Fife Council

Fife Retail Capacity Study 2017

November 2017

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1 Introduction

1.1 Scope

1.1.1 This document is a partial update of the Fife Retail Capacity 2016, which was prepared by Roderick MacLean Associates with Ryden LLP as sub consultants in 2016. The Fife Retail Capacity Study 2017 contains updates to the forecasts of convenience and comparison retail expenditure capacity for 2017-27.

1.1.2 Reference to the detail on the NEMS household interview survey on shopping patterns can be found in the 2016 Study, but limited re-iteration is included in this update to assist readers. The 2017 Study does not include updates to the retail market appraisal for Fife in the 2016 version, in accordance with the terms of the consultancy commission.

1.2 List of updates

1.2.1 The Fife Retail Capacity Study 2017 contains the following updates:

- Retail capacity forecasts for 2017-22, 2022-27 and combined 2017-27
- All values in constant 2016 prices (previously 2015 prices)
- Projected population for the updated periods, again based on the Register General's 2014 based projections
- Experian retail expenditure forecasts to match the updated periods
- Updated retail floorspace in Fife for 2017, provided by Experian Goad, plus any changes to the list of major stores/ developments not covered by Experian
- Updated store average turnover data from the 2017 Retail Rankings
- Updated list of major retail planning consents and commitments

1.2.2 It is not considered that there is any need to adjust the shopping patterns from the NEMS surveys in 2016, or the factors and assumptions underlying the forecasts of expenditure. However, there is probably more uncertainty associated with the expenditure forecasts in the 2017 Study, because of factors such as Brexit concerns by consumers and moves to tighten limits on credit card debt.

1.3 Retail catchment areas and population projections

1.3.1 The three retail catchment areas in Fife, as defined in the 2016 Study, are illustrated on Map 1.1.

1.3.2 The current and projected populations for Fife and the three retail catchment areas is shown in Table 1.1. The projections for Fife are the 2014 based population projections by the Register General. Experian provided population projections for each of the three retail catchment areas, which we have controlled to the 2014 based projection totals for Fife in this report- see Appendix 1.

1.3.3 There is a projected increase in the Council area population of 9,896 from 2017-27 (+2.7%).

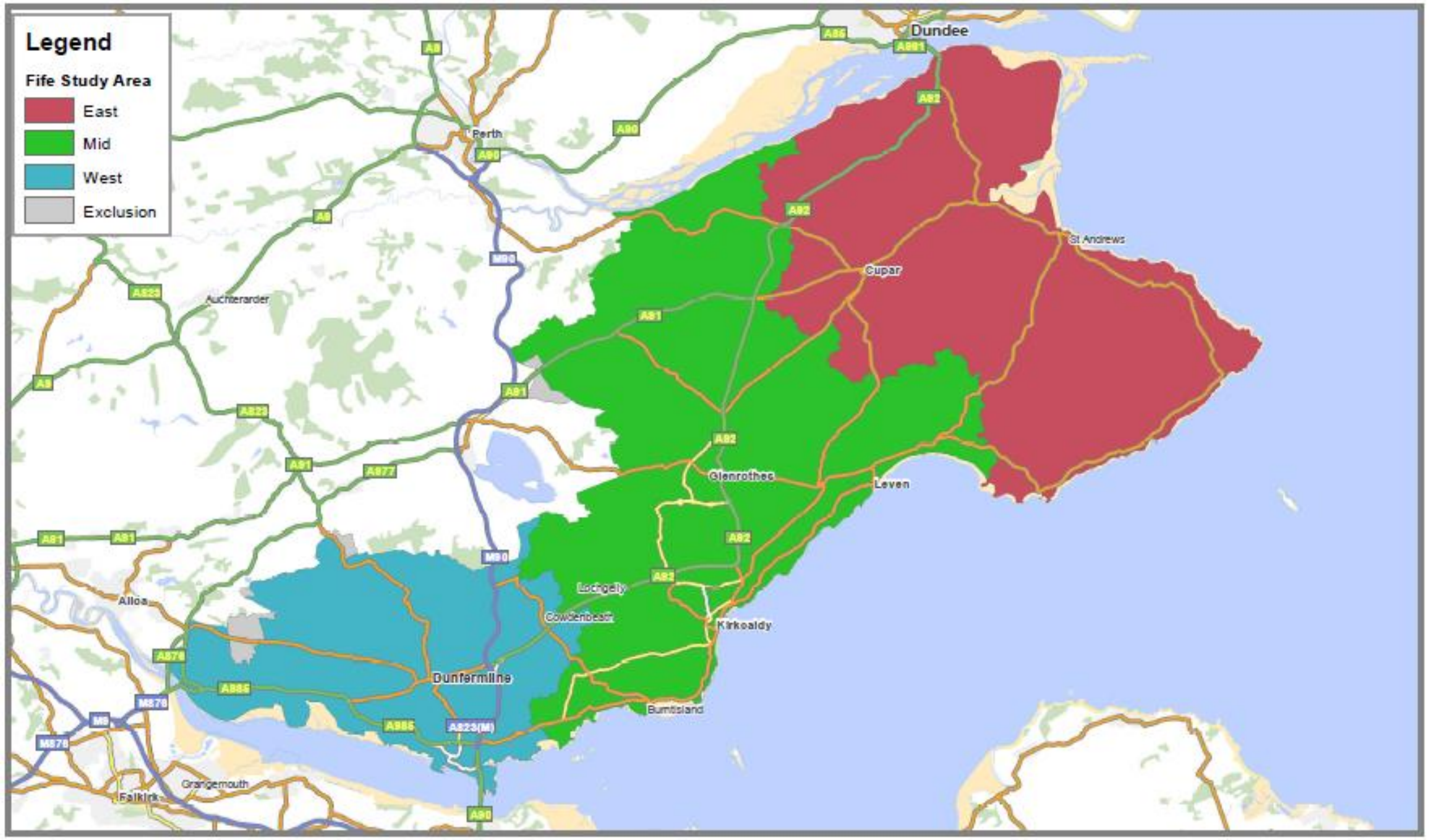
Table 1.1
Fife retail catchment area population projections

Retail catchment area	Census 2011	2017	2022	2027
West Fife	123,608	125,375	127,044	129,168
Mid Fife	181,860	183,108	185,200	187,088
East Fife	59,730	61,280	62,429	63,403
Total Fife	**365,198**	**369,763**	**374,673**	**379,659**

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 2017,2022 and 2027 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 1

Map 1.1 Fife Retail Catchment Areas 2017

(as defined in the Fife Retail Capacity Study 2016**)**



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

2 Convenience expenditure and turnover

2.1 Introduction

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

2.1.2 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.

2.2 Convenience goods-definition

2.2.1 Convenience goods include:

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

2.2.2 This definition is provided in the *Experian Retail Planner Briefing Note 14, dated November 2016*, based on Central Government survey classifications (still the latest version of the Briefing Note series).

2.3 Convenience expenditure potential

2.3.1 Table 2.1 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 2017-27 is negative at -0.1% per annum.

2.3.2 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 2.1.

2.3.3 The proportion of SFT, or non-store sales, is forecast to increase up to 2027. 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 2.1, based on data from Experian.

2.3.4 Forecasts of the total convenience expenditure potential of the residents of each catchment area are shown in Table 2.2.

2.4 Convenience shopping patterns-market shares

2.4.1 In the 2016 NEMS household shopping interview survey, the respondents were asked where *they last visited for their main food shopping (Q1)*, and *the time before that (Q2)*. They were also asked where *they last visited for their top-up shopping (Q3)*. The findings were combined to provide estimates of all convenience shopping patterns relating to each of the catchment areas, as shown in Table 2.3.

2.4.2 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 2.3 shows the convenience market shares for each catchment area, based on the shopping patterns identified from the household survey.

2.4.3 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 2.1
Fife convenience expenditure per capita per annum (in 2016 prices)

Catchment areas	2014 £	2017 £	2022 £	2027 £
West Fife	2,265	2,237	2,216	2,214
Mid Fife	2,200	2,172	2,152	2,150
East Fife	2,771	2,737	2,711	2,708
**excluding special forms of trading*				
West Fife		*2,165*	*2,125*	*2,110*
Mid Fife		*2,103*	*2,064*	*2,049*
East Fife		*2,649*	*2,600*	*2,581*

Note

Original Experian figures for 2014 are in 2014 prices. These have been adjusted to 2016 prices by a factor of 0.99052 from *Experian Retail Planner Briefing Note 14, Appendix 4b- dated November 2016*

The grow th rates derive from the above Experian document, Appendix 4a.

	2014-17	2017-22	2022-27
Grow th rates	0.9874	0.9907	0.9990

*An allow ance 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	-3.2%	-4.1%	-4.7%

Table 2.2
Fife residents' convenience expenditure potential (in 2016 prices)
Excluding SFT (special forms of trading)

Catchment areas	2017 £ million	*growth 2017-22* *£ million*	2022 £ million	*growth 2022-27* *£ million*	2027 £ million
West Fife	271.5	*-1.5*	270.0	*2.5*	272.5
Mid Fife	385.0	*-2.8*	382.2	*1.1*	383.3
East Fife	162.3	*0*	162.3	*1.3*	163.7
Total Fife	818.8	*-4.3*	814.5	*5.0*	819.5

Note

From Tables 1.1 and 2.1. Figures are rounded.

Table 2.3
Fife Council area residents- all convenience shopping patterns (Q1-Q3 combined) 2016

Catchment areas	**Origin** 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

2.4.4 For Fife, 94% of convenience expenditure is retained in the Council area, leaving only 6% leakage. Detail on the most-visited stores for convenience shopping in Fife is provided in section 6 of the Fife Retail Capacity Study 2016.

2.5 Convenience expenditure and turnover by catchment area

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

2.5.2 Appendix 2 shows the estimates of expenditure inflows to each catchment area in detail, based on the household survey (Table 2.3) 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 Table 2.3.

2.5.3 Tables 2.4 to 2.7 show the survey-based convenience expenditure and turnover relationships for each catchment area and for Fife in 2017, 2022 and 2027. There is little material change since the 2016 Retail Capacity Study.

Table 2.4
West Fife convenience expenditure and turnover (in 2016 prices)

	%	2017 £million	2022 £million	2027 £million
Main catchment residents' expenditure potential		271.5	270.0	272.5
Add: inflows from rest of Fife	11%	30.6	30.4	30.7
inflows from outside Fife	4%	10.5	10.5	10.6
Less: outflows	-8%	-22.9	-22.8	-23.0
Retained expenditure (turnover)		289.7	288.1	290.8

Note
Inflows and outflows from Appendix 2

Table 2.5
Mid Fife convenience expenditure and turnover (in 2016 prices)

	%	2017 £million	2022 £million	2027 £million
Main catchment residents' expenditure potential		385.0	382.2	383.3
Add: inflows from rest of Fife	7%	25.7	25.5	25.6
inflows from outside Fife	1%	3.4	3.3	3.3
Less: outflows	-13%	-49.9	-49.5	-49.7
Retained expenditure (turnover)		364.2	361.6	362.6

Note
Inflows and outflows from Appendix 2

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

Table 2.6
East Fife convenience expenditure and turnover (in 2016 prices)

	%	2017 £million	2022 £million	2027 £million
Main catchment residents' expenditure potential		162.3	162.3	163.7
Add: inflows from rest of Fife	7%	10.6	10.6	10.7
inflows from outside Fife	1%	1.9	1.9	1.9
Less: outflows	-27%	-44.0	-44.0	-44.4
Retained expenditure (turnover)		130.8	130.8	131.9

Note
Inflows and outflows from Appendix 2

Table 2.7
Fife convenience expenditure and turnover (in 2016 prices)

	%	2017 £million	2022 £million	2027 £million
Council area residents' expenditure potential		818.8	814.5	819.5
Add:				
inflows from outside Fife	2%	15.8	15.7	15.8
Less: outflows	-6%	-45.4	-45.1	-45.4
Retained expenditure (turnover)		784.7	780.5	785.3

Note
Inflows and outflows from Appendix 2

2.6 Convenience floorspace and turnover 2017

2.6.1 The current distribution of convenience floorspace in the three retail catchment areas is shown in Tables 2.8 to 2.10, based on the latest data provided by Goad (2017) and other sources, including Council data for most of the out of centre main supermarkets. There is little change in the floorspace since the 2016 Retail Capacity Study in Mid and East Fife, and a minor increase in West Fife.

2.6.2 Average company turnover/ floorspace ratios from the Retail Rankings 2017 are applied to the main supermarkets and discount foodstores, with adjustments to include VAT and remove petrol/ non-retail sales, expressed in 2016 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.

2.6.3 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. Tables 2.8 to 2.10 show the total average turnover in each sub area at average levels, based on this method.

2.6.4 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 (both similar to the 2016 Study) and slight over-trading in East Fife, although less than in 2016 owing to changes in floorspace recorded by Goad and changes in the average turnover ratios.

2.6.5 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.

Table 2.8
West Fife: convenience floorspace and turnover, 2017 (in 2016 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	10,301	4.3
*Rest of Town Centre	3,160	2,054	5,720	11.7
Sub total	3,796	2,467		16.0
*Tesco, Winterthur Lane (total 7,350 sq m gross-est 70% conv)	5,145	3,087	10,529	32.5
*ASDA Halbeath (total 9,540 + 1,162 mez) sq m gross- est 55% conv	5,886	3,532	13,806	48.8
ASDA St Leonards-total 4,749 sqm (75% conv)	3,562	2,137	13,806	29.5
Tesco Duloch-total 6,147 sq m (82% conv)+ ext 2,747 (22%conv)	5,645	3,387	10,529	35.7
Aldi Duloch (1606 sqm gross-est 80% conv)	1,285	964	11,450	11.0
Dobbies Garden Centre- Farm food hall (estimate)	350	315	8,030	2.5
Tesco Express, Aberdour Rd	326	245	15,265	3.7
Aldi Halbeath Rd (total 1,420 sq m gross- est 85% conv)	1,207	905	11,450	10.4
Iceland, Halbeath Rd	800	560	7,316	4.1
*Farmfoods, Carnegie Retail Park	750	525	6,647	3.5
*Home Bargains (1,010 sq gross- 25% conv)	253	202	7,571	1.5
Other Dunfermline shops	3,438	2,235	3,718	8.3
Co-op, Linburn Rd, Dunfermline	319	191	6,525	1.2
Rosyth	1,510	982	3,718	3.7
Tesco, Rosyth	1,609	965	10,529	10.2
Sainsbury's Local, Camdean, Rosyth	350	263	15,388	4.0
*Inverkeithing	1,160	754	3,718	2.8
Crossgates	566	368	3,718	1.4
*Kincardine	1,030	670	3,718	2.5
*Tesco Metro, Dalgety Bay	1,840	1,288	10,529	13.6
*Rest of Dalgety Bay	160	104	3,718	0.4
Aldi, Donibristle, Dalgety Bay (1,650 gross-est 80% conv)	1,320	990	11,450	11.3
ASDA Dalgety Bay (3,437 sq m gross 80% conv)	2,750	1,650	13,806	22.8
Oakley, Saline, Torryburn, H Valleyfield, Crossford, Comrie, Cairneyhill, Charleston plus few others	1,963	1,276	3,718	4.7
Sub total	43,224	27,593		270.1
Cowdenbeath Town Centre				
*Morrisons	2,110	1,055	11,040	11.6
*Rest of Town Centre	2,590	1,684	4,004	6.7
Sub total	4,700	2,739		18.4
Aldi, Stenhouse St, Cowdenbeath (1,587 gross-est 80% conv)	1,270	952	11,450	10.9
*Kelty	390	254	3,718	0.9
Total West Fife turnover at average levels				316.3
Under- trading below average levels	*-8%*			*-26.6*
Total West Fife	**53,379**	**34,005**		**289.7**

Note
* Goad gross floorspace data 2017, 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 2017 and other Mintel research on supermaket operator floorspace, adjusted to remove petrol sales, plus an allowance for VAT added- in 2016 prices.

Table 2.9
Mid Fife: convenience floorspace and turnover, 2017 (in 2016 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	8,373	7.4
*Marks & Spencer (total 2,830 sq m gross) 30% conv	849	552	10,301	5.7
*Rest of Town Centre	3,200	2,080	5,720	11.9
Sub total	5,222	3,512		24.9
Morrisons, Invertiel				
6,369 sq m gross, 3,519 sq m net-2,815 sq m conv (80%)	5,095	2,815	11,040	31.1
ASDA, Kirkcaldy	7,133	3,846	13,806	53.1
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	11,181	32.0
*M&S Simply Food, Fife Central RP	1,020	714	10,301	7.4
Aldi, McKenzie St, Kirkcaldy (1,493 sq m gross total)- 80% conv	1,194	896	11,450	10.3
Aldi, Ferrard Rd, Kirkcaldy				
(Total 1606 sq m gross/ 1,125 net- est 80% conv)	1,285	844	11,450	9.7
Other Kirkcaldy shops	4,936	3,208	3,718	11.9
Dysart	309	201	3,718	0.7
Coaltown of Wemyss	37	24	3,718	0.1
Ballingry	843	548	3,718	2.0
*Lochgelly	1,940	1,261	3,718	4.7
Lochore	534	347	3,718	1.3
Cardenden	2,025	1,316	3,718	4.9
*Burntisland	1,360	884	3,718	3.3
Kinghorn & Aberdour	758	493	3,718	1.8
Sub total	33,238	20,258		174.2
Glenrothes Town Centre				
*Sub total-Town Centre shops	3,410	2,217	5,720	12.7
*Morrisons, Flemington Rd, Glenrothes (5,100 sq m gross-80% conv	4,080	2,040	11,040	22.5
Lidl, Leslie Rd, Glenrothes (1,000 sq m gross-90%conv)	900	675	8,373	5.7
*Aldi, Flemington Rd, Glenrothes (1,300 sq m gross- est 85% conv)	1,105	829	11,450	9.5
*B&M, Flemington Rd, Glenrothes (1,500 sq m gross- 25% conv)	375	300	3,696	1.1
ASDA, Fullerton Rd, Glenrothes				
(Total 7,897 sq m gross- 4,343 sq m gross conv)	4,343	2,606	13,806	36.0
*Cadham Centre, Glenrothes	790	514	3,718	1.9
Iceland, Glenwood, Glenrothes	717	502	7,316	3.7
*Other Glenwood shops, Glenrothes	750	488	3,718	1.8
Tesco Express, Sth Park Rd, Glenrothes	410	308	15,265	4.7
Other Glenrothes shops (notional estimate)	2,500	1,625	3,718	6.0
Leslie	668	434	3,718	1.6
Markinch	611	397	3,718	1.5
Kinglassie & Thornton	748	486	3,718	1.8
Falkland & Freuchie	410	267	3,718	1.0
Ladybank & Kettlebridge	355	231	3,718	0.9
Sub total	18,762	11,700		99.6
Leven Town Centre				
*Sub total-Town Centre shops (excluding Riverside Retail Park)	2,480	1,612	4,004	6.5
*Sainsbury's, Riverside RP	2,940	1,764	11,181	19.7
*B&M, Riverside RP (1,530 sq m gross- 25% conv)	383	306	3,696	1.1
*Home Bargains, Riverside Rd (2060 sq m gross- 25% conv)	515	412	7,571	3.1
*Lidl, Mitchell St, Leven (1,060 sq m gross-90% conv)	954	716	8,373	6.0
Aldi, Turpie Rd, Leven-1,480sqm gross, 990 sq m net- 80% conv	1,184	743	11,450	8.5
Sub total	5,976	3,940		38.5
East Wemyss	316	205	3,718	0.8
Methil/ Methilhill	2,660	1,729	3,718	6.4
Buckhaven	1,389	903	3,718	3.4
Kennoway & Windygates & Upper Largo	886	576	3,718	2.1
Lundin Links & Lower Largo	329	214	3,718	0.8
Newburgh & Strathmiglo & Auchtermuchty (previously in E Fife area)	757	492	3,718	1.8
Sub total	6,337	4,119		15.3
Total Mid Fife turnover at average levels				371.7
Under- trading below average levels	*-2%*			*-7.5*
Total Mid Fife	**75,425**	**47,357**		**364.2**

Note
* Goad gross floorspace data 2017, 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 2017 and other Mintel research on supermaket operator floorspace, adjusted to remove petrol sales, plus an allowance for VAT added- in 2016 prices.

Table 2.10
East Fife: convenience floorspace and turnover, 2017 (in 2016 prices)

	Floorspace sq m		Av. turnover	Turnover
	gross	net	ratio £/sq m	£million
St Andrews Town Centre				
*Tesco Metro	1,560	1,092	10,529	11.5
*Sainsbury's Local	580	435	15,388	6.7
*Rest of Town Centre	3,160	2,054	4,920	10.1
Sub total	5,300	3,581		28.3
Morrisons, St Andrews	3,740	1,870	11,040	20.6
Aldi, Tom Stewart Lane, St Andrews (1,331 sq m gross-80% conv)	1,065	799	11,450	9.1
M&S Simply Food, Largo Rd	1,395	977	10,301	10.1
Other St Andrews shops	485	315	3,936	1.2
Balmullo, Guardbridge, Kingsbarns, Leuchars, S'kinness	1,128	733	3,936	2.9
Sub total	7,813	4,694		44.0
Cupar Town Centre				
*Co-op	1,200	780	8,230	6.4
*Lidl (total 2,000 sq m gross) 80% conv	1,600	1,200	8,373	10.0
*Rest of Town Centre	2,360	1,534	4,428	6.8
Sub total	5,560	3,514		23.3
Tesco, Cupar (total 2,033 sq m gross/ 1,338 net-c70% conv- agent data)	1,423	937	10,529	9.9
Aldi, South Rd, Cupar (total 1,587 sq m gross- 80% conv)	1,270	952	11,450	10.9
Ceres & Dairsie	453	294	3,936	1.2
*Anstruther	510	332	3,936	1.3
Cellardyke & Crail & St Monans & Pittenweem	1,010	656	3,936	2.6
Elie & Colinsburgh	324	211	3,936	0.8
Tayport/Wormit & Newport	1,218	792	3,936	3.1
Sub total	6,208	4,173		29.8
Total East Fife turnover at average levels				125.3
Over-trading above average levels	*4%*			*5.5*
Total East Fife	**24,880**	**15,962**		**130.8**

Note
* Goad gross floorspace data 2017, 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 2017 and other Mintel research on supermaket operator floorspace, adjusted to remove petrol sales, plus an allowance for VAT added- in 2016 prices.

2.7 Online food shopping

2.7.1 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.

2.8 Convenience planning consents & opportunities

2.8.1 Table 2.11 shows the current convenience retail planning consents and opportunities in Fife.

2.8.2 In West Fife, these include a Lidl store in Cowdenbeath and provision for M&S Simply Food and Lidl with the consent for mainly bulky goods retailing for the extension to Halbeath Retail Park. There is a minor retail consent in Dunfermline and consent for a supermarket on the Freescale site in eastern Dunfermline (as noted in the previous Capacity Study. The total turnover of the consents is over £19 million higher than in 2016, mainly because of the consent at Halbeath.

2.8.3 In Mid Fife, Lidl has consent to relocate to a larger unit to the south west of Kirkcaldy town centre. There are consents for two minor supermarkets to serve neighbourhoods in Kirkcaldy, plus two other consents in Glenrothes, as shown in Table 2.11. There has been no change since 2016.

2.8.4 In East Fife, consent has been granted for predominantly comparison retail development, incorporating some convenience floorspace at South Road, Cupar. This is an addition since 2016.

Table 2.11
Proposed convenience floorspace in Fife: consents and applications 2017 (in 2016 prices)

	Floorspace sq m gross	Floorspace sq m net	Turnover ratio £/sq m	Turnover £million
Planning consents included in the capacity study				
North End Park, Cowdenbeath 15/04183/FULL Discount foodstore (Lidl) 2,476 sq m gross, 1,585 sq m net- est 80% conv. Pus budget mixed goods retailer 1,858 sq gross,1,674 sq m net- comp.	1,981	1,268	8,373	10.6
Halbeath Retail Park- extension 16/01927/FULL- subject to S75 agreement Units 9 & 11- 4,532 sq m gross convenience floorspace - for:				
M&S Simply Food	2,044	1,431	10,301	14.7
Lidl- (2,488 sqm gross total-80% conv)	1,990	1,294	8,373	10.8
Other proposed units are for bulky goods (5,435 sq m gross)				
Inglis St, Dunfermline 17/01812/FULL- demolition of tile warehouse and devt. of 3 retail units. Total 1,289 sq m gross. Assume 432 sq m for conv. Other 2 units for comparison (432 sq m and 425 sq m)	432	324	8,373	2.7
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	11,639	14.8
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	8,373	3.0
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	8,230	9.2
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	1,625	1,300	8,230	10.7
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	10,301	7.4
South Road, Cupar 15/04188/FULL Floorspace from PPC Supporting Statement Update March 2017- Table 1 Total 4,320 sq m gross, 3,387 sq m net Net comp floorspace (applicants' figure). Gross comp by proportional deduction	2,579			
Net conv floorspace- 892 sq m (applicants' figure)	1,741	892	3,696	3.3
Current applications: not included in the capacity study				
Yard Public House site, Admiralty Rd, Rosyth 17/01554/FULL Proposed Lidl supermarket- (total 2,367sq m gross. Conv 2,012 sq m and 355 sq m comp.	2,012	1,220		
Craigtoun- St Andrews West SDA Proposed expansion of St Andrews. It includes provision for 2,000 sq m gross of retailing. No type specified yet. Potential for a 1,200 sq m supermarket with possibly 800 sq m comparison floorspace				

Note
Gross floorspace from the Council. Estimated turnover of the consents are based on company averages from the 2017 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.
Very minor retail consents have not been included

3 Convenience expenditure capacity

3.1 Introduction

3.1.1 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 2017-22, 2022-27 and for the total ten-year period 2017-27, after allowing for the existing planning commitments.

3.2 Definition

3.2.1 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

3.2.2 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.

3.2.3 '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

3.2.4 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.

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

3.3 Spare convenience expenditure capacity

3.3.1 **Low estimates-** Tables 3.1 to 3.3 show the forecast spare convenience expenditure for each of the three retail catchment areas.

3.3.2 Assuming the current consents shown in Table 2.11 are developed, there is significant predicted negative capacity in West Fife over the next ten years; more than last year because of planning consents and other reasons. The predicted negative capacity in Mid Fife is more modest, with a very low level of surplus capacity in East Fife.

3.3.3 **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.

3.3.4 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.

3.3.5 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.

3.4 Interpretation

3.4.1 Under the high estimates, there is even greater forecast negative spare capacity in West Fife compared to the 2016 Study, and similar levels of negative spare capacity in Mid Fife compared to last year. These forecasts are not supportive of any significant additions to the convenience retail floorspace in West and Mid Fife, over and above the existing consents. However, this does not rule out moderate additions to the convenience floorspace, in cases where established centres would not be materially threatened as indicated in the final paragraph below.

3.4.2 The forecast surplus capacity in East Fife is less than last year, with potential to support additional small-scale supermarket development.

3.4.3 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 3.1
West Fife: forecast spare convenience expenditure capacity (in 2016 prices)

			2017-22	2022-27	2017-27
			£million	£million	£million
(a) Current under-trading (Table 2.8)			-26.6		-26.6
(b) Growth in retained expenditure (turnover)- Table 2.4			-1.6	2.7	1.1
(c) Less planning commitments: (selected consents- Table 2.11)			-53.7		-53.7
Low estimate	(a+b-c)		**-81.9**	**2.7**	**-79.2**
(d) Add: potential to reduce outflow	*2022*	*2027*			
Outflow £million- Table 2.4	-22.8	-23.0			
Outflows to centres outside Fife-Table 2.3	-12.4	-12.5			
Potential to claw back up to 50% of leakage to centres outside Fife			6.2	0.06	6.3
(e) Add:potential to increase inflow- Table 2.4					
Assume negligible					
High estimate	(a+b-c+d+e)		**-75.7**	**2.8**	**-73.0**
Equivalent convenience floorspace			£ per sq m	£ per sq m	
* Turnover/ floorspace ratio			11,576	11,647	
			sq m net	sq m net	sq m net
Low			*-7,100*	*200*	-6,900
High			*-6,500*	*200*	-6,300

Note
Gross equivalent floorspace estimates have not been shown, as net /gross formats vary widely. *Figures are rounded.*
* The turnover ratio derives from the 2017 Retail Rankings for the average of Sainsbury's, Tesco, Morrisons and ASDA, at £11,639 per sq m. The ratio is adjusted to relate to 2022 and 2027, based on % turnover growth in Fife -Table 2.7

Table 3.2
Mid Fife: forecast spare convenience expenditure capacity (in 2016 prices)

			2017-22	2022-27	2017-27
			£million	£million	£million
(a) Current under-trading (Table 2.9)			-7.5		-7.5
(b) Growth in retained expenditure (turnover)- Table 2.5			-2.7	1.0	-1.6
(c) Less planning commitments: (selected consents- Table 2.11)			-30.3		-30.3
Low estimate	(a+b-c)		**-40.5**	**1.0**	**-39.5**
(d) Add: potential to reduce outflow	*2022*	*2027*			
Outflow £million- Table 2.5	-49.5	-49.7			
Outflows to centres outside Fife-Table 2.3	-9.5	-9.5			
Potential to claw back up to 50% of leakage to centres outside Fife			4.7	0.0	4.8
(e) Add:potential to increase inflow- Table 2.5					
Assume negligible					
High estimate	(a+b-c+d+e)		**-35.8**	**1.1**	**-34.7**
Equivalent convenience floorspace			£ per sq m	£ per sq m	
* Turnover/ floorspace ratio			11,576	11,647	
			sq m net	sq m net	sq m net
Low			*-3,500*	*100*	-3,400
High			*-3,100*	*100*	-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 2017 Retail Rankings for the average of Sainsbury's, Tesco, Morrisons and ASDA, at £11,639 per sq m. The ratio is adjusted to relate to 2022 and 2027, based on % turnover growth in Fife -Table 2.7

Table 3.3 **East Fife: forecast spare convenience expenditure capacity (in 2016 prices)**					
			2017-22 £million	2022-27 £million	2017-27 £million
(a) Current over-trading (Table 2.10)			5.5		5.5
(b) Growth in retained expenditure (turnover)- Table 2.6			0.0	1.1	1.1
(c) Less planning commitments: Table 2.11			-3.3		
Low estimate	(a+b-c)		**2.2**	**1.1**	**6.6**
(d) Add: potential to reduce outflow	*2022*	*2027*			
Outflow £million- Table 2.6	-44.0	-44.4			
Outflows to centres outside Fife-Table 2.3	-27.9	-28.1			
Potential to claw back up to 50% of leakage to centres outside Fife			13.9	0.12	14.1
(e) Add:potential to increase inflow- Table 2.6					
Assume negligible					
High estimate	(a+b-c+d+e)		**16.1**	**1.2**	**20.6**
Equivalent convenience floorspace			£ per sq m	£ per sq m	
* Turnover/ floorspace ratio			11,576	11,647	
			sq m net	sq m net	sq m net
Low			*200*	*100*	300
High			*1,400*	*100*	1,500

Note

Gross equivalent floorspace estimates have not been shown, as net /gross formats vary widely. *Figures are rounded.*

* The turnover ratio derives from the 2017 Retail Rankings for the average of Sainsbury's, Tesco, Morrisons and ASDA, at £11,639 per sq m. The ratio is adjusted to relate to 2022 and 2027, based on % turnover growth in Fife -Table 2.7

4 Comparison expenditure and turnover

4.1 Introduction

4.1.1 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.

4.1.2 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.

4.2 Comparison goods-definition

4.2.1 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*

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

4.2.3 *'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.

4.2.4 For these reasons, separate forecasts of expenditure capacity for bulky goods were discontinued in the Fife Retail Capacity 2016 and are not included in the 2017 Study. 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.

4.3 Comparison expenditure potential and the internet

4.3.1 Table 4.1 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 2017-27 is 2.8% per annum, which is substantially higher than the forecast growth rate for convenience expenditure.

4.3.2 As explained in section 2, 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 2027.

4.3.3 For comparison expenditure, it should be noted that the proportions of SFT based on the household survey findings on internet shopping by Fife residents (25.7%) are much higher than the national average (13.8% in 2017) estimated by Experian, as shown in Table 4.1. 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 the Fife Retail Capacity Study 2016 (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, as in the 2016 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.

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

Table 4.1
Fife comparison expenditure per capita per annum (in 2016 prices)

Catchment areas	2014 £	2017 £	2022 £	2027 £
West Fife	3,084	3,383	3,829	4,480
Mid Fife	2,720	2,984	3,376	3,951
East Fife	3,878	4,254	4,814	5,632
**excluding special forms of trading*				
West Fife		*2,515*	*2,703*	*3,163*
Mid Fife		*2,218*	*2,384*	*2,789*
East Fife		*3,161*	*3,398*	*3,976*

Note
Original Experian figures for 2014 are in 2014 prices. These have been adjusted to 2016 prices by a factor of 0.98196
from *Experian Retail Planner Briefing Note 14, Appendix 4b- dated November 2016*
The growth rates derive from the above Experian document, Appendix 4a.

	2014-17	2017-22	2022-27
Growth rates	1.0969	1.1316	1.1700

*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	-13.8%	-15.8%	-16.1%

The above estimated proportions are low compared to the Fife survey findings. For this study, the survey based proportion in 2016 was 28.9%. The proportion in 2017 is estimated at 30.2% , applying the Experian rate of increase from 13.2% in 2016 to 13.8% in 2017. The rate of increase to 2022 and 2027 is also based on the forecast Experian rate of increase.
***Applied proportions:** 30.2% for Fife in 2017 from the household survey in 2016, reduced by 15% (R MacLean estimate) as

explained below	**-25.7%**	**-29.4%**	**-29.4%**

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 4.2
Fife residents' comparison expenditure potential (in 2016 prices)
Excluding SFT (special forms of trading)

Catchment areas	2017 £ million	*growth 2017-22 £ million*	2022 £ million	growth *2022-27 £ million*	2027 £ million
West Fife	315.3	*28.1*	343.4	*65.1*	408.5
Mid Fife	406.1	*35.4*	441.5	*80.3*	521.8
East Fife	193.7	*18.4*	212.2	*39.9*	252.1
Total Fife	915.0	*82.0*	997.1	*185.4*	1,182.4

Note
From Tables 1.1 and 4.1. 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’.

4.3.5 Forecasts of the total comparison expenditure potential of the residents of each retail catchment area are shown in Table 4.2. The growth rate to 2027 is the result of combining projected population growth with the forecast growth in expenditure per capita.

4.4 Comparison shopping patterns- market shares

4.4.1 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.

4.4.2 For each of the five categories of comparison goods in the NEMS interview survey questionnaire *(Q7-clothes, shoes, fashion/ Q8- furniture, floorcoverings and soft furnishings/ Q9-large domestic appliances/ Q10- DIY & hardware/ Q11- personal goods)* the respondents were asked to identify where *they visited most often* to buy these goods. Respondents could identify up to two destinations (or internet) for each category

4.4.3 The results were weighted and combined to reveal the shopping patterns for all comparison goods based on the household survey, as shown in Table 4.3.

4.4.4 Note that the proportions in Table 4.3 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 4.3 highlights the shopping patterns between the three catchment areas and also with centres outside Fife.

4.4.5 From the household survey, Table 4.3 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 in Mid Fife.

4.4.6 Detail on the most frequently visited stores and centres is provided in section 8 of the Fife Retail Capacity Study 2016, including reported internet/mail order spending.

Table 4.3
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

4.5 Comparison expenditure and turnover by catchment area

4.5.1 Like the analysis in section 2, 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.

4.5.2 Appendix 3 shows the estimates of expenditure inflows to each catchment area in detail, based on the household survey (Table 4.3) 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

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

flows into Fife amount to about £22 million, or 2%.

4.5.3 Tables 4.4 to 4.7 show the survey based comparison expenditure and turnover relationships for each catchment area and for Fife in 2017, 2022 and 2027. The changes since 2016 Retail Capacity Study are minor.

4.6 Comparison floorspace and turnover 2017

4.6.1 The current distribution of comparison floorspace in the three retail catchment areas is shown in Tables 4.8 to 4.10, based on the latest data provided by Goad (2017) 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.

4.6.2 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. There have not been any great changes since 2016, apart from the opening of four new stores at Fife Central Retail Park.

4.7 Comparison planning consents & opportunities

4.7.1 Table 4.11 shows the current comparison retail planning consents and current retail planning applications in Fife. These include a significant retail consent to extend Halbeath Retail Park, which was previously at the application stage in 2016. The Hammerson application in Fife Central Retail Park was at the application stage in 2016, but with the stores now opened, as mentioned in the previous paragraph. The total turnover of the consents is about £20 million higher than in 2016.

4.7.2 In Mid Fife, major retail consents in Glenrothes remain, as for last year. The total turnover of the consents in Mid Fife is less than in 2016, mainly because the floorspace in Fife Central Retail Park is now developed and operational.

4.7.3 Consent has now been granted for development of South Road site in Cupar, for predominantly comparison floorspace, but with some convenience floorspace too. 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. Similarly, there are plans for additional retailing at Craigtoun (St Andrews West SDA).

4.7.4 In our view, these SDAs will extend over a considerable period into the future, when at some stage the market for additional associated retailing will be assessed. Therefore, they have not be included within this study.

4.8 St James Centre

4.8.1 In Edinburgh, work on the redevelopment of the St James Shopping Centre is progressing, with the demolition still underway, but extensive partial clearance to date. As mentioned in the 2016 Capacity Study, 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.

4.8.2 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 too early to predict a level of increased trade draw from Fife in our updated capacity forecasts. However, the prospects of increased comparison expenditure leakage from Fife in the future appear a strong possibility.

Table 4.4
West Fife comparison expenditure and turnover (in 2016 prices)

	%	2017 £million	2022 £million	2027 £million
Main catchment residents' expenditure potential		315.3	343.4	408.5
Add: inflows from rest of Fife	14%	42.6	46.4	55.2
inflows from outside Fife	3%	10.8	11.7	14.0
Less: outflows	-33%	-105.3	-114.6	-136.4
Retained expenditure (turnover)		263.4	286.9	341.3

Note
Inflows and outflows from Appendix 3

Table 4.5
Mid Fife comparison expenditure and turnover (in 2016 prices)

	%	2017 £million	2022 £million	2027 £million
Main catchment residents' expenditure potential		406.1	441.5	521.8
Add: inflows from rest of Fife	11%	43.7	47.5	56.1
inflows from outside Fife	2%	8.0	8.7	10.3
Less: outflows	-35%	-144.1	-156.7	-185.2
Retained expenditure (turnover)		313.6	341.0	403.1

Note
Inflows and outflows from Appendix 3

Table 4.6
East Fife comparison expenditure and turnover (in 2016 prices)

	%	2017 £million	2022 £million	2027 £million
Main catchment residents' expenditure potential		193.7	212.2	252.1
Add: inflows from rest of Fife	3%	5.8	6.4	7.6
inflows from outside Fife	2%	3.6	3.9	4.7
Less: outflows	-70%	-134.7	-147.5	-175.3
Retained expenditure (turnover)		68.5	75.0	89.1

Note
Inflows and outflows from Appendix 3

Table 4.7
Fife comparison expenditure and turnover (in 2016 prices)

	%	2017 £million	2022 £million	2027 £million
Main catchment residents' expenditure potential		915.0	997.1	1,182.4
Add:				
inflows from outside Fife	2%	22.4	24.4	29.0
Less: outflows	-32%	-292.0	-318.2	-377.3
Retained expenditure (turnover)		645.5	702.9	833.4

Note
Inflows and outflows from Appendix 3

Table 4.8
West Fife: comparison floorspace and turnover, 2017 (in 2016 prices)

	Floorspace sq m gross	Floorspace sq m net	Av. turnover ratio £/sq m	Turnover £million
Dunfermline Town Centre				
*Town Centre shops (excl 30% of M&S-conv)	35,394	23,006	6,266	144.1
*Tesco, Winterthur Lane (total 7,350 sq m gross-est 30% comp)	2,205	1,323	6,152	8.1
*ASDA Halbeath (total 9,540 + 1,162 mez) sq m gross- est 45% comp	4,816	2,890	5,385	15.6
ASDA St Leonards-total 4,749 sqm (25% comp)	1,187	712	5,385	3.8
Tesco Duloch-total 6,147 sq m (18% comp)+ ext 2,747 (78% comp)	3,249	1,949	6,152	12.0
Aldi Duloch (1606 sqm gross-est 20% comp)	321	241	6,160	1.5
Dobbies Garden Centre	3,694	2,955	1,195	3.5
Aldi Halbeath Rd (total 1,420 sq m gross- est 15% comp)	213	160	6,160	1.0
Other Dunfermline shops	3,173	2,062	2,506	5.2
*Inverkeithing	1,340	871	2,506	2.2
*Kincardine	240	156	2,506	0.4
*Rest of Dalgety Bay	630	410	2,506	1.0
Aldi, Donibristle, Dalgety Bay (1,500 gross-est 20% comp)	300	225	6,160	1.4
ASDA Dalgety Bay (3,437 sq m gross 20% comp)	687	412	5,385	2.2
Culross/ Rosyth/Cairneyhill/Oakley/ Limekilns/New mills	1,101	716	2,506	1.8
*Kelty	640	416	2,506	1.0
Sub total (excl Dunfermline TC)	23,797	15,498		60.7
Cowdenbeath Town Centre				
*Town Centre shops	3,490	2,269	2,820	6.4
Aldi, Stenhouse St, Cowdenbeath (1,587 gross-est 20% comp)	317	238	6,160	1.5
Retail Parks (see Appendix 5)				
Carnegie Retail Park, Dunfermline	7,998	6,398		15.8
Halbeath Retail Park, Dunfermline (excl ASDA)	11,700	9,102		30.5
Sub total	19,698	15,500		46.3
Other Retail Warehouses				
Bed Shed, Baldridgeburn, Dunfermline	1,110	888	2,222	2.0
Thomsons World of Furniture, Dunfermline	2,500	2,000	994	2.0
Connections Furniture, Netherton, Dunfermline	450	360	994	0.4
Sub total	4,060	3,248		4.3
Total West Fife	**86,755**	**59,758**		**263.4**

Note
* Goad gross floorspace data 2017, 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 5, including turnover.

Table 4.9
Mid Fife: comparison floorspace and turnover, 2017 (in 2016 prices)

	Floorspace sq m		Av. turnover	Turnover
	gross	net	ratio £/sq m	£million
Kirkcaldy Town Centre				
*Lidl (1,380 gross-15% comp)	207	155	4,995	0.8
*Rest of Town Centre (excl 30% of M&S-conv)	35,001	22,751	3,715	84.5
Sub total	35,208	22,906		85.3
Morrisons, Invertiel				
6,369 sq m gross, 3,519 sq m net-704 sq m comp (20%)	1,274	704	3,625	2.6
ASDA, Kirkcaldy	4,756	2,564	5,385	13.8
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	2,520	1.3
Aldi, McKenzie St, Kirkcaldy (1,493 sq m gross total)- 20% comp	299	224	6,160	1.4
Aldi, Ferrard Rd, Kirkcaldy				
(Total 1606 sq m gross/ 1,125 net- est 20% comp)	321	225	6,160	1.4
Other Kirkcaldy shops (excl Fife Central RP)	5,517	3,586	1,857	6.7
*Lochgelly	2,840	1,846	1,857	3.4
*Burntisland	710	462	1,857	0.9
Sub total	16,557	10,115		31.3
Glenrothes Town Centre				
*Town Centre shops	19,300	12,545	3,715	46.6
*Morrisons, Flemington Rd, Glenrothes (5,100 sq m gross-20% comp	1,020	510	3,625	1.8
Lidl, Leslie Rd, Glenrothes (1,000 sq m gross-10% comp)	100	75	4,995	0.4
*Aldi, Flemington Rd, Glenrothes (1,300 sq m gross- est 15% comp)	195	146	6,160	0.9
ASDA,Fullerton Rd, Glenrothes				
(Total 7,897 sq m gross- 3,554 sq m gross comp)	3,554	2,132	5,385	11.5
*Cadham Centre, Glenrothes	200	130	1,857	0.2
*Glenwood shops, Glenrothes	370	241	1,857	0.4
Other Glenrothes shops (notional estimate)	1,000	650	1,857	1.2
Falkland / Freuchie/ Ladybank/ Kingskettle/ L Links/New burgh	1,878	1,220	1,857	2.3
Sub total	8,317	5,105		18.8
Leven Town Centre				
*Town Centre shops (excluding Riverside Retail Park)	6,190	4,024	2,600	10.5
*Lidl, Mitchell St, Leven (1,060 sq m gross-10% comp)	106	80	4,995	0.4
Aldi, Turpie Rd, Leven-1,480sqm gross, 990 sq m net- 20% comp	296	198	6,160	1.2
Methil (excl Riverside Furnishings)/Buckhaven	1,679	1,091	1,857	2.0
Leslie/ Markinch	2,757	1,792	1,857	3.3
Aberdour/Dysart/Cardenden/Kinghorn/Kinglassie/Thornton	2,207	1,435	1,857	2.7
Sub total	7,045	4,596		9.6
Retail Parks (see Appendix 5)				
Fife Central Retail Park, Kirkcaldy	24,472	18,802		67.4
Saltire Retail Park, Glenrothes	11,360	9,088		17.1
Riverside R P, Leven incl Home Bargains (less 25% of B&M and HB)	6,223	4,494		20.7
Sub total	42,055	32,384		105.2
Other Retail Warehouses				
*B&M, Flemington Rd, Glenrothes (1,500 sq m gross- 75% comp)	1,125	900	3,696	3.3
Stocks Discount Warehouse, Kirkcaldy (carpets)	2,291	1,833	994	1.8
Riverside Home Furnishings, Methil	1,550	1,240	994	1.2
Sub total	4,966	3,973		6.4
Total Mid Fife	**139,638**	**95,647**		**313.6**

Note
* Goad gross floorspace data 2017, 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. For other minor Kirkcaldy shops outside TC, a reduction of 50% is made.
A list of the occupiers in the retail parks in Fife is provided in Appendix 5, including turnover.

Table 4.10
East Fife: comparison floorspace and turnover, 2017 (in 2016 prices)

	Floorspace sq m		Av. turnover	Turnover
	gross	net	ratio £/sq m	£million
St Andrews Town Centre				
*Town Centre shops	14,990	9,744	3,582	34.9
Aldi, Tom Stewart Lane, St Andrews (1,331 sq m gross-20% comp)	266	200	6,160	1.2
Other St Andrews shops	2,041	1,327	1,791	2.4
Sub total	2,307	1,526		3.6
Cupar Town Centre				
*Lidl (total 2,000 sq m gross) 20% comp	400	300	4,995	1.5
*Rest of Town Centre	9,140	5,941	2,866	17.0
Sub total	9,540	6,241		18.5
Tesco, Cupar (total 2,033 sq m gross/ 1,338 net-c30% comp- agent data)	610	401	6,152	2.5
Aldi, South Rd, Cupar (total 1,587 sq m gross- 20% comp)	317	238	6,160	1.5
*Anstruther	2,170	1,411	1,791	2.5
Crail / Pittenweem	1,798	1,168	1,791	2.1
Tayport/ Newport	824	536	1,791	1.0
Other East Fife	1,638	1,064	1,791	1.9
Sub total	7,357	4,818		11.4
Total East Fife	**34,194**	**22,329**		**68.5**

Note
* Goad gross floorspace data 2017, 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.

Table 4.11
Proposed comparison floorspace in Fife: consents and applications 2017 (in 2016 prices)

	Floorspace sq m gross	Floorspace sq m net	Turnover ratio £/sq m	Turnover £million
Planning consents included in the capacity study				
Halbeath Retail Park- extension 16/01927/FULL Units 9 & 11- 4,532 sq m gross convenience floorspace - for: M&S Simply Food Lidl- (2,488 sqm gross total-20% comp)	498	323	4,995	1.6
Other proposed units are for bulky goods	5,435	4,348	3,000	13.0
Inglis St, Dunfermline 17/01812/FULL- demolition of tile warehouse and devt. of 3 retail units. Total 1,289 sq m gross. Assume 432 sq m for conv. Other 2 units for comparison (432 sq m and 425 sq m)	857	643	3,000	1.9
North End Park, Cowdenbeath 15/04183/FULL Discount foodstore (Lidl) 2,476 sq m gross, 1,585 sq m net- est 20% comp.	495	317	4,995	1.6
Mixed goods retailer 1,858 sq gross,1,674 sq m net- comparison-75%comp	1,394	1,256	7,571	9.5
Queensgate, Glenrothes (Tullis Russell) 15/02008/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	3,000	16.4
Saltire Park, Glenrothes-Class 1 Extension 15/02702/PPP	3,085	2,468	2,500	6.2
Former Homebase site, Fife Central Retail Park 16/00164/FULL Hammerson redevelopment- newly opened stores include: *Oak Furniture Land, Sofology, Wren Kitchens and DW Sports* - see Table showing Retail Parks in Fife. Total 8,022 sq m gross				
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
South Road, Cupar 15/04188/FULL Floorspace from PPC Supporting Statement Update March 2017- Table 1 Total 4,320 sq m gross, 3,387 sq m net Net comp floorspace (applicants' figure). Gross comp by proportional deduction Net conv floorspace- 892 sq m (applicants' figure)	2,579	2,022	3,800	7.7
Current applications: not included in the capacity study				
Cupar North SDA 15/04279/EIA- *still at masterplan stage* Proposed expansion of Cupar. It wil provide for mixed commercial uses including provision for bullky goods retail warehouses (extent not allocated).				
Craigtoun- St Andrews West SDA Proposed expansion of St Andrews. It includes provision for 2,000 sq m gross of retailing. No type specified yet. Potential for a 1,200 sq m supermarket with possibly 800 sq m comparison floorspace				

Note
Gross floorspace from the Council. Estimated turnover of the consents are based on company averages from the 2017 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.
Very minor retail consents have not been included

5 Comparison expenditure capacity

5.1 Introduction

5.1.1 As explained at the beginning of section 3, 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 3

5.1.2 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.

5.2 Spare comparison expenditure capacity

5.2.1 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.

5.2.2 Forecast growth in retained expenditure (turnover) in the retail catchment areas is substantial to 2027 (Tables 4.4-4.9), 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.

5.2.3 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.

5.2.4 So, the approach adopted to calculate spare convenience capacity in section 3 is better modified to bring the comparison expenditure capacity forecasts for Fife closer to the direction of the retail development market.

5.2.5 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.

5.2.6 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.

5.2.7 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.

5.2.8 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.

5.2.9 Forecasts beyond 2022 should be viewed with caution, because of the greater uncertainties.

5.3 Spare comparison expenditure capacity

5.3.1 **High estimates-** Tables 5.1 to 5.3 show the forecast spare comparison expenditure for each of the three retail catchment areas up to 2022 and 2027, 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.

5.3.2 In West Fife, the forecast spare capacity up to 2027 at the high end of the range is about £50 million, with equivalent retail floorspace of 6,100 sq m net. In Mid Fife, the forecast spare capacity is up to nearly £66 million by 2027,

Table 5.1
West Fife: forecast spare comparison expenditure capacity (in 2016 prices)

	2017-22 £million	2022-27 £million	2017-27 £million
High estimate			
(a) Growth in retained expenditure (turnover)- Table 4.4	23.5	54.4	77.9
(b) Less planning consents: - Table 4.11	-27.7		-27.7
High estimate (a-b)	**-4.2**	**54.4**	**50.2**
Low estimate			
(a) Growth in retained expenditure (turnover)- Appendix 4	8.9	41.9	50.8
(b) Less planning consents: - Table 4.11	-27.7		-27.7
Low estimate (a-b)	**-18.8**	**41.9**	**23.2**
Equivalent comparison floorspace	£ per sq m	£ per sq m	
Turnover/ floorspace ratio- high	6,823	8,090	
Turnover/ floorspace ratio- low	6,475	7,448	
	sq m net	sq m net	sq m net
High	*-600*	*6,700*	6,100
Low	*-2,900*	*5,600*	2,700

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 £ 6,266
The ratio is increased to relate to 2022 and 2027, based on % turnover grow th in Fife -Table 4.7 (high) and Appendix 4 (low)

Table 5.2
Mid Fife: forecast spare comparison expenditure capacity (in 2016 prices)

	2017-22 £million	2022-27 £million	2017-27 £million
High estimate			
(a) Growth in retained expenditure (turnover)- Table 4.5	27.4	62.0	89.4
(b) Less planning consents: - Table 4.11	-23.6		-23.6
High estimate (a-b)	**3.8**	**62.0**	**65.8**
Low estimate			
(a) Growth in retained expenditure (turnover)- Appendix 4	10.0	47.5	57.4
(b) Less planning consents: - Table 4.11	-23.6		-23.6
Low estimate (a-b)	**-13.6**	**47.5**	**33.9**
Equivalent comparison floorspace	£ per sq m	£ per sq m	
Turnover/ floorspace ratio- high	4,045	4,796	
Turnover/ floorspace ratio- low	3,839	4,416	
	sq m net	sq m net	sq m net
High	*900*	*12,900*	13,800
Low	*-3,500*	*10,700*	7,200

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 £ 3,715
The ratio is increased to relate to 2022 and 2027, based on % turnover grow th in Fife -Table 4.7 (high) and Appendix 4 (low)

Table 5.3 East Fife: forecast spare comparison expenditure capacity (in 2016 prices)			
	2017-22 £million	2022-27 £million	2017-27 £million
High estimate			
(a) Growth in retained expenditure (turnover)- Table 4.6	6.5	14.1	20.6
(b) Less planning consents: - Table 4.11	-7.7		-7.7
High estimate (a-b)	**-1.2**	**14.1**	**12.9**
Low estimate			
(a) Growth in retained expenditure (turnover)- Appendix 4	2.7	10.9	13.6
(b) Less planning consents: - Table 4.11	-8		-8
Low estimate (a-b)	**-5.0**	**10.9**	**5.9**
Equivalent comparison floorspace	£ per sq m	£ per sq m	
Turnover/ floorspace ratio- high	3,901	4,625	
Turnover/ floorspace ratio- low	3,702	4,258	
	sq m net	sq m net	sq m net
High	*-300*	*3,100*	2,800
Low	*-1,300*	*2,600*	1,300
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 St Andrew s TC 3,582 The ratio is increased to relate to 2022 and 2027, based on % turnover grow th in Fife -Table 4.7 (high) and Appendix 4 (low)			

with an equivalent retail floorspace of 13,800 (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 £13 million by 2027, with equivalent retail floorspace of 2,800 sq m net.

5.3.3 The forecast spare capacity in West Fife is lower compared to the 2016 Retail Capacity Study, mainly because of changes in the level of planning consents. In Mid Fife, the forecast capacity is higher than the forecast in 2016 and in East Fife, the forecast capacity is lower than before.

5.3.4 **Low estimates-** the forecast spare comparison capacity at the low end of the range is based on Tables A, B and C in Appendix 4.

5.3.5 In Table A, the higher level of SFT (mainly internet expenditure) has been raised to 33% in 2022, instead of 29% in the high estimate. By 2027, it is raised to 35%.

5.3.6 Under the low estimates, the forecast spare capacity in West Fife would be around £23 million by 2027. In Mid Fife, it would be around £34 million and in East Fife it would be around £6 million by 2027.

5.4 Interpretation

5.4.1 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.

5.4.2 In West Fife, the forecast spare comparison expenditure could readily support significant additional retail development up to 2027, but mainly after 2022. In Mid Fife, the position is similar, but with more forecast capacity.

5.4.3 In East Fife, the forecast spare comparison expenditure capacity would support low/moderate levels of new retail development up to 2027, but mostly after 2022.

6 Conclusions

6.1 Forecast convenience retail capacity

6.1.1 Under both the low and high forecasts, there will be negative spare convenience capacity in West and Mid Fife up to 2027, but some surplus capacity in East Fife.

6.1.2 Under the high estimates, there is even greater forecast negative spare capacity in West Fife compared to the 2016 Study, and similar levels of negative spare capacity in Mid Fife compared to last year. These forecasts are not supportive of any significant additions to the convenience retail floorspace in West and Mid Fife, over and above the existing consents. However, this does not rule out moderate additions to the convenience floorspace, in cases where established centres would not be materially threatened as indicated in the final paragraph below.

6.1.3 The forecast surplus capacity in East Fife is less than last year, with potential to support additional small-scale supermarket development.

6.2 Forecast comparison retail capacity

6.2.1 In West Fife, the forecast spare comparison expenditure could readily support significant additional retail development up to 2027, but mainly after 2022. In Mid Fife, the position is similar, but with more forecast capacity.

6.2.2 In East Fife, the forecast spare comparison expenditure capacity would support low/moderate levels of new retail development up to 2027, but mostly after 2022.

6.2.3 The forecast spare capacity in West Fife is lower compared to the 2016 Retail Capacity Study, mainly because of changes in the level of planning consents. In Mid Fife, the forecast capacity is higher than the forecast in 2016 and in East Fife, the forecast capacity is lower than before.

6.2.4 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- population forecasts

Fife retail catchment area population projections-Projections by Experian for the 2017 Study
(Not applied directly in this Study)

Retail catchment area	Census 2011	2017	2022	2027
West Fife	123,608	127,657	130,280	133,187
Mid Fife	181,860	186,441	189,918	192,910
East Fife	59,730	62,396	64,019	65,376
Total Fife	**365,198**	376,494	384,217	391,473
Reg.General's 2014 population projections for Fife		**369,763**	**374,673**	**379,659**

Note
The 2011 data is directly from the 2011 Census, Scotland.
The projected populations for 2017, 2022 and 2027 w ere provided by Experian for this Retail Capacity Study

Fife retail catchment area population projections- underpins Table 1.1

Retail catchment area	Census 2011	2017	2022	2027
West Fife	123,608	125,375	127,044	129,168
Mid Fife	181,860	183,108	185,200	187,088
East Fife	59,730	61,280	62,429	63,403
Total Fife	**365,198**	**369,763**	**374,673**	**379,659**

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 2017, 2022 and 2027 derive from the Experian projections for each catchment area, re-apportioned to the 2014 based RG population projections for Fife as a w hole.

Appendix 2

Convenience expenditure inflows and outflows, including visitor spending

Convenience expenditure inflows						
	West Fife	**Mid Fife**	**East Fife**			
Residents' expenditure potential	£ million	£ million	£ million			
by catchment area 2017	272.0	385.8	162.7			
	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%	30.7	2.0	8.6
Mid Fife	4%		10%	25.8	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 3

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 2017	315.3	406.1	193.7			
	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		10%	1%	42.6	4.0	6.8
Mid Fife	7%		10%	43.7	4.0	4.0
East Fife	0%	1%		5.8	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 4

Low comparison expenditure 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 £	2017 £	2022 £	2027 £
West Fife	3,084	3,383	3,829	4,480
Mid Fife	2,720	2,984	3,376	3,951
East Fife	3,878	4,254	4,814	5,632
**excluding special forms of trading*				
West Fife		*2,515*	*2,565*	*2,912*
Mid Fife		*2,218*	*2,262*	*2,568*
East Fife		*3,161*	*3,225*	*3,661*

Note
Original Experian figures for 2014 are in 2014 prices. These have been adjusted to 2016 prices by a factor of 0.98196
from *Experian Retail Planner Briefing Note 14, Appendix 4b- dated November 2016*
The growth rates derive from the above Experian document, Appendix 4a.

	2014-17	2017-22	2022-27
Growth rates	1.0969	1.1316	1.1700

*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	-13.8%	-15.8%	-16.1%

The above estimated proportions are low compared to the Fife survey findings. For this study, the survey based proportion in 2016 was 28.9%. The proportion in 2017 is estimated at 30.2% , applying the Experian rate of increase from 13.2% in 2016 to 13.8% in 2017. The increase in proportions to 2022 and 2027 are assumed at 33% and 35% respectively for the low forecast
***Applied proportions:** 30.2% for Fife in 2017 from the household survey in 2016, reduced by 15% (R MacLean estimate) as explained below.

		raised %	raised %
	-25.7%	**-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 2016 prices)
Excluding SFT (special forms of trading)

Catchment areas	2017 £ million	*growth 2017-22 £ million*	2022 £ million	*growth 2022-27 £ million*	2027 £ million
West Fife	315.3	*10.6*	325.9	*50.2*	376.1
Mid Fife	406.1	*12.9*	419.0	*61.5*	480.4
East Fife	193.7	*7.6*	201.3	*30.8*	232.1
Total Fife	915.0	*31.2*	946.2	*142.4*	1,088.6

Note
From Tables 1.1 and Table A.. Figures are rounded.

Table C1 West Fife comparison expenditure and turnover (in 2016 prices)				
	%	2016 £million	2021 £million	2026 £million
Main catchment residents' expenditure potential		315.3	325.9	376.1
Add: inflows from rest of Fife	14%	42.6	44.0	50.8
inflows from outside Fife	3%	10.8	11.1	12.9
Less: outflows	-33%	-105.3	-108.8	-125.6
Retained expenditure (turnover)		263.4	272.3	314.2
Note Inflows and outflows from Appendix 3				

Table C2 Mid Fife comparison expenditure and turnover (in 2016 prices)				
	%	2016 £million	2021 £million	2026 £million
Main catchment residents' expenditure potential		406.1	419.0	480.4
Add: inflows from rest of Fife	11%	43.7	45.1	51.7
inflows from outside Fife	2%	8.0	8.3	9.5
Less: outflows	-35%	-144.1	-148.7	-170.5
Retained expenditure (turnover)		313.6	323.6	371.1
Note Inflows and outflows from Appendix 3				

Table C3 East Fife comparison expenditure and turnover (in 2016 prices)				
	%	2016 £million	2021 £million	2026 £million
Main catchment residents' expenditure potential		193.7	201.3	232.1
Add: inflows from rest of Fife	3%	5.8	6.1	7.0
inflows from outside Fife	2%	3.6	3.7	4.3
Less: outflows	-70%	-134.7	-140.0	-161.4
Retained expenditure (turnover)		68.5	71.1	82.0
Note Inflows and outflows from Appendix 3				

Table C4 Fife comparison expenditure and turnover (in 2016 prices)				
	%	2016 £million	2021 £million	2026 £million
Main catchment residents' expenditure potential		915.0	946.2	1,088.6
Add:				
inflows from outside Fife	2%	22.4	23.2	26.7
Less: outflows	-32%	-292.0	-301.9	-347.4
Retained expenditure (turnover)		645.5	667.0	767.3
Note Inflows and outflows from Appendix 3				

Appendix 5

Retail Parks in Fife- list of retailers

West Fife- Retail Parks: floorspace and turnover, 2017 (in 2016 prices)				
	Floorspace sq m		Turnover	Turnover
	gross	net	ratio £/sq m	£million
***Carnegie Retail Park**				
B & Q	3,480	2,784	1,818	5.1
Home Bargains (1,010 sq gross- 75% comp)	758	606	7,571	4.6
Pagazzi Lighting	730	584	2,087	1.2
Farmfoods (convenience)				
Dreams	1,030	824	2,006	1.7
Matalan	2,000	1,600	2,073	3.3
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	18,823	2.2
Bensons for Beds	480	384	2,222	0.9
Carphone Warehouse	580	464	10,850	5.0
Pets at Home	2,890	2,312	2,715	6.3
Currys & PC World	580	464	10,850	5.0
Carpetright	970	776	1,296	1.0
Harveys Furnishings	480	384	2,222	0.9
B&M	1,800	1,440	3,696	5.3
Homebase	3,450	2,760	1,406	3.9
Unit 7C- vacant (771 sq m gross)				
Halfords (non-retail)- 460sq m gross				
Total	11,700	9,102		30.5
Other retail warehouses				
Bed Shed, Baldrigeburn	1,110	888	2,222	2.0
Thomsons World of Furniture	2,500	2,000	994	2.0
Connections- furniture, Nethertown	450	360	994	0.4
Total	4,060	3,248		4.3
Total West Fife	**23,758**	**18,748**		**50.6**

Sources:
* Goad, w here indicated. Othew ise, Council data
Company average turnover ratios applied, based on Retail Rankings 2017, adjusted to include VAT

Mid Fife- Retail Parks: floorspace and turnover, 2017 (in 2016 prices)				
	Floorspace sq m		Turnover	Turnover
	gross	net	ratio £/sq m	£million
***Saltire Retail Park, Glenrothes**				
Bensons	900	720	2,222	1.6
Matalan	3,160	2,528	2,073	5.2
Poundstretcher	2,420	1,936	2,173	4.2
Homebase	3,420	2,736	1,406	3.8
Carpetright	880	704	1,296	0.9
The Pet Hut	580	464	2,715	1.3
Vacant unit (1,020 sq m gross)				
Vacant unit (1,790 sq m gross)				
Total	11,360	9,088		17.1
***Fife Central Retail Park, Kirkcaldy**				
Carphone Warehouse	430	344	10,850	3.7
Currys & PC World	1,040	832	10,850	9.0
Bensons	780	624	2,222	1.4
Next	1,570	1,256	4,100	5.1
Next Home	360	288	4,100	1.2
Boots	1,160	928	3,233	3.0
Pets at Home	940	752	2,715	2.0
Harveys Furnishings	750	600	2,222	1.3
Poundworld	660	528	2,173	1.1
B&Q	4,930	3,944	1,818	7.2
Early Learning Centre	60	48	4,037	0.2
Claire's (clothing)	140	112	4,000	0.4
Mothercare	1,410	1,128	4,037	4.6
Argos	1,410	353	18,823	6.6
Toys R Us	810	648	1,915	1.2
Oak Furniture Land- recently opened				
Sofology- recently opened				
Wren Kitchens- recently opened				
DW Sports- recently opened				
***Totol recent openings*	8,022	6,418	2,978	19.1
Vacant unit (2,910 sq m gross)				
Halfords (non-retail)- 1,030 sq m gross				
Total	24,472	18,802		67.4
***Riverside Retail Park, Leven**				
B&M, Riverside RP (1,530 sq m gross- 75% comp)	1,148	918	3,696	3.4
Argos	880	220	18,823	4.1
Home Bargains, Riv. Rd (2060 sq m gross- 75% comp)	1,545	1,236	7,571	9.4
B&Q	2,650	2,120	1,818	3.9
Total	6,223	4,494		20.7
Other retail warehouses				
*B&M, Flemington Rd, Glenrothes (1,500 sq m gross- 75%	1,125	900	3,696	3.3
Stocks Discount, Kirkcaldy- carpets	2,291	1,833	994	1.8
Riverside Home Furnishings, Methil	1,550	1,240	994	1.2
Total	4,966	3,973		6.4
Total in Kirkcaldy Catchment	**47,021**	**36,357**		**111.5**

Sources:

* Goad, w here indicated. Othew ise, Council data

** Collective total turnover estimate

Company average turnover ratios applied, based on Retail Rankings 2017, adjusted to include VAT