964	11,180	10.8
Dobbies Garden Centre- Farm food hall (estimate)	350	315	8,000	2.5
Tesco Express, Aberdour Rd	326	245	15,144	3.7
Aldi Halbeath Rd (total 1,420 sq m gross- est 85% conv)	1,207	905	11,180	10.1
Iceland, Halbeath Rd	800	560	7,337	4.1
*Farmfoods, Carnegie Retail Park	750	525	8,010	4.2
*Home Bargains (1,010 sq gross- 25% conv)	253	202	8,685	1.8
Other Dunfermline shops	3,438	2,235	3,705	8.3
Co-op, Linburn Rd, Dunfermline	319	191	6,500	1.2
Rosyth	1,510	982	3,705	3.6
Tesco, Rosyth	1,609	965	10,875	10.5
Sainsbury's Local, Camdean, Rosyth	350	263	15,507	4.1
*Inverkeithing	940	611	3,705	2.3
Crossgates	566	368	3,705	1.4
*Kincardine	550	358	3,705	1.3
*Tesco Metro, Dalgety Bay	1,840	1,288	10,875	14.0
*Rest of Dalgety Bay	160	104	3,705	0.4
Aldi, Donibristle, Dalgety Bay (1,500 gross-est 80% conv)	1,200	900	11,180	10.1
ASDA Dalgety Bay (3,437 sq m gross 80% conv)	2,750	1,650	14,838	24.5
Oakley, Saline, Torryburn, H Valleyfield, Crossford, Comrie, Cairneyhill, Charleston plus few others	1,963	1,276	3,705	4.7
Sub total	42,404	27,048		278.0
Cowdenbeath Town Centre				
*Morrisons	2,110	1,055	10,367	10.9
*Rest of Town Centre	2,510	1,632	3,990	6.5
Sub total	4,620	2,687		17.4
Aldi, Stenhouse St, Cowdenbeath (1,587 gross-est 80% conv)	1,270	952	11,180	10.6
*Kelty	350	228	3,705	0.8
Total West Fife turnover at average levels				320.7
Under- trading below average levels	*-10%*			*-31.7*
Total West Fife	**51,869**	**33,011**		**289.0**

Note
* Goad gross floorspace data 2016, provided by the Council
Other gross floorspace provided by Fife Council, based on their 2007 floorspace survey (mainly small settlements), planning applications and the 2015 Retail Capacity Study. Note that the 2007 survey data has been reduced by a notional 20% for 2016, to allow for the general decline in shop numbers over the period. Average supermarket turnover ratios based on the Retail Ranking 2016 and other Mintel research on supermaket operator floorspace, adjusted to remove petrol sales, plus an allowance for VAT added- in 2015 prices.

Table 6.10
Mid Fife: convenience floorspace and turnover, 2016 (in 2015 prices)

	Floorspace sq m		Av. turnover	Turnover
	gross	net	ratio £/sq m	£million
Kirkcaldy Town Centre				
*Lidl (1,380 gross-85%conv)	1,173	880	7,419	6.5
*Marks & Spencer (total 2,830 sq m gross) 30% conv	849	552	9,981	5.5
*Rest of Town Centre	3,400	2,210	5,700	12.6
Sub total	5,422	3,642		24.6
Morrisons, Invertiel				
6,369 sq m gross, 3,519 sq m net-2,815 sq m conv (80%)	5,095	2,815	10,367	29.2
ASDA, Kirkcaldy	7,133	3,846	14,838	57.1
11,889 sq m gross (Council)- 6,410 sq m net at 60:40 conv/ comp sales				
*Sainsbury's, Kirkcaldy (5,610 sq m gross- 85% conv)	4,769	2,861	11,078	31.7
*M&S Simply Food, Fife Central RP	1,020	714	9,981	7.1
Aldi, McKenzie St, Kirkcaldy (1,493 sq m gross total)- 80% conv	1,194	896	11,180	10.0
Aldi, Ferrard Rd, Kirkcaldy				
(Total 1606 sq m gross/ 1,125 net- est 80% conv)	1,285	844	11,180	9.4
Other Kirkcaldy shops	4,936	3,208	3,705	11.9
Dysart	309	201	3,705	0.7
Coaltown of Wemyss	37	24	3,705	0.1
Ballingry	843	548	3,705	2.0
*Lochgelly	1,940	1,261	3,705	4.7
Lochore	534	347	3,705	1.3
Cardenden	2,025	1,316	3,705	4.9
*Burntisland	1,620	1,053	3,705	3.9
Kinghorn & Aberdour	758	493	3,705	1.8
Sub total	33,498	20,427		175.8
Glenrothes Town Centre				
*Sub total-Town Centre shops	3,690	2,399	5,700	13.7
*Morrisons, Flemington Rd, Glenrothes (5,100 sq m gross-80% conv)	4,080	2,040	10,367	21.1
Lidl, Leslie Rd, Glenrothes (1,000 sq m gross-90%conv)	900	675	7,419	5.0
*Aldi, Flemington Rd, Glenrothes (1,300 sq m gross- est 85% conv)	1,105	829	11,180	9.3
*B&M, Flemington Rd, Glenrothes (1,500 sq m gross- 25% conv)	375	300	3,411	1.0
ASDA, Fullerton Rd, Glenrothes				
(Total 7,897 sq m gross- 4,343 sq m gross conv)	4,343	2,606	14,838	38.7
*Cadham Centre, Glenrothes	160	104	3,705	0.4
Iceland, Glenwood, Glenrothes	717	502	7,337	3.7
*Other Glenwood shops, Glenrothes	340	221	3,705	0.8
Tesco Express, Sth Park Rd, Glenrothes	410	308	15,144	4.7
Other Glenrothes shops (notional estimate)	2,500	1,625	3,705	6.0
Leslie	668	434	3,705	1.6
Markinch	611	397	3,705	1.5
Kinglassie & Thornton	748	486	3,705	1.8
Falkland & Freuchie	410	267	3,705	1.0
Ladybank & Kettlebridge	355	231	3,705	0.9
Sub total	17,722	11,024		97.4
Leven Town Centre				
*Sub total-Town Centre shops (excluding Riverside Retail Park)	2,340	1,521	3,990	6.1
*Sainsbury's, Riverside RP	2,940	1,764	11,078	19.5
*B&M, Riverside RP (1,530 sq m gross- 25% conv)	383	306	3,411	1.0
*Home Bargains, Riverside Rd (2060 sq m gross- 25% conv)	515	412	8,685	3.6
*Lidl, Mitchell St, Leven (1,060 sq m gross-90% conv)	954	716	7,419	5.3
Aldi, Turpie Rd, Leven-1,480sqm gross, 990 sq m net- 80% conv	1,184	792	11,180	8.9
Sub total	5,976	3,990		38.3
East Wemyss	316	205	3,705	0.8
Methil/ Methilhill	2,660	1,729	3,705	6.4
Buckhaven	1,389	903	3,705	3.3
Kennoway & Windygates & Upper Largo	886	576	3,705	2.1
Lundin Links & Lower Largo	329	214	3,705	0.8
Newburgh & Strathmiglo & Auchtermuchty (previously in E Fife area)	757	492	3,705	1.8
Sub total	6,337	4,119		15.3
Total Mid Fife turnover at average levels				371.2
Under- trading below average levels	*-2%*			*-8.0*
Total Mid Fife	**74,985**	**47,121**		**363.2**

Note
* Goad gross floorspace data 2016, provided by the Council
Other gross floorspace provided by Fife Council, based on their 2007 floorspace survey (mainly small settlements), planning applications and the 2015 Retail Capacity Study. Note that the 2007 survey data has been reduced by a notional 20% for 2016, to allow for the general decline in shop numbers over the period. Average supermarket turnover ratios based on the Retail Ranking 2016 and other Mintel research on supermaket operator floorspace, adjusted to remove petrol sales, plus an allowance for VAT added- in 2015 prices.

Table 6.11
East Fife: convenience floorspace and turnover, 2016 (in 2015 prices)

	Floorspace sq m		Av. turnover	Turnover
	gross	net	ratio £/sq m	£million
St Andrews Town Centre				
*Tesco Metro	1,350	945	10,875	10.3
*Sainsbury's Local	600	450	15,507	7.0
*Rest of Town Centre	2,530	1,645	4,900	8.1
Sub total	4,480	3,040		25.3
Morrisons, St Andrews	3,740	1,870	10,367	19.4
Aldi, Tom Stewart Lane, St Andrews (1,331 sq m gross-80% conv)	1,065	799	11,180	8.9
M&S Simply Food, Largo Rd	1,395	977	9,981	9.7
Other St Andrews shops	485	315	3,920	1.2
Balmullo, Guardbridge,Kingsbarns, Leuchars, S'kinness	1,128	733	3,920	2.9
Sub total	7,813	4,694		42.2
Cupar Town Centre				
*Co-op	1,200	780	8,141	6.3
*Lidl (total 2,000 sq m gross) 80% conv	1,600	1,200	7,419	8.9
*Rest of Town Centre	2,440	1,586	4,410	7.0
Sub total	5,640	3,566		22.2
Tesco, Cupar (total 2,033 sq m gross/ 1,338 net-c70% conv- agent data)	1,423	937	10,875	10.2
Aldi, South Rd, Cupar (total 1,587 sq m gross- 80% conv)	1,270	952	11,180	10.6
Ceres & Dairsie	453	294	3,920	1.2
*Anstruther	510	332	3,920	1.3
Cellardyke & Crail & St Monans & Pittenweem	1,010	656	3,920	2.6
Elie & Colinsburgh	324	211	3,920	0.8
Tayport/Wormit & Newport	1,218	792	3,920	3.1
Sub total	6,208	4,173		29.8
Total East Fife turnover at average levels				119.5
Over-trading above average levels	*9%*			*10.8*
Total East Fife	**24,140**	**15,472**		**130.3**

Note
* Goad gross floorspace data 2016, provided by the Council
Other gross floorspace provided by Fife Council, based on their 2007 floorspace survey (mainly small settlements), planning applications and the 2015 Retail Capacity Study. Note that the 2007 survey data has been reduced by a notional 20% for 2016, to allow for the general decline in shop numbers over the period. Average supermarket turnover ratios based on the Retail Ranking 2016 and other Mintel research on supermaket operator floorspace, adjusted to remove petrol sales, plus an allowance for VAT added- in 2015 prices.

Table 6.12
Proposed convenience floorspace in Fife: consents and applications 2016 (in 2015 prices)

	Floorspace sq m		Turnover	Turnover
	gross	net	ratio £/sq m	£million
Planning consents included in the capacity study				
North End Park, Cowdenbeath 15/04183/FULL Discount foodstore 2,476 sq m gross, 1,585 sq m net- est 80% conv. Mixed goods retailer 1,858 sq gross,1,674 sq m net- comparison	1,981	1,268	7,419	9.4
Fleming Building, Donibristle Ind. Park 15/03782/PPP &16/02678/ARC Discount foodstore-Aldi 1,650 sq m gross, 1,125 sq m net- est 80% conv. Plus other, non retail uses	1,320	900	11,180	10.1
Freescale site (Shepherd Offshore), Dunfermline -16/03359/ARC Class 1 retail (supermarket) -2,500 sq m gross within masterplan for the site- latest version of previous proposals. Estimate 85% conv.	2,125	1,275	11,789	15.0
Former Stagecoach Depot, Kirkcadly-16/02147/FULL -consent Jan 2016 Lidl relocation from Esplanade- 2,487 sq m gross, 1,424 sq m net *Proposed convenience floorspace: 2,114 sq m gross, 1,210 sq m net* Existing store: 1,286 sq m gross, 996 sq m net *Existing convenience floorspace: 1,093 sq m gross, 847sq m net* Net difference	1,021	363	7,419	2.7
Kingslaw Village/ Burnside Neighbourhood Centres 10/01774/EIA Kirkcaldy-Two supermarkets- 1,500 sq m gross and 370 sq m gross	1,870	1,122	8,100	9.1
Queensgate, Glenrothes (Tullis Russell) 15/02702/PPP Retail warehousing with mezzanines. Floorspace- total 8,454 sq m gross, with consent for up to 1,300 sq m net convenience space within the total. Assume 80% net/ gross	1,625	1,300	8,100	10.5
CISWO site, North St, Glenrothes 15/03140/PPP & 16/02458/ARC 5 units:Class 1 retail and other commercial use options Unit 1 (probably for M&S Simply Food) Units 2&3- total 836 sq m & Unit 4 at 445 sq m- could be retail or other Use Classes	1,021	715	9,981	7.1
Current applications: not included in the capacity study				
Halbeath Retail Park- extension 16/01927/FULL- *not determined* Units 9 & 11- 4,532 sq m gross convenience floorspace - for: M&S Simply Food Lidl Other proposed units are for bulky goods (5,435 sq m gross)	2,044 2,488			
South Road, Cupar 15/04188/FULL- *not determined* Understand the application now seeks comparison sales only				

Note
Gross floorspace from the Council. Estimated turnover of the consents are based on company averages from the 2016 Retail Rankings
Estimated turnover of the current applications is not shown here because the applications are yet to be determined, with the details agreed under individual assessments.

7 Convenience expenditure capacity

7.1 Introduction

7.1.1 This section provides estimates of the spare convenience retail expenditure capacity that could service new retail floorspace in each of the three retail catchment areas. The forecasts of spare capacity are for the periods 2016-21, 2021-26 and for the total ten-year period 2016-26, after allowing for the existing planning commitments.

7.2 Definition

7.2.1 The planning context for defining spare capacity is the level of new retail development that can be accommodated without threatening the vitality and viability of established town centres. Spare retail capacity can exist in the following forms:

- Any current over-trading
- Growth in retained expenditure (turnover)
- Potential to claw back expenditure leakage
- Potential to attract new trade into the area
- 'Acceptable' levels of impact

7.2.2 A range of spare capacity can be prepared from these components, showing a low and high estimate, after deducting planning commitments. For convenience retail capacity, the low estimate includes any over-trading and the forecast growth in expenditure in the catchment areas over the target periods. The high estimate also includes the potential to claw back leakage and attract new trade into the catchment areas. Provision of a range of spare capacity normally reduces the need for sensitivity tests.

7.2.3 'Acceptable' levels of retail impact refer to the situation where new developments would not threaten the vitality and viability of established centres. By convention, this aspect is not usually embraced into capacity studies, because it is normally addressed by retail impact assessments in support of specific retail planning applications. The Council would then assess whether the retail impacts are 'acceptable' in terms of their effects on the vitality and viability of town centres

7.2.4 The forecasts of spare convenience expenditure capacity in this report also include associated equivalent net floorspace estimates for broad guidance, based on the average turnover/floorspace ratio of the four main supermarket operators, as shown in the footnotes to the tables. The equivalent floorspace associated with the expenditure capacity would be greater for other operators with lower turnover ratios.

7.2.5 More weight should be given to the expenditure capacity figures, because retailer performance and formats varies widely.

7.3 Spare convenience expenditure capacity

7.3.1 **Low estimates-** Tables 7.1 to 7.3 show the forecast spare convenience expenditure for each of the three retail catchment areas.

7.3.2 Assuming the current consents shown in Table 6.12 are developed, there is significant predicted negative capacity in West Fife and moderate negative capacity in Mid Fife over the next ten years, with a low level of surplus capacity in East Fife.

7.3.3 **High estimates-** For estimates at the high end of the range to apply, there would have to be potential to accommodate a supermarket which would can reduce leakage and attract some new trade. In today's retail market, this is more likely to include a discount foodstore, sometimes in combination with another type of store, but there would probably be little attraction of new trade.

7.3.4 For the three catchment areas, a notional allowance for potentially capturing up to 50% of the convenience expenditure outflows from each catchment to centres outside Fife has been included as the basis for the high estimate, over and above the low estimate.

7.3.5 The resulting levels of recaptured leakage are either small (West and Mid Fife) or modest, as in East Fife. The choice of this approach avoids overlap where reduced leakage in one catchment may mean increased trade loss in another. It is also consistent with the probability that the formats of the current retail consents would probably not capture significant levels of leakage from beyond the retail catchment area in Fife in which they are located.

7.3.6 Under the high estimates, there is still significant forecast negative spare capacity in West Fife and moderate negative spare capacity in Mid Fife, but more surplus capacity in East Fife, with potential to support additional supermarket development, under the assumption that the Tesco consent in Cupar is unlikely to progress.

7.3.7 Finally, the assessment of future new retail development applications will be subject to the policy provisions of the sequential test and network of centres, where impacts of new developments must not threaten the vitality and viability of town centres and other centres in the network.

Table 7.1
West Fife: forecast spare convenience expenditure capacity (in 2015 prices)

				2016-21 £million	2021-26 £million	2016-26 £million
(a) Current under-trading (Table 6.9)				-31.7		-31.7
(b) Growth in retained expenditure (turnover)- Table 6.4				-2.0	1.8	-0.1
(c) Less planning commitments: (selected consents- Table 6.12)				-34.5		-34.5
Low estimate	(a+b-c)			**-68.1**	**1.8**	**-66.3**
(d) Add: potential to reduce outflow		*2021*	*2026*			
Outflow £million- Table 6.4		-22.7	-22.8			
Outflows to centres outside Fife-Table 6.3		-12.4	-12.4			
Potential to claw back up to 50% of leakage to centres outside Fife				6.2	0.04	6.2
(e) Add:potential to increase inflow- Table 6.4						
Assume negligible						
High estimate	(a+b-c+d+e)			**-62.0**	**1.9**	**-60.1**
Equivalent convenience floorspace				£ per sq m	£ per sq m	
* Turnover/ floorspace ratio				11,723	11,698	
				sq m net	sq m net	sq m net
Low				*-5,800*	*200*	-5,600
High				*-5,300*	*200*	-5,100

Note
Gross equivalent floorspace estimates have not been shown, as net /gross formats vary widely. *Figures are rounded.*
* The turnover ratio derives from the 2016 Retail Rankings for the average of Sainsbury's, Tesco, Morrisons and ASDA, at £11,789 per sq m. The ratio is increased to relate to 2021 and 2026, based on % turnover growth in Fife -Table 6.7

Table 7.2
Mid Fife: forecast spare convenience expenditure capacity (in 2015 prices)

				2016-21 £million	2021-26 £million	2016-26 £million
(a) Current under-trading (Table 6.10)				-8.0		-8.0
(b) Growth in retained expenditure (turnover)- Table 6.5				-2.4	0.2	-2.3
(c) Less planning commitments: (selected consents- Table 6.12)				-29.4		-29.4
Low estimate	(a+b-c)			**-39.9**	**0.2**	**-39.8**
(d) Add: potential to reduce outflow		*2021*	*2026*			
Outflow £million- Table 6.5		-49.4	-49.4			
Outflows to centres outside Fife-Table 6.3		-9.5	-9.5			
Potential to claw back up to 50% of leakage to centres outside Fife				4.7	0.0	4.7
(e) Add:potential to increase inflow- Table 6.5						
Assume negligible						
High estimate	(a+b-c+d+e)			**-35.2**	**0.2**	**-35.0**
Equivalent convenience floorspace				£ per sq m	£ per sq m	
* Turnover/ floorspace ratio				11,723	11,698	
				sq m net	sq m net	sq m net
Low				*-3,400*	*0*	-3,400
High				*-3,000*	*0*	-3,000

Note
Gross equivalent floorspace estimates have not been shown, as net /gross formats vary widely. *Figures are rounded.*
* The turnover ratio derives from the 2016 Retail Rankings for the average of Sainsbury's, Tesco, Morrisons and ASDA, at £11,789 per sq m. The ratio is increased to relate to 2021 and 2026, based on % turnover growth in Fife -Table 6.7

Table 7.3
East Fife: forecast spare convenience expenditure capacity (in 2015 prices)

			2016-21 £million	2021-26 £million	2016-26 £million
(a) Current over-trading (Table 6.11)			10.8		10.8
(b) Growth in retained expenditure (turnover)- Table 6.6			0.0	0.7	0.7
(c) Less planning commitments: none in East Fife					
Low estimate	(a+b-c)		**10.8**	**0.7**	**11.5**
(d) Add: potential to reduce outflow	*2021*	*2026*			
Outflow £million- Table 6.6	-43.9	-44.1			
Outflows to centres outside Fife-Table 6.3	-27.8	-27.9			
Potential to claw back up to 50% of leakage to centres outside Fife			13.9	0.07	14.0
(e) Add:potential to increase inflow- Table 6.5					
Assume negligible					
High estimate	(a+b-c+d+e)		**24.7**	**0.7**	**25.4**
Equivalent convenience floorspace			£ per sq m	£ per sq m	
* Turnover/ floorspace ratio			11,723	11,698	
			sq m net	sq m net	sq m net
Low			*900*	*100*	1,000
High			*2,100*	*100*	2,200

Note
Gross equivalent floorspace estimates have not been shown, as net /gross formats vary widely. *Figures are rounded.*
* The turnover ratio derives from the 2016 Retail Rankings for the average of Sainsbury's, Tesco, Morrisons and ASDA, at £11,789 per sq m. The ratio is increased to relate to 2021 and 2026, based on % turnover growth in Fife -Table 6.7

8 Comparison expenditure and turnover

8.1 Introduction

8.1.1 This section of the report assesses the comparison expenditure and turnover relationships for each the three retail catchment areas and for Fife, taking account of the comparison shopping patterns identified by 2016 NEMS household shopping interview survey.

8.1.2 The distribution of the turnover among the various towns and retail parks is controlled to the total deduced turnover for each catchment area from the shopping patterns.

8.2 Comparison goods- definition

8.2.1 Comparison goods include:

- *Books*
- *Clothing and footwear*
- *Furniture, floorcoverings & household textiles*
- *Audi visual equipment and other durable goods (domestic appliances and phones)*
- *Hardware and DIY supplies*
- *Chemists' goods*
- *Jewellery, watches and clocks*
- *Bicycles*
- *Recreational and other miscellaneous goods*
- *Remaining 10% of non- durable household goods*

8.2.2 This definition reflects that in the *Experian Retail Planner Briefing Note 14, dated November 2016*, based on Central Government survey classifications.

8.2.3 *'Bulky goods'* is a collective sub category of comparison goods. These include at least furniture/ floorcoverings and household textiles, large domestic appliances and DIY/hardware. Definitions by retail research agencies vary. There is no precise way of comprehensively identifying all bulky goods retail floorspace in any study area. While bulky goods are normally found in retail parks, they are also important to many town centres.

8.2.4 For these reasons, separate forecasts of capacity for bulky goods have been discontinued in the Fife Retail Capacity 2016 and in future studies in the series. The main benefit of the category is to assist development management to identify restrictions on the range of goods to be sold on retail parks.

8.3 Comparison expenditure potential and the internet

8.3.1 Table 8.1 shows the forecast comparison expenditure per capita data for each of the three retail catchment areas in Fife, based on data commissioned from Experian for this study. The forecast growth rate from 2016-26 is 2.7% per annum, which is substantially higher than the forecast growth rate for convenience expenditure.

8.3.2 As explained in section 6, special forms of trading (SFT), which is almost entirely internet shopping, but includes a very small proportion of mail order, are removed from the expenditure per capita data, so that it relates to conventional shop floorspace. The proportion of SFT, or mainly non-store sales, is projected to increase up to 2026.

8.3.3 For comparison expenditure, it should be noted that the proportions of SFT based on the household survey findings on internet shopping by Fife residents (24.6%) are much higher than the national average (13.2% in 2016) estimated by Experian, as shown in Table 8.1. Similar differences emerge in recent household shopping surveys in other local authority areas. Explanation of how the survey findings on the proportions of SFT are compiled is provided in Appendix 6. If the Experian estimates of SFT were applied, the resulting turnover levels in the catchment areas would be unrealistic, with very high turnover/floorspace ratios. So, for the purposes of this study, it is considered that the survey-based proportions of SFT provide a readier interpretation of the relationship of expenditure to future comparison retail floorspace requirements for planning in Fife.

8.3.4 The survey based proportions of SFT are not surprising, as internet retail spending is now very high compared to the past.

Table 8.1
Fife comparison expenditure per capita per annum (in 2015 prices)

Catchment areas	2014 £	2016 £	2021 £	2026 £
West Fife	3,103	3,353	3,726	4,373
Mid Fife	2,737	2,957	3,286	3,857
East Fife	3,902	4,216	4,684	5,498
**excluding special forms of trading*				
West Fife		*2,530*	*2,644*	*3,104*
Mid Fife		*2,231*	*2,332*	*2,737*
East Fife		*3,180*	*3,324*	*3,902*

Note

Original Experian figures for 2014 are in 2014 prices. These have been adjusted to 2015 prices by a factor of 0.98798 from *Experian Retail Planner Briefing Note 14, Appendix 4b - dated November 2016*

The growth rates derive from the above Experian document, Table 4a.

	2014-16	2016-21	2021-26
Growth rates	1.0806	1.1110	1.1739

*An allowance for special forms of trading (SFT) is deducted so that the exenditure per capita relates to sales from conventional retail floorspace.

Experian publish their own estimates of the % deduction for SFT for the UK in their *Retail Planner Briefing Note 14, Figure 5 - 2016* .

Deductions for SFT	-13.2%	-15.6%	-16.1%

The above estimated proportions are low compared to the Fife survey findings. For this study, the survey based proportion is applied for 2016, with the rate of increase to 2021 and 2026 based on the Experian rate of increase.

***Applied proportions: 28.9% for Fife in 2016** from the household survey, reduced by 15% (R MacLean estimate) as explained.

below	**-24.6%**	**-29.0%**	**-29.0%**

Note that there is some overlap between non-store sales and store-related internet sales, so the proportions will be a bit lower than indicated from the household survey. A deduction of 15% is applied in acknowledgement of the issue. In fact the proportion is unknown. Experian estimate a 25% reduction, whereas Pitney Bowes just acknowledge the issue.

For the purposes of this study, it is considered that the survey-based proportions of SFT provide a readier interpretation of the relationship of expenditure to future comparison retail floorspace requirements for planning purposes in Fife.

Table 8.2
Fife residents' comparison expenditure potential (in 2015 prices)
Excluding SFT (special forms of trading)

Catchment areas	2016 £ million	*growth 2016-21 £ million*	2021 £ million	growth *2021-26 £ million*	2026 £ million
West Fife	316.6	*18.1*	334.7	*64.8*	399.5
Mid Fife	407.6	*23.3*	430.9	*80.4*	511.3
East Fife	194.3	*12.6*	206.8	*39.7*	246.5
Total Fife	918.5	*54.0*	972.5	*184.9*	1,157.4

Note

From Tables 2.1 and 8.1. Figures are rounded.

When the respondents to the household survey were asked how often they used the internet for non-food shopping, 48% said 'very/ quite frequently' and a further 27% said 'occasionally'.

8.3.5 Forecasts of the total comparison expenditure potential of the residents of each retail catchment area are shown in Table 8.2. The growth rate to 2026 is the result of combining projected population growth with the forecast growth in expenditure per capita.

8.4 Comparison shopping patterns- market shares

8.4.1 Information on comparison shopping patterns by residents of the three catchment areas was collected by the household survey. The method is the same as for convenience shopping.

8.4.2 The list of questions is provided in Appendix 2. For each of the five categories of comparison goods in the questionnaire, the respondents were asked to identify where *they visited most often* to buy these goods (Q7-Q11). Respondents could identify up to two destinations (or internet) for each category

8.4.3 The results were weighted and combined to reveal the shopping patterns for all comparison goods based on the household survey, as shown in Table 8.3 with the supporting information in Appendix 7.

8.4.4 Note that the proportions in Table 8.3 exclude SFT (internet/ mail order), to show physical destinations only and to achieve compatibility with the expenditure per capita

data, which excludes SFT. Thus, Table 8.3 highlights the shopping patterns between the three catchment areas and with centres outside Fife.

8.4.5 From the household survey, Table 8.3 indicates that the main destinations for comparison shopping in West and Mid Fife are the towns and retail parks within these catchment areas. In East Fife, most comparison shopping by residents is done outside Fife (mainly in Dundee) and also in Mid Fife.

8.4.6 More detail on the most frequently visited stores and centres is provided in the graphs in Figure 8.1, including reported internet/mail order spending.

Table 8.3
Fife Council area residents- all comparison shopping patterns (Q7-Q11 combined) 2016
(from household survey alone)

	Origin			
Catchment areas	West Fife	Mid Fife	East Fife	Fife Total
Destination				
West Fife	67%	10%	1%	28%
Mid Fife	7%	65%	10%	33%
East Fife	0%	1%	30%	7%
Outside study area	26%	24%	58%	32%
Total	100%	100%	100%	100%

Note
The above data relates to the w eighted survey data and filtered to remove don't know s, varies, internet and mail order

8.5 Comparison expenditure and turnover by catchment area

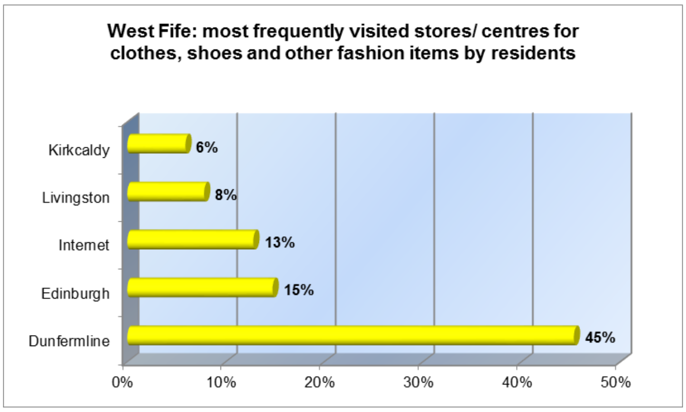
8.5.1 Like the analysis in section 6, the relationship between total expenditure and turnover in each catchment area is defined simply as: residents' expenditure potential plus inflows, less outflows equals total turnover.

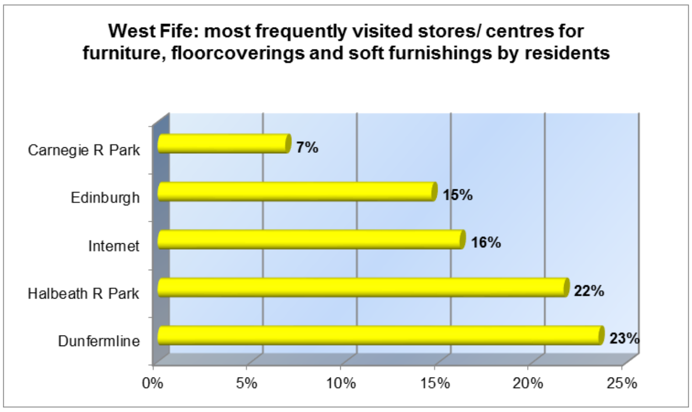
8.5.2 Appendix 8 shows the estimates of expenditure inflows to each catchment area in detail, based on the household survey (Table 8.3) and visitor spending (Fife STEAM data) and comparison expenditure made in Fife by residents of [2]Perth & Kinross. Inflows from Dundee are negligible (Dundee Retail Study 2015). Total estimated comparison expenditure flows to Fife amount to about £22 million, or 2%.

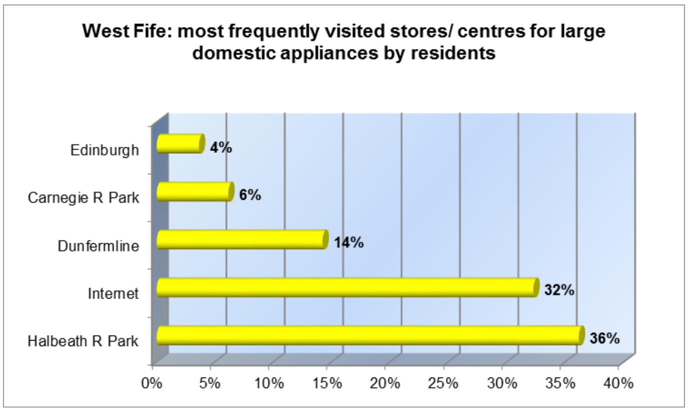
[2] Perth & Kinross Town Centre & Retail Study 2016

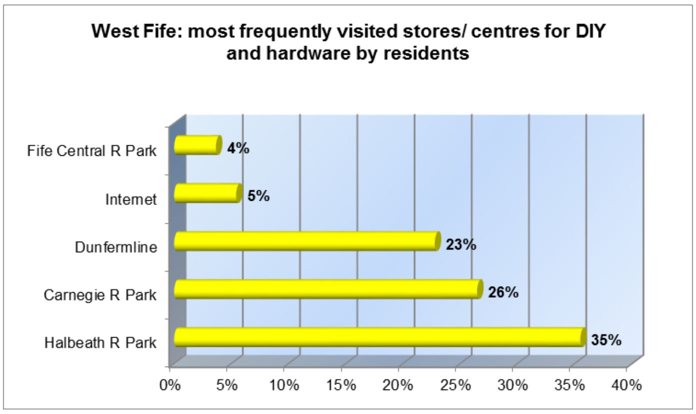
Figure 8.1 Comparison shopping- most frequently visited destinations (including internet): NEMS household survey 2016

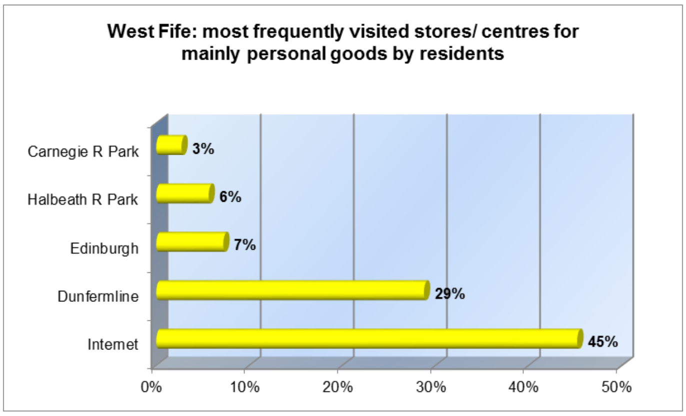
Goods categories graphs exclude *don't knows, don't buy, varies*

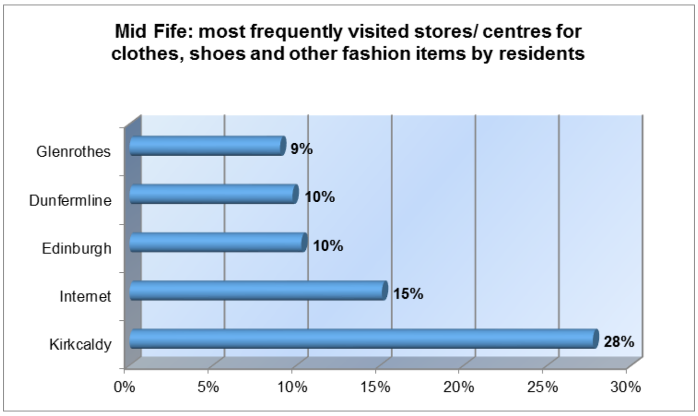


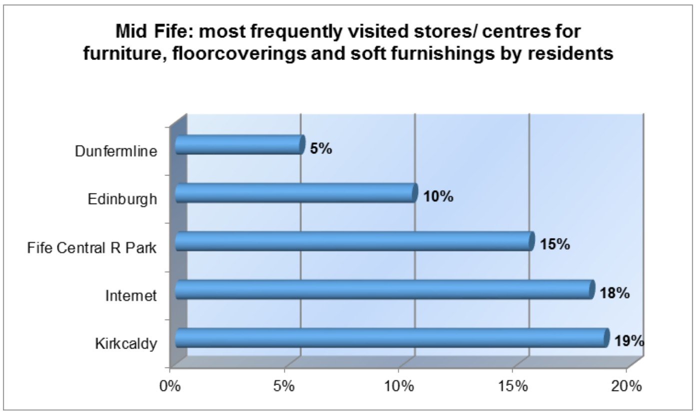


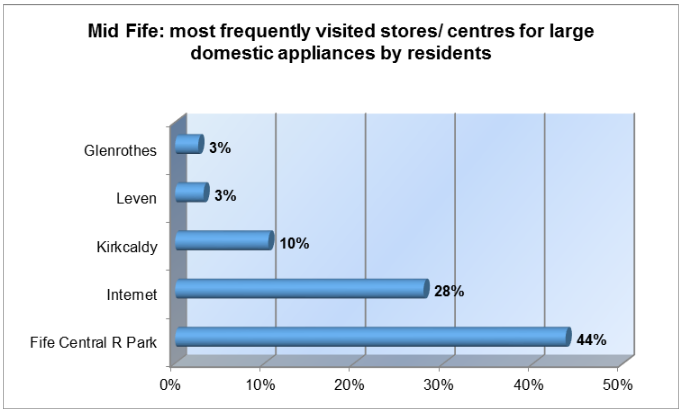


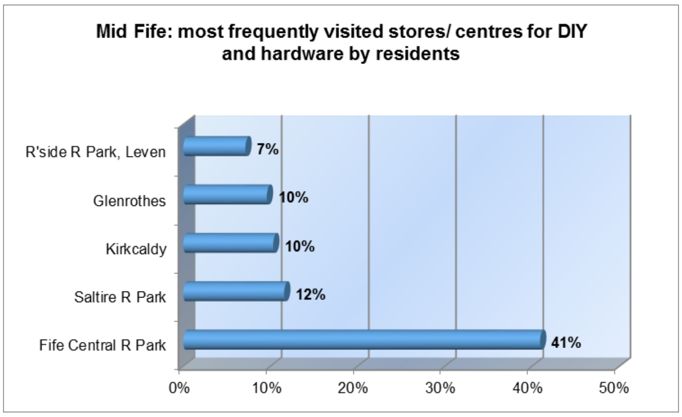


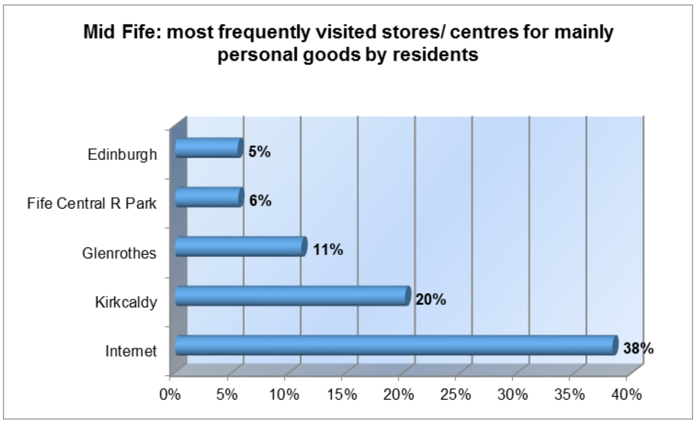


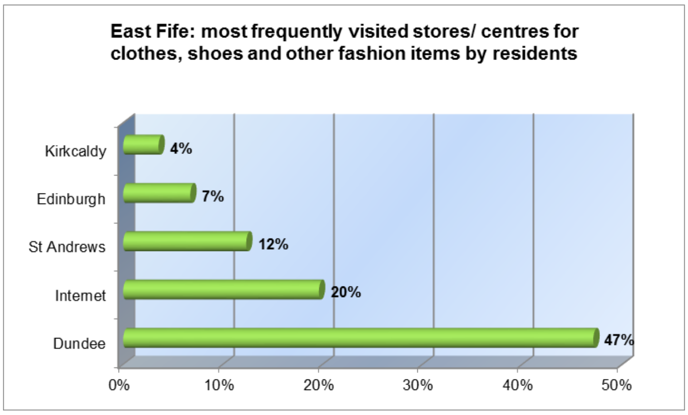


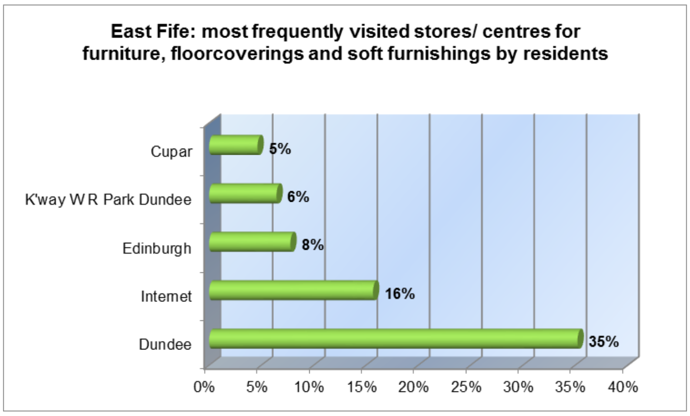

Mid Fife: most frequently visited stores/ centres for furniture, floorcoverings and soft furnishings by residents
Dunfermline
Edinburgh
Fife Central R Park
Internet
Kirkcaldy
5%
10%
15%
18%
19%
0%
5%
10%
15%
20%

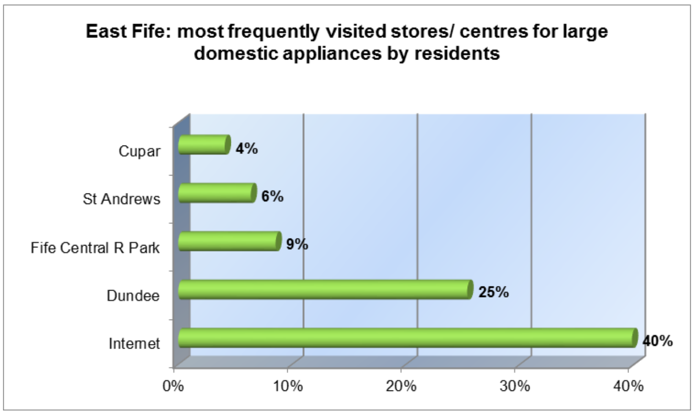

Mid Fife: most frequently visited stores/ centres for large domestic appliances by residents
Glenrothes
Leven
Kirkcaldy
Internet
Fife Central R Park
3%
3%
10%
28%
44%
0%
10%
20%
30%
40%
50%

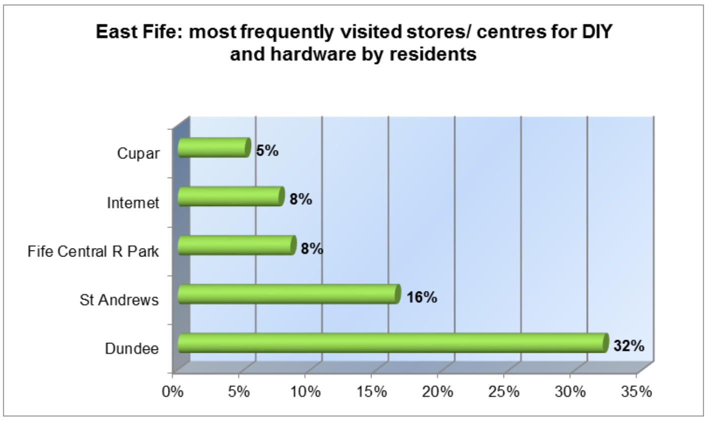

Mid Fife: most frequently visited stores/ centres for DIY and hardware by residents
R'side R Park, Leven
Glenrothes
Kirkcaldy
Saltire R Park
Fife Central R Park
7%
10%
10%
12%
41%
0%
10%
20%
30%
40%
50%


Mid Fife: most frequently visited stores/ centres for mainly personal goods by residents
Edinburgh
Fife Central R Park
Glenrothes
Kirkcaldy
Internet
5%
6%
11%
20%
38%
0%
5%
10%
15%
20%
25%
30%
35%
40%


East Fife: most frequently visited stores/ centres for clothes, shoes and other fashion items by residents
Kirkcaldy
Edinburgh
St Andrews
Internet
Dundee
4%
7%
12%
20%
47%
0%
10%
20%
30%
40%
50%


East Fife: most frequently visited stores/ centres for furniture, floorcoverings and soft furnishings by residents
Cupar
K'way W R Park Dundee
Edinburgh
Internet
Dundee
5%
6%
8%
16%
35%
0%
5%
10%
15%
20%
25%
30%
35%
40%


East Fife: most frequently visited stores/ centres for large domestic appliances by residents
Cupar
4%
St Andrews
6%
Fife Central R Park
9%
Dundee
25%
Internet
40%
0%
10%
20%
30%
40%


East Fife: most frequently visited stores/ centres for DIY and hardware by residents
Cupar
5%
Internet
8%
Fife Central R Park
8%
St Andrews
16%
Dundee
32%
0%
5%
10%
15%
20%
25%
30%
35%

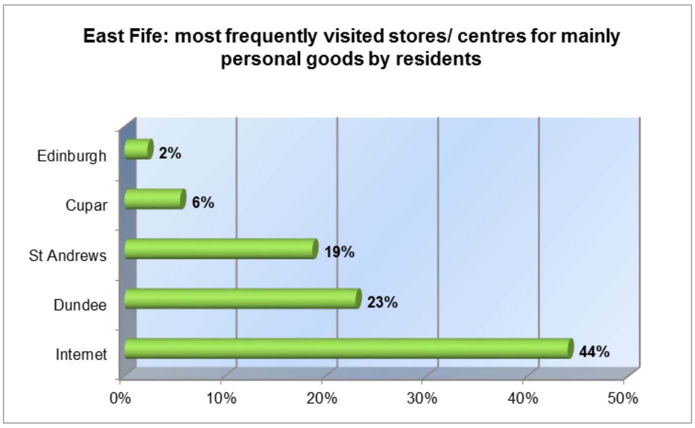

East Fife: most frequently visited stores/ centres for mainly personal goods by residents
Edinburgh
2%
Cupar
6%
St Andrews
19%
Dundee
23%
Internet
44%
0%
10%
20%
30%
40%
50%

Table 8.4
West Fife comparison expenditure and turnover 2016 (in 2015 prices)

	%	2016 £million	2021 £million	2026 £million
Main catchment residents' expenditure potential		316.6	334.7	399.5
Add: inflows from rest of Fife	14%	42.7	45.2	53.9
inflows from outside Fife	3%	10.8	11.4	13.6
Less: outflows	-33%	-105.7	-111.8	-133.4
Retained expenditure (turnover)		264.5	279.6	333.7

Note
Inflows and outflows from Appendix 8

Table 8.5
Mid Fife comparison expenditure and turnover 2016 (in 2015 prices)

	%	2016 £million	2021 £million	2026 £million
Main catchment residents' expenditure potential		407.6	430.9	511.3
Add: inflows from rest of Fife	11%	43.8	46.3	55.0
inflows from outside Fife	2%	8.0	8.5	10.1
Less: outflows	-35%	-144.7	-152.9	-181.5
Retained expenditure (turnover)		314.8	332.8	394.9

Note
Inflows and outflows from Appendix 8

Table 8.6
East Fife comparison expenditure and turnover 2016 (in 2015 prices)

	%	2016 £million	2021 £million	2026 £million
Main catchment residents' expenditure potential		194.3	206.8	246.5
Add: inflows from rest of Fife	3%	5.9	6.2	7.4
inflows from outside Fife	2%	3.6	3.8	4.6
Less: outflows	-70%	-135.1	-143.8	-171.4
Retained expenditure (turnover)		68.6	73.1	87.1

Note
Inflows and outflows from Appendix 8

Table 8.7
Fife comparison expenditure and turnover 2016 (in 2015 prices)

	%	2016 £million	2021 £million	2026 £million
Main catchment residents' expenditure potential		918.5	972.5	1,157.4
Add:				
inflows from outside Fife	2%	22.4	23.7	28.2
Less: outflows	-32%	-293.0	-310.2	-369.2
Retained expenditure (turnover)		647.9	685.5	815.7

Note
Inflows and outflows from Appendix 8

Table 8.8
NEMS household surveys 2009 & 2016: comparison expenditure inflows and outflows compared

	2009 survey inflow	2009 survey outflow	2009 survey net difference	2016 survey *inflow	2016 survey *outflow	2016 survey net difference
West Fife	8%	-30%	-22%	17%	-33%	-17%
Mid Fife	10%	-23%	-13%	13%	-35%	-23%
East Fife	2%	-80%	-68%	5%	-70%	-65%
Fife		-25%		*2%*	-32%	-28%

Note:
*The inflows in 2016 include a small allowance for visitor spending form outwith Fife, and also from Perth & Kinross
Both the inflows and outflows also incorporate the different expenditure per capita data applied to the three catchments

8.5.3 Tables 8.4 to 8.7 show the survey based comparison expenditure and turnover relationships for each catchment area and for Fife in 2016, 2021 and 2026.

8.5.4 The expenditure inflows and outflows from the 2016 household survey findings is compared with the NEMS survey in 2009 in Table 8.8. The main differences are the reduction in net expenditure flows from West Fife and the significantly larger net outflows from Mid Fife, mostly to Edinburgh.

8.6 Comparison floorspace and turnover 2016

8.6.1 The current distribution of comparison floorspace in the three retail catchment areas is shown in Tables 8.9 to 8.11, based on the latest data provided by Goad (2016) and other sources, including data from the Council. The total turnover in each catchment area is controlled to the survey based totals shown earlier in this section. While the turnover of the retail warehouses and supermarkets are assumed at average company levels, the turnover relating to the town centres and villages is collectively derived from the survey totals for each of the three catchments. As for convenience turnover, the turnover ratios for the smaller towns are based on apportionment from the turnover ratio of the largest town centres in each catchment. These are estimated 'actual' levels, not average or benchmark levels.

8.6.2 The tables reveal that Dunfermline and West Fife generally is trading relatively strongly. Deduced turnover levels are lower in Mid Fife, which reflects the high level of retail floorspace there. Turnover levels in East Fife are lower, because there is no major town centre, combined with high levels of expenditure leakage, mostly to Dundee.

Table 8.9
West Fife: comparison floorspace and turnover, 2016 (in 2015 prices)

	Floorspace sq m		Av. turnover	Turnover
	gross	net	ratio £/sq m	£million
Dunfermline Town Centre				
*Town Centre shops (excl 30% of M&S-conv)	36,864	23,962	6,052	145.0
*Tesco, Winterthur Lane (total 7,350 sq m gross-est 30% comp)	2,205	1,323	6,355	8.4
*ASDA Halbeath (total 9,540 + 1,162 mez) sq m gross- est 45% comp	4,816	2,890	5,787	16.7
ASDA St Leonards-total 4,749 sqm (25% comp)	1,187	712	5,787	4.1
Tesco Duloch-total 6,147 sq m (18% comp)+ ext 2,747 (78% comp)	3,249	1,949	6,355	12.4
Aldi Duloch (1606 sqm gross-est 20% comp)	321	241	6,014	1.4
Dobbies Garden Centre	3,694	2,955	3,000	8.9
Aldi Halbeath Rd (total 1,420 sq m gross- est 15% comp)	213	160	6,014	1.0
Other Dunfermline shops	3,173	2,062	2,421	5.0
*Inverkeithing	930	605	2,421	1.5
*Kincardine	240	156	2,421	0.4
*Rest of Dalgety Bay	430	280	2,421	0.7
Aldi, Donibristle, Dalgety Bay (1,500 gross-est 20% comp)	300	225	6,014	1.4
ASDA Dalgety Bay (3,437 sq m gross 20% comp)	687	412	5,787	2.4
Culross/ Rosyth/Cairneyhill/Oakley/ Limekilns/New mills	1,101	716	2,421	1.7
*Kelty	540	351	2,421	0.8
Sub total (excl Dunfermline TC)	23,087	15,037		66.7
Cowdenbeath Town Centre				
*Town Centre shops	3,630	2,360	2,724	6.4
Aldi, Stenhouse St, Cowdenbeath (1,587 gross-est 20% comp)	317	238	6,014	1.4
Retail Parks (see Appendix 10)				
Carnegie Retail Park, Dunfermline	7,998	6,398		15.8
Halbeath Retail Park, Dunfermline (excl ASDA)	11,700	9,102		24.7
Sub total	19,698	15,500		40.6
Other Retail Warehouses				
Bed Shed, Baldridgeburn, Dunfermline	1,110	888	2,151	1.9
Thomsons World of Furniture, Dunfermline	2,500	2,000	1,000	2.0
Connections Furniture, Netherton, Dunfermline	450	360	1,000	0.4
Sub total	4,060	3,248		4.3
Total West Fife	**87,655**	**60,343**		**264.5**

Note
* Goad gross floorspace data 2016, provided by the Council
Other gross floorspace provided by Fife Council, based on their 2007 floorspace survey (mainly small settlements), planning applications and the 2015 Retail Capacity Study. Note that the 2007 survey data has been reduced by a notional 20% for 2016, to allow for the general decline in shop numbers over the period.
A list of the occupiers in the retail parks in Fife is provided in Appendix 10, including turnover.

Table 8.10
Mid Fife: comparison floorspace and turnover, 2016 (in 2015 prices)

	Floorspace sq m		Av. turnover	Turnover
	gross	net	ratio £/sq m	£million
Kirkcaldy Town Centre				
*Lidl (1,380 gross-15% comp)	207	155	4,425	0.7
*Rest of Town Centre (excl 30% of M&S-conv)	37,901	24,636	3,918	96.5
Sub total	38,108	24,791		97.2
Morrisons, Invertiel				
6,369 sq m gross, 3,519 sq m net-704 sq m comp (20%)	1,274	704	3,404	2.4
ASDA, Kirkcaldy	4,756	2,564	5,787	14.8
11,889 sq m gross (Council)- 6,410 sq m net at 60:40 conv/ comp sales				
*Sainsbury's, Kirkcaldy (5,610 sq m gross- 15% comp)	842	505	2,496	1.3
Aldi, McKenzie St, Kirkcaldy (1,493 sq m gross total)- 20% comp	299	224	6,014	1.3
Aldi, Ferrard Rd, Kirkcaldy				
(Total 1606 sq m gross/ 1,125 net- est 20% comp)	321	225	6,014	1.4
Other Kirkcaldy shops (excl Fife Central RP)	4,957	3,222	1,959	6.3
*Lochgelly	2,890	1,879	1,959	3.7
*Burntisland	710	462	1,959	0.9
Sub total	16,047	9,784		32.1
Glenrothes Town Centre				
*Town Centre shops	19,380	12,597	3,918	49.4
*Morrisons, Flemington Rd, Glenrothes (5,100 sq m gross-20% comp	1,020	510	3,404	1.7
Lidl, Leslie Rd, Glenrothes (1,000 sq m gross-10% comp)	100	75	4,425	0.3
*Aldi, Flemington Rd, Glenrothes (1,300 sq m gross- est 15% comp)	195	146	6,014	0.9
ASDA,Fullerton Rd, Glenrothes				
(Total 7,897 sq m gross- 3,554 sq m gross comp)	3,554	2,132	5,787	12.3
*Cadham Centre, Glenrothes	200	130	1,959	0.3
*Glenwood shops, Glenrothes	370	241	1,959	0.5
Other Glenrothes shops (notional estimate)	1,000	650	1,959	1.3
Falkland / Freuchie/ Ladybank/ Kingskettle/ L Links/New burgh	1,878	1,220	1,959	2.4
Sub total	8,317	5,105		19.7
Leven Town Centre				
*Town Centre shops (excluding Riverside Retail Park)	6,450	4,193	2,743	11.5
*Lidl, Mitchell St, Leven (1,060 sq m gross-10% comp)	106	80	4,425	0.4
Aldi, Turpie Rd, Leven-1,480sqm gross, 990 sq m net- 20% comp	296	198	6,014	1.2
Methil (excl Riverside Furnishings)/Buckhaven	1,679	1,091	1,959	2.1
Leslie/ Markinch	2,757	1,792	1,959	3.5
Aberdour/Dysart/Cardenden/Kinghorn/Kinglassie/Thornton	2,207	1,435	1,959	2.8
Sub total	7,045	4,596		10.0
Retail Parks (see Appendix 10)				
Fife Central Retail Park, Kirkcaldy	17,750	13,425		50.7
Saltire Retail Park, Glenrothes	11,360	9,088		16.7
Riverside Retail Park, Leven	6,223	4,494		21.7
Sub total	35,333	27,007		89.1
Other Retail Warehouses				
*B&M, Flemington Rd, Glenrothes (1,500 sq m gross- 75% comp)	1,125	900	3,411	3.1
Stocks Discount Warehouse, Kirkcaldy (carpets)	2,291	1,833	1,000	1.8
Riverside Home Furnishings, Methil	1,550	1,008	1,000	1.0
Sub total	4,966	3,740		5.9
Total Mid Fife	**135,646**	**91,811**		**314.8**

Note
* Goad gross floorspace data 2016, provided by the Council
Other gross floorspace provided by Fife Council, based on their 2007 floorspace survey (mainly small settlements), planning applications and the 2015 Retail Capacity Study. Note that the 2007 survey data has been reduced by a notional 20% for 2016, to allow for the general decline in shop numbers over the period. The category 'other Kirkcaldy shops' has been reduced by 50% for 2016.
A list of the occupiers in the retail parks in Fife is provided in Appendix 10, including turnover.

Table 8.11
East Fife: comparison floorspace and turnover, 2016 (in 2015 prices)

	Floorspace sq m		Av. turnover	Turnover
	gross	net	ratio £/sq m	£million
St Andrews Town Centre				
*Town Centre shops	13,660	8,879	3,910	34.7
Aldi, Tom Stewart Lane, St Andrews (1,331 sq m gross-20% comp)	266	200	6,014	1.2
Other St Andrews shops	2,041	1,327	1,955	2.6
Sub total	2,307	1,526		3.8
Cupar Town Centre				
*Lidl (total 2,000 sq m gross) 20% comp	400	300	4,425	1.3
*Rest of Town Centre	8,190	5,324	3,128	16.7
Sub total	8,590	5,624		18.0
Tesco, Cupar (total 2,033 sq m gross/ 1,338 net-c30% comp- agent data)	610	401	6,355	2.6
Aldi, South Rd, Cupar (total 1,587 sq m gross- 20% comp)	317	238	6,014	1.4
*Anstruther	2,170	1,411	1,955	2.8
Crail / Pittenweem	1,798	1,168	1,955	2.3
Tayport/ Newport	824	536	1,955	1.0
Other East Fife	1,638	1,064	1,955	2.1
Sub total	7,357	4,818		12.2
Total East Fife	**31,914**	**20,847**		**68.6**

Note
* Goad gross floorspace data 2016, provided by the Council
Other gross floorspace provided by Fife Council, based on their 2007 floorspace survey (mainly small settlements), planning applications and the 2015 Retail Capacity Study. Note that the 2007 survey data has been reduced by a notional 20% for 2016, to allow for the general decline in shop numbers over the period.

8.7 Comparison planning consents & opportunities

8.7.1 Table 8.12 shows the current comparison retail planning consents and current retail planning applications in Fife. These include significant retail consents in Glenrothes and at Fife Central Retail Park.

8.7.2 The table also includes provision for bulky goods retailing at the Cupar North SDA, not to be confused with the current retail application at South Road. In our view, the Cupar North expansion will extend over a considerable period into the future, when at some stage the market for additional associated retailing will be assessed. Therefore, it has not be included within this study.

8.8 St James Centre

8.8.1 In Edinburgh, work on the redevelopment of the St James Shopping Centre has started. The project will create 79,000 sq m of retail floorspace with 85 retail units with an emphasis on fashion and lifestyle. It will also incorporate a multiscreen cinema, restaurants, a luxury hotel and residential uses. The promoters anticipate that the development will increase the trade draw from Edinburgh's catchment by around 20%. The aim is raise Edinburgh's position in the UK retail rankings from 13th to 8th place.

8.8.2 Assuming the scheme is successful, it will almost certainly attract more trade from Fife after 2020, following its scheduled completion. At this stage, it is rather too early to predict a level of increased trade draw from Fife in our capacity forecasts. However, the prospects of increased comparison expenditure leakage from Fife in the future appear a strong possibility.

Table 8.12
Proposed comparison floorspace in Fife: consents and applications 2016 (in 2015 prices)

	Floorspace sq m		Turnover	Turnover
	gross	net	ratio £/sq m	£million
Planning consents included in the capacity study				
North End Park, Cowdenbeath 15/04183/FULL Discount foodstore 2,476 sq m gross, 1,585 sq m net- est 80% conv. Mixed goods retailer 1,858 sq gross,1,674 sq m net- comparison-75%comp	1,394	1,256	5,663	7.1
Queensgate, Glenrothes (Tullis Russell) 15/02702/PPP Retail warehousing with mezzanines. Floorspace- total 8,454 sq m gross, with consent for up to 1,300 sq m <u>net</u> convenience space within the total. Assume 80% net/ gross - so gross comp is 6,829 sqm & net comp is 5,463 sq m	6,829	5,463	2,500	13.7
Saltire Park, Glenrothes-Class 1 Extension 15/02702/PPP	3,085	2,468	3,000	7.4
Former Homebase site, Fife Central Retail Park 16/00164/FULL Retail units for bulky goods sales (condition in Appeal decision)	8,022	6,418	2,500	16.0
CISWO site, North St, Glenrothes 15/03140/PPP & 16/02458/ARC 5 units:Class 1 retail and other commercial use options Unit 1 (probably for M&S Simply Food)- 1,021 sq m gross Units 2&3- total 836 sq m & Unit 4 at 445 sq m- could be retail or other Use Classes. Estimate that notional 420 sq m might be comparison retail	420	336	3,000	1.0
Current applications: not included in the capacity study				
Halbeath Retail Park- extension 16/01927/FULL- *not determined* Units 9 & 11- 4,532 sq m gross convenience floorspace - for: M&S Simply Food Lidl Other proposed units are for bulky goods (5,435 sq m gross)	5,435			
Muirton Way, Donibristle Industrial Park 16/00931/FULL- *refused* Mixed use development with some Class 1 retail up to 600 sq m gross including commercial. Appeal pending	600			
South Road, Cupar 15/04188/FULL- *not determined* Understand the application now seeks comparison sales only	4,879			
Cupar North SDA 15/04279/EIA- *still at masterplan stage* Major proposed expansion of Cupar. It wil provide for mixed commercial uses including provision for bullky goods retail warehouses (extent not allocated).				

Note
Gross floorspace from the Council. Estimated turnover of the consents are based on company averages from the 2016 Retail Rankings
Estimated turnover of the current applications is not shown here because the applications are yet to be determined, with the details agreed under individual assessments.

9 Comparison expenditure capacity

9.1 Introduction

9.1.1 As explained at the beginning of section 7, the planning context for defining spare capacity is the level of new retail development that can be accommodated without threatening the vitality and viability of established town centres. Spare retail capacity can exist in the following forms, as previously explained:

- Over-trading (not usually relevant for comparison retail capacity- see text below)
- Growth in retained expenditure (turnover)
- Potential to claw back expenditure leakage
- Potential to attract new trade into the area
- 'Acceptable' levels of impact- see section 7

9.1.2 A forecast range of estimated spare capacity is provided for comparison expenditure in this section, with a high and a low estimate for each of the three catchment areas.

9.2 Spare comparison expenditure capacity

9.2.1 Over-trading above average levels is generally less of an issue in comparison retailing, because the sector is not dominated by a few major players, such as in the convenience sector.

9.2.2 Forecast growth in retained expenditure (turnover) in the retail catchment areas is substantial to 2026 (Tables 8.4-8.9), and it offers the principal source of spare capacity to support additional comparison retail floorspace. However, it is also probable that a significant amount of the forecast expenditure growth will materialise as internet based retail spending.

9.2.3 With increased concentration of multiple retailer demand and investment in the largest cities and malls in Scotland, the prospects of clawing back significant comparison expenditure leakage from Fife appear rather limited.

9.2.4 So, the approach adopted to calculate spare convenience capacity in section 7 is better modified to bring the comparison expenditure capacity forecasts for Fife closer to the direction of the retail development market.

9.2.5 For the *high estimate*, the forecast expenditure growth alone is assumed, as there is little relevance in adding potential to claw back leakage when the prospects of achieving it at any significant level appear limited.

9.2.6 For the *low estimate*, a higher rate of growth in the proportion of SFT (mainly internet spending) has been assumed. There is great uncertainty over the future rate of growth in internet retail spending, so it is reasonable to include a variant in this key factor to provide a range of forecasts.

9.2.7 It should be noted that, simply having a low estimate, whether by increased internet spending or by increased expenditure leakage from Fife, is entirely appropriate, given our comments on redevelopment of the St James Centre in Edinburgh.

9.2.8 More weight should be given to the expenditure capacity figures than the equivalent retail floorspace, because retailer performance and formats varies widely. In this report, town centre turnover/ floorspace ratios have been applied to estimate the equivalent floorspace. Where lower turnover/ floorspace ratios are applied, there would be more equivalent floorspace.

9.2.9 Forecasts beyond 2021 should be viewed with caution, because of the greater uncertainties.

9.3 Spare comparison expenditure capacity

9.3.1 **High estimates-** Tables 9.1 to 9.3 show the forecast spare comparison expenditure for each of the three retail catchment areas up to 2021 and 2026, after deducting turnover relating to existing planning consents. The broadly-estimated net floorspace equivalents relate to those in the main town centres in each retail catchment area.

9.3.2 In West Fife, the forecast spare capacity up to 2026 at the high end of the range is about £62 million, with equivalent retail floorspace of 8,300 sq m net. In Mid Fife, the forecast spare capacity is up to £42 million by 2026,

Table 9.1 **West Fife: forecast spare comparison expenditure capacity (in 2015 prices)**				
		2016-21 £million	2021-26 £million	2016-26 £million
High estimate				
(a) Growth in retained expenditure (turnover)- Table 8.4		15.1	54.1	69.2
(b) Less planning consents: - Table 8.12		-7.1		-7.1
High estimate	(a-b)	**8.0**	**54.1**	**62.1**
Low estimate				
(a) Growth in retained expenditure (turnover)- Appendix 10		-0.5	41.7	41.2
(b) Less planning consents: - Table 8.12		-7.1		-7.1
Low estimate	(a-b)	**-7.6**	**41.7**	**34.1**
Equivalent comparison floorspace		£ per sq m	£ per sq m	
Turnover/ floorspace ratio- high		6,403	7,620	
Turnover/ floorspace ratio- low		6,045	6,979	
		sq m net	sq m net	sq m net
High		*1,200*	*7,100*	8,300
Low		*-1,300*	*6,000*	4,700

Note
Gross equivalent floorspace estimates have not been show n, as net /gross formats vary w idely. *Figures are rounded.*
* The turnover ratio derives from the current turnover ratio in Dunfermline TC £ 6,052
The ratio is increased to relate to 2021 and 2026, based on % turnover grow th in Fife -Table 8.7 (high) and Appendix 9 (low)

Table 9.2 **Mid Fife: forecast spare comparison expenditure capacity (in 2015 prices)**				
		2016-21 £million	2021-26 £million	2016-26 £million
High estimate				
(a) Growth in retained expenditure (turnover)- Table 8.5		18.0	62.1	80.1
(b) Less planning consents: - Table 8.12		-38.1		-38.1
High estimate	(a-b)	**-20.1**	**62.1**	**42.0**
Low estimate				
(a) Growth in retained expenditure (turnover)- Appendix 10		-0.6	47.5	46.9
(b) Less planning consents: - Table 8.12		-38.1		-38.1
Low estimate	(a-b)	**-38.7**	**47.5**	**8.8**
Equivalent comparison floorspace		£ per sq m	£ per sq m	
Turnover/ floorspace ratio- high		4,145	4,933	
Turnover/ floorspace ratio- low		3,914	4,518	
		sq m net	sq m net	sq m net
High		*-4,900*	*12,600*	7,700
Low		*-9,900*	*10,500*	600

Note
Gross equivalent floorspace estimates have not been show n, as net /gross formats vary w idely. *Figures are rounded.*
* The turnover ratio derives from the current turnover ratio in Kirkcaldy TC £ 3,918
The ratio is increased to relate to 2021 and 2026, based on % turnover grow th in Fife -Table 8.7 (high) and Appendix 9 (low)

Table 9.3 East Fife: forecast spare comparison expenditure capacity (in 2015 prices)			
	2016-21 £million	2021-26 £million	2016-26 £million
High estimate			
(a) Growth in retained expenditure (turnover)- Table 8.6	4.4	14.0	18.5
(b) Less planning consents: - none	0		0
High estimate (a-b)	**4.4**	**14.0**	**18.5**
Low estimate			
(a) Growth in retained expenditure (turnover)- Appendix 10	0.4	10.8	11.1
(b) Less planning consents: - none	0		0
Low estimate (a-b)	**0.4**	**10.8**	**11.1**
Equivalent comparison floorspace	£ per sq m	£ per sq m	
Turnover/ floorspace ratio- high	4,136	4,922	
Turnover/ floorspace ratio- low	3,905	4,508	
	sq m net	sq m net	sq m net
High	*1,100*	*2,900*	4,000
Low	*100*	*2,400*	2,500

Note
Gross equivalent floorspace estimates have not been shown, as net /gross formats vary widely. *Figures are rounded.*
* The turnover ratio derives from the current turnover ratio in St Andrews TC 3,910
The ratio is increased to relate to 2021 and 2026, based on % turnover growth in Fife -Table 8.7 (high) and Appendix 9 (low)

with an equivalent retail floorspace of 7,700 (the applied turnover/ floorspace ratio is lower than that for West Fife). In East Fife, the forecast spare capacity at the high end is up to nearly £19 million by 2026, with equivalent retail floorspace of 4,000 sq m net.

9.3.3 **Low estimates-** the forecast spare comparison capacity at the low end of the range is based on Tables A, B and C in Appendix 9.

9.3.4 In Table A, the higher level of SFT (mainly internet expenditure) has been raised to 33% in 2021, instead of nearly 30% in the high estimate. By 2026, it is raised to 35%.

9.3.5 Under the low estimates, the forecast spare capacity in West Fife would be around £34 million by 2026. In Mid Fife, it would be around £9 million and in East Fife it would be £11 million by 2026.

9.4 Interpretation

9.4.1 As stated earlier in this report, forecast retail capacity is a broad-brush exercise. New retail developments will also be partly serviced by trade diversion from existing stores and centres, which is a factor not included in retail capacity studies generally.

9.4.2 The current list of retailer requirements in Tables 5.4 to 5.6 represent a ‘snapshot’ view. Many of the requirements will relate to opportunities to occupy existing shop units that become available, i.e replacing other retailers. Therefore, the list of retailer requirements cannot reasonably be interpreted as all needing new floorspace and drawing on the forecast spare expenditure capacity.

9.4.3 In West Fife, the forecast spare comparison expenditure could readily support significant additional retail development, including the retailer requirements where relevant (to new floorspace).

9.4.4 In Mid Fife, the forecast spare capacity is negative up to 2021, but rises after that, so that it would support additional new retail development thereafter. At present, the current negative spare capacity, together with weaker trading levels in Kirkcaldy and Glenrothes town centres (compared with Dunfermline), is not a good basis for supporting further relaxation of controls on the range of goods to be sold in the retail parks in Mid Fife.

9.4.5 In East Fife, the forecast spare comparison expenditure capacity would support moderate levels of new retail development, with more capacity after 2021. This could, for example, include additional retail warehousing which would be part serviced by claw-back of leakage. The list of retailer requirements in Table 5.6 includes also includes retail-warehouse related retailer requirements.

10 Conclusions

10.1 Retail market trends

10.1.1 The Scottish and UK economies have slowed down and future prospects now face greater uncertainty. In Scotland, weak economic growth may turn to recession. These uncertainties affect investment as the market holds back on decisions, including property investment in retailing and town centres. Retailer demand, shop vacancy rates and retail rents have generally stabilised since 2014, but in some locations, this stabilisation is at a much lower level of business, with fewer national retailers, lower rents, shorter leases and higher vacancies, than they historically enjoyed.

10.1.2 Aside from the economic uncertainties, there are two main trends which are affecting retailing in town centres in general, and are predicted to continue.

10.1.3 *First*, there is increasing concentration of demand by multiple retailers to locate mainly in the largest centres, especially in the largest city centres and largest shopping malls. This trend is having a considerable effect on the smaller town centres (and the smaller cities), where some dis-investment by multiple retailers is taking place in favour of concentration in the largest centres. There is also an associated trend with multiples taking purpose-built units, including within retail parks, rather than traditional town centre units.

10.1.4 Retailing remains a crucial economic component of town centre activities. Therefore, success for smaller towns and cities will depend heavily on independent operators in the future, combined with what is on offer. Much will depend on the range and quality of retail offer, in combination with the attractions of individual town centres as destinations for shopping and leisure.

10.1.5 *Second*, the growth in internet retail expenditure is predicted to continue and it already accounts for a high proportion of expenditure on comparison goods, on which town centres are especially reliant. Many successful retailers apply multi-channel sales methods (selling from shops and websites together).

10.1.6 The effects are to greatly increase competition between retailers and also reduce the demand for retail floorspace generally, compared to the past. In relation to this second effect, the risk of increased vacancies is heightened in combination with the trend towards concentration of multiple retailer demand in the largest centres. Greatly increased competition in the market has also resulted in store closures.

10.1.7 Market interest in retail parks in general has picked-up, but this is mostly in the form of developers and operators seeking relaxation of restrictions on the ranges of goods that can be sold and reconfiguration of existing space; not demand for additional retail parks.

10.1.8 In the convenience retail sector, the market has changed very substantially. There is little or no demand for new large supermarkets or superstores. Instead, the market interest is centred on developing small convenience stores and discount food stores and other types of smaller store such as M&S Simply Food, often in purpose built units. In some cases, new retail applications include discount foodstores and budget mixed goods retail units.

10.2 Fife retail market

10.2.1 Dunfermline town centre is performing well, with a relatively high average turnover/floorspace ratio and higher retail rents than other towns in Fife. Halbeath Retail Park also appears to be trading well.

10.2.2 This level of performance is not being achieved in Kirkcaldy town centre, nor indeed in Glenrothes, where the turnover/floorspace ratios and retail rents are considerably less. Fife Central Retail Park, though, appears to be trading well and recent planning consents create an increasingly varied offer which will increase competition with Kirkcaldy and Glenrothes town centres.

10.2.3 At present, the current negative spare capacity, together with weaker trading levels in Kirkcaldy and Glenrothes town centres (compared with Dunfermline), is not a good basis for supporting further relaxation of controls on the range of goods to be sold in the retail parks in Mid Fife.

10.2.4 Trading performance in the town centres of Cowdenbeath and Leven is very moderate and reflects their limited retail offer. The Riverside Retail Park contains a range of retailers which adds considerably to the Leven town centre retail offer, say, compared to Cowdenbeath where there is only the town centre shopping.

10.2.5 St Andrews is also trading strongly for its size, with relatively high retail rents and a good quality retail offer accommodated in mainly small units. Its role as an affluent University town and popular visitor destination will be driving this situation.

10.2.6 Cupar trades successfully as a local service centre. Its planning expansion will bring opportunities for consideration of additional retailing in the future.

10.3 Forecast convenience retail capacity

10.3.1 Under both the low and high forecasts, there will be negative spare capacity in West and Mid Fife up to 2026, but some surplus capacity in East Fife, with potential to support additional supermarket development, for example.

10.4 Forecast comparison retail capacity

10.4.1 In West Fife, the forecast spare comparison expenditure could readily support significant additional retail development under the high estimates

10.4.2 In Mid Fife, the forecast spare capacity is currently negative, but rises after 2021 so that it would support additional new retail development thereafter.

10.4.3 In East Fife, the forecast spare comparison expenditure capacity would support moderate levels of new retail development, with more capacity after 2021.

10.4.4 With the level of internet shopping still predicted to rise, together with the likely effects of trade draw to the St James Centre development after it opens in 2020, competition will intensify to retain comparison expenditure in Fife in the future.

Appendix 1

Fife retail catchment areas- postcode sector composition and survey zones

Fife Household Survey 2016- Three catchment areas and zones

New Zone 2016	Name	Old Zones 2009	Postcode Sectors 2011 Census	Population 2011 Census
	West Fife		*For inclusion in new Zones*	
1	Dunfermline	7: Dunfermline-2	KY11-3, 11-4, 11-7, 11-8, 12-0, 12-7, 12-8	58,418
		8: Dunfermline-3	FK10-4 part in Fife, KY12-9 part in Fife	14,442
			Total	**72,860**
2	Dalgety Bay/ Rosyth	6: Dunfermline-1	KY11-1, 11-2, 11-9 (incl. Inverkeithing)	**29,872**
3	Cowdenbeath/ Kelty	1: Cowdenbeath-1	KY4-0 part in Fife, KY4-8, KY4-9	**20,876**
			West Fife Total	***123,608***
	Mid Fife			
4	Kirkcaldy	A: Kirkcaldy	KY2-5, 2-6	30,661
		B: Kirkcaldy/Glenrothes	KY1-1, 1-2, 1-3, 1-4	25,235
		F: Dunf/Cowd/Kirkcaldy	KY3-0, 3-9 (Aberdour/ Burntisland/ Kinghorn)	11,022
		2: Cowdenbeath-2	KY5-0 part in Fife (Cardenden/ Kinglassie)	7,528
	(1)	3: Cowdenbeath-3	KY5-8, 5-9 (Lochgelly/ Lochore/Ballingry)	12,639
			Total	**87,085**
5	Glenrothes	9: Glenrothes	KY6-1, 6-2, 6-3, KY7-4, 7-5, 7-6	46,736
		5: Cupar-2	KY15-7	6,831
	(2)	E: Cupar/ Glenrothes	KY14-6 part in Fife, 14-7 part in Fife (incl New burgh)	6,766
			Total	**60,333**
6	Leven/ Methil	G: Glenrothes/ Leven- 1	KY8-1, 8-2, 8-3, 8-4	**21,983**
7	Kennoway	H: Glenrothes/ Leven-2	KY8-5, 8-6	**12,459**
			Mid Fife Total	***181,860***
	East Fife			
8	Cupar	4: Cupar-1	KY15-4, 15-5	**14,871**
9	St Andrews	C: St Andrews	KY16-0, 16-8, 16-9 (incl Leuchars)	24,843
		D: Cupar/ St Andrews	DD6-8, 6-9 (incl Tayport)	9,334
			Total	**34,177**
10	East Neuk	I: Glenrothes/ St Andrew	KY9-1, 10-2, 10-3	**10,682**
			East Fife Total	***59,730***
			Fife Total	***365,198***

Notes: 2011 Census population data and postcode sector definitions from *Scottish National Statistics online*
KY11-7 now in Dumfermline, not in old zone 6, based on NEMS map.
Old zone Cow denbeath-3 : looks mainly to Kirkcaldy/ Glenrothes for non-food shopping, but Dunferline for food. Allocated to Mid Fife on basis of non-food shopping patterns.
Old zone E: (New burgh) re-allocated to Glenrothes on the basis of shopping patterns (originally w ith Cupar). Adjustment to Fife 3 main catchment areas map needed.
See food and non- food shopping patterns by zone in pages 40 & 41 of Appendices to NEMS Survey Report 2009
See old zone definitions on page 8 of NEMS Survey Report 2009
Postcode sectors KY2-5,2-6, 3-0 and 3-9 are incorrectly referenced as being in West Fife catchment in the latest Retail Capacity Studies.
See 3 sub Fife Retail Catchment Areas on page 215 of the Proposed Fife LDP 2014

	Fife Household Survey 2016						
New Zone 2016	**Name**	**Population** 2011 Census	%	**Sample** apportionment	**2016 Sample quotas** nos.	rounded	*2009 Samples*
	West Fife						
1	Dunfermline	72,860	59%	20%	359	340	*360*
2	Dalgety Bay/ Rosyth	29,872	24%	8%	147	145	*150*
3	Cowdenbeath/ Kelty	20,876	17%	6%	103	100	*100*
	Total	123,608	100%	**34%**	**609**	**585**	
	Mid Fife						
4	Kirkcaldy	87,085	48%	24%	429	385	*550*
5	Glenrothes	60,333	33%	17%	297	270	*370*
6	Leven/ Methil	21,983	12%	6%	108	100	*160*
7	Kennoway	12,459	7%	3%	61	100	*80*
	Total	181,860	100%	**50%**	**896**	**855**	
	East Fife						
8	Cupar	14,871	25%	4%	73	100	*100*
9	St Andrews	34,177	57%	9%	168	160	*220*
10	East Neuk	10,682	18%	3%	53	100	*100*
	Total	59,730	100%	**16%**	**294**	**360**	
	Fife Total	**365,198**		**100%**	**1,800**	**1,800**	*2,190*

Appendix 2

Fife household survey 2016 - list of questions

	Identify person responsible for the majority of food shopping in household
	Shopping questions
Q01	Where did you last do your MAIN FOOD shopping for the household?
Q01A	Which internet retailer did you use on that trip? *Those who said Internet at Q01*
Q02	Where did you last go the time before that to do your MAIN FOOD shopping? Was it the same or different, please specify
Q02A	Which internet retailer did you use on that trip? *Those who said Internet at Q02*
Q03	Where did you last go to do small, day-to-day TOP-UP food shopping?
Q03A	Which internet retailer did you use on that trip? *Those who said Internet at Q03*
Q04	On average, how often do you do your MAIN food shopping?
Q05	On average, how often do you do your TOP-UP food shopping?
Q06	Could you tell me what other things you usually combine with doing your MAIN food shopping?
Q07	Where do you visit most often to buy clothes, shoes and other fashion items? *Respondents invited to name more than one destination- Record up to two destinations . Same for Q8-Q11.*
Q08	Where do you visit most often to buy furniture, floor coverings and soft furnishings?
Q09	Where do you visit most often to buy large domestic electrical appliances such as fridges, washing machines, vacuum cleaners etc?
Q10	Where do you visit most often to buy DIY and hardware?
Q11	Where do you visit most often to buy other items of a mainly personal nature, such as sports goods, jewellery, books, toys, CD's, computers, mobiles, cameras, electronic games etc?
Q12	How often do you use the Internet for buying non-food goods such as personal items and household goods?
Q13	What is the main reason why do you never do non-food shopping via the Internet?
Q14	Thinking about Internet shopping for non-food items such as personal items and household goods, what do you like most about shopping on the Internet?
Q15	Looking to the future, how frequently do you intend to use the Internet for non-food shopping?
	Town centre use and perception questions- only ask respondents from the associated catchment area
Q16	Thinking about …Town Centre, how often do you visit it, on average?
Q17	How do you normally travel to …Town Centre?
Q18	What typically, are your main reasons for visiting …Town Centre (i.e. what range of things do you do when you get there)?
Q19	On average, how long do you normally spend in …Town Centre when you visit?
Q20	What do you LIKE MOST about …Town Centre for shopping and as a place to visit generally?
Q21	What do you DISLIKE MOST about ….Town Centre for shopping and as a place to visit generally?
Q22	Overall, how do you rate …Town Centre on the following aspects as 'Good', 'Average' or 'Poor'?
Q23	What improvements to …Town Centre would make you visit there more often?
Q24	On average, how often do you visit …Town Centre in the evenings (i.e. after 6pm)?
Q25	Why do you never visit ..Town Centre? *(for those who said never in Q16)*
Q26	What would make you visit…Town Centre more often in the evenings?
Q27	Do you undertake any of the following leisure related activities when you visit …named Town ?
	Holiday questions- all respondents
Q28	How many short holiday breaks (up to about 4 days) do you take each year?
Q29	Where are these usually taken ? *Read out list: Fife/ Scotland/ abroad etc- record for each heading*
Q30	How often do you visit the following attractions in Fife each year? *Read out list: Sports centres/ Museums etc- record for each heading*
GEN	Gender of respondent.
AGE	Which of the following age ranges do you fall in to?
OCC	What is the occupation of the chief income earner in your household?
PC	Postcode of home address

Appendix 3

Fife retail catchment areas- population forecasts

Fife retail catchment area population projections-Projections by Experian for the 2016 Study
(Not applied directly in this Study)

Retail catchment area	Census 2011	2016	2021	2026
West Fife	123,608	127,220	129,666	132,598
Mid Fife	181,860	185,711	189,292	192,430
East Fife	59,730	62,076	63,724	65,078
Total Fife	**365,198**	375,007	382,682	390,106
Reg.General's 2014 population projections for Fife		**368,970**	**373,635**	**378,720**

Note
The 2011 data is directly from the 2011 Census, Scotland.
The projected populations for 2016,2021 and 2026 were provided by Experian for this Retail Capacity Study

Fife retail catchment area population projections- underpins Table 2.1

Retail catchment area	Census 2011	2016	2021	2026
West Fife	123,608	125,172	126,601	128,728
Mid Fife	181,860	182,721	184,817	186,814
East Fife	59,730	61,077	62,217	63,179
Total Fife	**365,198**	**368,970**	**373,635**	**378,720**

Note
The 2011 data is taken directly from the 2011 Census, Scotland, based on postcode sector population data for each catchment.
The projected populations for 2016,2021 and 2026 derive from the Experian projections for each catchment area, re-apportioned to the 2014 based RG population projections for Fife as a whole.

Appendix 4

Convenience shopping patterns from the household survey

Main food shopping destinations- based on last visited store/centre and the one prior to that Combined Q1 & Q2 from the questionaire				
	Origin West Fife	Mid Fife	East Fife	Total
Destination				
West Fife	92%	9%	0%	36%
Mid Fife	2%	86%	11%	46%
East Fife	0%	2%	68%	12%
Outside study area	5%	3%	20%	6%
Total	100%	100%	100%	100%

Note

The above data relates to the w eighted survey data and filtered to remove don't know s, varies, internet and mail order

Top-up food shopping destinations- based on last visited store/centre and the one prior to that Q3 from the questionaire				
	Origin West Fife	Mid Fife	East Fife	Total
Destination				
West Fife	89%	3%	0%	32%
Mid Fife	9%	91%	3%	47%
East Fife	0%	4%	91%	18%
Outside study area	3%	2%	6%	3%
Total	100%	100%	100%	100%

Note

The above data relates to the w eighted survey data and filtered to remove don't know s, varies, internet and mail order

Fife Council area residents- all convenience shopping patterns (Q1-Q3 combined) 2016				
	Origin			
Catchment areas	West Fife	Mid Fife	East Fife	Total Fife
Destination				
West Fife	92%	8%	0%	35%
Mid Fife	4%	87%	10%	46%
East Fife	0%	3%	73%	13%
Outside Fife	5%	2%	17%	6%
Total	100%	100%	100%	100%

Source: NEMS household shopping interview survey 2016 for Fife Council

The above data relates to the w eighted survey data and filtered to remove don't know s, varies, internet and mail order

Main food shopping (Q1&Q2) and top-up shopping (Q3) is w eighted 80%:20% for the combination

Appendix 5

Convenience expenditure inflows and outflows, including visitor spending

Convenience expenditure flows						
	West Fife	**Mid Fife**	**East Fife**			
Residents' expenditure potential	£ million	£ million	£ million			
by catchment area 2016	270.8	383.9	161.7			
	Origin- inflows from:			Total inflow		
	West Fife	Mid Fife	East Fife	from rest of Fife	Visitor spend	From P&K
Destination				£ million	£ million	£ million
West Fife		8%	0%	30.5	2.0	8.6
Mid Fife	4%		10%	25.6	2.0	1.4
East Fife	0%	3%		10.6	1.9	0
					5.8	10.0

Convenience expenditure outflows

	Origin			
	West Fife	**Mid Fife**	**East Fife**	**Total Fife**
Retained expenditure by catchmen	92%	87%	73%	94%
Total outflows	8%	13%	27%	6%
Outflows to centres outside Fife	5%	2%	17%	

Visitor spending on shopping- Fife STEAM Report 2012

	West Fife	**Mid Fife**	**East Fife**
All shopping	£million	£million	£million
STEAM figures 2012	5.6	5.6	5.0
Notional estimate for 2016	**6.0**	**6.0**	**5.5**
Convenience 35%- estimate	2.0	2.0	1.9
Comparison 65%- estimate	4.0	4.0	3.6

Convenience spend in Fife from Perth & Kinross residents - Retail Study 2016

		£m
Perth & Kinross convenience expenditure total		351.0
To Dunfermline (mainly from Kinross)	1.79%	6.3
To Glenrothes	0.14%	0.5
To Kirkcaldy	0.26%	0.9
To other Fife shops (est mainly Dunfermline)	0.65%	2.3
Total		**10.0**

Appendix 6

Internet and mail order spending on comparison goods from the household survey

Special forms of trading (SFT)- internet and mail order from the household survey	
Clothing, shoes and fashion	15.0%
Furniture, floorcoverings & furnishings	17.0%
Large domestic appliances	31.3%
DIY and hardware	5.5%
Personal goods	41.6%
All comparison goods	**28.9%**

Weighting- from Experian expenditure per capita data for Fife 2014 in 2014 prices	
All comparison shopping	
Clothing, shoes and fashion	30.7%
Furniture, floorcoverings & furnishings	11.3%
Large domestic appliances	2.6%
DIY and hardware	4.2%
Personal goods	51.1%
Total comparison expenditure	100.0%
Comparison expenditure per capita	£3,091

Appendix 7

Comparison shopping patterns from the household survey

Q7: Where do you most often buy clothes, shoes and fashion items?

	Origin			
	West Fife	Mid Fife	East Fife	Total
Destination				
West Fife	55%	12%	0%	25%
Mid Fife	10%	56%	9%	34%
East Fife	0%	1%	19%	3%
Outside study area	34%	31%	72%	38%
Total	100%	100%	100%	100%

Note

The above data relates to the w eighted survey data and filtered to remove don't know s, varies, internet and mail order

Q8: Where do you most often buy furniture, floorcoverings and soft furnishings?

	Origin			
	West Fife	Mid Fife	East Fife	Total
Destination				
West Fife	66%	15%	3%	31%
Mid Fife	6%	58%	15%	32%
East Fife	0%	1%	13%	3%
Outside study area	28%	26%	69%	34%
Total	100%	100%	100%	100%

Note

The above data relates to the w eighted survey data and filtered to remove don't know s, varies, internet and mail order

Q9: Where do you most often buy large domestic appliances, such as fridges, washing machines and vaccum cleaners?

	Origin			
	West Fife	Mid Fife	East Fife	Total
Destination				
West Fife	83%	5%	0%	32%
Mid Fife	7%	85%	22%	49%
East Fife	0%	0%	18%	3%
Outside study area	10%	9%	60%	16%
Total	100%	100%	100%	100%

Note

The above data relates to the w eighted survey data and filtered to remove don't know s, varies, internet and mail order

Q10: Where do you most often buy DIY and hardware?

	Origin			
	West Fife	Mid Fife	East Fife	Total
Destination				
West Fife	92%	6%	0%	36%
Mid Fife	5%	91%	26%	49%
East Fife	0%	0%	28%	5%
Outside study area	3%	3%	46%	10%
Total	100%	100%	100%	100%

Note

The above data relates to the w eighted survey data and filtered to remove don't know s, varies, internet and mail order

Q11: Where do you most often buy other items of a mainly personal nature?

	Origin			
	West Fife	Mid Fife	East Fife	Total
Destination				
West Fife	71%	9%	1%	27%
Mid Fife	6%	68%	8%	39%
East Fife	0%	2%	43%	8%
Outside study area	23%	22%	48%	26%
Total	100%	100%	100%	100%

Note

The above data relates to the w eighted survey data and filtered to remove don't know s, varies, internet and mail order

Q7-Q11 combined: Shopping patterns for all comparison goods by Fife residents

(Weighting applied by category- Appendix 6)

	Origin			
	West Fife	Mid Fife	East Fife	Total
Destination				
West Fife	67%	10%	1%	28%
Mid Fife	7%	65%	10%	33%
East Fife	0%	1%	30%	7%
Outside study area	26%	24%	58%	32%
Total	100%	100%	100%	100%

Note

The above data relates to the w eighted survey data and filtered to remove don't know s, varies, internet and mail order

Appendix 8

Comparison expenditure inflows and outflows, including visitor spending

Comparison expenditure flows						
	West Fife	**Mid Fife**	**East Fife**			
Residents' expenditure potential	£ million	£ million	£ million			
by catchment area 2016	316.6	407.6	194.3			
	Origin- inflows from:			Total inflow		
	West Fife	Mid Fife	East Fife	from rest of Fife	Visitor spend	From P&K
Destination				£ million	£ million	£ million
West Fife		10%	1%	42.7	4.0	6.8
Mid Fife	7%		10%	43.8	4.0	4.0
East Fife	0%	1%		5.9	3.6	0
					11.6	10.8

Comparison expenditure outflows				
	Origin			
	West Fife	**Mid Fife**	**East Fife**	**Total Fife**
Retained expenditure by catchmen	67%	65%	30%	58%
Total outflows	33%	35%	70%	42%
Outflows to centres outside Fife	26%	24%	58%	32%

Visitor spending on shopping- Fife STEAM Report 2012

	West Fife	**Mid Fife**	**East Fife**
All shopping	£million	£million	£million
STEAM figures 2012	5.6	5.6	5.0
Notional estimate for 2016	**6.0**	**6.0**	**5.5**
Convenience 35%- estimate	2.0	2.0	1.9
Comparison 65%- estimate	4.0	4.0	3.6

Comparison spend in Fife from Perth & Kinross residents - Retail Study 2016

	£m		
Perth & Kinross comparison expenditure potential	**457.7**		
	clothing	personal goods	
	29.7%	*51.9%*	
	135.9	**237.5**	
To Dunfermline	1.88%	1.78%	
To Glenrothes	0.35%	0.00%	
To Kirkcaldy	1.57%	0.60%	
	£m	£m	Total £m
To Dunfermline	2.6	4.2	6.8
To Glenrothes	0.5	0.0	0.5
To Kirkcaldy	2.1	1.4	3.6
Total			**10.8**

Appendix 9

Low comparison spend forecast

Table A

Fife comparison expenditure per capita per annum (in 2015 prices)

(with higher forecast increases in the proportion of SFT)

Catchment areas	2014 £	2016 £	2021 £	2026 £
West Fife	3,103	3,353	3,726	4,373
Mid Fife	2,737	2,957	3,286	3,857
East Fife	3,902	4,216	4,684	5,498
**excluding special forms of trading*				
West Fife		*2,530*	*2,496*	*2,843*
Mid Fife		*2,231*	*2,201*	*2,507*
East Fife		*3,180*	*3,138*	*3,574*

Note

Original Experian figures for 2014 are in 2014 prices. These have been adjusted to 2015 prices by a factor of 0.98798 from *Experian Retail Planner Briefing Note 14, Appendix 4b- dated November 2016*

The growth rates derive from the above Experian document, Table 4a.

	2014-16	2016-21	2021-26
Growth rates	1.0806	1.1110	1.1739

*An allowance for special forms of trading (SFT) is deducted so that the exenditure per capita relates to sales from conventional retail floorspace.

Experian publish their own estimates of the % deduction for SFT for the UK in their *Retail Planner Briefing Note 14, Figure 5 - 2016* .

	2014-16	2016-21	2021-26
Deductions for SFT	-13.2%	-15.6%	-16.1%

The above estimated proportions are low compared to the Fife survey findings. For this study, the survey based proportion is applied for 2016, with the rate of increase to 2021 and 2026 based on the Experian rate of increase.

***Applied proportions: 28.9% for Fife in 2016** from the household survey, reduced by 15% (R MacLean estimate) as explained. below **-24.6%** **-33.0%** **-35.0%**

Note that there is some overlap between non-store sales and store-related internet sales, so the proportions will be a bit lower than indicated from the household survey. A deduction of 15% is applied in acknowledgement of the issue. In fact the proportion is unknown. Experian estimate a 25% reduction, whereas Pitney Bowes just acknowledge the issue.

For the purposes of this study, it is considered that the survey-based proportions of SFT provide a readier interpretation of the relationship of expenditure to future comparison retail floorspace requirements for planning purposes in Fife.

Table B

Fife residents' comparison expenditure potential (in 2015 prices)

Excluding SFT (special forms of trading)

Catchment areas	2016 £ million	*growth 2016-21 £ million*	2021 £ million	growth *2021-26 £ million*	2026 £ million
West Fife	316.6	*-0.6*	316.0	*49.9*	365.9
Mid Fife	407.6	*-0.8*	406.9	*61.5*	468.3
East Fife	194.3	*1.0*	195.3	*30.5*	225.8
Total Fife	918.5	*-0.4*	918.1	*141.9*	1,060.1

Note

From Tables 2.1 and 8.1. Figures are rounded.

Table C1
West Fife comparison expenditure and turnover 2016 (in 2015 prices)

	%	2016 £million	2021 £million	2026 £million
Main catchment residents' expenditure potential		316.6	316.0	365.9
Add: inflows from rest of Fife	14%	42.7	42.7	49.4
inflows from outside Fife	3%	10.8	10.8	12.5
Less: outflows	-33%	-105.7	-105.5	-122.2
Retained expenditure (turnover)		264.5	263.9	305.6

Note
Inflows and outflows from Appendix 8

Table C2
Mid Fife comparison expenditure and turnover 2016 (in 2015 prices)

	%	2016 £million	2021 £million	2026 £million
Main catchment residents' expenditure potential		407.6	406.9	468.3
Add: inflows from rest of Fife	11%	43.8	43.7	50.4
inflows from outside Fife	2%	8.0	8.0	9.2
Less: outflows	-35%	-144.7	-144.4	-166.2
Retained expenditure (turnover)		314.8	314.2	361.7

Note
Inflows and outflows from Appendix 8

Table C3
East Fife comparison expenditure and turnover 2016 (in 2015 prices)

	%	2016 £million	2021 £million	2026 £million
Main catchment residents' expenditure potential		194.3	195.3	225.8
Add: inflows from rest of Fife	3%	5.9	5.9	6.8
inflows from outside Fife	2%	3.6	3.6	4.2
Less: outflows	-70%	-135.1	-135.8	-157.0
Retained expenditure (turnover)		68.6	69.0	79.8

Note
Inflows and outflows from Appendix 8

Table C4
Fife comparison expenditure and turnover 2016 (in 2015 prices)

	%	2016 £million	2021 £million	2026 £million
Main catchment residents' expenditure potential		918.5	918.1	1,060.1
Add:				
inflows from outside Fife	2%	22.4	22.4	25.9
Less: outflows	-32%	-293.0	-292.9	-338.2
Retained expenditure (turnover)		647.9	647.2	747.1

Note
Inflows and outflows from Appendix 8

Appendix 10

Retail Parks in Fife- list of retailers

West Fife- Retail Parks: floorspace and turnover, 2016 (in 2015 prices)				
	Floorspace sq m		Turnover	Turnover
	gross	net	ratio £/sq m	£million
***Carnegie Retail Park**				
B & Q	3,480	2,784	1,737	4.8
Home Bargains (1,010 sq gross- 75% comp)	758	606	8,685	5.3
Pagazzi Lighting	730	584	2,100	1.2
Farmfoods (convenience)				
Dreams	1,030	824	1,374	1.1
Matalan	2,000	1,600	2,110	3.4
Vacant unit (780 sq m gross)				
Vacant unit (1,520 sq m gross)				
Total	7,998	6,398		15.8
***Halbeath Retail Park**				
Argos	470	118	18,756	2.2
Bensons for Beds	480	384	2,151	0.8
Carphone Warehouse	580	464	5,643	2.6
Pets at Home	2,890	2,312	2,675	6.2
Currys & PC World	580	464	5,643	2.6
Carpetright	970	776	1,251	1.0
Harveys Furnishings	480	384	2,151	0.8
B&M	1,800	1,440	3,411	4.9
Homebase	3,450	2,760	1,293	3.6
Unit 7C- vacant (771 sq m gross)				
Halfords (non-retail)- 460sq m gross				
Total	11,700	9,102		24.7
Other retail warehouses				
Bed Shed, Baldrigeburn	1,110	888	2,151	1.9
Thomsons World of Furniture	2,500	2,000	1,000	2.0
Connections- furniture, Nethertown	450	360	1,000	0.4
Total	4,060	3,248		4.3
Total West Fife	**23,758**	**18,748**		**44.8**

Sources:
* Goad, w here indicated. Othew ise, Council data
Company average turnover ratios applied, based on Retail Rankings 2016, adjusted to include VAT

Mid Fife- Retail Parks: floorspace and turnover, 2016 (in 2015 prices)				
	Floorspace sq m		Turnover	Turnover
	gross	net	ratio £/sq m	£million
***Saltire Retail Park, Glenrothes**				
Bensons	900	720	2,151	1.5
Matalan	3,160	2,528	2,110	5.3
Poundstretcher	2,420	1,936	2,162	4.2
Homebase	3,420	2,736	1,293	3.5
Carpetright	880	704	1,251	0.9
The Pet Hut	580	464	2,675	1.2
Vacant unit (1,020 sq m gross)				
Vacant unit (1,790 sq m gross)				
Total	11,360	9,088		16.7
***Fife Central Retail Park, Kirkcaldy**				
Carphone Warehouse	430	344	5,643	1.9
Bensons	780	624	2,151	1.3
Next	1,930	1,544	4,351	6.7
**Boots	1,160	928	6,000	5.6
Pets at Home	940	752	2,675	2.0
Harveys Furnishings	750	600	2,151	1.3
Poundworld	660	528	3,100	1.6
Currys	1,040	832	5,643	4.7
B&Q	4,930	3,944	1,737	6.9
PC World	1,300	1,040	5,643	5.9
Early Learning Centre	60	48	4,037	0.2
Mothercare	1,410	1,128	4,037	4.6
Argos	1,410	353	18,756	6.6
Toys R Us	950	760	1,822	1.4
Vacant unit (2,910 sq m gross)				
Halfords (non-retail)- 1,030 sq m gross				
Total	17,750	13,425		50.7
***Riverside Retail Park, Leven**				
B&M, Riverside RP (1,530 sq m gross- 75% comp)	1,148	918	3,411	3.1
Argos	880	220	18,756	4.1
Home Bargains, Riv. Rd (2060 sq m gross- 75% comp)	1,545	1,236	8,685	10.7
B&Q	2,650	2,120	1,737	3.7
Total	6,223	4,494		21.7
Other retail warehouses				
*B&M, Flemington Rd, Glenrothes (1,500 sq m gross- 75%	1,125	900	3,411	3.1
Stocks Discount, Kirkcaldy- carpets	2,291	1,833	1,000	1.8
Riverside Home Furnishings, Methil	1,550	1,240	1,000	1.2
Total	4,966	3,973		6.1
Total in Kirkcaldy Catchment	**40,299**	**30,979**		**95.2**

Sources:

* Goad, where indicated. Othewise, Council data

Company average turnover ratios applied, based on Retail Rankings 2016, adjusted to include VAT

** estimated turnover ratio for Boots at this location