

SAVE WALDEN TOWN CENTRE

Press Release
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UDC Planning department claims that Saffron Walden is too affluent to be affected by the retail recession

The shock claim by Uttlesford District Council planning department that Saffron Walden is too affluent to be affected by the recession comes in their report into the proposed Tesco development. The council planners claim that local demographics mean that Saffron Walden retail expenditure will continue to grow enormously, at the rates claimed by Tesco, regardless of the current recession. No evidence is given for this view other than a statement that local employment is below the national average and households are more affluent than the national average. According to the planning officers' report, Saffron Walden non-food expenditure will grow from £141m in 2009 to £177m in 2012 - that's 8% per year.

Paul Gadd, spokesman for Save Walden Town Centre, said: "We have been objecting to the claims made by Tesco since December last year and UDC refuse to accept anything we say to them. The idea that retail expenditure will grow at a rate of 8% per annum - or anything like it - in the near future is completely unrealistic. The leading firm of market researchers, Experian, produce national average growth forecasts which are used in virtually all retail growth forecasts. Their forecasts show that, after taking account of predicted local population increases and the growth of the internet, there will effectively be no retail expenditure growth for the next three years."

"We commissioned a leading firm of retail consultants who made a detailed report for UDC detailing these calculations. Despite this, UDC have completely ignored our report and accepted Tesco's growth figures, because of "the socio-economic factors affecting the Saffron Walden area". It is quite obvious from a visit to the town centre that Saffron Walden is extremely quiet and that many shops are struggling. Despite this, UDC tell us that underlying retail sales have been growing at nearly 8% per annum for the last year and will continue to do so!"

"By relying on these grossly over-inflated figures, Tesco claim that their extension will not have any impact on the town centre. In contrast, the Save Walden Town Centre figures show that we can expect no increase in real retail sales during the recession and that the Tesco extension could take away 25% of town centre trade. We can see no possible reason why UDC would accept the Tesco claims."

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Notes for Editors

1. The Tesco Retail Assessment and the UDC planning officers' report are available from the planning section of the Uttlesford District Council website.
2. The Tesco Retail Assessment estimates that the total non-food retail – or comparison goods – expenditure from the Saffron Walden district was £116.7m in 2008, and claims that it would rise to £140.6m in 2009 (a one year increase of 20%) and from £140.6m in 2009 to £176.9m in 2012 (a three year increase of 25% representing an annual increase of 7.9% (paragraph 5.45 on p.31). The UDC

planning officers' report on Tesco (p.12) repeats the 2009-2012 claimed figures and bases its conclusion on these figures. The comments attributed to UDC above are contained on p.10 of the UDC planning officers' report.

3. Retail expenditure growth is a product of population growth and growth in spending per capita, and is calculated at fixed prices, so ignoring any effect of inflation. UDC predict population growth of roughly 1% per year in the period 2008/12. The Tesco claims which are repeated in the UDC planning officers report therefore predict retail sales expenditure per head (and net of inflation) of some 6.9% per annum from 2009 to 2012. The Tesco claim for 2008 to 2009 represents per capita growth of 19% in real terms.
4. Although the growth rates for 2007/8 and 2008/9 could now be measured, we are not aware that either UDC or their consultants have made any attempt to do so, or to buy the relevant data from Experian.
5. Despite these figures, the UDC planning officers report claims that Tesco are assuming comparison goods growth of 1.9% per annum (see p.10), while the Tesco Retail Assessment claims that Tesco have used a growth rate of 4.6% per annum (see paragraph 5.44 on p.31).
6. The latest Experian market research figures (August 2010) found that comparison goods sales expenditure actually declined by 0.6% in 2008/9 and predicted that growth rates will be 0.4% in 2009/10, by 1.2% in 2010/11 and 2.4% in 2011/12. In fact Office of National Statistics figures to October 2010 show a year on year fall. Experian predict that in the period 2008/12 the market share of internet and other non-shop based retail sales will increase by around 4.9%, so total retail sales would need to grow at this rate just for shops not to see a decline in sales volumes.
7. Experian also predict that the average shop sales densities (ie the volume of goods sold in a given floor space) will increase by about 5% in the period 2008/12.
8. Applying the Experian forecast growth rates to the UDC population growth rates show that in the period 2008/2012, there will be a need for marginally less comparison goods floor space. For food sales, ignoring the increase in internet sales would show a need for an additional 70 sq.m of space at average Tesco sales densities; allowing for the increase in internet sales would show a substantial reduction in the necessary food sales space. Supermarket food internet sales are generally "picked" from store and are therefore not adjusted out of sales volumes, but can be done during quiet periods so that the store can support a much higher sales density overall.
9. A copy of the Roger Tym & Partners report commissioned by Save Walden Town Centre detailing these calculations is available from www.savewaldentowncentre.org.uk .

Further Information

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