Retail & Centres Study

Volume 1: Main Report – Final

Prepared for:

DERBY CITY COUNCIL

July 2026

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EXECUTIVE SUMMARY

Context

1. Derby City Council commissioned Lambert Smith Hampton (LSH) in February 2026 to prepare the 'Retail and Centres Study' (RCS) (the 'Study').

2. The Study was commissioned to replace the 2019 evidence base and inform strategic and development management policies for the Local Plan period to 2043.

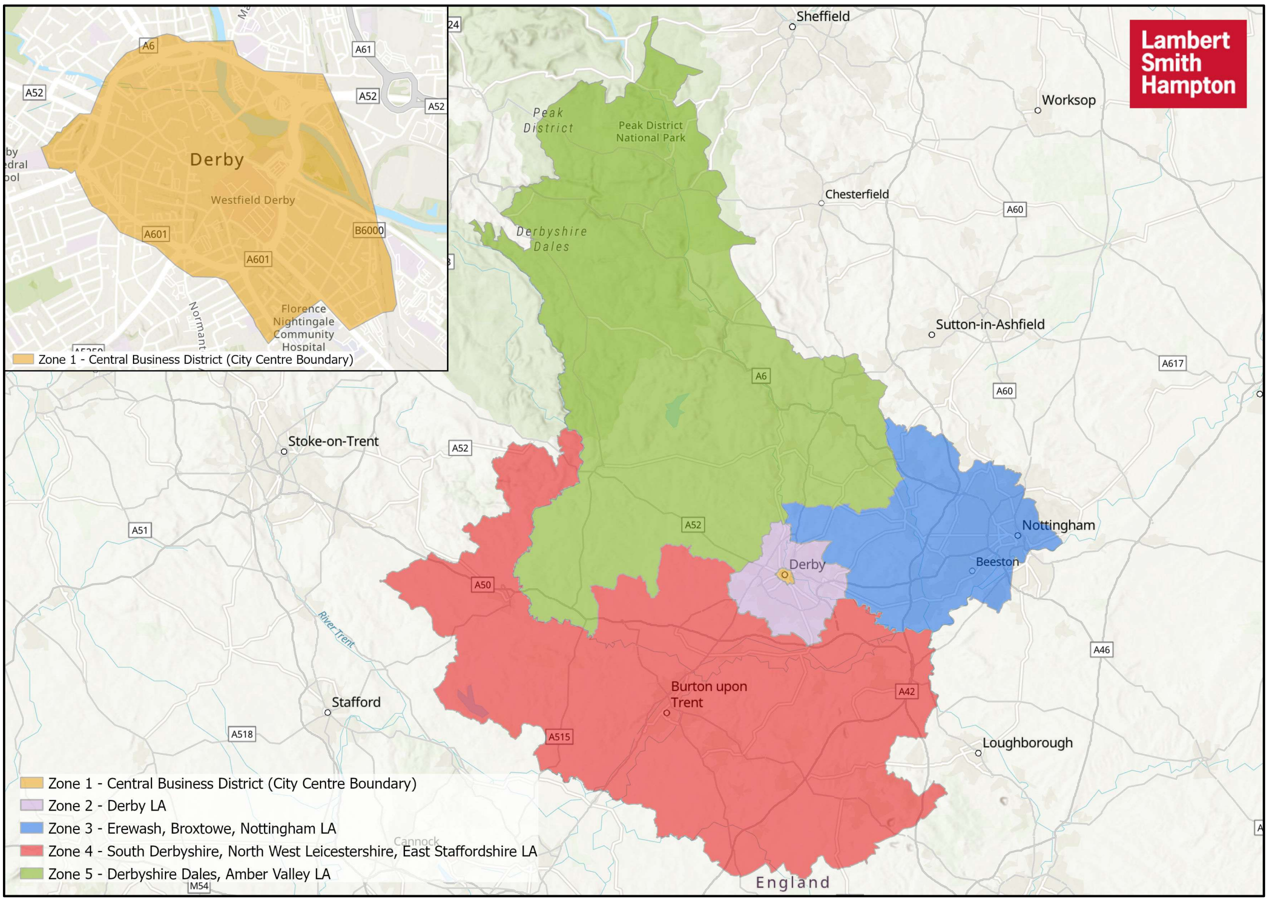
3. Its scope includes retail and leisure expenditure patterns, centre vitality and viability, the network and hierarchy of centres, future floorspace needs, town centre and primary shopping area boundaries, and an appropriate local threshold for retail impact assessments. It also tests the implications of planned housing growth, including around 12,500 new homes. The evidence is presented across three linked volumes, with this main report drawing together the health-check and quantitative analysis to provide policy recommendations.

4. The Study provides the evidence base for Derby City Council's emerging Local Plan to 2043. It assesses the role, performance and future needs of the following defined centres: the City Centre and 13 District Centres as follows:

Type of Centre	Centres Included
City Centre	Derby
District Centre	1. Allenton 2. Allestree 3. Alvaston 4. Cavendish 5. Chaddesden 6. Chellaston 7. Littleover 8. Mackworth 9. Mickleover 10. Normanton Road 11. Oakwood 12. Sinfin 13. Spondon

5. The analysis draws on planning policy, market trends, centre health checks and expenditure patterns in a defined Study Area (see below).

Figure 1: Study Area



6. The Study Area comprises five constituent zones. Zones 1 and 2 broadly correspond to the Derby City Council administrative area, while Zones 3 to 5 encompass the surrounding local authority areas.

7. The expenditure data has been obtained from Experian Insights that uses actual transaction data from 4 million customers across the UK. This information can be used to identify how much money is spent in specified locations and the origin of that spend (i.e. customer home location), using different levels of geography and against typical retail and leisure categories. This allows a detailed understanding of actual customer behaviour across the Study Area.

Planning Policy Overview

8. National policy requires plans to support town centres, define an appropriate hierarchy and boundaries, plan for identified needs and apply the sequential and impact tests to relevant edge- and out-of-centre proposals. The broader Use Class E and expanded permitted development rights provide greater flexibility but reduce direct control over changes between commercial uses and create potential for commercial to residential conversion.

9. Derby's adopted and emerging policies retain a town centre first approach, with the City Centre as the principal location for comparison retail, offices, culture, leisure and the visitor economy, supported by district and neighbourhood centres

serving day-to-day needs. Emerging policy (Regulation 18) currently maintains a 1,000 sqm gross impact threshold, promotes active frontages, mixed uses, meanwhile uses, public-realm improvements and new or extended centres linked to planned growth. The evidence indicates that future policy should treat centres as diverse mixed-use places rather than solely as retail destinations.

Town Centre Trends

10. Retail and leisure markets continue to face subdued economic growth, inflationary pressure, rising occupancy costs and changing consumer behaviour.

11. Convenience spending per head is forecast to remain broadly flat, while comparison spending is expected to return to modest growth.

12. Online retail is now embedded in consumer behaviour and is forecast to increase further, requiring retailers to integrate physical and digital channels and town centres to compete through experience, service, leisure, food and drink, culture and residential uses.

13. Out-of-centre locations retain competitive advantages through accessibility, parking and modern formats, while national vacancy rates remain above pre-pandemic levels.

Catchment, Competition & Market Shares

14. As detailed previously, the assessment uses Experian Insights transaction data for the year ending December 2025 across a five-zone Study Area (shown previously), with Zones 1 and 2 representing Derby City Council administrative area.

15. The data shows that convenience retail performance is strong: 75.1% of resident expenditure is retained within the Council area, online spending accounts for 13%, and leakage is 11.9%. This performance is driven mainly by District Centre supermarkets and out-of-centre foodstores, while the City Centre retains only 4.6% of convenience expenditure.

16. Comparison retail is materially lower: 38.3% is retained within the Council area, including 11.3% in the City Centre, while online spending represents 44.6%, above the national benchmark with17.1% leaking elsewhere.

17. Visitor expenditure is important, particularly for the City Centre, retail parks and other destination locations. The evidence highlights the need to strengthen the City Centre's distinctive comparison, leisure, cultural and visitor offer while managing competition from online and out-of-centre channels.

Centre Health Checks

18. The health checks assess Derby City Centre and 13 District Centres against Planning Practice Guidance indicators, including diversity of uses, vacancies, accessibility, pedestrian activity, retailer representation, environmental quality,

safety and the evening economy. They draw on site visits undertaken in March 2026, published datasets, Council monitoring information and market intelligence.

19. The available overview confirms that Derby City Centre is by far the largest and most diverse centre, with 822 outlets, including 224 comparison retailers and 214 leisure services. The City Centre remains vital and viable, supported by the Derbion Centre, a strong comparison offer, independent businesses, food and beverage provision, cultural and entertainment anchors and major regeneration investment. Becketwell, Vaillant Live, the Market Hall, Eastern Gateway and planned residential-led schemes provide a platform to broaden the centre's role, increase its resident and worker population and strengthen footfall. However, vacancy is a challenge: 150 units are vacant, equivalent to 18.2% of outlets, compared with a UK average of 14.1%. Priorities are to address the imbalance between Derbion and the wider centre, improve public realm and connectivity, respond to safety perceptions and repurpose vacant premises. The emerging City Centre and Primary Shopping Area boundaries are supported.

20. Overall, District Centres are generally vital, viable and effective in serving day-to-day needs. Most benefit from strong convenience anchors, low vacancy, good accessibility and recent footfall growth. Allestree, Littleover, Mackworth, Mickleover, Oakwood, Sinfin and Spondon perform particularly strongly, while Normanton Road is distinguished by its scale, high footfall, diverse independent offer and strong cultural identity. Common weaknesses are traffic-dominated environments, inconsistent public realm and shopfront quality, and an over-representation of fast-food and takeaway uses, which can reduce daytime activity and limit the diversity of the food and beverage offer.

21. Targeted boundary changes are recommended for Chaddesden, Chellaston, Littleover, Mickleover and Normanton Road to better reflect their current commercial and community functions. No changes are proposed for Allenton, Allestree, Alvaston, Cavendish, Mackworth, Oakwood, Sinfin or Spondon. Across the network, the principal policy and investment priorities are to safeguard convenience provision, diversify food and beverage uses, improve public realm and shopfronts, strengthen pedestrian connections and ensure centres can respond to surrounding housing growth.

Retail Capacity Assessment

22. The retail capacity assessment considers the quantitative need for new convenience and comparison goods floorspace from the 2026 base year to 2043. It applies LSH's CREATe model, informed by Experian Insights transaction data, population and expenditure forecasts, online spending, retailer productivity, existing market shares and committed development. In line with national policy and guidance, greatest weight should be placed on the five- to ten-year period to 2035, with longer-term forecasts treated as indicative and reviewed regularly.

23. The baseline assessment identifies no capacity for additional convenience or comparison goods floorspace to 2035 or 2043, even before commitments are considered. This reflects limited convenience expenditure growth, retailer

productivity requirements and the increasing market share of online sales. Although comparison expenditure is forecast to grow more strongly, this does not translate into additional floorspace capacity under the model assumptions.

24. A higher-growth sensitivity test, based on delivery of 12,500 homes between 2023 and 2043, also identifies no capacity by 2030. By 2035, nominal capacity emerges for 774 sqm net of convenience floorspace and 1,097 sqm net of comparison floorspace, rising to 1,311 sqm and 1,156 sqm respectively by 2043. This limited capacity is expected to be absorbed by emerging housing-led developments, principally through appropriately scaled local convenience provision.

25. There is therefore no quantitative requirement for the Council to allocate additional retail sites. The policy focus should instead be on protecting and strengthening existing centres, applying the sequential test and locally appropriate impact thresholds to edge and out-of-centre proposals, and directing any market-led demand to centres in accordance with the town centre first approach. The absence of identified capacity should not prevent beneficial investment where qualitative need or market demand is demonstrated, particularly where proposals reuse vacant premises, support regeneration or improve the existing retail offer. It is recommended that retail evidence and shopping patterns should be updated by the Council at least every five years.

Commercial Leisure & Culture Assessment

26. The assessment identifies a diverse commercial leisure and cultural offer, centered principally on Derby City Centre and supported by more locally focused provision in the District Centres. The sector remains highly dynamic and exposed to operating-cost pressures, constrained household budgets, technological change and evolving consumer preferences. Coffee shops, health and fitness, theatres and experiential activities have shown relative resilience, while pubs, restaurants, cinemas and grassroots music venues face greater structural pressures. Future policy should therefore remain flexible, support adaptation and encourage the reuse of vacant or under-utilised premises for leisure, cultural and community uses.

27. Derby City Centre has the strongest and most varied evening and night-time economy, including restaurants, bars, clubs, cinemas, theatres, live music and major venues such as Derby Theatre, QUAD and Vaillant Live. The Cathedral Quarter and St Peter’s Quarter are particular strengths, although there is scope to strengthen early evening activity and respond to safety and anti-social behaviour concerns. District Centre provision is generally proportionate to local catchments and often dominated by takeaways; Normanton Road is the principal exception, with an extensive and culturally diverse food and beverage offer.

28. Leisure expenditure within the Council area is forecast to increase by £80.5 million by 2035 and £160.3 million by 2043 under the baseline assessment, rising to £130.9 million and £235.7 million respectively under the higher-growth scenario. Food and beverage accounts for the largest share of expenditure and forecast

growth. However, much of this uplift is expected to support existing operators as they manage debt, inflation and higher occupancy and staffing costs.

29. The cultural offer is broad and complementary, ranging from major anchors to flexible and grassroots venues that support the wider city-centre economy and food and beverage sector. Existing cinema provision comprises 25 screens across Showcase Cinema de Lux, ODEON Luxe and QUAD; no additional screen capacity is identified to 2043 under either growth scenario. Derby also has a good mix of budget, premium, public and independent health and fitness facilities, together with family entertainment, active leisure and emerging competitive-socialising venues. Any operator-led demand should be directed to town centres first, with support given to improvements to existing venues and the repurposing of suitable vacant space.

Key Findings & Policy Recommendations

30. The study provides the evidence needed to plan and manage Derby's centres to 2043, with greatest weight placed on the next five to ten years. Its overarching objective is to sustain centres as the heart of local communities by enabling them to diversify, accommodate an appropriate mix of uses and respond to rapid structural change in retail and leisure. Recommendations are informed by transaction data, retail and leisure capacity assessments and detailed health checks of the City and District Centres.

31. The reforms to the Use Classes Order have increased flexibility within Class E and reduced the effectiveness of traditional primary and secondary frontage controls. Town centres are consequently expected to consolidate their retail role while placing greater emphasis on place, experience and non-transactional uses, including leisure, health, education, culture, community facilities and housing. Defined town centre and primary shopping area boundaries nevertheless remain important for directing investment and applying the sequential approach.

32. The strategic policy response should be to protect and strengthen the established hierarchy, maintain clearly defined centre and primary shopping area boundaries, support diversification and residential-led regeneration in appropriate locations, and prioritise the reuse of vacant or under-utilised premises. New retail and leisure proposals should follow the town centre first approach, with the sequential test applied to edge- and out-of-centre development.

33. A revised locally set impact threshold of 280 sqm net is recommended for retail and leisure proposals outside defined centres, enabling the Council to assess the individual and cumulative impacts of smaller schemes, including convenience stores, that could compete like-for-like with existing, planned or proposed investment in its main centres. Where relevant, the threshold should also apply to change-of-use applications and applications to vary conditions. For proposals involving redevelopment of existing retail floorspace, it should apply to the total proposed floorspace rather than only the net additional area.

34. Investment should focus on distinctive place-making, public realm, accessibility, safety, markets and the complementary daytime and evening economy, while the

evidence base should be monitored and refreshed regularly to reflect changing market conditions.

1. INTRODUCTION

1. Derby City Council (hereafter referred to as ‘the Council’) commissioned Lambert Smith Hampton (LSH) in February 2026 to prepare the ‘Retail and Centres Study’ (RCS) (the ‘Study’).

2. This Study will provide the robust evidence needed to inform strategic and development management policies for the ongoing ‘Local Plan for Derby’ covering the period up to 2043 particularly in relation to town centre uses across its network of centres. This new plan will replace the Derby City Local Plan (adopted in 2017) and the saved policies of the City of Derby Local Plan Review (adopted in 2006). The draft plan will cover the period 2023-2043 and will make provision for circa. 12,500 new homes to be built within the administrative area of the City, as a contribution to meeting needs of over 18,000 homes based on the Governments current standard method of calculation.

3. The study will assess how much additional retail and commercial leisure floorspace is needed over the Local Plan period. The findings of the Study will supersede the Council’s current town centre policy evidence base, including the previous Derby Retail and Centres Study (2019) (‘2019 DRCS’).

4. Other key objectives of the study are to review and update the following:

- **Market & Economic Trends:** Assess national retail and leisure trends, considering economic and technological impacts on shopping habits.

- **Retail Spending Patterns:** to provide an indication of the projected increase in household expenditure and consideration of shopping patterns underpinned by transactional data.

- **Updated Health Check Assessments** for :

Type of Centre	Centres Included
City Centre	Derby
District Centre	14. Allenton 15. Allestree 16. Alvaston 17. Cavendish 18. Chaddesden 19. Chellaston 20. Littleover 21. Mackworth

Type of Centre	Centres Included
	22. Mickleover 23. Normanton Road 24. Oakwood 25. Sinfin 26. Spondon

- **Centre Hierarchy & Network:** Establish a clear retail and leisure network across the Council area.

- **Future Floorspace Needs (to 2043):** Advise on the scale, format, and distribution of additional retail and leisure floorspace.

- **Town Centre Boundaries & Uses:** Define town centre areas, primary shopping areas and appropriate complementary uses.

- **Retail & Leisure Future Needs:** Make recommendations for any identified new floorspace requirements for the comparison and convenience retail sectors, and for the commercial leisure sector over the period to 2043. This includes sensitivity testing to assess the effect of new housing development based on a target delivery of 12,500 dwellings to 2043 to be built within the administrative area of the City. Additionally, to provide a broad indication of the scale of retail floorspace required to enhance the sustainability of sites and to inform future masterplanning.

- **Advise on Retail Impact Assessment Threshold**: Advise on setting a local retail floorspace threshold for impact assessments, considering NPPF and NPPG guidelines.

5. The study has been prepared in the context of current and emerging local, regional and national development plan policy guidance, as well as other key material considerations; principally the National Planning Policy Framework (NPPF). Where relevant, the study also draws on advice set out in the National Planning Practice Guidance (PPG). Both the NPPF and PPG place significant weight on the development of positive plan-led visions and strategies to help ensure the vitality and viability of town centres (Town centres or centres are defined by the NPPF (Annex 2) as city centres, town centres, district centres and local centres but exclude small parades of shops of purely neighbourhood significance. Unless they are identified as centres in the development plan, existing out-of-centre developments, comprising or including main town centre uses, do not constitute town centres).

6. The study is presented in a series of inter-related Volumes as follows:

- **Volume 2** sets out the findings of the 2026 town centre health check of centres.
- **Volume 3**: comprises the quantitative appendices that inform the economic capacity tables for retail needs including appendices containing the raw Experian Insights transaction data.

7. This Volume draws on the evidence and research in **Volumes 2 - 3**. It provides robust policy recommendations to help the Council prepare positive strategies, plans and policies for the growth, management and adaptation of the Council's designated town centres over the short, medium and long term to help ensure their future vitality and viability.

8. For ease of reference this report, (**Volume 1**), is divided into the following inter-related sections:

   - **Section 2** reviews the national, regional and local planning policy context.

   - **Section 3** highlights some of the key trends that are driving the dynamic changes in the retail and leisure sectors at the national and regional level, and how these trends have shaped (and are likely to shape) the urban and retail landscape over the short to long term.

   - **Section 4** summarises the main retail expenditure pattens and market shares being achieved by the town centres and key out-of-centre locations based on Experian Insights transactions data.

   - **Section 5** provides a summary assessment of the relative vitality and viability of the centres detailed previously (see **Volume 2**).

   - **Section 6** details the key assumptions and findings of the strategic retail capacity assessment for new convenience and comparison goods retailing up to 2043 based on LSH's in-house CREAT^{e} economic model and Experian Insights transaction analysis (**Volume 3**).

   - **Section 7** sets out the findings of the commercial leisure need and 'gap' assessment, drawing on available evidence and market research including transaction data on leisure food and beverage (i.e. dining and drinking out) and entertainment services (**Volume 3**).

   - **Section 8** draws on the previous sections and provides recommendations to help inform the Council's preparation of robust policies and strategies aimed at maintaining and enhancing the vitality and viability, and competitive positions of its centres over the lifetime of the plan.

2. PLANNING POLICY CONTEXT

9. To help inform the preparation of this study, this section provides a summary of the key national, regional and local planning policies pertaining to retail, leisure and other main town centre uses.

NATIONAL PLANNING POLICY & GUIDANCE

National Planning Policy Framework (NPPF)

10. The NPPF was last updated in December 2024 and sets out the Government's planning policies for England. Planning law requires that applications for planning permission be determined in accordance with the development plan unless material considerations indicate otherwise. The NPPF must therefore be considered in plan-making and is a material consideration in planning decisions.

11. The NPPF states that the purpose of the planning system is to contribute to the achievement of sustainable development, which is defined as meeting the needs of the present without compromising the ability of future generations to meet their own needs. The Framework (paragraph 11) sets out the Government's view of what the presumption in favour of sustainable development means in practice. For **plan-making**: "…*plans should positively seek opportunities to meet the development needs of their area and be sufficiently flexible to adapt to rapid change*" (paragraph 11a).

12. Chapter 3 ('**Plan-Making'**) of the Framework provides guidance to local authorities on preparing local plans. Paragraph 20 states that policies should set out an *overall strategy for the pattern, scale and design quality of places and make sufficient provision* for new sustainable development. It requires that strategic policies should look ahead over a minimum 15-year period from adoption (paragraph 22), *except in relation to town centre development* (see paragraph 13 below). In preparing development plans, "*policies should be underpinned by relevant and up-to-date evidence*" (paragraph 32). To ensure the local plans and spatial strategies are relevant they should be reviewed at least once every five years and updated as necessary (paragraph 34).

13. Chapter 7 ('**Ensuring the vitality of town centres'**) provides guidance on plan-making and decision-taking for retail and other town centre uses. Paragraph 90 states that "*planning policies and decisions should support the role that town centres play at the heart of local communities*" and sets out criteria that local authorities should consider when preparing planning policies. These include: (a) defining a network and hierarchy of centres; (b) defining the extent of town centres and Primary Shopping Areas (PSAs); (c) retaining and enhancing existing markets; and (d) allocating a range of suitable sites in town centres to meet the sales and type of development likely to be needed, "*looking at least ten years ahead*."

14. Paragraphs 91-95 specifically set out the requirement to apply the sequential and impact tests to determine applications for new retail, leisure and main town centres

that are neither in an existing centre, nor in accordance with an up-to-date development plan.

15. Other Chapters in the NPPF are also relevant to the preparation of this study, and to the Council's plan-making and decision-taking policies for its network and hierarchy of centres. For example, Chapter 8 ('Promoting healthy and safe communities') sets out the need to achieve healthy, inclusive and safe places; including the need to plan positively for the provision and use of shared spaces, community facilities (such as local shops) and other local services to enhance the sustainability of communities and residential environments (paragraph 98a).

Planning Practice Guidance (PPG)

16. The Planning Practice Guidance (PPG) provides specific guidance on plan-making and decision taking for retail, leisure and town centre uses, including guidance on Permitted Development Rights (PDR), Article 4 Directions, and the new Use Classes Order ('UCO') that came into effect on 1st September 2020 (Paragraph: 007 Reference ID: 2b-007-20190722. Also refer to: Town and Country Planning (General Permitted Development) (England) Order 2015, as amended) (also discussed later in this section). The Guidance supports the policies and provisions of the NPPF, placing significant weight on the development of positive plan-led visions and strategies for town centres.

17. In terms of planning for town centres, the PPG states that a wide range of complementary uses can, if suitably located, help to support the vitality and viability of town centres. These include residential, employment, office, commercial, leisure/entertainment, healthcare and educational development. Evening and night-time activities also have the potential to increase economic activity within town centres and provide additional employment opportunities.

18. The PPG (paragraph 004) sets out the importance of evidence-based strategies and visions for town centres to help establish their role and function over the plan period, the need for new retail, leisure and town centre uses, and other interventions. However, given the uncertainty in forecasting long-term retail trends and consumer behaviour, the PPG states that forecasts **"…may need to focus on a limited period (such as the next five years) but will also need to take the lifetime of the plan into account and be regularly reviewed**" (Paragraph: 004 Reference ID: 2b-004-20190722). In those cases where development cannot be accommodated in town centres, the PPG requires planning authorities to plan positively to identify the most appropriate alternative strategy for meeting the identified need, having regard to the sequential and impact tests (Refer to Paragraph: 005 Reference ID: 2b-005-20190722. Paragraph 010A ID: 2b-010-20190722 also provides a checklist for local planning authorities to consider when applying the sequential test). The PPG also sets out several Key Performance Indicators (KPIs) that "*may be relevant in assessing the health of town centres and planning for their future*"(Paragraph: 006 Reference ID: 2b-006-20190722).

Consultation Draft NPPF (December 2025)

19. The 2025 Consultation Draft of the NPPF (DNPPF) and the associated Consultation Document (NPPF CD) provide an indication of the changes that are likely to be made to the NPPF in the coming months. At this stage neither document can be given weight and therefore the current requirements relating to retail and town centre policies are as set out above. However, this may change during the preparation of the Council's Emerging Local Plan.

20. The proposed changes to the NPPF are intended to achieve three principal objectives:

- To ensure that national planning policy is accessible and understandable for everyone who uses it;
- To establish a comprehensive suite of national policies on general planning matters which will apply across the country, to avoid these matters being repeated or deviated from in locally-produced plans; and
- To make the policy which it contains more 'rules-based' and certain, and so more capable of supporting timely and consistent planning (DNPPF, page 10).

21. For retail and town centres support for town centres is retained (Section 8), but possible changes include:

- Removal of the reference to such uses under the definition of strategic development (PM1, para 2b). This suggests retail and main town centre uses will be considered primarily at a local level;
- A statement that evidence required for plan-making should use existing data where possible (PM8, para 1) and that once a need has been identified at an early stage of plan preparation, it should not normally require reviewing and updating (PM8, para 3);
- Potential changes to the criteria for finding a plan sound, including a requirement for site allocations to be realistic (PM15, para 1c). The implications of this for sites intended for retail and main town centre uses may need more detailed consideration;
- Retention of the need to define town centre boundaries (Policy S2, paras 1b & 2) but removal of the reference to Primary Shopping Areas;
- Introduction of national decision-making policies for proposals within settlements (Policy S4) and outside of settlements (Policy S5);
- Potential inclusion of local shops in rural areas within the definition of rural business development (Policy E4);
- Extending the policy requirements when developing a hierarchy of centres to include a consideration of areas within them that may be particularly suitable for a greater diversity and/or intensification of use, including through residential development and where infrastructure and public realm improvements are proposed (Policy TC1);
- Specific encouragement to utilise design guides, design codes and masterplans to support town centre visions and the potential use of Article 4 directions to remove a permitted development right where these are justified

as a means to support the vitality and viability of particular centres and maintain their character (Policy TC1);

- Removal of the specific reference to markets, because, as noted in the accompanying Consultation document *"….their existence is not controlled directly by planning";*
- Introduction of two national decision-making policies that:
  - (i) support development in town centres (Policy TC2) and
  - (ii) require new development to demonstrate compliance with the sequential test (Policy TC3). However, the current wording does not require a sequential test for other development proposals;
- Potential requirement to consider disaggregation when applying the sequential test (Policy TC3, para 3). The impact test is retained (Policy TC4);
- Discouraging single use, low density development and encouraging the re-use of under-utilised retail sites (Policy L1);
- New/amended definitions for:
  - Community facilities (meeting places, public houses, places of worship, cultural venues, allotments and facilities for play, sport and informal recreation); and
  - Main town centre uses (including banks and professional services); and
  - Possible removal of the need to undertake a sequential test is consulted on in the NPPF CD (page 15).

Use Classes Order & Permitted Development Rights

22. The Government has issued a series of reforms to the planning system since 2020 that are relevant to this study. The reforms principally relate to Permitted Development Rights (PDR) and the Use Classes Order (UCO), alongside the Government's White Paper "Planning for the Future" (published in August 2020) and the 2021 Planning Reform Bill.

23. The new UCO came into effect from 1st September 2020 and is relevant to the Council's plan-making and decision-taking on new retail, leisure and town centre uses. The new UCO amended and revoked a number of use classes under the 1987 Order and has replaced them with much broader use classes. In summary, the main reforms introduced by the new UCO include :

- a new **Class E (commercial, business and service uses)**: which subsumes the former Use Classes A1 (shops), A2 (financial and professional services) and A3 (restaurants and cafés). It also incorporates: the former Class B1 (commercial, business and service uses), comprising office, research and development and light industry; Class D1 (non-residential institutions) in part, comprising medical or health services, clinics, crèches, day nurseries and day centres; and Class D2 (assembly and leisure) in part, comprising gyms or areas for indoor recreation.
- a new **Class F1 (learning and non-residential institutions)**: which includes some of the former uses under Class D1 (non-residential institutions), including museums, public libraries, art galleries, schools, and places of worship.

- a new **Class F2 (local community uses)**: which comprises (former Class A1) shops defined as being "*…not more than 280 sqm mostly selling essential goods, including food, and at least 1km from another similar shop*". This Use Class also includes former Class D2 (assembly and leisure), such as meeting places/halls, indoor/outdoor swimming baths, skating rinks, and outdoor sport and recreation.
- an extension to the **Sui Generis** uses (which fall outside the specified use classes) to include the former Use Classes A4 (pubs and drinking establishments) and A5 (hot food takeaways). It also incorporates some uses previously classified under D2 (assembly and leisure), including cinemas, concert halls, live music venues, bingo and dance halls.

24. The Government also issued the new PDR on 1st August 2021 (Town and Country Planning (General Permitted Development etc.) (England) (Amendment) Order 2021) that permits the change of Class E to Class C3 (residential), subject to prior approval applications. This PDR replaced the two existing commercial to residential PDRs under Class O (office to residential) and Class M (conversion of shops, financial services, betting offices and pay day loan or mixed uses to residential), with a new **Class MA**. In launching the PDR the Government stated that the regulations will give "*…greater freedom for buildings and land in our town centres to change use without planning permission and create new homes from the regeneration of vacant and redundant buildings*" (source: PM: Build, Build, Build - PM Boris Johnson has announces the most radical reforms to our planning system since the Second World War (Prime Minister's Office, 10 Downing Street, 30/06/2020)). The PDR (Class MA) does contain some conditions and limitations, such as: (i) it only applies to buildings that have been vacant for a least three continuous months; and (ii) it does not apply to buildings with a cumulative floorspace of more than 1,500 sqm. Although it does not apply to Listed Buildings, it can be applied in a Conservation Area (subject to an impact assessment if it involves converting the ground floor). Since it was introduced, we are aware some local authorities are planning to bring in new Article 4 restrictions under the GPDO to prevent parts of their area from being converted (including, for example, Westminster City Council and a number of other London Boroughs).

LOCAL PLAN CONTEXT

25. The key planning policy documents and associated policies pertaining to town centres and relevant to the preparation of this study include:

- the **Extant Plan (Derby City Local Plan – Part 1 (Core Strategy)):** Sets out the overall strategic direction for planning the administrative area of Derby City over the period 2011 to 2028. The statutory development plan also includes a number of other documents that are important in planning decisions including the 'saved policies' from the City of Derby Local Plan Review (2006) (CDLPR), the Waste and Minerals Local Plans and relevant Supplementary Planning Documents (SPDs).

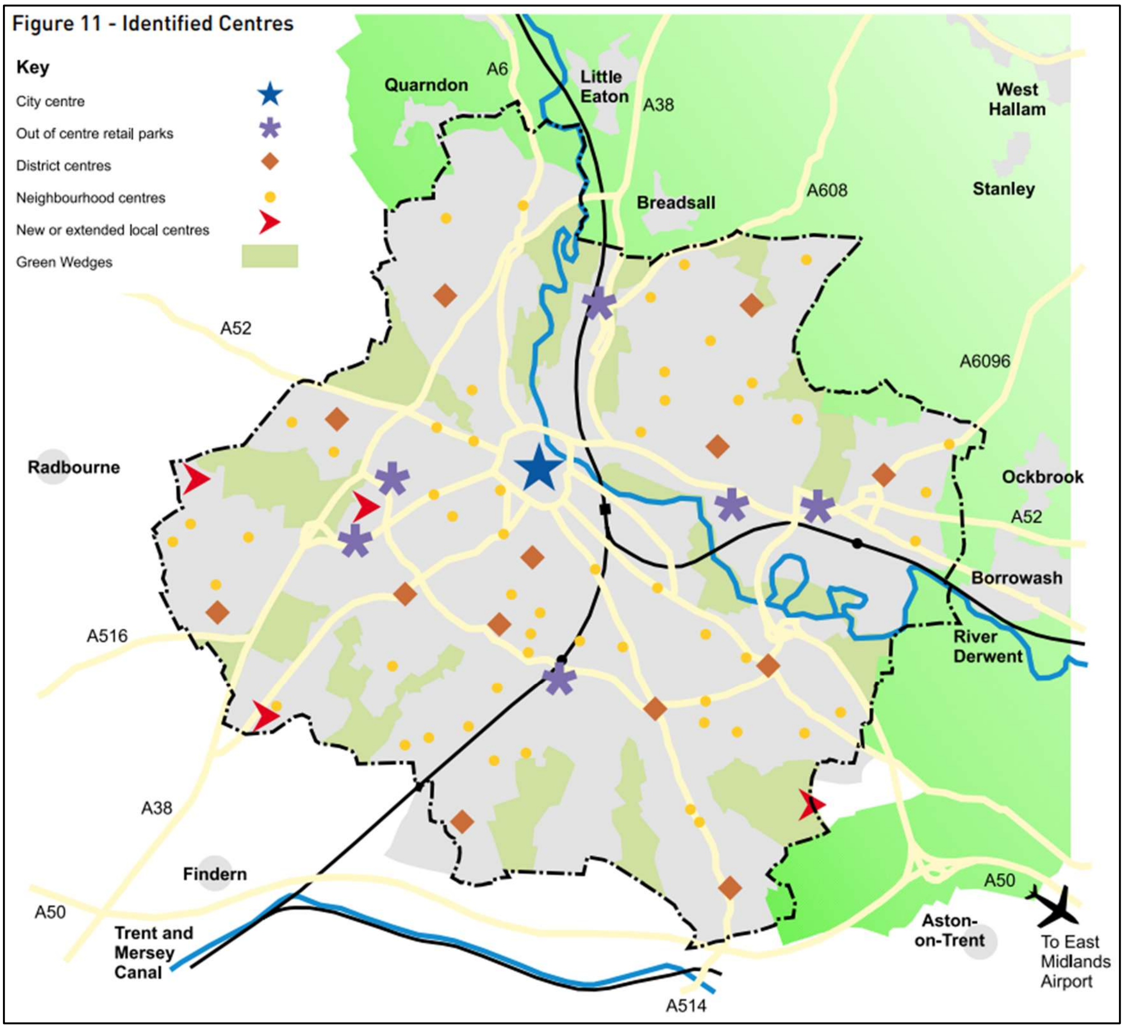
- the **Emerging Local Plan**: Derby City Council is in the process of developing a new Local Plan covering the period 2023 to 2043. The work on the new Local Plan commenced in 2022. The Council has undertaken consultation on the Reg 18 in early 2026 and will be consulting on the Reg 19 in Summer 2026 with the aim to adopt the new Local Plan in Summer 2027.

Extant Local Plan (Core Strategy): Derby City Local Plan (adopted 2017)

26. The **Derby City Local Plan** (2017) sets out a town centres first approach built around Policies **CP12 (Centres)**, **CP13 (Retail and Leisure Outside of Defined Centres**) and **CP14 (tourism/culture and leisure**) and **CP15 (food, drink and the evening economy)**.

- **Policy CP12 (Centres):** Identifies a network and hierarchy with Derby City Centre at the top, underpinned by district, neighbourhood and local parades with the aim to focus 'main town centre uses' into this network. It sets out that the Derby City Centre is the primary focus for major retail and leisure development, with district and neighbourhood centres meeting more day to day needs. The policy also states that development in smaller centres should be small scale and maintain local access to shops and services that meet day to day needs.

Figure 2: Derby City Local Plan - Policy CP12 Identified Centres



Source: Derby City Local Plan (2017)

- **CP13 (Retail and Leisure Outside of Defined Centres):** Provides that new retail and leisure floorspace proposals must follow the sequential test. Larger out-of-centre proposals (and those that could significantly affect the City or district centres) are subject to a retail impact assessment. All retail proposals over 1,000 square metres gross will be required to submit a detailed retail impact assessment to show there is no significant adverse impact on the vitality, viability, planned investment or role of any defined centre. The policy also states that where need cannot be met in-centre or on edge-of-centre sites, and where there is good accessibility and no significant impact then only will out-of-centre schemes be supported.

- **CP14 (Tourism/Culture and Leisure):** The policy seeks to elevate Derby's identity and reputation as a cultural and leisure destination. The policy seeks to promote tourism, cultural and leisure development that strengthens Derby's role as a sub-regional destination, with a focus on the City Centre and other sustainable locations. This also includes support to maintain and develop the City's outdoor cultural offer, including providing spaces and locations for festivals, events and markets.

- **CP15 (Food, Drink and the Evening Economy):** The policy supports food, drink and the evening economy uses (such as restaurants, cafes, bars and related leisure) primarily in the City Centre and other defined centres to reinforce their role and vitality. It also sets criteria to manage amenity, highway, safety and cumulative impacts (including noise, antisocial behaviour, concentrations or clustering) and maintain a balanced mix of uses in main frontages. The policy seeks to encourage a diverse and family friendly evening economy that compliments the daytime offer, particularly in the City Centres identified quarters, rather than a narrow late night drinking focus.

Emerging Local Plan

27. As previously detailed, the Council is in the process of preparing a new Local Plan covering the period up to 2043. The Regulation 18 consultation on the Plan was completed in March 2026.

28. The Council will publish the Regulation 19 in Summer 2026 with the aim to submit by December 2026.

29. We have necessarily referred to the outputs from Regulation 18 Document '*Draft Local Plan for Derby Regulation 18 Consultation Document (January 2026)'* which provides (inter alia) the following direction and outputs from the Local Plan Priorities Consultation undertaken in 2024. The outputs relating to the centres covered in this study and mentioned in the document are detailed below.

30. **Policy E8: Defined Centres:** The Council aims to strengthen the vitality, viability and competitiveness of all defined centres, prioritising them as sustainable locations meeting residents daily needs. The **hierarchy of centres** is as follows:

    - **City Centre** - primary focus for comparison retail, major offices, culture, leisure and the visitor economy as follows:
        - New comparison retail should be in the Primary Shopping Area.
        - New offices food and drink uses should be focused in the Central Activity Area.
        - More convenience retail is needed to support a growing residential population with larger stores in the PSA and smaller provision within mixed-use developments in areas such as Derby Riverside, the Station Quarter and North Castleward.

    - **Local Centres** incorporate both District and Neighbourhood centres as follows:

        - **District centres** - provide key services and act as focal points for neighbourhoods. Development should meet local needs and preserve the vitality of the centre. Residential uses are supported where they do not fragment the centre.

- **Neighbourhood centres** - small scale retail/services for local catchments; development must maintain day-to-day access to essentials facilities.

- **New or extended centres** (that must be appropriately scaled for the growth and not undermine other centres) will be created at:
  - Rykneld Road
  - Moorway Lane
  - Hackwood Farm

- In support for local centre development the Council will back proposals that:
  - Increase vibrancy, footfall and social interaction.
  - Meet local shopping/service needs without harming the centre’s function.
  - Tackle long term vacancies, including through meanwhile uses.
  - Maintain active frontages in District Centres.
  - Enhance public realm and integrate mobility hubs.
  - Respect the scale, role and character of each centre and avoid negative impacts on other centres.

31. **Policy E9: Main Town Centre Uses Outside of Centres**: Requires that any proposal for maintenance into users located outside defined sentence must demonstrate that:

- **Sequential approach**:
  - no suitable or available sites exist within defined centres, then edge of centre, and then only out-of-centre locations.
  - Existing sites or units must be fully considered before proposing new floorspace.
  - The search area should reflect the scale, nature and need being addressed and applicants must show flexibility in site selection.
  - The Council will consider any special locational or operational requirements.

- **Impact considerations:**
  - Required for retail and leisure proposals over 1,000 sqm gross.

32. **Policy E10: Tourism and Culture:** The Council aims to strengthen Derby's reputation as a cultural and leisure destination that attracts visitors and supports a skilled workforce. It will encourage developments that improve the City's cultural offer, enhance visitor experiences and boost local participation. Key commitments include:

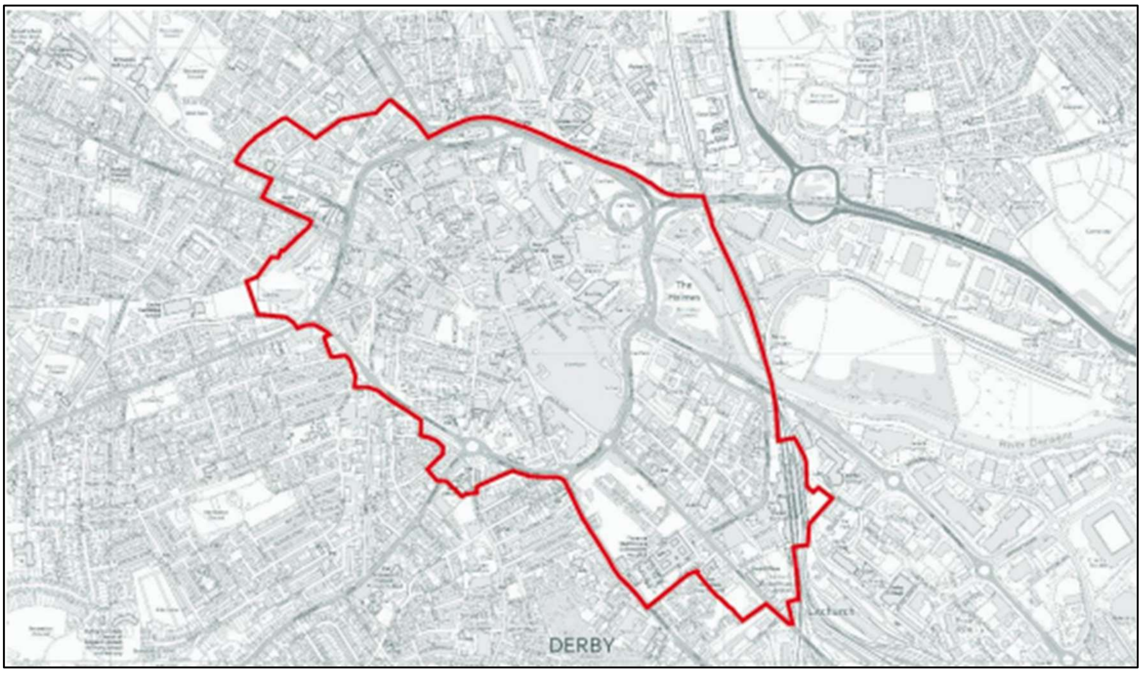
- Revitalising the City Centre into a vibrant, safe all day destination.
- Supporting developments that enhance the visitor economy and cultural facilities including markets.
- Investing in high quality, inclusive infrastructure, public realm, attractions and venues.

- Improving tourism related infrastructure such as hotels, conference and exhibition space primarily in the City Centre.
- Promoting and utilising Derby's industrial heritage, especially the Derwent Valley Mills World Heritage site.
- Strengthening Derbion as a leisure and business destination.
- Encouraging temporary uses and pop-ups to activate vacant properties

33. **Policy CC1: City Centre Strategy** prioritises the City Centre as the main focus for investment, regeneration and renewal. It aims to deliver inclusive high quality development that boost social value, reduces inequalities, and enhances safety and quality of life. The strategy promotes development of underused brownfield land, supports climate adaptation and green infrastructure and encourages a diverse mix of uses to reduce vacancies and strengthen the leisure, cultural and retail offer. High design standards, strong placemaking and major public realm improvements are central to the vision. The policy supports new housing, thriving office market (especially creative industries) and stronger partnerships with education institutions. It also focuses on reducing anti-social behaviour, improving sustainable and active travel, directing parking to key hubs and fostering a safe, inclusive evening economy to maintain Derby's Purple Flag Status.

34. **Policy CC2: Defining the City Centre**: The extant adopted Local Plan does not specifically identify the extent of the City Centre. However, the Central Business District (CBD) has generally been used as a working assumption for the boundary. The new Local Plan provides an opportunity to clearly define the full extent of the City Centre. The area identified as the City Centre boundary includes areas not currently within the CBD, such as the area around Agard Street and also the full extent of the Railway Station Quarter including a small amount of associated land on Pride Park, reflecting the functional relationship with the railway station and wider City Centre. This is illustrated below:

Figure 3: The Defined City Centre



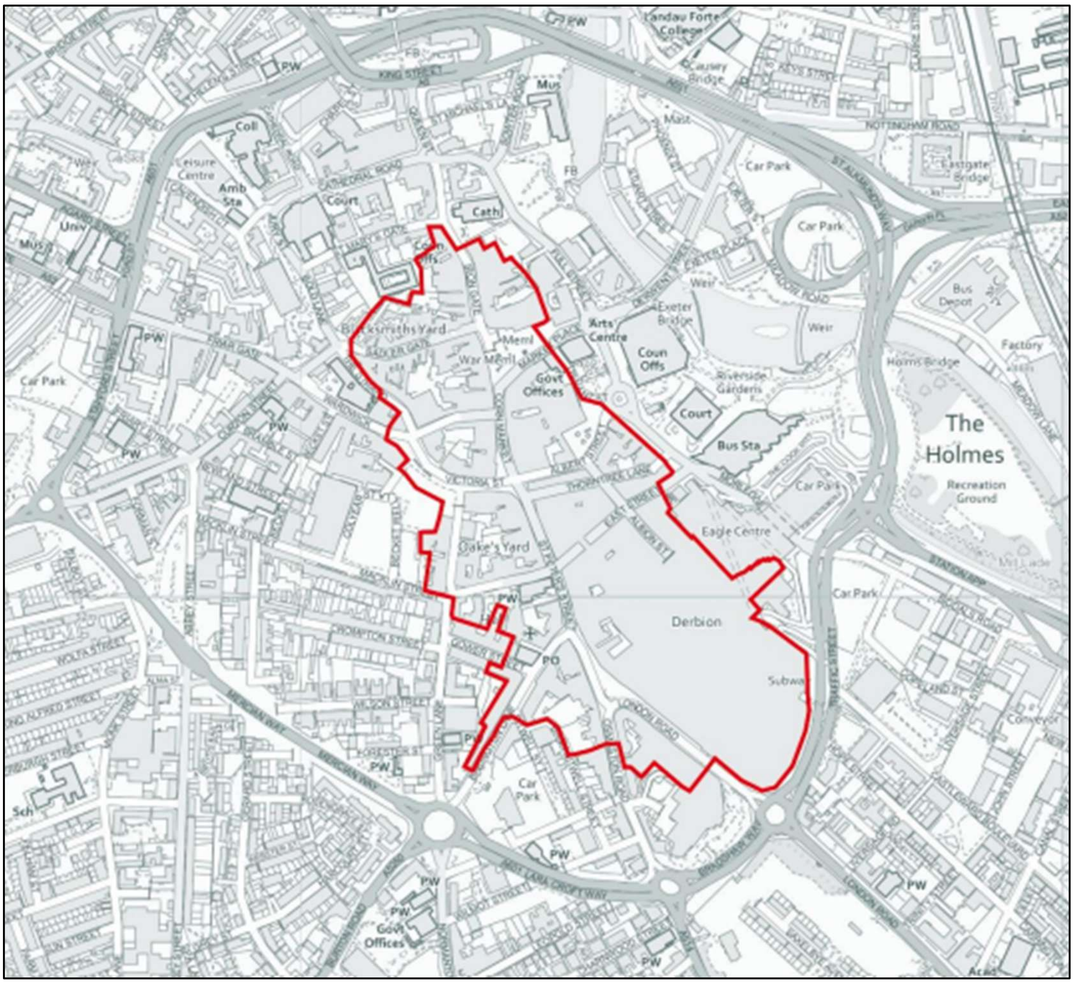
Source: Draft Local Plan for Derby Regulation 18 Consultation Document (January 2026)

35. **Policy CC8: Shopping, Eating and Drinking** aims to keep Derby City Centre as the main hub for shopping, eating, drinking and leisure. New retail development should be focused within the Primary Shopping Area (PSA), which is the preferred location for major non-food retail and any expansion beyond its boundaries will be resisted. Within the PSA the Council will work to:

- Deliver mixed-use regeneration and improved pedestrian connectivity.
- Promote the market hall and cathedral quarter's key destinations.
- Strengthen St Peters Street as the main north-south link.
- Reduce vacant units and maintain active inclusive ground floor uses.
- Support diverse, contemporary and meanwhile uses that boost vitality.
- In short, that any development complements the PSA's overall function.

36. Also, that new leisure food and drink uses are encouraged across the City Centre especially within the Central Activity Area (CAA) with late night use restricted outside it. The Council will continue supporting a vibrant and safe early evening and night-time economy and maintain its Purple Flag status.

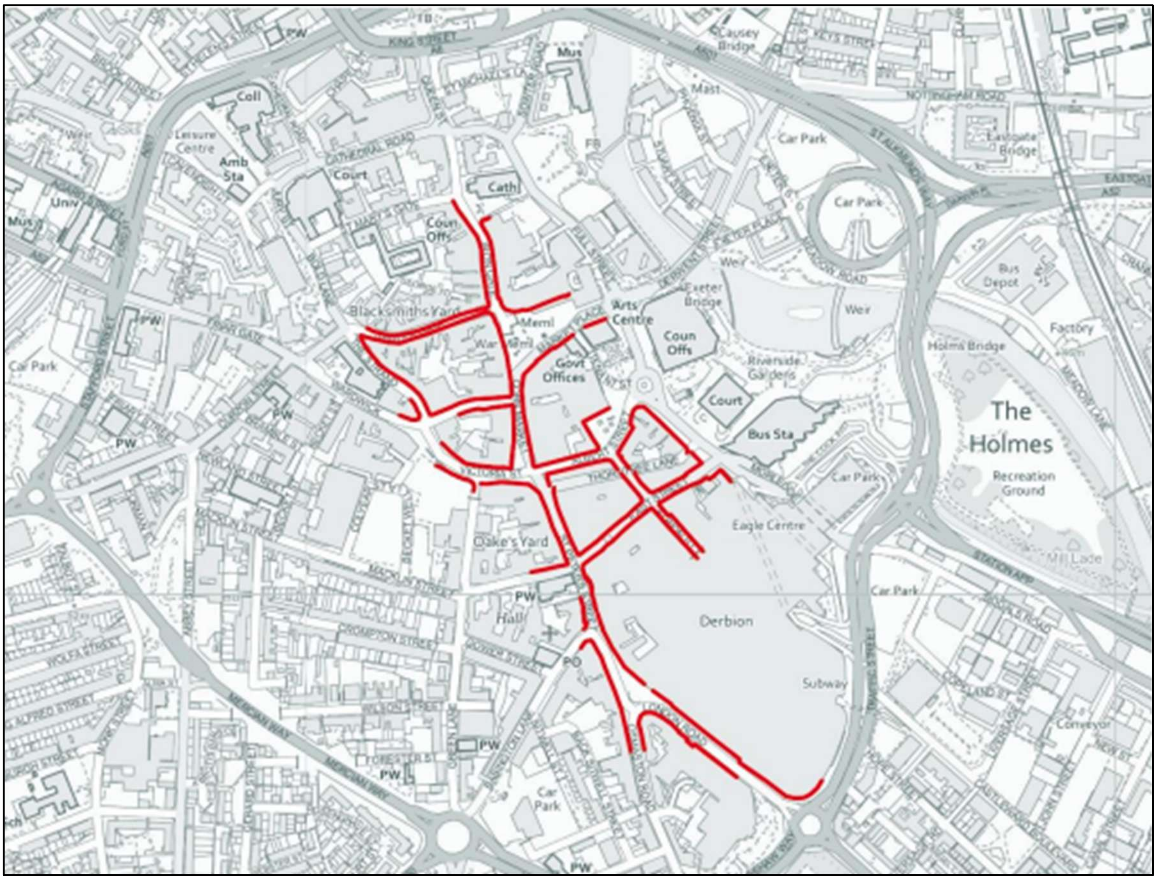
Figure 4: The Defined Primary Shopping Area (PSA)



Source: Draft Local Plan for Derby Regulation 18 Consultation Document (January 2026)

37. **Policy CC9: Active and Inclusive Frontages** aims to maintain the vitality of the PSA by encouraging a diverse mix of uses while ensuring that key streets retain active, publicly accessible ground floor frontages. On designated streets, proposals that create inactive or inaccessible daytime frontages will be resisted. Uses must provide an open visually engaging shopfront and be accessible to all communities during the day. Certain uses such as bookmakers, casinos, adult gaming centres, adult entertainment venues, takeaway is closed during the day and bars/pubs/clubs not open or restricting under 18 during the day are not permitted. For broad E Class proposals, conditions may be applied to prevent dead frontages.

Figure 5: Active and Inclusive Frontages



Source: Draft Local Plan for Derby Regulation 18 Consultation Document (January 2026)

OTHER MATERIAL CONSIDERATIONS

Derby City Centre: Emerging Public Realm Strategy (2026)

38. The Emerging Derby Public Realm Strategy outlines a transformative vision to revitalise the City Centre by creating a more inclusive, sustainable and connected urban environment where community life can thrive. It outlines a strategy to revitalise and ‘stitch together’ the City's urban layers, creating a high quality public realm that is inclusive, safe and promotes active and free flowing movement. The vision is aimed to be human focused, biodiverse and inspired by Derby's heritage of pioneering innovation and knowledge.

39. The framework for this transformation is built around the acronym ‘SILK’ which stands for sociable (S), inclusive (I), landscape-led (L) and rooted in knowledge (K). Inspired by Derby's history as a home to the world's first factory that spun silk threads, these ‘SILK’ threads represent thematic roots and interventions designed to reinvigorate the City. The six SILK threads are:

- **Thread 01: Gateways & Connectivity:** This thread aims to improve the arrival experience for visitors. It focuses on creating celebrated, welcoming gateways and safe pedestrian routes into the heart of the City from major transport hubs like the train station, bus station and strategic car parks.

- **Thread 02: Community & Culture**: Designed to reinforce Derby's voluntary and cultural sectors, this thread seeks to transform the historic High Street into a vibrant 'spine' that links various community venues and activities together.

- **Thread 03: Lifelong Learning**: This thread targets the City's younger population by creating safe, playful and colourful routes from surrounding schools and universities, offering new spaces specifically designed for children and young people.

- **Thread 04: Evening Economy:** To move away from a lack of clustering, this thread focuses on creating distinct destinations (including restaurants, bars and theatres) that remain active and vibrant into the evening encouraging safe City use at all hours.

- **Thread 05: Sport, Leisure & Ecology:** This thread sinks to bring nature back into the City by revitalising underutilised green spaces along the river Derwent. It promotes climate positive planting initiatives to turn Derby into a City in the forest.

- **Thread 06: Water**: Capitalising on the River Derwent as the City's most defining physical feature, this thread aims to reimagine its banks as a centre for community energy and activity while embedding climate resilience through sustainable drainage systems.

Figure 6: A Vision for Derby City Centre's Public Realm

Source: Derby City Centre: Public Realm Strategy (2025)

40. The strategy also emphasises several overarching principles for these priority locations including the pedestrianisation of all streets within the inner ring road and the narrowing of vehicle carriages to maximise space for public life, dwell space and nature.

Towards a New Vision for Derby City Centre, Ambition (2022)

41. This document outlines a comprehensive strategy by the Council to revitalise the urban core in response to modern economic and environmental pressures. It identifies key challenges such as declining retail, poor connectivity and the impact of the pandemic and proposes a long term vision to transform the area into a vibrant sustainable destination. The document focuses on several thematic priorities including the expansion of City living, the celebration of local heritage and the integration of green and blue infrastructure. By fostering a 'cultural heart' and a dedicated 'creative quarter' the Council aims to attract new investment and improve civic pride. Ultimately, the proposals serve as a consultation framework to engage residents and businesses in shaping a more resilient and attractive City identity.

42. Themes identified for the transformation include:

- **Climate Change:** the vision prioritises decarbonisation an adaption aiming for the City to be net carbon zero by 2035. Strategies include repurposing old buildings, increasing energy efficiency and using the River Derwent and for renewable energy and flood defence.

- **Culture** is seen as a way to diversify activities and increase vibrancy. The goal is to create a cultural heart with first class facilities clustered around a transformed marketplace and a creative quarter in the historic core.

- **Public Realm**: the plan involves a step change in the look and feel of public places and spaces to make them safer and more welcoming. This includes creating new spaces for relaxation and study, incorporating public art and improving legibility and wayfinding.

- **Green and Blue Infrastructure**: this theme focuses on creating new parks (including a new City Park on the Riverside), greening streets and the inner ring road and introducing water features to create a healthier environment.

- **City Living**: to bring back vibrancy, the City aims to create a sustainable housing market with a diverse range of high quality homes. These include creating a new urban village at Derby Riverside and supporting residential conversion in the historic core.

- **Accessibility and Connectivity**: the ambition is to reduce reliance on private cars by promoting sustainable transport options like public transport and active travel it also includes staining the inner ring roads to remove barriers between the City Centre and surrounding communities.

- **Heritage**: the vision treats Derby's built heritage as a significant economic asset. Efforts are aimed to focus on returning neglected heritage assets to sustainable use and protecting important views, particularly in the historic core.

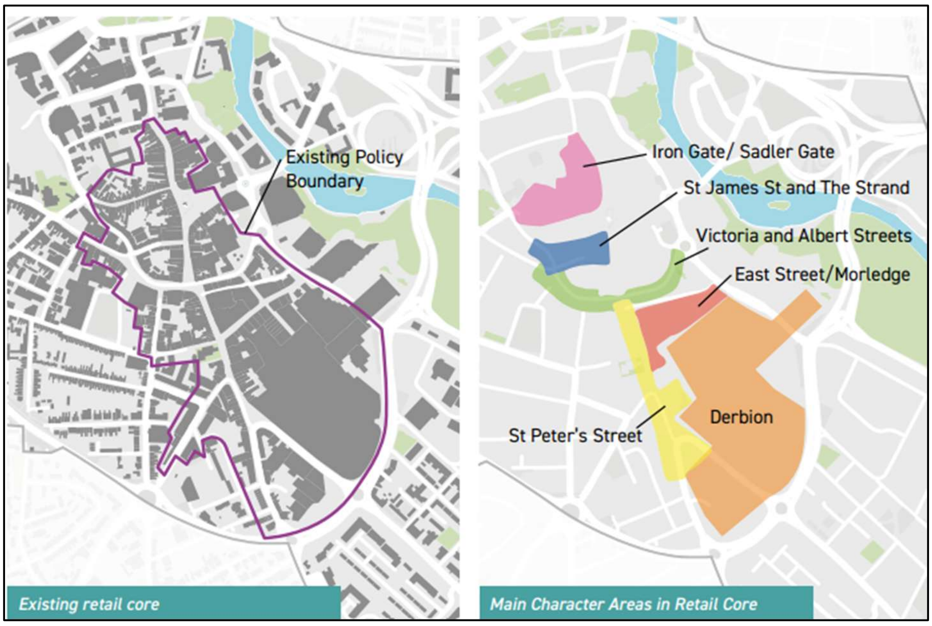
- **Design Quality**: all new developments are expected to meet consistently high architectural and spatial standards to improve the City's overall image and stimulate investment.

- **Learning**: the goal is to firmly establish Derby as a university City by supporting the university of Derby's growth in the City Centre including a new business school in the Agard Street area.

- **Business and Creativity:** this theme addresses the weak office market by defining a more focused central business district and encouraging specialised clusters such as the creative quarter for unique workspaces.

- **Shopping and Leisure**: acknowledging an oversupply of retail space and the recognition for repurposing some of it whilst maintaining the Derbion as the retail anchor. The plan is to concentrate shopping into a smaller area while diversifying users to include more leisure, art and food and drink options. It proposes revitalising the Market Hall, diversifying uses (culture, arts, offices, leisure, food, drink, university presence) and redefining retail designations and the PSA. It encourages tailored outlooks for the different parts of the centre and supports business adaptation through potential Enterprise Zone stats and incubator space and aims to strengthen early evening and night-time economies.

Figure 7: Shopping & Leisure: Principles & Ideas



Source: Towards a New Vision for Derby City Centre, Ambition (2022)

- **Delivery and Co-ordination** acknowledges that radical transformation requires long term commitment and co-ordination and that the proposed measures include creating a City Centre programme board and a senior officer posed to oversee regeneration.

SUMMARY

43. In summary, the underlying objective of national, regional and local plan policy is to maintain and enhance the vitality and viability of town centres, and to promote new sustainable development and economic growth in town centre locations 'first.' This policy objective is even more critical now as town centres and high streets are facing increasing economic challenges.

44. The reforms to the planning system issued by the Government including updates and changes to Permitted Development Rights (PDR) and the reform of the Use Classes Order (UCO) with much broader classifications (discussed later) require any policies that reflect the previous UCO classifications to be amended. It should be emphasised the changes have implications for the former designations of primary and secondary shopping frontages, as the control of shopping and service uses is legally less enforceable in commercial areas, as a change of use between Class E does not constitute development and will therefore not require planning permission and therefore an urgent requirement for the Council to update relevant policies to reflect national policy.

45. Given the current challenges that town centres are facing and the recent changes to national planning policy and guidance, it is important that local policy is relevant and fit for purpose. Any emerging policy will need to address key local issues including provision of new homes, employment opportunities and sustainability of town centres. It is no longer sufficient to view them solely through the lens of retail. As town centres evolve, the future will need to encompass a more diverse ecosystem trough adaptation and change to ensure their future vitality and vibrancy.

46. The emerging Local Plan seeks to strengthen the vitality, viability and competitiveness of all defined centres, prioritising them as sustainable locations meeting residents daily needs. In terms of town centre uses the emerging policy supports the sequential approach and impact considerations for retail and leisure proposals over 1,000 sqm gross. Derby City Centre remains the main focus for investment, regeneration and renewal and the Plan promotes development of underused brownfield land, supports climate adaptation and green infrastructure and encourages a diverse mix of uses to reduce vacancies and strengthen the leisure, cultural and retail offer of the City.

3. TOWN CENTRE TRENDS

47. This section summarises some of the key economic, consumer and property market trends that have driven the changes in the retail and leisure sectors over the last decade and how town centres can respond to these dynamic trends to remain competitive and enhance their overall vitality and viability in the future.

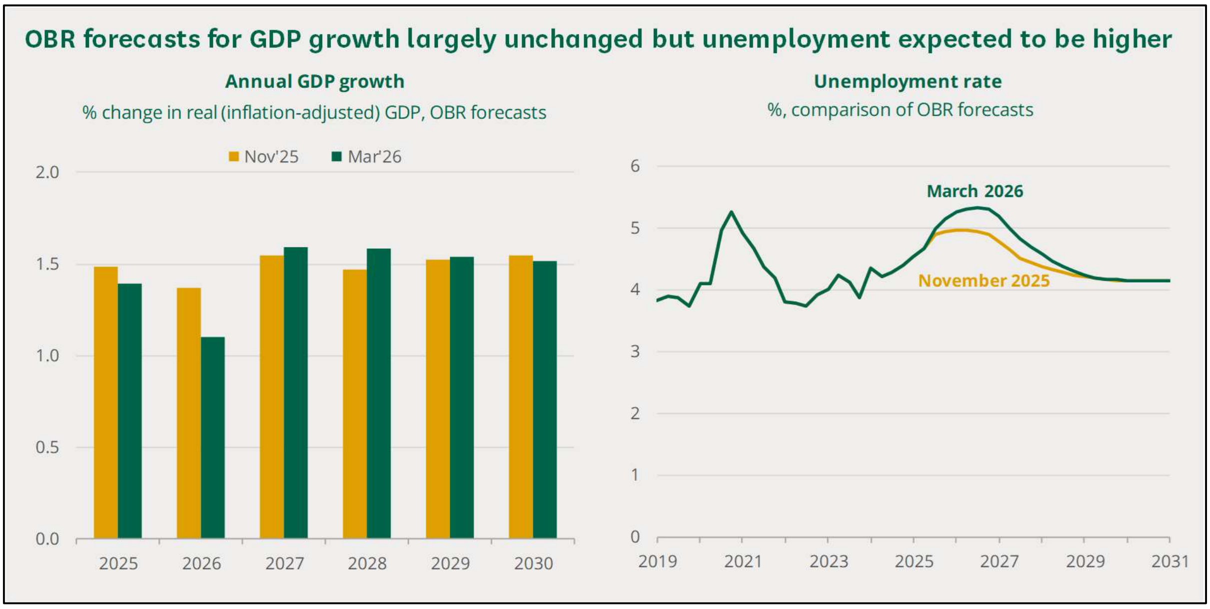
48. The pandemic created one of the toughest trading environments for the retail and leisure sectors and the post pandemic phase has been characterised by low growth, rising inflation and the cost-of-living crisis. This section details the impact of these factors on the commercial retail and leisure market.

UK ECONOMIC OUTLOOK

49. Over the past six years, the UK economy has endured multiple shocks including the COVID-19 pandemic, high inflation, elevated energy costs, supply chain disruptions, and trade tensions. This has been compounded by the recent crisis in the Middle East that is expected to compound the already fragile state of the economy.

50. This is reflected in the forecasts from the Office for Budget Responsibility (OBR) (Economic and Fiscal Outlook – March 2026) where it lowered its forecast for GDP growth for 2026 from 1.4% to 1.1%. This reflects weaker-than-anticipated GDP data at the end of 2025, higher unemployment and subdued business sentiment. OBR forecasts for 2027 and 2028 were raised slightly from 1.5% to 1.6% in each year. However, uncertainty remains high as global geopolitical disruptions and global trade policy remain highly volatile as well as uncertainties relating to UK labour force, GDP and productivity data.

Figure 8: OBR GDP Forecasts (Economic and Fiscal Outlook March 2026)



Source: House of Commons Library - 2026 spring forecast

51. Inflation, measured by the annual Consumer Price Index (CPI) Annual CPI inflation fell back to the Bank of England's 2 per cent target in mid-2024 – after a period of elevated inflation – as post-pandemic supply chain disruptions eased, and energy prices stabilised following their spike after the Russian invasion of Ukraine. However, inflation rose above target again in 2025. This reflected global pressures from renewed increases in energy and food prices, and domestic pressures from increases to administered prices and robust wage growth.

52. The OBR's central forecast, projects that CPI inflation will fall from 3.4 per cent in 2025 to 2.3 per cent in 2026, and 2.0 per cent from 2027 onwards. However it is widely anticipated that the Middle East conflict that has pushed up global energy and commodity prices will raise household bills and business costs causing near term inflation to rise.

53. Experian Business Strategies (Experian) predict in their latest Retail Planner Briefing Note 23 (March 2026) (**'RPBN 23'**) that GDP growth is expected to grow 'mildly' in 2026 aided by the front-loaded nature of the Government's spending plans announced in the 2025 Autumn Budget. Additionally, retail sales growth is anticipated to continue to grow modestly, particularly in the comparison category which will see positive effects from rising real discretionary incomes.

RETAIL SPENDING

54. The latest Experian forecasts from RPBN 23 for retail spending per capita show:

- **Convenience goods**: The impact of COVID-19 resulted in a significant +7.2% surge in spend per head in 2020 but a contraction of -1.2% in 2021. This followed negative growth of -0.4% between 1998 and 2024. The overall level of negative growth in convenience goods spending has had a significant impact on the grocery sector and on retailer business models. Experian reported a fall in convenience spend in 2023 (-5.1%); 2024 (-2.8%); and 2025 (-1.5%). With no growth projected over the medium term to 2032 and beyond over the longer term to 2041.
- **Comparison goods**: Experian figures show negative growth to 2025 (-9.4% in 2023, -0.5% in 2024; -0.5% in 2025). The predicted (per capita) growth for 2026 is 1.2%, 1.8% in 2027, which will settle at around +2.5% to 2032 and to +2.6% up to 2041. The longer-term growth forecast is higher than the historic long-term trend (1998-2024) of +2.4% per annum.

55. These expenditure growth trends, and forecasts, have informed the updated assessments of retail capacity. Clearly any further dampening of growth rates over the short to medium term due to external shocks such as rising inflation and the cost-of-living crisis will have implications for the viability of existing retail businesses and the demand for new space. Experian's expenditure and productivity growth only provide forecasts to 2041 and as such, we have assumed the same rate of growth over the period to 2043 for this assessment.

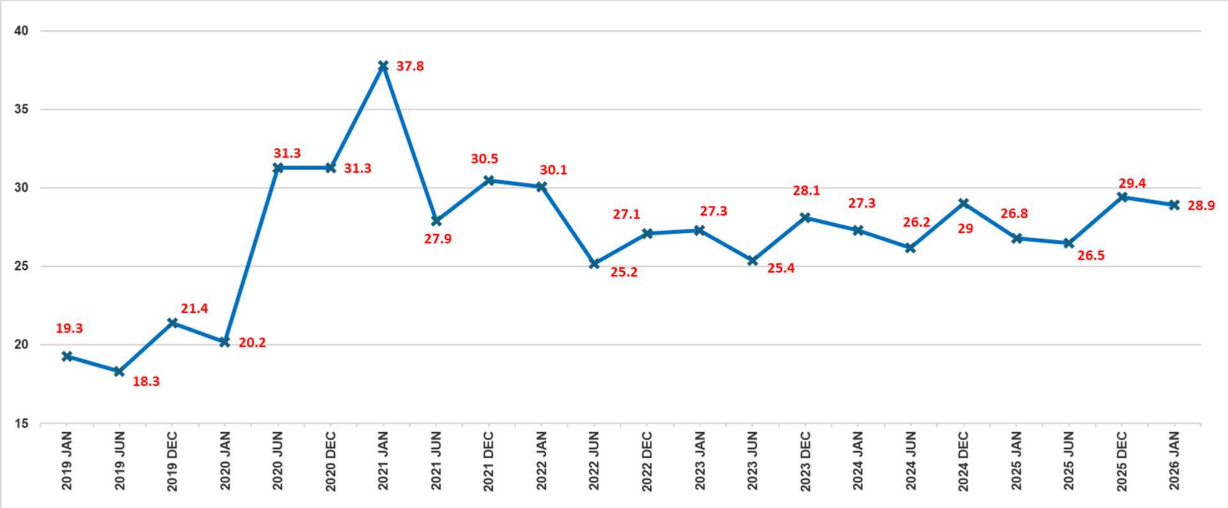
ONLINE SHOPPING

56. The growth in non-store retail sales has undoubtedly had the most significant impact on consumer spend and behaviour over the last decade, and on our High Streets and traditional shops. Non-store retailing is commonly referred to as Special Forms of Trading (SFT).

57. This comprises all non-store retail sales made via the internet, mail order, stalls and markets, door-to-door and telephone sales. On-line sales by supermarkets, department stores and catalogue companies are also included in the data collected by the Office for National Statistics (ONS).

58. ONS figures show that as a percentage of total sales, online retail sales accounted for up to 28.9% of sales in January 2026. The graph also shows the steep increase from 20.2% in January 2020 to 37.8% in January 2021. Overall, the trend suggests that since 2020 online accounts for between a quarter to a third of the amount spent on retail goods. This compares to less than 5% in 2008.

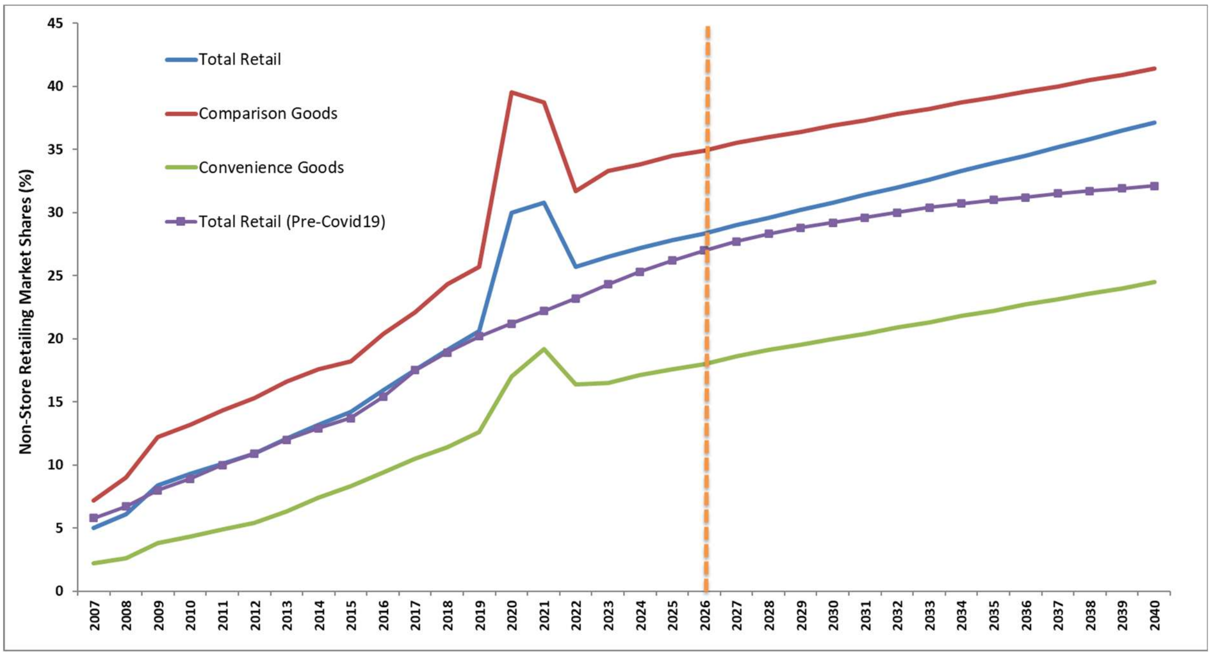
Figure 9: Internet Sales as a Percentage of Total Sales (%) (to January 2026)



Source: ONS: Retail sales, Great Britain: March 2026

59. As the figure below from Experian shows, SFT's overall market share (as a proportion of total UK retail sales) increased from 5% in 2006 to 30% in 2020. In other words, online accounted for almost one in every three pounds spent on retail goods in 2020. Of this total non-store retail sales, Experian estimate that comparison and convenience goods retailing achieved market shares of 39.5% and 17% respectively in 2020. They further estimate that total retail in 2026 will 28.3% whilst comparison and convenience goods retailing will attain market shares of 34.9% and 18% respectively in 2026.

Figure 10: Estimated and Projected Market Shares of Non-Store Retail Sales (SFT), 2007-2040 (Not Adjusted)



Source: Experian Retail Planner Briefing Note 23 (March 2026)

60. The latest Experian forecasts indicate that total SFT market shares will increase to 37.1% by 2040. Comparison and convenience goods non-store retail sales are forecast to reach 41.4% and 24.5% respectively by 2040.

61. According to Experian, the rising share of internet sales in total retail transactions is the key trend. The ease of online purchasing has also continued to improve rapidly, with technological advances, particularly around smartphones and connectivity. Faster delivery times, including same day delivery, and easier returns processes have also encouraged the trend. The expansion of 5G and fibre networks should ensure the momentum is maintained over the medium term. The proliferation of the buy now pay later business model and price tracker sites is also supporting growth.

62. With the growth predicted in online sales and market shares, it is clear that high streets, town centres and physical retailers will need to thrive by focusing on their strengths. This will be through offering a diverse mix of retail and services, specialist shops, food and drink venues, nightlife, leisure and residential to retain their existing customer base and attract new customers over the short, medium and long term.

63. In terms of forecasting the potential capacity for new physical retail floorspace, Experian estimate that approximately 25% of all SFT sales for comparison goods and 70% for convenience goods are still sourced through traditional ('bricks-and-mortar') retail space, rather than through 'virtual' stores and/or 'dot com' distribution warehouses. On this basis, Experian adjust their SFT market shares downwards for total retail to 18% in 2026, 19.8% by 2030 and 24.4% by 2040. In

line with standard approaches these adjusted / recalibrated market share figures are preferred for retail capacity assessments and used in this assessment.

64. In summary, both retailers and high streets will need to compete for shoppers and expenditure through a variety of means including creating experiences that will attract the interest and attention of potential consumers across all age and socio-economic groupings.

RETAILER BUSINESS MODELS AND REQUIREMENTS

65. The recent challenging economic conditions and growth in online sales have had a significant and permanent impact on consumer shopping and spending behaviour. Retailers in the recent past have faced challenges across the supply chain, inflationary pricing, economic uncertainty and geo-political factors.

66. This has created significant challenges for traditional "bricks-and-mortar" retailing and the high street. Consequently, national multiple retailers are having to constantly review and rapidly adapt their business strategies, requirements and store formats to keep pace with the dynamic changes in the sector and consumer demand. As retailers adjust to "new normal," a seamless experience and hybrid shopping are shaping the future of retail; the key trends that will impact the industry include:

- Hybrid or 'Phygital' (physical and digital) shopping – Retailers want to deliver a seamless experience across all shopping methods, including online, in-store, mobile devices, social media, live streaming and shopping and virtual storefronts.
- Use of Artificial Intelligence (AI): using AI in augmented chatbots to aid customers with product inquiries, sizing questions, and order tracking, further enhancing the customer experience. Retailers are leveraging AI and big data to offer highly personalized shopping experience through product recommendations and personalised promotions.
- Social media sentiment monitoring is collecting and analysing information about a retailer or brand on social media. Actively engaged on social media, retailers are able to better understand data about their customers' sentiments, preferences, and attitudes toward their company and its competitors. Social media and e-commerce are converging, enabling brands, influencers and other sellers to pitch products directly on social platforms in an engaging way, creating stronger consideration and higher conversions to online sales.
- Physical retail stores and websites are becoming increasingly crucial as sources for additional advertising revenue for retailers. 'Click-and-collect' and 'Buy Online, Pick Up In Store' (BOPIS), enables retailers to make the transition between online and in-store frictionless.
- Changes to retail formats and design – retailers are testing different formats as well as including new offerings on the click and collect method such as IKEA opening a store on Oxford Street.
- Changes in consumer behaviour – the growing trend in repair, recycling, reuse, and thrifting is set to grow i.e. circular economy initiatives. This is seen

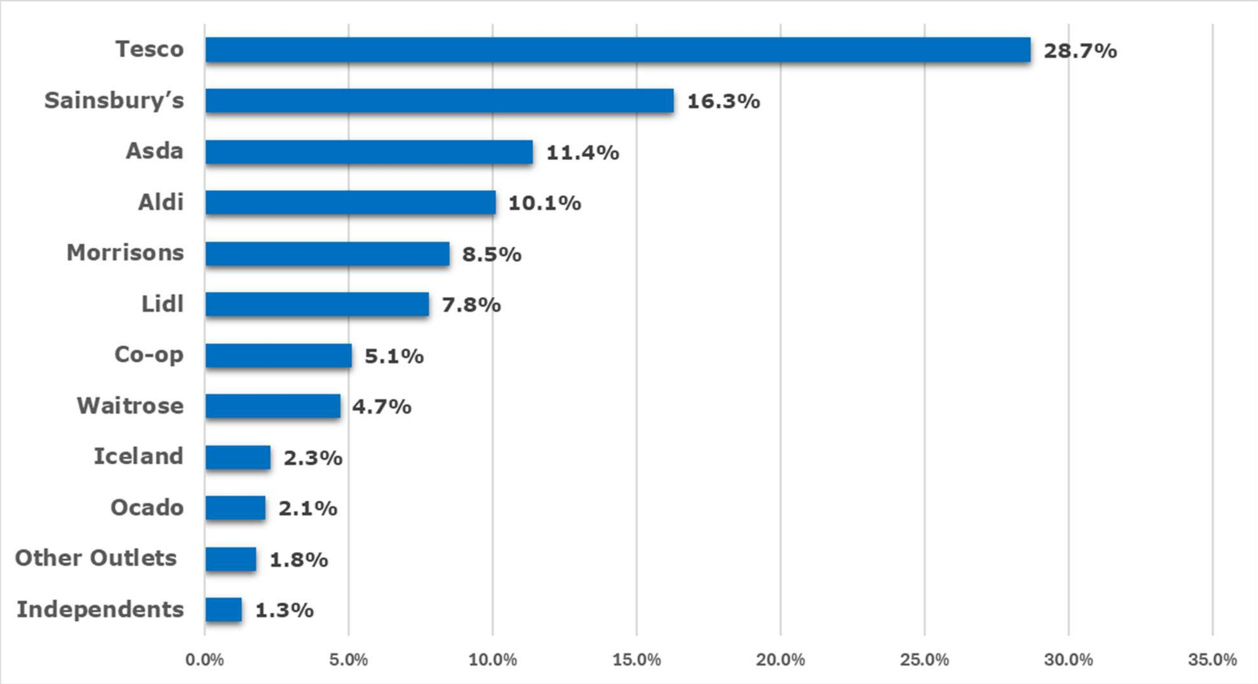
in the rise of the popularity of second-hand shops, vintage clothing and markets, and charity shops once again. Consumers - especially younger generations - are placing more importance on eco-friendly packaging, sustainable sourcing and transparent supply chains.

67. As previously mentioned, CPI remains above target level and the renewed cost of living crisis is affecting discretionary spending this will affect retailers who are facing margin pressures from labour costs and business rates.

68. These dynamic trends are best illustrated by the changes in the grocery sector over the last decade. Historically, the top 5 main grocery operators have been Tesco, Sainsbury's, Asda, Waitrose and Morrisons who dramatically changed their business models; their focus has been on growing market share through online sales and new smaller convenience store formats (including Tesco Express, Sainsbury's Local, Asda Express and Little Waitrose). As a consequence, applications for large store formats have slowed to a virtual standstill over the last decade and extant permissions have not been implemented.

69. Previously outside of the so-called top 5 grocers, the 'deep discount' food operators (namely Aldi and Lidl) have significantly increased their respective market shares through new store openings. In fact, Aldi has now replaced Morrisons to be in top 5 league.

Figure 11: UK Grocery Market Share



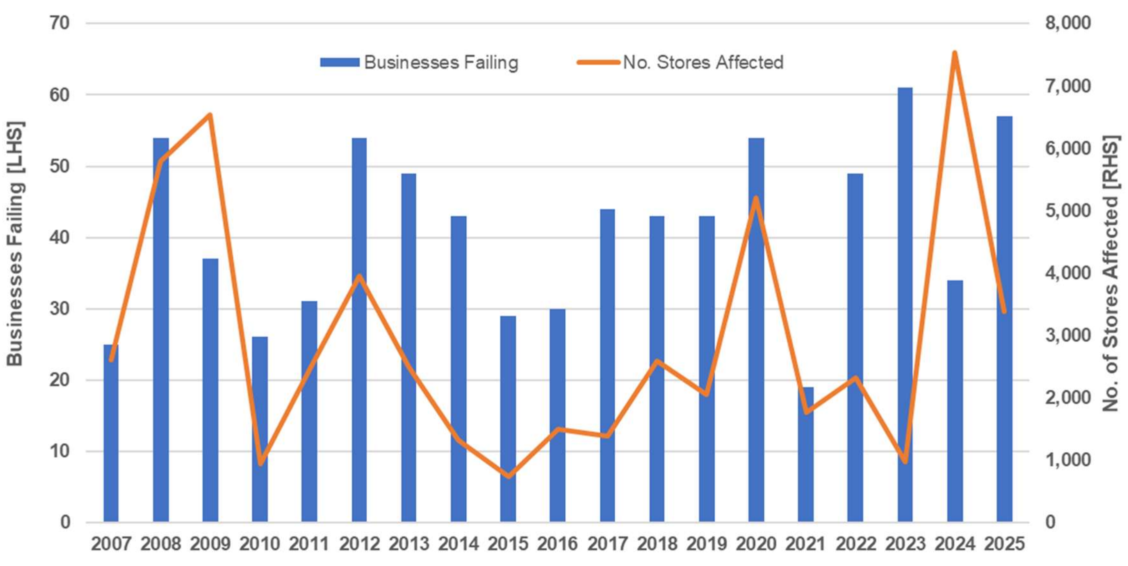
Source: Kantar (January 2026)

70. The non-food retail sector has also experienced a significant impact from the rise of online shopping over the last decade, which has impacted on business models and store viability. Many well-known retailers have either closed or have significantly reduced their store portfolios. Contributing factors included reduced

financial support post-COVID-19, rising operational costs, and the shift towards online shopping.

71. The latest industry research shows that over 971 closed stores in 2023 due to businesses entering administration, with almost 21,000 jobs lost. This compared with 5,200 store closures in 2020, and over 109,000 job losses. At the end of 2025, there were 3,380 store closures with almost 32,600 job losses. These numbers included shop closure numbers for major chains such as Claire's Accessories, LK Bennett and The Original Factory Shop during this period.

Figure 12: Major Retail Failures (2007 – 2025)



Source: Centre for Retail Research (January 2026)

72. National retailers with extensive high street store portfolios are struggling to maintain market shares and remain profitable in the increasingly competitive environment. The higher costs of trading from high streets compared with online and out-of-centre retailing, also means that it is not a "level playing field." This is a further contributing factor to the sizeable number of store closures that have occurred over recent years.

73. In summary, although some retailers are better positioned to cope with the growth in online shopping and the shifts in consumer behaviour and preferences, many are struggling to position themselves quickly enough to absorb rising costs and engineer the vital transition to a more technology-focussed business model. However, the adoption of these technologies by small and medium sized enterprises enables them to reach out to consumers beyond their immediate catchment and to understand consumer preferences and trends better. Notwithstanding this, it is recognised that it is not a level playing field especially in terms of costs for adoption and overall digital literacy.

RISING OCCUPANCY COSTS

74. 'Bricks and mortar' retailers are having to absorb higher than inflation increases in year-on-year occupancy costs (for example, rents, business rates, service charges, utility bills, staff costs, etc). This outpaces sales growth for many retailers, eroding profitability and resulting in more store closures.

75. As described above it is not a "level playing field" between high street and online retailing, or between high street and out-of-centre retailing. In response to the budgetary challenges from rising costs and tight margins, retailers will need to drive up efficiencies and productivity from existing floorspace to remain viable.

76. It is standard practice for retail planning assessments to make a reasonable and robust allowance for the year-on-year growth in the average sales densities of existing and new (comparison and convenience) retail floorspace for it to remain vital and viable. However, there is limited evidence detailing actual changes in the turnover and profitability of retailers over time.

77. The latest Retail Planner Briefing Note (RPBN 23) (March 2026) provides forecasts of annual floorspace productivity growth rates up to 2041 based on two different scenarios: (i) the 'constant floorspace scenario', based on limited potential for new retail development, resulting in greater efficiency of existing floorspace; and (ii) the 'changing floorspace scenario', which takes account of the impact of new retail development on average retailer sales performance. The table below sets out the differences between the two scenarios.

Table 1: Floorspace Productivity Growth Rates (year-on-year growth %)

	2024	2025	2026	2027	2028 2032	2033 2041
CONSTANT FLOORSPACE						
Convenience Goods	-3.4%	-1.9%	0.1%	0.0%	0.1%	0.1%
Comparison Goods	0.4%	0.9%	1.5%	1.9%	2.5%	2.5%
CHANGING FLOORSPACE						
Convenience Goods	-3.4%	-0.7%	0.0%	0.0%	0.0%	-0.1%
Comparison Goods	0.4%	-0.2%	1.3%	1.8%	2.3%	2.3%

Source: Experian Retail Planner Briefing Note 23 (March 2026); Figures 3a/3b and 4a/4b

78. As Experian explain, sales density growth rates have been volatile in recent years given sharp swings in retail spending due to temporary closures in businesses during the pandemic, and subsequently the impact of high inflation. There is anticipated growth in sales density in 2026 as retail sales volumes rebound, driven by the comparison component, aided by mildly improving consumer affordability. However, over the medium and longer term, budgetary challenges from rising costs and tight margins will be a key factor underpinning floor space efficiencies over the coming years. These results reflect national trends and there will be marked differences between local areas.

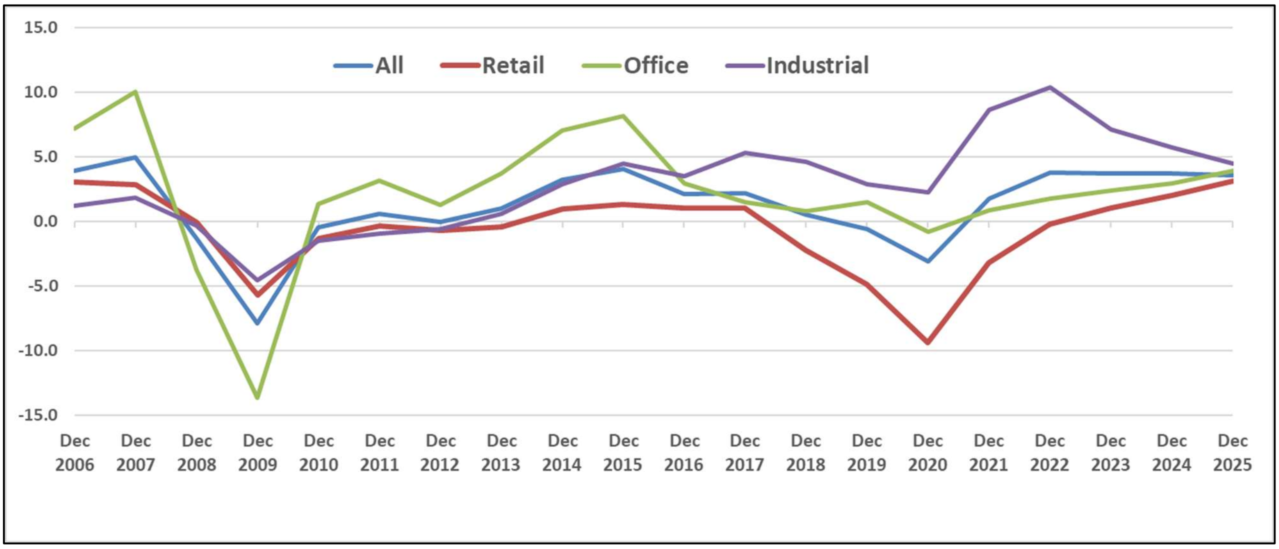
79. On this basis, budgetary pressures mean that retailers will have to increase efficiencies from current floorspace including through redevelopment/repurposing of existing floorspace; adoption of modern technology and innovations; more

effective marketing strategies; and adopting an 'omni-channel' strategy (refers to the integration of different methods of shopping available to consumers e.g. via the internet, in a physical shop, or by phone) that uses internet sales to increase the sales performance of physical shops. This is against a backdrop of weak demand for retail property, high vacancy levels and a significant fall in new retail-led development in centres across the UK.

80. For these reasons we prefer to test higher **'constant floorspace productivity'** growth rates for retail planning assessments, as they better reflect national trends and the need for existing retailers to increase their sales potential and profit margins to remain viable.

81. Demand for retail space in centres across the UK has fallen dramatically since 2007 and is currently at an all-time low. In turn this fall in demand is impacting on property values and rents. As shown below the retail sector has performed poorly compared with the other property sectors with its origins back to the economic crisis in 2007/08. This trend was exacerbated by the pandemic and the cost of living crisis.

Figure 13: Property: Average Rental Growth (2006-2025) (%)



Source: MSCI UK Quarterly Property Index (March 2026)

82. One of the obvious impacts of the difficulties experienced within the retail sector is the fall in retail rental values. The larger retail groups have enjoyed a particularly strong negotiating position, and lease events represent an opportunity to reduce costs and increase flexibility. Over the past eighteen months we have experienced multiple retailers seeking some or all the following lease provisions when agreeing lettings:

- An increase in rentals linked to turnover as opposed to contracted rents linked to market rental value.
- Where rent reviews are to market value a cap as to the quantum of any future increase.
- Shorter leases and regular tenant break options.
- Capped increases to service charge.

- Pandemic clauses with rent cessation provisions in case of forced closure.
- Larger incentive packages, including capital contributions.

83. Overall, many centres and shopping locations across the UK simply have too much retail floorspace stock, or they have the “wrong type” of retail floorspace that does not meet the needs of modern national retailers for larger format shop units.

84. LSH’s research together with REVO titled ‘**Shaping Tomorrow’s Places’** (June 2025) provides a barometer of the main issues and challenges facing our centres, and the opportunities and potential interventions available (&/or needed) to support their future recovery, reinvention and renaissance.

85. This research indicated that business rates have consistently been identified as one of the main challenges impacting on the viability of our centres alongside an oversupply of retail space and the growth of online retail spend.

86. This over-supply of retail floorspace and limited market demand is placing further pressures on the viability of existing stores and shopping centres. In turn, this makes it difficult for landlords, investors and retailers to justify additional capital expenditure.

OUT-OF-CENTRE RETAILING

87. The development and take-up of food and non-food out-of-centre space has also slowed over recent years, in line with the trends impacting on high streets and town centres. The main grocery retailers have pulled back from new larger format superstore openings in edge and out of centre locations to focus on maintaining and increasing market shares through online sales and opening smaller convenience outlets. The exception to this is the discounters, Aldi and Lidl, who continue to seek new sites in mainly edge and out-of-centre locations.

88. Notwithstanding this, most out-of-centre shopping locations retain their significant competitive advantages over town centres and high streets in terms of their supply of larger format modern outlets, ease of access, their lower occupancy costs, extensive free parking as well as their ability to serve as last-mile delivery hubs. This remains an attractive proposition for those retailers that are still seeking space in the current market. For example, as part of its revised business model Marks & Spencer has closed a number of its traditional high street stores and “replaced” these with ‘Simply Food/Food Hall’ branded stores in out-of-centre locations.

89. The latest Investment Property Forum (IPF) Consensus Forecasts, published in March 2026, indicates that shopping centre rental growth is estimated at 1.8% for 2026. Retail warehouses are forecast to grow at 2.3%, while standard retail is projected to see growth of 3% in 2026.

VACANCY RATES

90. At the end of 2025, the national average vacancy rate for retail stood at c.13.5% (a decrease from 14% in 2023). The current rate is still higher than the pre-pandemic (Q4 2019) level of 12.1%, so the sector has yet to fully recover.

91. Over the past five years, retail parks and shopping centres have shown an overall decline in vacancy rates, while high streets have experienced an increase. From a vacancy high of 19.4% in the second quarter of 2021, shopping centres dropped to c.16.5% at the end of 2025.

92. The LSH/Revo survey has consistently identified there is too much retail floorspace in the UK. As a result, centres and locations are competing to attract limited occupier interest. There is also competition to secure public and private sector investment to help deliver critical redevelopment and regeneration projects.

USE CLASSES ORDER & PERMITTED DEVELOPMENT RIGHTS

93. The Government has issued a series of reforms to the planning system since 2020. Effectively, changes to the use classes were brought in to provide a more flexible approach to controlling commercial land uses. This saw the replacement of Use Class A1 to A5, D1 and D2 with E Class (Commercial), F1 (Learning and Non-Residential) and F2 (Local Community Uses) and the restructuring of sui generis uses (public houses, hot food takeaways, cinemas, music venues, bingo etc.).

94. The result of these changes is that what would previously be a change of use under the subsumed use classes is no longer considered development under the Planning Acts and accordingly is no longer subject to planning control. In launching the reforms, the Government announced that the regulations will give *"…greater freedom for buildings and land in our town centres to change use without planning permission and create new homes from the regeneration of vacant and redundant buildings*" (source: Prime Minister's Office Press Release (30/06/2020) 'Build, Build, Build').

95. The impact of the changes will still require the definition of a town centre boundary and a primary shopping area, or a primary 'commercial' area to be the foci for E and F Classes. Also, in most instances the former use classes can be 'translated' into the equivalent categories within the new E and F Classes. This can assist with the interpretation of policy wording and the effective use of conditions. It is worth noting that under the previous use-class system such categories as convenience, comparison (and bulky) goods fell within the A1 use-class and there is a long-established planning pedigree of reflecting these A1 retail categories effectively in planning conditions.

96. The changes have implications for primary and secondary shopping frontages, as the control of shopping and service uses is legally less enforceable in commercial areas, as a change of use between Class E does not constitute development and will therefore not require planning permission. It should be noted that the effectiveness of frontage policies was declining before the pandemic and previous

changes to the UCO. However, there may still be a role to control some sui generis uses in key town centre locations, such as provision of fast-food takeaways, betting shops, payday loan shops or other uses that are justified to be subject to planning control.

97. Hence town centres are likely to consolidate their retail and shopping role with more emphasis on place and non-transaction uses, this could include high activity-based land uses such as health or education being located in more central locations and stem previous trends of decentralisation.

98. The increase in city living and residential development in town centres is likely to be a growth area in the next 10 years and could be a positive regenerative mandate. We also expect more emphasis on residential upper floor living accompanying ground floor commercial uses. For example, vacant space can be repurposed to rebalance the existing mix of uses, with a greater emphasis on residential, office and leisure.

99. The introduction of Class AA and AB in August 2020 (under the Permitted Development Changes (Amendment No. 2) (2020)), allowing new residential on detached or terrace buildings in commercial or mixed-use areas could potentially lead to the loss of commercial floorspace to residential.

100. Furthermore, the Town and Country Planning (General Permitted Development etc.) (England) (Amendment) Order 2021 (Order) that came into force in August 2021 created a new class of permitted development right (Class MA) into the Town and Country Planning (General Permitted Development) Order 2015 (GPDO) authorising changes of use from Use Class E commercial uses to Use Class (C3) residential.

101. For any application submitted on or after 5 March 2024, there is now no limit to the floorspace that can be converted under Class MA and there is no requirement for the building to be vacant for three months.

102. These changes replace existing retail, light industrial and office to residential rights with rights applying to all of the relatively recent Use Class E in which those uses now sit. Exercise of the right is subject to prior approval by the local planning authority and therefore would be subject to some planning control. Details must be submitted relating to flooding, transport, contamination, noise amenity, natural light, fire safety and agent of change issues.

DERBY CITY COUNCIL AREA IN CONTEXT

Location

103. Derby City council area Is located in the East Midlands at the northernmost part of the region and Derby City is one of the core three cities (together with Nottingham and Leicester) acting as a regional centre for employment services and transport.

104. Derby is close to the strategic motorway network, with the M1 (J24/J25) to the east, connecting north-south between London, the East Midlands, South Yorkshire and beyond.

105. The A52 provides the main dual carriageway link east-west between Derby and Nottingham, tying the city into the wider Derby-Nottingham corridor.

106. Derby railway station lies on the Midland Main Line forming a principal hub between London St. Pancras in the South and Sheffield in the North.

107. East Midlands Airport at Castle Donington is a short drive from the city which offers flights for commercial passengers and is also a dedicated cargo airport.

Figure 14: Derby City Council Area in Context

Source: OpenStreetMap (2026)

Council Plan 2025-28

108. The Council's Corporate Plan sets out priorities and outcomes for the future based on the following themes:

- **Inclusive City** - for all people;
- **Green City** - promoting a sustainable Derby for future generations;
- **City of Growth** - creating a modern city, with jobs, skills and homes for the future;
- **Vibrant City** - reimagining the city with culture and diversity at its heart; and
- **Connected Council** - to deliver efficient, integrated and accessible services.

109. In relation to theme of 'City of Growth' the plan aims for a modern, thriving city by attracting investment, growing quality jobs, improving skills especially for young people, and delivering more affordable homes.

110. Whilst on the theme of 'Vibrant City' the plan refers to transform the city centre into a vibrant, diverse cultural destination by delivering key regeneration projects, strengthening the cultural and visitor economy and creating high quality places to live, work and visit. The 'visible' changes cited include major venue reopenings (Vaillant Live, the refurbished Market Hall and Guildhall, as well as a revamped Derby Theatre), improved public spaces and streets, new development plans for key areas, increased footfall, safety and a more sustainable cultural offer.

Broad Economic Profile

111. **Population**: Derby has an ethnically diverse population of approximately 274,100 as of 2024 (source: Derby City Council website). The city has a relatively young median age of 37, with 20% aged 15 and under, although the population is ageing.

112. **Attainment**: According to ONS data from Nomis (2026) some 7.1% of residents aged 16 and above have no qualifications in the Council area. Of the remainder, 43.6% have a level 1, 2, 3 or 4 qualifications. This is lower than the Great Britain average of 47.2%.

113. **Employment:** Derby has a workforce of around 138,000 employee jobs reflecting a diverse local economy. The top three employment sectors being:

- Human health and social work - 17.4%
- Manufacturing - 15.9%
- Wholesale and retail trade (including motor vehicle repair) - 12.3% (Source: Derby City Council)

114. Derby's **economy** is historically and structurally shaped by advanced manufacturing particularly aerospace and rail engineering. Manufacturing's strong presence underpins Derby's role as one of UK's leading high skill engineering hubs. Other growing sectors include:

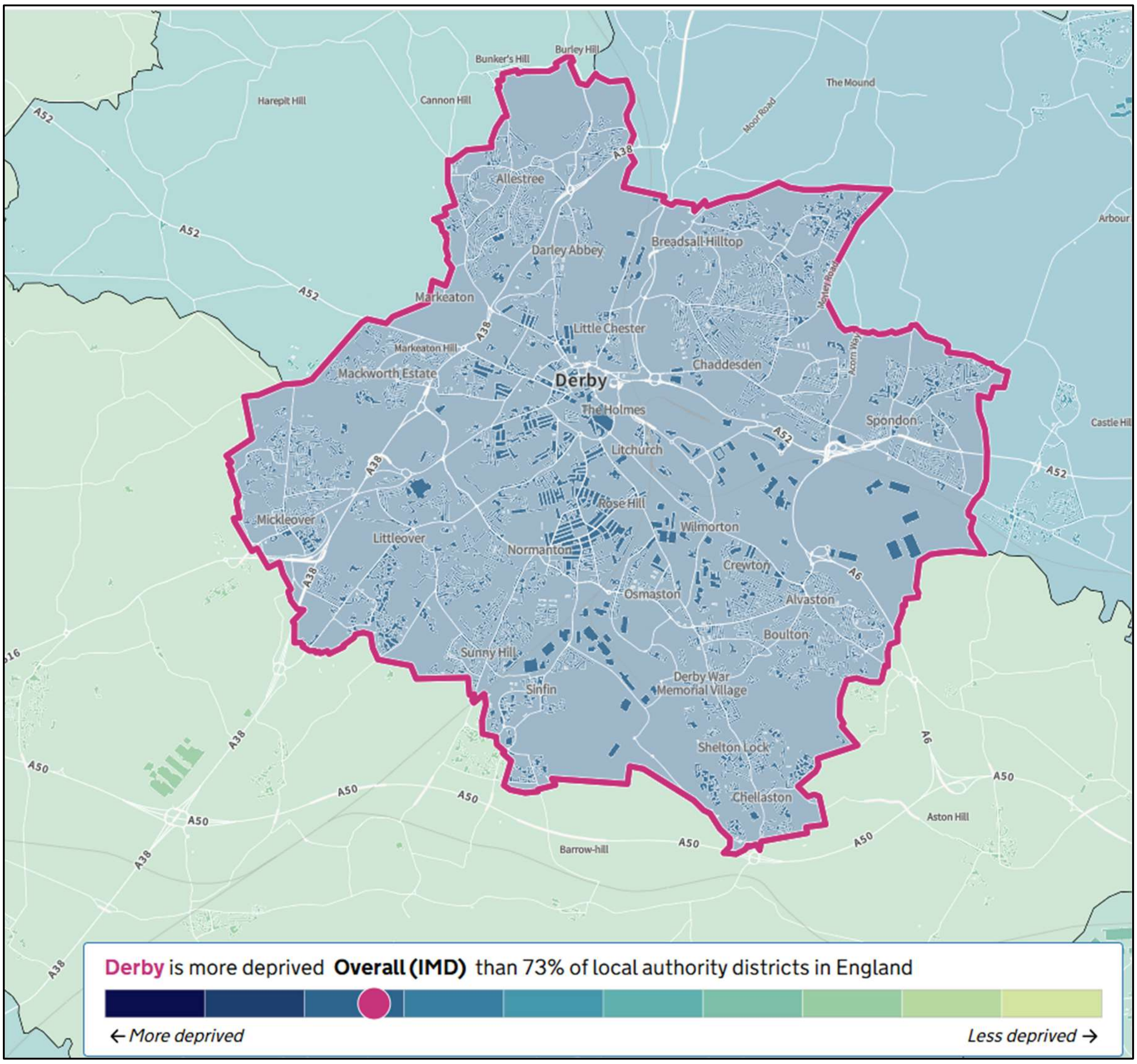
- health and social care, supported by a large local NHS presence.
- retail and logistics connected to Derby central Midlands location.
- public administration, education and community services.

115. **Earnings:** The gross average earnings for full time workers stand at £794.60/week which is above the GB average of £766.60/week (source: Nomis, 2026).

116. **Deprivation:** Derby ranks 57th out of 296 English local authorities on the 2025 Index of Deprivation (IoD) indicating moderate to high deprivation relative to the rest of the country. The Council's website refers to income related indicators economic challenges specifically that;

- 28% of children 8 to 15 are in absolute low income families.
- whilst 32% are in relatively low income families

Figure 15: IoD Within Derby City Council Area



Source: https://deprivation.communities.gov.uk/

117. **Housing**: In terms of housing, ONS Census (2021) data from Nomis showed, 31.6% of households owned their dwelling outright, 28.2% owned their dwelling with a mortgage or a loan or in shared ownership, 21.4% were private renters, and 18.8% were social renters. The delivery of more affordable homes is a key priority for the Council as stated in its '*Housing Strategy, 2020-2029'*. The broad aim is to maximise the supply and quality of suitable homes across tenures, while supporting broader goals around health and wellbeing, economic growth and regeneration. The four key priorities identified are:

- Priority 1: Best Use of Stock: getting the most out of the homes that already exist;
- Priority 2: Housing Quality and Standards: well-designed, well-managed, decent homes
- Priority 3: Vulnerable People - providing suitable accommodation for vulnerable groups, linked where necessary to specialist support.

- Priority 4: Housing Development and Regeneration - supplying a range of new housing that meets need and contributes to urban renewal.

118. The housing strategy also refers to the affordability of accommodation and the '*need to ensure a ready supply of affordable housing to meet the needs of the city and ensure all Derby's residents have access to good quality homes*.'

119. **Visitor Economy**: According to the *Derby Destination Management Plan 2020 – 2025*, Derby attracts more than 8million visitors a year (day and staying visitors). They contribute £426m to the local economy and support 5,000 jobs. The strategy outlines three key strategic objectives for increasing the value of the visitor economy and the planned outcomes as a result of achieving these:

- Objective One: Support new product development that will increase visitor numbers, reach new audiences, enhance the visitor experience and/ or improve Derby's reputation.
- Objective Two: Advocate for the visitor economy to inform and influence policies, planning and development of the city.
- Objective Three: Communicate a clear identity for the City of Derby that accurately expresses the unique and authentic visitor experience.

SUMMARY

120. Today, many of our traditional towns and shopping centres simply have too much retail space. The critical challenge over the short, medium and long term will be how to retain existing businesses, fill/replace the voids and attract new investment. The danger is that an increase in long-term vacancies in centres will lead to a 'spiral of decline,' which will further engender feelings of neglect and lack of investment confidence in town centres, and "push" more people to shop online.

121. Our towns, traditional high streets and shopping centres have been challenged for more than a decade by falling market demand, rising occupancy costs and increasing competition from online and out-of-centre shopping. As online spending has increased, the demand for physical retail demand has been impacted.

122. The Council area has a young and growing population, but challenges remain in terms of attainment and deprivation. Furthermore, the area is not immune from national and geopolitical challenges including the aftermath of the pandemic and the cost-of-living crisis. Affordable housing is also a priority and a key issue for the future.

123. Residential provision in centres is already being encouraged, including by previous national planning changes (such as office to residential conversions through prior approval, and permitted development for two flats above a shop), and through emerging local development plan policy. As a result of the increasing drive towards more flexible planning through changes to the Use Classes Order and Permitted Development Rights, there will inevitably be more mixed-uses within centres particularly residential, and this should be encouraged and planned for through enabling planning policies.

124. It will be important to maximise intergenerational residential provision in the most sustainable locations, particularly in centres, as part of a balanced mix of uses. The LSH / REVO research mentioned previously also indicated that providing mixed tenure homes in and on the edge of centres is recognised as key to delivering more viable and resilient town centres. Therefore, consideration needs to be given to planning policies and allocations enabling the growth of other uses, such as education, leisure and recreation, within centres, which, along with residential, are particularly positive in terms of enhancing the vitality of centres.

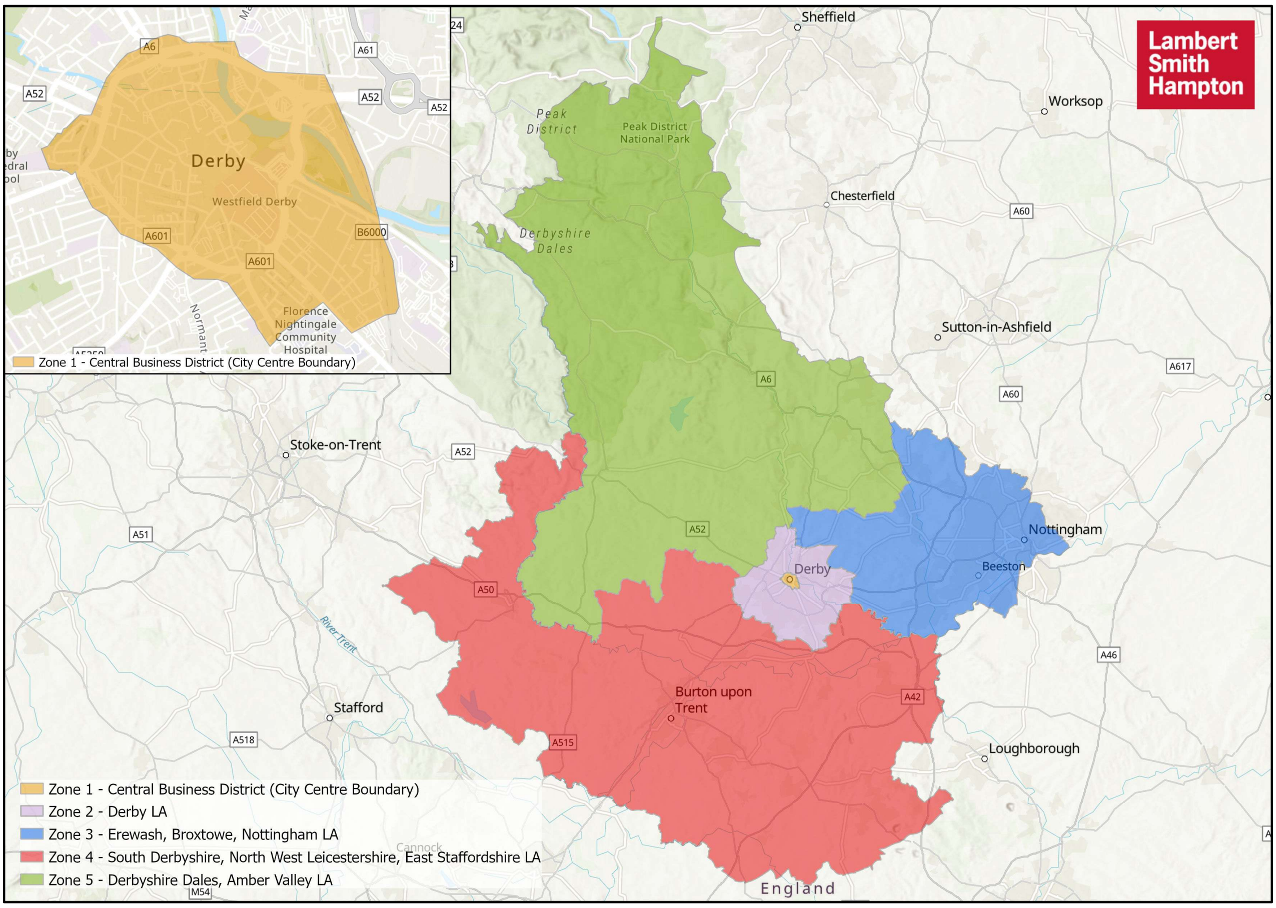
4. CATCHMENT, COMPETITION & MARKET SHARES

125. This section describes the Catchment ('Study') Area that has been adopted as the framework for this study. It then sets out the headline findings of the Experian Insights transaction data, to identify where households normally shop for diverse types of convenience ('food') and comparison ('non-food') goods.

STUDY AREA DEFINITION

126. The definition of an appropriate Study Area is an important starting point for retail and town centre assessments. The defined Study Area is based on local authority boundaries and it covers the entirety of the Council area in full, as well as extending into neighbouring authorities. The figure below illustrates the full extent of the Study Area and zones (also refer to **Volume 3; Appendix 1**).

Figure 16: Study Area



127. The Study Area and zones are used to inform the level of expenditure retained by identified settlements within each zone. Aggregated expenditure for smaller centres and standalone locations is classified under 'Other Zone' for each zone.

128. In terms of the constituent zones, **Zones 1 and 2 represent the broad Derby City Council area**, whilst the rest of the outer zones are the surrounding local authorities. The composition of the area can be described as follows:

- **Zone 1** covers the broad Derby City Centre boundary;
- **Zone 2** covers the remainder of the Derby City Council area.
- **Zone 3** covers the Erewash, Broxtowe and Nottingham local authority areas.
- **Zone 4** covers the authority areas of South Derbyshire, North West Leicestershire and East Staffordshire**.**
- **Zone 5** covers the authority areas of Derbyshire Dales and Amber Valley.

129. The primary focus of the market share assessment and resulting capacity exercise is focussed on the Derby City council area (Zones 1 &2).

EXPERIAN INSIGHTS DATA

130. To provide the necessary information on expenditure patterns in the defined Study Area data has been obtained from Experian Insights as an alternative to undertaking a household survey of a sample of local residents.

131. Experian Insights uses actual transaction data from 4 million customers across the UK. This information can be used to identify how much money is spent in specified locations and the origin of that spend (i.e. customer home location), using different levels of geography and against typical retail and leisure categories. This allows a detailed understanding of actual customer behaviour.

132. To better understand expenditure outflows from the area, expenditure from each of the zones to the key competing centres is also assessed, along with all other leakage to competing centres within and outside of the Study Area.

133. The table below sets out the settlements, including town centres (denoted as TC), out-of-centre retail locations (denoted as O-o-C), and other locations that are considered in the analysis.

Table 2: Retail and Leisure Locations by Study Area Zones

Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Outside the Study Area
Derby City Centre	Allenton District Centre	Nottingham City Centre	Burton-upon-Trent Town Centre	All Other centres	Leicester City Centre
	Allestree District Centre	Ilkeston Town Centre	Swadlincote Town Centre		Birmingham City Centre
	Alvaston District Centre				
	Cavendish District Centre				
	Chaddesden District Centre				
	Chellaston District Centre				
	Littleover District Centre				
	Mackworth District Centre				
	Mickleover District Centre				
	Normanton Road District Centre				
	Oakwood District Centre				
	Sinfin District Centre				
	Spondon District Centre				
	Manor Park Way O-o-C RP				
	The Meteor Centre O-o-C RP				
	Kingsway Retail Park O-o-C RP				
	The Wyvern Centre O-o-C RP				
	Asda Spondon O-o-C RP Other				
	Osmaston Park Road O-o-C RP, Other				

Note: ‘O-o-C’ refers to ‘Out of Centre’ and ‘RP’ to ‘Retail Park’

134. The market share of online expenditure is also identified by zone and for the Study Area as a whole.

135. Inflows of expenditure to the Derby City Council Area from beyond the Council Area (Zones 1 and 2) i.e. the remainder of the Study Area (Zones 3, 4, & 5) and beyond is also provided. This expenditure is referred to throughout the report as visitor “expenditure inflow” or “inflow uplift”.

Expenditure Categories

136. Given the purpose of this study is to determine the capacity / need for additional retail floorspace and other town centre uses/ facilities and to examine commercial leisure trends, the expenditure data provided by Experian Insights relates to the following expenditure categories:

Table 3: Composition of the Study Area by Zones, Broad Geographic Area and Postal Sector

Category Name	Sub Sectors	
Supermarkets / Convenience	Alcoholic Beverages Confectionery Corner Shops and Newsagents Grocery Delivery	Health and Nutrition Non-Alcoholic Beverages Specialist Grocery
Comparison Retail (All)	Baby and Childrenswear Bags and Accessories Beauty Products Books and Stationery Cards and Gifts Department Stores Discount Retailers DIY and Interior Design Electronics and Appliances Florists Furniture Garden Healthcare Providers High Street	Household Products Jewellery and Watches Lingerie Luxury Fashion Menswear Other - General Retail Pets Shoes Sports Equipment & Clubs Sportswear Toys and Gaming Unisex Womenswear
Leisure Food & Drink	Cafes and Coffee Shops Fast Food Chains Food Delivery Services Pubs and Bars	Mid-Tier Restaurants Pubs and Bars Restaurants
Entertainment	Attractions and Experiences Live Shows and Events	Entertainment - Other

137. Experian Insights transaction data is provided for a 12-month period ending 31st December 2025. As such, the data provides a good baseline for understanding how residents and visitors spend money on retail goods and leisure activities, taking account of variances that typically occur over a given year (e.g. seasonal activity).

138. The base data is provided in **Volume 2 (Appendices 2 – 6)** as follows:

- Convenience and Comparison spend (**Appendix 2**)
- Convenience goods market shares (**Appendix 3**)
- Comparison goods market shares (**Appendix 4)**
- Leisure Food & Drink spend (**Appendix 5**)
- Entertainment spend (**Appendix 6**)

Retail Spend Patterns

139. The data supplied by Experian Insights on retail spend is presented in **Tables 1-9 of Appendix 2, Volume 2.**

140. Population and retail expenditure data for the study zones, which combined represent the Derby City Council area has also been obtained from Experian and (as set out in **Tables 1 to 9 of Appendix 2, Volume 2**). These calculations are applied to the transactional data to estimate the distribution of convenience and comparison expenditure across the identified centres within and outside of the Study Area. The results are presented in percentage and monetary terms for the

base and forecast years for in **Tables 1-10 of Appendix 3, Volume 2** (for convenience goods) and **Appendix 4, Volume 2** (for comparison goods).

141. The resulting tables provide useful information on spending patterns within the Council area and the wider Study Area both for different types of retail spend and within the individual centres.

142. The key findings are used to inform the baseline market share analysis (the proportion of spend to centres and locations) and the centre/store turnover estimates that underpin both the quantitative and qualitative needs ('gap') assessment, carried out in compliance with good practice.

Supermarket / Convenience Retail Spend

143. Supermarket expenditure represents transactions made at foodstores, supermarkets, and convenience stores, and includes national multiples and independent operators. This form of expenditure is also referred to as **convenience retail expenditure**.

144. The market share analysis of Experian Insights data on convenience retail spend is set out in **Tables 1-10 of Appendix 3 (Volume 2)** and are detailed below. The allocation of expenditure is represented as percentage of total expenditure for the zone or the total Study Area, which is referred to as ‘market share’. The percentage baseline convenience spend market shares for 2026 are presented in **Table 3 of Appendix 3, Volume 2**.

145. The distribution of spend on convenience retail (as evidenced by Experian Insight’s data on supermarket spend) would normally be expected to reflect proximity to home and the degree of available convenience retail facilities. This is generally the case for the Derby City Council area (and for most foodstore and convenience store catchments) where convenience and supermarket provision is reasonably strong across the main centres.

146. The overall retention rate for the convenience spend for the Council area (Zones 1 & 2) as a whole is 75.1%, which is considered a strong level of retention. Of this total, 4.6% is retained in Zone 1 (Derby City Centre) and 70.6% attained by Zone 2 (rest of the Council area).

147. Online convenience shopping market share for the Council area (Zones 1 & 2) is 13%, which is lower than the national average identified by Experian in 2026 (18%). Residents in Zone 1 (14.7%) shop more online than residents in Zone 2 (13%).

148. In relation to zonal differences, the retention level from residents in Zone 1 is 33.9% whilst for Zone 2 is higher at 70.9%.

149. In terms of the District Centres achieving a high market share overall from the Council area (Zones 1 & 2) include: Chaddesden 2.6% of which the Aldi attains 1.8%), Chellaston (1.2% primarily through Lidl attaining the majority 1.1%); Mickleover (4.3% - led entirely by Tesco attaining this market share); Normanton Road (2% - with Lidl attaining 0.5% of this total) and Sinfin (3.1% - led entirely by Asda attaining this market share).

150. Stores/locations attaining a high market share (3% and above) from resident consumers in Zone 1 include: Sainsbury's, Derby City Centre (7.5%); Sainsbury's, The Wyvern Centre (7.7%); Tesco Express, Derby City Centre (5.4%); Aldi, Normanton (4.9%); Lidl, Derby City Centre (4.4%); M&S Food, Derby City Centre (4.3%); Morrisons, The Meteor Centre (3.2%) and Sainsbury's, Osmaston Park Road (3.1%).

151. Similarly, in relation to Zone 2, key stores/locations attaining a high market share (3% and above) from resident consumers include Asda Spondon (8%); Sainsbury's, Osmaston Park Road Retail Park (6%); Tesco, Mickleover District Centre (4.4%); Morrisons, The Meteor Centre (4.8%); Sainsbury's, The Wyvern Centre (3.9%);Sainsbury's, Kingsway Retail Park (3.3%) and Asda, Sinfin District Centre (3.1%).

152. From the Council area (Zones 1 & 2), the market share analysis shows that stores within Derby City Centre have an overall combined retention rate of 4.6%. The analysis also shows that out-of-centre foodstores are capturing a high proportion (3% and above) of resident convenience expenditure for example Asda, Spondon (7.9%); Sainsbury's, Osmaston Park Road Retail Park (6%); Tesco, Mickleover District Centre (4.3%); Morrisons (Meteor Centre) 4.8%; Sainsbury's, The Wyvern Centre (3.9%); Sainsbury's, Kingsway Retail Park (3.3%) and Asda, Sinfin District Centre (3.1%).

153. In relation to trade draw (i.e. the origin of expenditure generated), the analysis shows that for Zone 1, 59.5% of the expenditure is from the Council Area (Zones 1 & 2) whilst 40.5% is from elsewhere. For Zone 2 this rises to 70.2% from the Council Area (Zones 1 & 2) whilst 29.8% is from elsewhere. This represents a good level of trade draw retention.

154. Turning to expenditure leakage, 11.9% of the expenditure from the Council area (Zones 1 & 2) is lost to centres outside of the Derby City Council area. There is no stand out competing centre that is drawing expenditure and the rates of leakage are broadly similar across both Zone 1 (12.6%) and Zone 2 (11.9%) overall.

Comparison Retail Spend

155. The findings of the comparison retail spend analysis are set out in **Tables 1-9 in Appendix 2 (Volume 2).** The percentage baseline comparison goods market shares for 2025 are presented in **Table 1 of Appendix 4 (Volume 2).**

156. Comparison spend retained within Derby City Council area is at the lower end with retailers retaining 38.3% of expenditure from the Council area (Zones 1 & 2). Of this total, the City Centre attains a market share of 11.3%. The overall level of retention is reflective of the fact that the City Centre as the main draw for comparison retail as opposed to the District Centres in the City Council area.

157. In terms of the zonal differences the overall retention level from residents in Zone 1 is higher at 41.7% whilst for Zone 2 it is 38.2%.

158. Online comparison shopping market share for the Council area (Zones 1 & 2) is 44.6%, which is higher than the national average identified by Experian in 2026

(34.9%). Residents in Zone 2 (44.6%) shop more online than residents in Zone 1 (41.3%). It therefore indicates that almost half of all spend for this type of goods is being spent online. The higher level of growth can be attributed to a variety of reasons including changing consumer habits and the inherent advantage for wider choice of goods of this type. The current physical offer can not necessarily offset the relative choice and availability online and represents the continuous battle to compete for shoppers and expenditure.

159. In terms of District Centres most achieve a low level of retention reflecting their limited provisioning for these types of goods .

160. The out-of-centre provision contributes to the overall level of retention from the Council area (Zones 1 & 2), with notable market shares attained by: Kingsway Retail Park (3.2%); The Meteor Centre Retail Park (3.1%); The Wyvern Centre Retail Park (2.4%) and Osmaston Park Road Retail Park (2.2%).

161. In relation to trade draw, the analysis shows that for Zone 1, there is an almost even split with 47.3% of the expenditure emanating from the Council Area (Zones 1 & 2) whilst a slightly higher 52.7% is from elsewhere. For Zone 2 this rises to 55% from the Council Area (Zones 1 & 2) and 45% is from elsewhere. This represents a good level of trade draw retention.

162. On expenditure leakage, 17.1% of the expenditure is lost to centres outside of the Derby City Council area. There is no stand out competing centre that is drawing expenditure and the rates of leakage are broadly similar across both Zone 1 (17%) and Zone 2 (17.1%)from the Council area (Zones 1 & 2).

'Inflow' From Outside the Study Area

163. The Experian Insights data identifies transactional spend in centres in the Derby City Council area made by UK visitors that reside outside of the Council area (Zones 1 & 2) and broader Study Area (Zones 3-5 and beyond). Expenditure inflow is estimated for the base year (2026) alongside the baseline market shares for convenience goods (**Table 1, Appendix 3, Volume 2**) and comparison goods (**Table 1, Appendix 4, Volume 2**).

164. The percentage uplift or expenditure inflow for centres in the Derby City Council area are summarised below:

Table 4: Inflow of Expenditure from Outside Council Area (Zones 1&2) (%)

Retail Location	Inflow		
	Convenience Goods	Comparison Goods	Total Retail
Derby City Centre	66.3%	111.4%	100.5%
Subtotal: From Zone 1	**66.3%**	**111.4%**	**100.5%**
Allenton District Centre	16.3%	21.9%	15.9%
Allestree District Centre	28.8%	29.3%	27.3%
Alvaston District Centre	15.1%	31.2%	23.5%
Cavendish District Centre	8.7%	12.6%	11.5%
Chaddesden District Centre	15.6%	31.8%	17.3%
Chellaston District Centre	36.2%	41.0%	36.8%
Littleover District Centre	17.9%	40.6%	20.2%
Mackworth District Centre	22.7%	22.9%	22.7%
Mickleover District Centre	68.5%	68.4%	68.5%
Normanton Road District Centre	16.6%	19.0%	17.3%
Oakwood District Centre	8.6%	49.2%	21.0%
Sinfin District Centre	56.7%	46.8%	56.5%
Spondon District Centre	7.1%	29.0%	9.9%
Manor Park Way O-o-C RP	36.2%	0.0%	36.2%
The Meteor Centre O-o-C RP	61.5%	104.5%	77.3%
Kingsway Retail Park O-o-C RP	69.0%	100.7%	85.5%
The Wyvern Centre O-o-C RP	74.9%	94.5%	83.3%
Asda Spondon O-o-C RP Other	42.0%	0.0%	42.0%
Osmaston Park Road O-o-C RP, Other	25.4%	57.7%	36.1%
Aldi, Allenton (Solus O-o-C)	13.4%	0.0%	13.4%
Lidl, Normanton (Solus O-o-C)	21.5%	0.0%	21.5%
Aldi, Normanton (Solus O-o-C)	11.2%	0.0%	11.2%
Aldi, Littleover (Solus O-o-C)	65.3%	0.0%	65.3%
Lidl, Chaddesden (Solus O-o-C)	14.5%	0.0%	14.5%
M&S Food, Chaddesden (Solus O-o-C)	111.7%	0.0%	111.7%
Lidl, Alvaston (Solus O-o-C)	26.4%	0.0%	26.4%
Other Zone 2	31.1%	89.3%	64.6%
Subtotal: Zone 2 (Rest of Derby City Council Area)	**42.4%**	**81.7%**	**56.1%**
DERBY CITY COUNCIL AREA	**44.1%**	**90.7%**	**63.4%**

165. The results show the importance of visitor expenditure in supporting centre expenditure, particularly for comparison retail businesses. Visitor spend uplift is experienced by retailers in all of the centre's identified, although the scale of uplift varies widely across the different centres depending on their size and function as visitor destinations. For example, Derby City Centre draws a large proportion from outside the Council Area (Zones 1 & 2) reflecting its role as a destination for students, culture and entertainment. Aside from the City Centre, the Out-of-Centre provision at the Meteor Centre, Wyvern Centre and Kingsway Retail Parks as well

as the M&S Food at Chaddesden also attracts high proportion of inflow expenditure overall.

SUMMARY

166. The market share analysis highlights that the Derby City Council area is supporting a strong retail economy based on good rates of retail expenditure retention, particularly for food shopping given most of Derby's centres have a good foodstore offer.

167. Market shares for comparison goods reflect expected retention rates given the fact that Derby City Centre represents the main draw. However, online sales represent the main competition for Derby - a challenge that is faced by city and town centres across the UK.

168. The market share analysis also shows the extent to which centres are competing with out-of-centre facilities, with the data showing that market shares, for convenience retail in particular, are higher at out-of-centre locations e.g. Asda Spondon (7.9%) and Sainsbury's, Osmaston Park Road (6%).

169. Another key finding from the analysis is the key role of visitor expenditure from outside the Council area in supporting existing businesses.

170. In summary the market share headlines for convenience goods retailing are:

- Online spend represents a 13% market share from the Council area (Zones 1 & 2). This is below the national average forecast by Experian Business Strategies of 18% in 2026.

- The convenience goods floorspace within the Council area (Zones 1 & 2) attains a high market share of 75.1%.

- Derby City Centre achieves a combined convenience retention of 4.6% from the Council area (Zones 1 & 2).

- District Centres with notable market shares include:
  - Mickleover (4.3%) driven entirely by Tesco.
  - Sinfin (3.1%) led entirely by Asda.
  - Chaddesden (2.6%) – mainly Aldi (1.8%)
  - Normanton Road (2%) – partly Lidl (0.5%)
  - Chellaston (1.2%) – mainly Lidl

- Out-of-centre foodstores capture a higher share of convenience spend compared with City Centre stores. All of the highest market shares (3%+) are held by edge or out-of-centre supermarkets.

- Expenditure leakage is low (11.9%) with no single competing centre dominating.

171. For comparison goods the key headlines are:

- Online spend represents a high 44.6% market share from the Council area (Zones 1 & 2). Hence almost half of comparison goods spending takes place online. This is significantly above the national average forecast by Experian Business Strategies of 34.9% in 2026.

- The comparison goods floorspace within the Council area (Zones 1 & 2) retains a market share of 38.3% of which Derby City Centre attains almost a third at 11.3%.

- Out-of-centre provision contributes to the retention level including:
  - Kingsway Retail Park (2.3%)
  - Meteor Centre (3.1%)
  - Wyvern Centre (2.4%)
  - Osmaston Park Road (2.2%)

- 17.1% of comparison goods expenditure leaks outside the Council area with no single competing centre dominating.

172. In broad terms:

- Convenience retail performance is strong driven by supermarkets and other out-of-centre provision. The market share analysis highlights that the Council area is supporting a strong retail economy based on good rates of retail expenditure retention, particularly for food shopping given most centres have a good foodstore offer.

- Comparison goods retail is significantly weaker with online shopping being dominant. Online sales represent the main competition for centres, which is a challenge facing town centres across the UK.

- Derby City centre plays a limited convenience goods role but remains key for comparison retail.

- The market share analysis also shows the extent to which Derby's town centres are competing with out of centre facilities. For convenience goods in particular these hold some of the highest proportion of market share retention.

- Leakage is prevalent but diffused suggesting competitive pressure rather than a single rival destination.

5. CENTRE HEALTH CHECKS

173. This section sets out the key findings of the health check assessment of the Council's centres. These have been informed, **where possible and available**, by the following Key Performance Indicators (KPIs) outlined in the National Planning Practice Guidance (PPG) (Paragraph 006. Reference ID: 2b-006-20190722). The KPI's that are stated and that **may** be relevant in assessing the health of town centres include:

- the diversity of uses (based on LSH site visits, March 2026);
- proportion of vacant street level property;
- commercial yields on non-domestic property;
- customers' experience and behaviour;
- retailer representation and intentions to change representation;
- commercial rents;
- pedestrian flows;
- accessibility;
- perception of safety and occurrence of crime;
- state of town centre environmental quality;
- balance between independents and multiples;
- any evidence of barriers to new businesses opening and existing business expanding;
- opening hours/availability/extent to which there is an evening and night time economy offer (The "evening" economy generally relates to all leisure activities that are open until around 11pm. The "night-time" economy is generally defined as businesses and activities with late night licences that are open beyond 11pm, particularly at the weekend.).

174. The health check assessments draw on a number of industry standard published datasets (e.g., Experian Goad, PROMIS, etc.) and LSH's own commercial market intelligence and research. This will help understand the current vitality and viability of the Council's centres, how their health has changed over time, and their prospects over the short, medium and longer term.

175. The summary findings of the centre health checks for:

- **City Centre**: Derby
- **District Centres**:
  1. Allenton
  2. Allestree
  3. Alvaston
  4. Cavendish
  5. Chaddesden
  6. Chellaston
  7. Littleover
  8. Mackworth
  9. Mickleover
  10. Normanton Road

11. Oakwood
12. Sinfin
13. Spondon

176. The health checks and audits are detailed further in **Volume 2**.

CENTRE HEALTH CHECKS - OVERVIEW

177. As described above, and in **Volume 2**, the health checks are based on Key Performance Indicators (KPIs) set out in the PPG. The assessments are informed by different data sources and market intelligence, including published research, site visits and the Council's monitoring data.

178. By way of overview the table below shows the scale of the retail, leisure and service provision across the centres analysed.

Table 5: Centre Analysis: Number of Outlets

Number of Outlets	Comparison	Convenience	Retail Services	Leisure Services	Financial & Business Services	Vacant	Total
Derby City Centre	224	60	120	214	54	150	822
Allenton District Centre	16	9	14	16	1	3	59
Allestree District Centre	14	6	14	11	4	1	50
Alvaston District Centre	16	8	15	20	1	3	63
Cavendish District Centre	5	7	9	5	1	3	30
Chaddesden District Centre	8	8	8	13	2	2	41
Chellaston District Centre	2	3	7	6	0	3	21
Littleover District Centre	8	4	14	15	1	1	43
Mackworth District Centre	4	4	2	3	0	0	13
Mickleover District Centre	6	4	14	12	4	0	40
Normanton District Centre	75	44	43	65	8	30	265
Oakwood District Centre	3	3	4	4	0	0	14
Sinfin District Centre	3	5	4	3	0	0	15
Spondon District Centre	12	7	15	17	2	2	55
Total	**396**	**172**	**283**	**404**	**78**	**198**	**1,531**

Source: Experian GOAD & Council Monitoring Data

179. The outlet count clearly shows the dominance of the City Centre across the local authority area.

180. The centres are distinct from each other in terms of their physical characteristics, catchments, and market position, which is described in detail in the health check assessments in **Volume 2**. The following commentary summarises the health check conclusions for each centre. The findings help to identify their relative

performance in the network and hierarchy of centres, and any significant “gaps” in provision.

DERBY CITY CENTRE

181. Derby is designated as a city centre within the Derby Local Plan Part 1 Core Strategy (2017). It is the principal focus for comparison retail within the city and performs a wider sub-regional role for commerce, culture, leisure and the visitor economy.

182. Derby City Centre is currently subject to a significant programme of regeneration and renewal, supported by a suite of strategic documents including the Emerging Public Realm Strategy (2026), Towards a New Vision for Derby City Centre / Ambition (2022), and the earlier Derby City Centre Masterplan 2030. Collectively, these promote a more mixed-use, people-focused and resilient city centre, with emphasis on public realm, connectivity, culture, city living, green and blue infrastructure, heritage-led regeneration and coordinated delivery. For example,

- **The Public Realm Strategy** seeks to revitalise the city centre by creating a more inclusive, connected, biodiverse and people-focused environment, structured around the ‘SILK’ principles of sociability, inclusivity, landscape-led design and knowledge.

- The wider **Towards a New Vision for Derby City Centre, Ambition (2022)** promotes diversification beyond retail, including culture, leisure, city living, green and blue infrastructure, improved connectivity, heritage-led regeneration and stronger delivery coordination.

183. Key contemporary regeneration projects include:

- **Becketwell:** a major £200 million mixed-use regeneration scheme delivering new homes, workspace, retail and leisure uses, including the 259-unit residential first phase, a new public square and the 3,500-capacity Vaillant Live performance venue, which opened in April 2025. Future plans include 3 Springwell Square on the former Duckworth Square site, with potential to deliver up to 13,000 sq.m of Grade A office space.

- **Eastern Gateway:** a Future High Streets Fund-supported public realm scheme at East Street and Morledge, approved in May 2024 and completed in December 2025, which has improved a key arrival point and pedestrian environment within the city centre.

- **Market Hall:** a £35.1 million refurbishment of the Grade II listed Market Hall, supported by £9.4 million from the Future High Streets Fund, providing traditional and themed stalls, maker and trade spaces, creative uses, food and drink, and event space. The scheme reopened to the public in May 2025.

- **Eagle Quarter and Bradshaw Way:** two key Derbion Masterplan sites with planning permission for significant residential-led redevelopment, including the redevelopment of the Eagle Market building for 674 dwellings and the replacement of Bradshaw Way Retail Park with a 14-storey, 478-dwelling residential building.

184. Taken together, these projects demonstrate a clear shift towards mixed-use regeneration, cultural activation, city living, public realm investment and the repurposing of under-utilised sites. This provides an important platform for strengthening footfall, broadening the city centre offer and supporting longer-term vitality and viability.

185. Notwithstanding this investment, vacancy remains a key challenge. There are currently 150 vacant outlets in Derby City Centre, representing 18.2% of all outlets, which is above the UK average of 14.1%. Vacant floorspace accounts for 17.6% of total city centre floorspace, also above the UK average of 14.3%.

186. Recent closures contributing to vacancy include the former Halifax bank, which closed in October 2025, and the former HMV unit in Derbion, following its relocation to a larger unit within the shopping centre in February 2026.

187. Stakeholder engagement indicates that Derby City Centre benefits from a compact, characterful and walkable environment, a strong economic context with major employers and an affluent catchment, and the presence of Derbion as a key regional attractor. However, these strengths are offset by challenges including a relatively low city centre population, above-average vacancy, an imbalance between Derbion and the wider centre, negative perceptions around safety, and weaknesses in public realm, connectivity and overall vibrancy.

188. Stakeholder feedback also highlights structural issues including the loss of the office core, limited hotel provision and underutilised heritage assets. Nonetheless, there is clear potential to grow the residential and working population, deliver planned regeneration schemes, diversify the offer beyond traditional retail, improve public realm and connectivity, and better leverage the city's cultural, heritage and economic assets to unlock local spending and enhance the city centre's appeal.

189. Overall, the Strengths, Weaknesses, Opportunities and Threats (SWOTs) can be summarised as follows:

Strengths

- Recent and ongoing investment into redevelopment and regeneration across the centre
- Strong comparison retail offer, occupying over a third of retail and leisure floorspace.
- Derbion Shopping Centre is a key draw into the centre, housing a number of national brands.
- Good representation of independent retailers which helps create a distinct sense of place.
- Good presence of high street banks
- Good overall mix and offer of food & beverage operators.

- Presence of Derby Market Hall and other seasonal markets within the centre enhances the vitality of the centre.
- Cinema, Derby Theatre and Vaillant Live acting as key entertainment anchors for the centre
- Notable retailer demand for representation within the centre
- Strong history, character and charm with the presence of listed buildings.
- Good pedestrian accessibility in the core areas, with strong public transport connections to and from the city centre

Weaknesses

- Vacancy rates (outlets and floorspace) above the UK average
- Areas of lower environmental quality that detract from the visitor experience.
- Insufficient office worker and residential population within the centre
- Connectivity challenges including the ring road acting as a barrier and poor walking experience between some car parks and main centre locations
- Imbalance between Derbion and the wider city centre when it comes to footfall performance and environmental quality

Opportunities

- Future regeneration, redevelopment and investment (e.g., 3 Springwell Square, The Eagle Quarter and Bradshaw Way)
- Future public realm improvements to capitalise on the potential of the centre and create a more enjoyable place to spend time.
- Future growth in residential and worker population to boost activity and spend within the centre.
- Further creative use of vacant units through pop-ups, community hubs, co-working spaces etc. (already demonstrated with opening of S3 Padel)
- Capitalise on interest for representation from retailers.
- Reduce the imbalance between the Derbion and the wider city centre by strengthening the footfall, reducing the vacancy rate and enhancing the environmental quality in the wider city centre.

Threats

- High vacancy rates weaken the draw of the centre, which has the potential to create a spiralling effect.
- Further loss of key retail anchors (following Debenhams and to a lesser extent, Wilko)
- Online spend (particularly on comparison retail goods) and competing centres (whether that be out of centre retail parks and shopping centres, smaller scale nearby locations (such as Allestree and Darley Abbey) or the nearest major centres such as Nottingham and Birmingham) pose a challenge for Derby City Centre to adapt and diversify in an ever-changing landscape.

190. We therefore conclude that Derby continues to be a vital and viable centre which acts as a key retail and leisure hub for the region. The centre has a strong presence of national multiples in which the Derbion Shopping Centre hosts a large number and plays a key role in drawing visitors into the centre. The centre benefits

from a healthy mix of food and beverage operators, and key cultural and leisure anchors such as the cinema, Derby Theatre and Vaillant Live, all of which help sustain activity throughout the day and into the evening. The presence of Derby Market Hall, seasonal markets, and the city's rich history and character further enhance its sense of place, while strong pedestrian accessibility and public transport connections support visitors.

191. The centre faces challenges such as high vacancy rates that are above the UK average, connectivity challenges and areas of low environmental quality. This can weaken the draw and detract the overall experience of the centre if not addressed. Additionally, there is an imbalance between Derbion and the wider city centre with regards to environmental quality, footfall performance and their abilities to attract major brands.

192. However, opportunities for the necessary evolution of Derby City Centre are ongoing, with a range of regeneration, redevelopment and investment plans across the centre hoped to bring people back into the centre, with a particular focus on boosting the resident and worker population.

Boundary Recommendations

193. Having reviewed both the extant and emerging City Centre boundaries, we consider the latter to provide a more appropriate and up-to-date definition of the City Centre. It better reflects Derby City Centre's current role, function and spatial extent, including areas that now form part of its wider commercial, cultural, transport and regeneration offer.

194. In relation to the City Centre Primary Shopping Area, we support the boundary proposed in the emerging plan. The more consolidated boundary appropriately focuses on the core retail area of the centre, reflecting recent regeneration initiatives and the associated changes in land use.

195. For more detail, please refer to **Section 8**.

ALLENTON DISTRICT CENTRE

196. Allenton is allocated as a District Centre within the Derby Local Plan Part 1 Core Strategy (2017). The district centre is the focus for providing key services to the City's neighbourhoods including shopping, commercial, leisure, public and community functions.

197. Allenton is located circa 3km south of Derby City Centre. The centre takes a linear form and is intersected by the A5111.

198. The Allenton mobility hub is a notable redevelopment project which seeks to develop a mobility hub on Osmaston road. The mobility hub would include electric vehicle charging and dedicated parking, an Enterprise Car Club Location, an accessible seating area with bike storage and an interactive information totem with live travel updates.

199. The centre is also adjacent to the Osmaston regeneration area to the north west which aims to redevelop several key brownfield sites into residential

neighbourhoods. The regeneration of the area will deliver a total of 600 new homes, including the Marble square development which involves the re-development of the former Mains Factory to create 370 new dwellings by 2030.

200. There are currently three vacant outlets within the centre, two of which were formerly occupied by high-street banks. Vacant outlets represent 5.1% of total outlets (significantly below the UK average of 14.1%).

Health Check Conclusion

201. We conclude that Allenton is a vital and viable district centre, performing an important role in providing a broad range of day-to-day retail and service functions to its surrounding residential catchment. The centre benefits from strong convenience provision, a healthy representation of retail service uses, low vacancy levels and a sustained increase in footfall, indicating a resilient and well-utilised local destination. Its accessibility is supported by good transport connections and on street parking provision.

202. However, the centre faces challenges that may limit its long-term attractiveness and ability to diversify. These include an environment that is heavily influenced by traffic and a fragmented layout across a major arterial route which reduces cohesion and lowers the environmental quality of the centre. Furthermore, the food and beverage offer of the centre is dominated by fast food and takeaways, which risks creating inactive frontages during daytime hours, which in turn diminishes the overall vibrancy and street level activity of the area.

203. The centre presents opportunities to enhance the quality of the public realm, improve connectivity between different parts of the centre and broaden the mix of uses, particularly by encouraging a more balanced food and beverage offer, which would strengthen its vibrancy and overall appeal.

Boundary Recommendations

204. No changes to the district centre boundary are proposed.

ALLESTREE DISTRICT CENTRE

205. Allestree is designated as a district centre within the Derby Local Plan Part 1 Core Strategy (2017).

206. Allestree is located circa 2.8km to the south-west of Derby City Centre and circa 2.3 km north east of Mackworth District Centre.

207. Park Farm Shopping Centre is located within the district centre on Birchover Way, containing a diverse mix of retail units such as charity shops and national retailers. Key anchors in the district centre include B&M, Co-op and Farmfoods.

208. There is currently one vacant outlet - the former Choices Health Clubs centre, which closed in September 2024. This represents a vacancy rate of 2% for the centre, which is significantly lower than the UK average of 14.1%.

Health Check Conclusion

209. We conclude that Allestree is a strong and viable district centre, which performs a key role within its catchment supported by very low vacancy levels, a balanced mix of uses and consistent footfall activity. The centre benefits from a combination of independent and national operators as well as a good provision and mix of retail and service uses. Its pedestrianised layout and high-quality environmental conditions, including well-maintained public realm, contribute to a pleasant and accessible shopping environment. These factors combine to create a centre that is both functional and attractive, supporting repeat visits and sustained activity.

210. Notwithstanding its strong performance, the centre's food and beverage offer is skewed towards fast food and takeaway uses, which presents a limitation in terms of diversity. While this does not currently undermine its overall vitality, there is scope for a wider range of dining and leisure uses.

Boundary Recommendations

211. No changes to the district centre boundary are proposed.

ALVASTON DISTRICT CENTRE

212. Alvaston is designated as a district centre within the Derby Local Plan Part 1 Core Strategy (2017). The centre is positioned along the frontages of Shardlow and London Roads, containing key shops such as supermarket, post office and a chemist.

213. Alvaston District Centre is located approximately 5km south-east of Derby City Centre and circa 2km northeast of Allenton District centre.

214. The centre is located in proximity to the proposed residential development at Nightingale Road car park (located 1.2km away from the district centre).

215. Three vacant outlets were recorded, representing 4.8% of total outlets. This is significantly below the UK average of 14.1%. There has been a marginal increase of one vacant outlet since Derby City Council's 2025 survey.

Health Check Conclusion

216. Alvaston is a vital and functional district centre, which continues to meet the daily needs of its surrounding population through a good range of retail and service uses, coupled with a low vacancy rate. The centre has relatively stable footfall levels and demonstrates good accessibility with good public transport links.

217. However, the centre's offer lacks diversity in its food and beverage operators, with a significant dominance in fast food and take-away operators. The environmental quality is moderate, reflecting the influence of major roads, traffic volumes and inconsistent building quality across different frontages. These factors contribute to a more functional than attractive environment.

218. There is therefore an opportunity to improve the public realm, diversify the food and beverage offer and enhance the visual quality of the centre, which would strengthen its long-term vitality and user experience.

Boundary Recommendations

219. No changes to the district centre boundary are proposed.

CAVENDISH DISTRICT CENTRE

220. Cavendish is designated as a district centre within the Derby Local Plan Part 1 Core Strategy (2017). The centre is located around a central roundabout and branches out in four directions along Stenson Road, Walbrook Road, Upper Dale Road and Derby Lane.

221. Cavendish District Centre is located circa 2.3km to the south-west of Derby City Centre and 1.4km south-east of the Littleover District Centre.

222. The district centre is located within close proximity to several housing allocations from the emerging Local Plan, making the centre crucial in supporting retail and service provision for the surrounding proposed housing allocations. The centre is located circa 740m from the Kitchener Avenue allocation, 1.1km from the Elton Road allocation and 1.4km from the Cotton Lane allocation.

223. There is a total of three vacant outlets within the centre. Vacant outlets represent 10% of total outlets (below the UK average of 14.1%). No vacant outlets were recorded in 2025.

Health Check Conclusion

224. We conclude that Cavendish is a small but functional district centre, fulfilling a localised role centered on comparison retail, convenience retail and retail service provision. The centre presents relatively low vacancy levels, although vacancy numbers have increased from zero in 2025 to three in 2026, which is cause for some concern and should be monitored.

225. A decrease in recorded crime levels in recent years, plus a good level of connectivity, will help to support visitor numbers, visit frequencies and visitor dwell times.

226. Its environmental quality however is basic and largely utilitarian, shaped by a compact layout, dated public realm and a dominance of vehicular movement. As such, the centre lacks the qualities required to maximise its appeal. There is scope to enhance the attractiveness of the centre through public realm improvements such as the introduction of more street furniture and improving shop front quality.

Boundary Recommendations

227. No changes to the district centre boundary are proposed.

CHADDESDEN DISTRICT CENTRE

228. Chaddesden is designated as a district centre within the Derby Local Plan Part 1 Core Strategy (2017).

229. The district centre is located approximately 3km east of Derby City Centre, approximately 2.3km west of Spondon District Centre and approximately 3.2km south of Oakwood District Centre.

230. Chaddesden District Centre is located in close proximity to several proposed housing developments. It is located 1km away from the proposed development on the former Beaufort Business Centre on Beaufort Street, 1.2km away from the proposed development at Brook Farm and 2.5km away from the proposed development at Royal Hill Farm.

231. There is a total of two vacant outlets in Chaddesden, representing 4.9% of the overall outlets. This represents no change from the two vacancies recorded by Derby City Council in 2025 and is significantly below the average UK average of 14.1%.

Health Check Conclusion

232. Overall, Chaddesden is a strong and well-performing district centre, with a low vacancy rate and a particularly strong convenience retail offer. The centre demonstrates good accessibility, has a generally positive and well-maintained environmental quality with good provisions of street furniture and has experienced an increase in footfall in recent years.

233. The main challenge facing the centre is the high concentration of fast-food and takeaway outlets, which make up approximately one in five units in the centre. There is therefore a lack of diversity within the food & beverage offer which could impact the daytime vibrancy of frontages, due to typical opening times of these establishments.

234. Therefore, while the centre is otherwise balanced, there remains an opportunity to further strengthen the offer with a more balanced mix of food & beverage operators.

Boundary Recommendations

235. Suggested extension to the existing centre boundary to the west of the centre to include the Lidl foodstore and adjacent veterinary practice.

236. For more detail, please refer to **Section 8**.

CHELLASTON DISTRICT CENTRE

237. Chellaston is designated as a district centre within the Derby Local Plan Part 1 Core Strategy (2017).

238. The centre is split into two parts: the larger part of the centre is located along Swarkestone Road, and the smaller part of the centre is located along High Street

which has a smaller retail and service offering. The two parts of the centre are approximately a 4-minute walk apart.

239. The centre consists of a varied mix of retail units as well as Chellaston Library.

240. Chellaston District Centre is located circa 6.5km southeast of Derby City Centre, 2.7km southeast of Allenton District Centre and 3.1km southwest of Alvaston District Centre.

241. The centre is located in close proximity to housing allocations proposed within the emerging Local Plan: 4.7km from the Elton Road allocation and 1.3km from the Land North of Sinfin Moor Lane allocation.

242. There is a total of three vacant outlets in Chellaston which represents 14.3% of the overall outlets (broadly in line with the UK average of 14.1%). One of these is the former Co-op store on the corner of the Swarkestone Road / High Street junction. This store closed in November 2024.

243. There has been no change in the number of vacant outlets since Derby City Council's surveys in 2025.

Health Check Conclusion

244. Chellaston is a functional district centre that serves the day-to-day needs of its immediate catchment. The centre benefits from a strong convenience retail anchor in Lidl and has a strong presence of retail services. The centre has experienced a notable increase in footfall levels in recent years, whilst accessibility and connectivity in the centre is deemed to be satisfactory.

245. Fast-food and takeaway operators play a large role within the centre however, accounting for almost one in five outlets, which risks creating inactive frontages during daytime hours and in turn, diminishing the overall vibrancy and street level activity of the area.

246. There is an opportunity to enhance the public realm as well as the appearance of shop frontages in order to boost its environmental quality and secure its status as a vital and viable centre going forward.

Boundary Recommendations

247. We suggest extending the centre boundary to the south to take in the Lidl store in its entirety and also include the sports bar at the junction of High Street and Derby Road to the north-east. Additionally, the parade of nine units on High Street is geographically separate from the District centre and we recommend that this is considered a separate entity in the form of a neighbourhood parade.

248. For more detail, please refer to **Section 8**.

LITTLEOVER DISTRICT CENTRE

249. Littleover is designated as a district centre within the Derby Local Plan Part 1 Core Strategy (2017).

250. The form of the centre is largely linear along Burton Road, with the inclusion of Grange Hall community centre.

251. The centre is located circa 2.5km southwest from Derby City Centre and within 1.2km west of Cavendish District Centre.

252. The centre is approximately 1.1km from the Manor Kingsway housing allocation, 1.7km from the Moorway Lane housing allocation and 2.3km from the Rykneld Road housing allocation within the emerging local plan.

253. There is one vacant outlet in the centre, meaning that the vacancy rate for the centre is 2.3% (significantly below the UK average of 14.1%).

254. This represents a decrease since 2025, when there were two vacant outlets recorded. One has since been occupied by a fast-food and takeaway outlet, while the other remains vacant.

Health Check Conclusion

255. Littleover is an attractive and well-performing district centre, characterised by very low vacancy levels, strong footfall growth and a strong representation of retail and leisure services. In addition, the Co-op plays an important role as the centre's convenience retail anchor, whilst the environmental quality of the centre is deemed to be relatively strong due to factors including soft landscaping and street furniture. Its good accessibility and localised role contribute to its continued popularity and success as a community-focused centre.

256. Despite these strengths, the centre's food and beverage offer is heavily weighted towards fast-food and takeaway outlets, which make up almost one in four outlets in the centre and risk reducing daytime vibrancy.

Boundary Recommendations

257. A contraction of the centre boundary is recommended at the western edge, where the area is more residential in character and includes a care home, with limited relationship to the centre's commercial function. A further contraction is also recommended to the south-east to exclude Grange Hall and the Masonic Hall, which are physically and functionally removed from the main linear commercial frontage along Burton Road and do not form an integral part of the District Centre's core offer.

258. For more detail, please refer to **Section 8**.

MACKWORTH DISTRICT CENTRE

259. Mackworth is designated as a district centre within the Derby Local Plan Part 1 Core Strategy (2017).

260. The centre has a linear layout within a purpose-built shopping parade set back from Prince Charles Avenue. Due to the small size of the district centre, the retail offer in the centre focuses on meeting localised needs, particularly for 'top-up' grocery shopping.

261. The centre is located circa 2km west of Derby City Centre and 2.2km southwest of Allestree District Centre

262. Mackworth District Centre lies approximately 1.3 km north of the Manor Kingsway housing allocation identified in the emerging Local Plan and is similarly well positioned in relation to Amber Valley's strategic growth allocation at Radbourne Lane.

263. Following a Council cabinet meeting in May 2026, the disposal of the land off Prince Charles Avenue (the public open space opposite Mackworth District Centre) to the Derby and Derbyshire Integrated Care Board for the development of a new medical centre was agreed.

264. There are no vacancies in the centre.

Health Check Conclusion

265. Mackworth is a small but effective district centre, performing a clear and focused role in meeting local day to day needs which is led by its convenience retail anchor (Co-op). Its performance is epitomised by the fact that there are no vacant units within the centre. The general accessibility and connectivity of the centre is satisfactory, and the centre provides a pleasant environment for visitors with ample street furniture available and planting providing colour and vibrancy.

266. Future opportunities lie in maintaining its good environment quality and capitalising on the potential nearby healthcare facility development, which could further support demand and activity.

Boundary Recommendations

267. No changes to the district centre boundary are proposed.

MICKLEOVER DISTRICT CENTRE

268. Mickleover District Centre is designated as a district centre within the Derby Local Plan Part 1 Core Strategy (2017).

269. The centre has a linear form, fronting Uttoxeter Road and extending onto Etwall Road, with an additional branch running up Station Road. The centre contains a range of retail, leisure and service uses that provide key services to the Mickleover suburb.

270. The centre is located approximately 5km southwest of Derby City Centre.

271. The centre is in close proximity of proposed housing allocations - 0.4km from the proposed The Hollow site and 1.4km to the Bramblebrook House site.

272. No vacancies were recorded in Mickleover District Centre in March 2026. Derby City Council had recorded one vacant unit in 2025, which has since been occupied by an estate agent.

Health Check Conclusion

273. We therefore conclude that Mickleover is a vital and viable district centre that meets the day-to-day needs of not only its immediate catchment, but a wider residential catchment due to its Tesco superstore which acts as a strong convenience retail anchor. The vitality of the centre is further supported by the absence of vacant units, a good evening offer (in the form of bars, pubs and restaurants) relative to its size and a good overall environmental quality. The accessibility and layout further support its function, making it a key local destination within its catchment.

Boundary Recommendations

274. The boundary should be expanded to include a wider range of community-oriented uses within the immediate vicinity, where these contribute to the centre's role and function as a local service hub. In particular, it would be appropriate to include Mickleover Library and Mickleover Community Centre within the designated boundary, as both uses support regular community activity, generate linked trips and form part of the wider civic and social infrastructure serving the centre.

275. For more detail, please refer to **Section 8**.

NORMANTON ROAD DISTRICT CENTRE

276. Normanton is designated as a district centre within the Derby Local Plan Part 1 Core Strategy (2017).

277. The centre is linear in form, spanning 1.5km from Babington Lane in the north to St Thomas Road/ Dairy House Road in the south.

278. The centre is located just beyond the southern boundary of Derby City Centre.

279. There is a total of 30 vacant outlets in Normanton Road District Centre which represents 11.3% of the overall outlets. This vacancy rate compares favourably to the UK average of 14.1%.

280. This represents an increase of one vacant outlet since 2025, where 29 vacant outlets were recorded by Derby City Council.

Health Check Conclusion

281. Normanton is a highly vibrant and important district centre, characterised by strong footfall levels, a highly diverse independent offer and a strong representation of comparison retail, convenience retail, retail services and leisure services. The centre acts as a major hub within its catchment, supported by excellent accessibility and a strong cultural identity that contributes to its distinctiveness. Its

scale and activity levels ensure that it performs a significant role within the wider network of centres.

282. However, the centre faces challenges including an inconsistent environmental quality (lack of street furniture, high levels of passing traffic and some low-quality shop frontages). Additionally, the food and beverage offer lacks diversity, with approximately 75% of food and beverage outlets occupied by fast-food and takeaway establishments. This use in particular can lead to a lack of daytime activity due to typical opening times and can limit the availability of healthier food options.

283. There is clear potential to enhance the public realm, improve visual cohesion and diversify the food and beverage offer from a domination of takeaways to support the centre's continued vitality.

Boundary Recommendations

284. The north-western boundary should be extended to include the Aldi store accessed from Normanton Road.

285. For more detail, please refer to **Section 8**.

OAKWOOD DISTRICT CENTRE

286. Oakwood is designated as a district centre within the Derby Local Plan Part 1 Core Strategy (2017).

287. The centre is part of a large housing development and contains key services such as a chemist, post office and a supermarket which supports the wider area.

288. The centre is located approximately 6km northeast from Derby City Centre and 2.6km north from Chaddesden District Centre.

289. The centre is well positioned in relation to a number of proposed housing developments, being around 1.3 km from Brook Farm, 2.2 km from Royal Hill Farm, and 2.5 km from the Beaufort Business Centre allocation.

290. There are no vacant units in the centre.

Health Check Conclusion

291. Oakwood is a vital and viable district centre that supports the day-to-day needs of its immediate catchment – led by its convenience anchor (Co-op). The centre has a pleasant environmental quality with a well-maintained streetscape and shop frontage. Civic and medical uses including the church and medical centre support the centre in drawing visitors.

Boundary Recommendations

292. No changes to the district centre boundary are proposed.

SINFIN DISTRICT CENTRE

293. Sinfin is designated as a district centre within the Derby Local Plan Part 1 Core Strategy (2017).

294. The centre is surrounded by residential neighbourhoods and contains key services that serve the surrounding residential areas including a Post Office, Asda superstore and a chemist.

295. The centre is located circa 5km south of Derby City Centre.

296. No vacant outlets were recorded at Sinfin District Centre in March 2026. During Derby City Council's surveys in 2025, two outlets were recorded as being vacant.

Health Check Conclusion

297. Sinfin is a vital and viable district centre that is largely characterised by the presence of the Asda supermarket (which acts as a key convenience retail anchor for a wider catchment area) and the lack of any vacant outlets. The offer has evolved in recent years, with the arrivals of KFC and Starbucks, whilst footfall levels during this time have grown significantly.

298. The centre's layout and design however result in an environment that is dominated by car parking and lacks a strong sense of place, giving it a more retail park style character and likely limiting dwell times. This is compounded by a lack of street furniture, seating and greenery, which, if introduced, would go some way to counteracting the current feeling of it acting more like a retail park than district centre.

Boundary Recommendations

299. No changes to the district centre boundary are proposed.

SPONDON DISTRICT CENTRE

300. Spondon is designated as a district centre within the Derby Local Plan Part 1 Core Strategy (2017). The centre is located approximately 5.6km east of Derby City Centre.

301. The centre is in close proximity to a number of proposed residential developments such Royal Hill Farm (0.7km away) and Stoney Lane (0.8km away).

302. Two vacant outlets were recorded in Spondon District Centre, accounting for 3.6% of all units. This is significantly lower than the UK average vacancy rate of 14.1%.

303. This represents an increase of one vacant outlet since Derby City Council's survey in 2025.

Health Check Conclusion

304. Spondon is a vital and largely attractive district centre, characterised by a good mix of retail and service outlets that satisfy the needs of its catchment. Low vacancy rates and strong footfall levels are clear indicators that the centre is performing well. The centre is also deemed to be well-connected to its surrounding

areas, which is likely a key contributing factor to the aforementioned low number of vacancies and healthy footfall activity.

305. Whilst the overall function and quality of the centre is good, future opportunities include upgrades to shop frontages where quality is inconsistent and an increase in the provision of places and spaces for people to sit and enjoy the centre.

Boundary Recommendations

306. No changes to the district centre boundary are proposed.

DISTRICT CENTRE HEALTH CHECKS SUMMARY

307. Whilst the district centres span a range of different formats and roles, the following points that summarise the consistent conclusions seen across the thirteen centres can be made:

- Centres adequately serve the day-to-day needs of their immediate catchments
- Convenience retail provision is good, with at least one main anchor seen in most centres
- Most centres contain a provision of fast-food and takeaway outlets that is significantly above the UK average
- Footfall growth has been seen in most centres in recent years
- Good levels of accessibility and connectivity are seen across most centres
- A number of centres would significantly benefit from investment into public realm, shop frontages and other general environmental quality-related improvements

6. RETAIL CAPACITY ASSESSMENT

308. This section sets out the results of the economic retail capacity ('need') assessment for new retail (comparison and convenience goods under former use class A1) floorspace in the Council area and its main centres. The capacity forecasts cover a period, from 2026 (the "base year") and aligned with the NPPF and PPG the forecasts also take account of the lifetime of the proposed plan period (2043). The detailed economic capacity tabulations are set out in **Volume 3**. These forecasts update and supersede the findings of the Council's previous evidence-based study.

THE CREAT^{e} MODEL

309. The CREAT^{e} economic model has been specifically designed, developed and tested by the LSH team over more than 25 years to assess the capacity for and impact of new retail (convenience and comparison goods) floorspace development. The evidence-based model has helped to inform and guide plan-making and decision-taking at the local, sub-regional and regional level. In brief, the CREAT^{e} (Excel-based) model adopts a transparent 'step-by-step' approach in which all the key assumptions and forecasts can be easily tested. The model is underpinned by the findings of Experian Insights transactions data, which provides a robust understanding of shopping patterns, market shares and the trading/turnover performance of existing centres, shops and stores.

310. At the outset it has necessarily been assumed for the purpose of the capacity assessment that the local retail market is in 'equilibrium' at the base year. In other words, all existing centres/stores are broadly assumed to be trading in line with expected average ('benchmark') turnover levels. It also reflects the outputs of the health checks covering the main centres and shopping locations. The main challenge and focus for Derby's centres over the short/medium term will revolve around their response to a range of economic factors. These include: their response to evolving market trends, reverberations on spending habits from the COVID19 pandemic and the cost of living crisis, rising business costs, and the effect of geopolitical unrest (e.g. impact of physical war and trade war escalations on supply chains). These factors will influence the ability for Derby's centres to retain existing occupiers and to redevelop/repurpose vacant retail floorspace to attract new businesses and uses.

311. In simple terms, capacity to support new retail floorspace will arise, if the local growth in available expenditure exceeds the expected improvement in performance of existing retail floorspace. Available expenditure will increase as a result of population growth and increased spend per person while the turnover of existing stores (often considered in terms of the amount of money taken per sqm of trading floorspace or sales densities) needs to improve in real terms to offset rising costs and previous adverse impacts from the economic downturn and online shopping impacts.

312. It is important to restate that medium to long term forecasts should be treated with caution, as they will be influenced by the dynamic changes in economic, demographic and market trends. As described previously (see **Section 2**), the NPPF (paragraph 90) states that local planning authorities should meet the need for retail and town centre uses "**looking at least ten years ahead**". The Planning Practice Guidance also states that given the uncertainty in forecasting long-term retail trends and consumer behaviour, assessments "**may need to focus on a limited period (such as the next five years) but will also need to take the lifetime of the plan into account and be regularly reviewed**" (PPG. Paragraph 004. Reference ID: 2b-00402019072). Therefore, whilst this study assesses retail capacity up to 2043, greater weight should be placed by the local planning authority on forecasts over the next **five to ten-year period**.

313. The updated capacity forecasts set out in this section provide the Council with a broad indication of the (quantitative) need for new retail (comparison and convenience goods) floorspace in the LPA area. In turn, this will inform whether there is a need to identify and allocate additional sites (over and above any already identified) to meet any forecast need, in accordance with the advice set out in the NPPF (paragraph 90).

KEY ASSUMPTIONS & FORECASTS

314. The capacity tabulations are set out in **Volume 3** for convenience and comparison goods. The capacity forecasts are based on the population growth projections from Experian, which are derived from the Office of National Statistics.

Base Year Population Projections – Baseline Assessment

315. **Appendix 2** (**Volume 3**) set out the latest base year (2026) population and projections (to 2030, 2035, 2040 and 2043) sourced from Experian's Location Analyst Geographic Information System for the Study Area. Experian's population projections show the Study Area population (Zones 1-5) is forecast to increase by +4.3% (+59,669 people) between 2026 and 2035 and by +7.3% (+102,125 people) by 2043.

Sensitivity Analysis - Population Projections

316. In addition to the population and projections under the baseline assessment, the Council has also sought to test the effect on capacity of higher population growth within the Council area led by new housing development based on a trajectory target of 12,500 units over the period 2023 to 2043. The reported findings are in line with the baseline assessment covering the period from 2026 with projections to 2030, 2035, 2040 and 2043.

317. For the Council area (Zones 1 and 2), the baseline Experian Location Analyst population projections for future years are adjusted to reflect housing supply based population projections. The projected number of dwellings has been converted into population numbers assuming an average dwelling density of 2.35 – source: ONS: Families and households in the UK: 2024).

318. **Appendix 5** (**Volume 3**) sets out the population projections based on the sensitivity analysis. This shows that based on the housing growth, the Study Area (Zones 1-5) is forecast to increase by a higher +5.5 (+76,882 people) between 2026 and 2035 and by +9% (+125,764 people) by 2043, when compared against the baseline assessment.

319. The outputs of this sensitivity testing, considering the higher dwelling forecast, is detailed later in this section when reporting the retail capacity forecasts.

Expenditure per Capita & Forecasts

320. **Appendix 2 (Volume 3)** sets out the growth forecasts for convenience goods and comparison goods retail expenditure for the wider Study Area and zones (note: total expenditure is derived by multiplying the population and average expenditure per capita levels together). The base year average expenditure figures have been derived from our in-house Experian GIS (note: all monetary and turnover values are expressed in 2024 prices).

321. The growth in average expenditure per capita levels to 2043 has been informed by the forecasts set out in Experian's RPBN23 (as described in detail in **Section 3**). Experian's forecasts show a fall in convenience spend in 2023 (-5.1%); 2024 (-2.8%); and 2025 (-1.5%). With no growth projected over the medium term to 2032 and beyond over the longer term to 2041.

322. Experian predict that (per capita) growth in comparison goods spend for 2026 is 1.2%, 1.8% in 2027, which will settle at around +2.5% to 2032 and to +2.6% up to 2041.

Special Forms of Trading (SFT)

323. Special Forms of Trading (SFT) is deducted from the forecast retail (convenience and comparison) expenditure levels over the forecast period to reflect that proportion of retail spend that is not available to physical shops.

324. The base rate for 2026 is informed by the proportions of spend recorded by the Experian Insights data which relates to that year. This has then been adjusted to reflect the fact that a proportion of online convenience and comparison retail sales are sourced from traditional ('physical') stores rather than from dedicated ('dot com') warehouses. Experian assume 25% of SFT's market share for comparison goods and 70% for convenience goods are sales sourced from "physical" stores.

325. The expected growth in online sales/SFT is then applied to the forecast expenditure per head for future years, in line with the RPBN23 figures.

326. The available spend per head has also been adjusted to reflect that not all convenience spend is spent in foodstores or comparison purchases made in non-food stores.

Total Available Expenditure – Baseline Assessment

327. For convenience goods retailing there is a forecast increase +1.3% (+£46m) growth in available expenditure between 2026 and 2035 rising to +2% (+£74.8m)

by 2043 across the widely defined Study Area (Zones 1-5) (refer to **Table 3, Appendix 2, Volume 3**).

328. The forecast growth for comparison goods retailing is substantially higher than for convenience goods. The forecasts show a +22% (+£728.3m) growth in total comparison goods expenditure by 2035 rising to +47.7% (+£1,582.1m) by 2043 across the Study Area (refer to **Table 5, Appendix 2, Volume 3**).

329. To note, figures quoted in this study for 2043 are purely identified for indicative purposes.

Market Share Analysis (excluding SFT) and Centre Turnover – Baseline Assessment

330. The next stage in the capacity assessment involves allocating the available spend to the transaction-based market shares identified from the Experian Insights data. From this we can identify the expected turnover of centres in the Study Area and the monetary value of Study Area and zonal expenditure diverted to competing centres.

331. As previously mentioned, for the retail capacity assessment, and in line with accepted approaches, the market shares has then been adjusted for both convenience goods and comparison goods to exclude SFT.

332. The market share information for convenience and comparison spend is set out in **Table 4, Appendix 3** (convenience goods) and **Table 4, Appendix 4 (**comparison goods) using Zones 1 and 2 which together cover the Council area. The inflow of trade from outside the Derby City Council area has also been calculated from the Experian Insights data.

333. Forecast turnover for retail centres and destinations over the period in 2026 to 2043 (i.e. over the period 2030, 2035, 2040, and 2043) is then provided in **Tables 5 to 9** (**Appendix 3** for convenience goods and **Appendix 4** for comparison goods respectively), with the results summarised in **Table 10**, respectively.

334. These forecast turnovers are based on constant market shares, i.e. assuming no change in where people currently shop. This ‘constant market share approach’ is standard practice for strategic retail capacity assessments. This approach does not take account of the potential impact that new retail investment and development (both within and outside the Derby City Council area) or variances in visitor numbers which may influence existing shopping patterns, market shares and turnover performance over time.

Retail Commitments

335. The next stage in the retail capacity assessment takes account of all the major retail (convenience and comparison) floorspace commitments and planned development in the Derby City Council area at the time of preparing this study. All planned and pipeline floorspace commitments have been provided by the Council.

336. To note in that practice it is not possible to provide a definitive list of such commitments, which would be expected to be numerous because:

- Development proposals for sites within town centres are not required to submit as much detail regarding the retail and town centre uses elements of a scheme and therefore the exact quantum of retail floorspace may not be specified;
- Since the introduction of the 2020 Use Classes Order and specifically Class E, it is not necessary to specify the retail floorspace that will be included within a development;
- Even where a scheme is explicit in terms of the retail floorspace to be provided, it is not usually clear how much is likely to be for convenience uses and how much for comparison; and
- Permissions are usually valid for 3 years but not all will be implemented, whilst other older permissions may be partially implemented and therefore extant, but without the commercial elements completed.

337. For this assessment we have therefore sought to include the most significant proposals (500sqm and more), both in terms of location and the likely scale of retail floorspace.

338. The following proposals have therefore been included, based on information sourced from the Council (February 2026), and reasonable assumptions regarding the likely floorspace mix.

339. **Appendix 3** for convenience goods and **Appendix 4** for comparison goods sets out the floorspace commitments. The following have been identified:

- Planning Ref No. **25/01315/OUT**. Demolition of existing Eagle Market building and erection of a mixed-use development (comprising of up to 674 homes, up to 3,066 sqm GIA of commercial space and up to 145 car parking spaces), including residential and commercial floor space (Use Classes C3 and E); public square; servicing; car and cycle parking provision; hard and soft landscaping works; provision of new pedestrian routes; and other associated works. Assumptions: the gross floorspace of 3,066 sqm is netted down to 2,146 sqm (assuming a gross to net ratio of 70%) and is further assumed that this new space will be split equally between comparison, convenience and leisure space (i.e. 715 sqm net each).

- Planning Ref No. **24/01738/OUT**. Demolition of existing buildings and erection of a mixed-use development (comprising of up to 478 homes, up to 528 sqm GEA of commercial space and up to 94 car parking spaces), to be delivered in a phased and severable manner, including residential and commercial floor space (Use Classes C3 and E); servicing; car and cycle parking provision; hard and soft landscaping works; and other associated works. Assumptions: the gross floorspace of 528 sqm is netted down to 370 sqm (assuming a gross to net ratio of 70%) and is further assumed that this new space will be split equally between comparison, convenience and leisure space (i.e. 123 sqm net each).

- Planning Ref No. **23/01102/FUL**. Restoration and Change of Use of the Bonded Warehouse (Use Class E) , Restoration and Change of use of the Engine House (Use Class E) and the erection of up to 280 dwellings (Use Class C3), landscaping, access and cycle provision, sustainable drainage, public and private open space, earthworks, and the partial demolition of existing railway arches. The Council has stated that retail uses is limited to 1,000 sqm gross and range of goods limited to convenience only. On this basis (assuming a gross to net ratio of 70%) the new convenience goods floorspace is estimated at 700 sqm net.

- Planning Ref No.**19/01245/OUT**. Demolition of United Reform Church and associated ground floor units and the creation of a new public square with associated works. Full Planning permission - Demolition of United Reform Church and associated ground floor units and the creation of a new public quare with associated works. Outline Planning Permission - Phased demolition of remaining buildings and structures (with the exception of those fronting Green Lane and the former stable block to the rear of Green Lane). Erection of a phased mixed-use development (Use Classes A1, A2, A3, A4, A5,B1, C1, C3,D1, D2 - or equivalent Uses Classes, for any Uses that have been re-classified under the Use Classes Order 2020), with all matters reserved for future consideration with the exception of access.
  The Outline Planning Permission has flexible permission and limited to convenience goods only. It has been assumed for the purposes of this assessment that the maximum convenience floorspace will be 1,000 sqm gross 700 sqm net (assuming a gross to net ratio of 70%).

Floorspace Productivity

340. A key input to the retail capacity assessment is the application of a year-on-year floorspace ‘productivity’ growth rate to all existing and new retail floorspace. As detailed in **Section 3**, existing retailers will need to achieve higher annual ‘productivity’ growth rates to cover their increasing costs (including, for example, rising rents, business rates and wages) and to remain profitable and viable over the short, medium and long term. This is particularly the case as the competition from online retailing increases; a trend that has been significantly accelerated by the impact of the pandemic.

341. Experian provides forecasts for productivity growth rates in the form of expected changes to retail sales densities (RPBN23, Figures 3 and 4), with two scenarios tested, assuming (i) constant floorspace and (ii) changing floorspace. For the purposes of this assessment we have used the **‘constant’** floorspace assumptions.

342. It should be noted that Experian do not identify productivity growth rates beyond 2041. For indicative purposes, LSH has assumed that the annual productivity growth rates identified by Experian for 2033 to 2041 would remain unchanged to 2043.

RETAIL CAPACITY FORECASTS

343. The following sets out the convenience and comparison goods capacity forecasts for the main centres and stores over the forecast period, up to 2043. Whilst the forecasts are provided to 2043, the NPPF (paragraph 90d) is clear that local planning authorities should plan to meet the need for new retail and town centre uses by "*looking at least ten years ahead*". The PPG also states that given the uncertainty in forecasting long-term retail trends and consumer behaviour, assessments *"…may need to focus on a limited period (such as the next five years) but will also need to take the lifetime of the plan into account and be regularly reviewed."*

Capacity Forecasts – Baseline Assessment

344. With the above caveat in mind, the capacity analysis over the entire study period to 2043 shows that even before considering commitments, there is **no identified capacity** for both convenience and comparison goods floorspace.

345. The absence of capacity for both goods types especially over the ten-year period (and beyond) reflects:

- a lower rate of growth in retail expenditure per capita for convenience and comparison goods expenditure;
- higher rates of productivity/efficiency growth for existing retail floorspace which accounts for retailers seeking to improve the efficiency of their sales space to counter pressures from rising operational and supply costs; and
- increasing market share of online sales.

346. It should also be noted that the capacity assessment does not consider the potential for existing vacant accommodation to be brought back into retail use.

347. It should be reiterated that the calculations for retail need assume that retail market shares identified based on patterns of spend over a 12-month period to December 2025 remain unchanged. In reality, spending habits will alter as new retail trends emerge and as retail evolves both online and in centres. Significant demographic changes will also alter forecasts, particularly in areas of residential densification.

348. Therefore, while the NPPF requires need to be identified for retail over a minimum 10-year period, the likelihood is that the capacity findings for the Council area will change within that period. It is for this reason that the Council focus on the capacity outputs up to 2035, rather than the longer term (i.e. 2036 to 2043) and that evidence on retail spending habits should be updated every five years.

Capacity Forecasts – Sensitivity Analysis

349. As previously detailed, a sensitivity analysis has also been undertaken based on new housing development based on a trajectory target of 12,500 units over the period 2023 to 2043 across the Council area. The population component is the only variable whilst other inputs remain in line with the baseline assessment. On

this basis, the detailed capacity tabulations for convenience and comparison goods are set out in **Appendices 5 and 6 (Volume 3)** respectively.

350. The sensitivity analysis shows that after accounting for commitments the capacity forecasts by goods type show:

- Convenience goods: no capacity to 2030; 774 sqm net by 2035 and some 1,311 sqm net by 2043.
- Comparison goods: no capacity to 2030; 1,097 sqm net by 2035 and 1,156 sqm net to 2043.

351. The analysis shows in the short term to 2030 there is no capacity identified across both types of goods. Capacity emerges later over the longer term horizon (ten year period) to 2035. The level of floorspace identified will be absorbed by new emerging developments should the housing trajectory forecast be delivered.

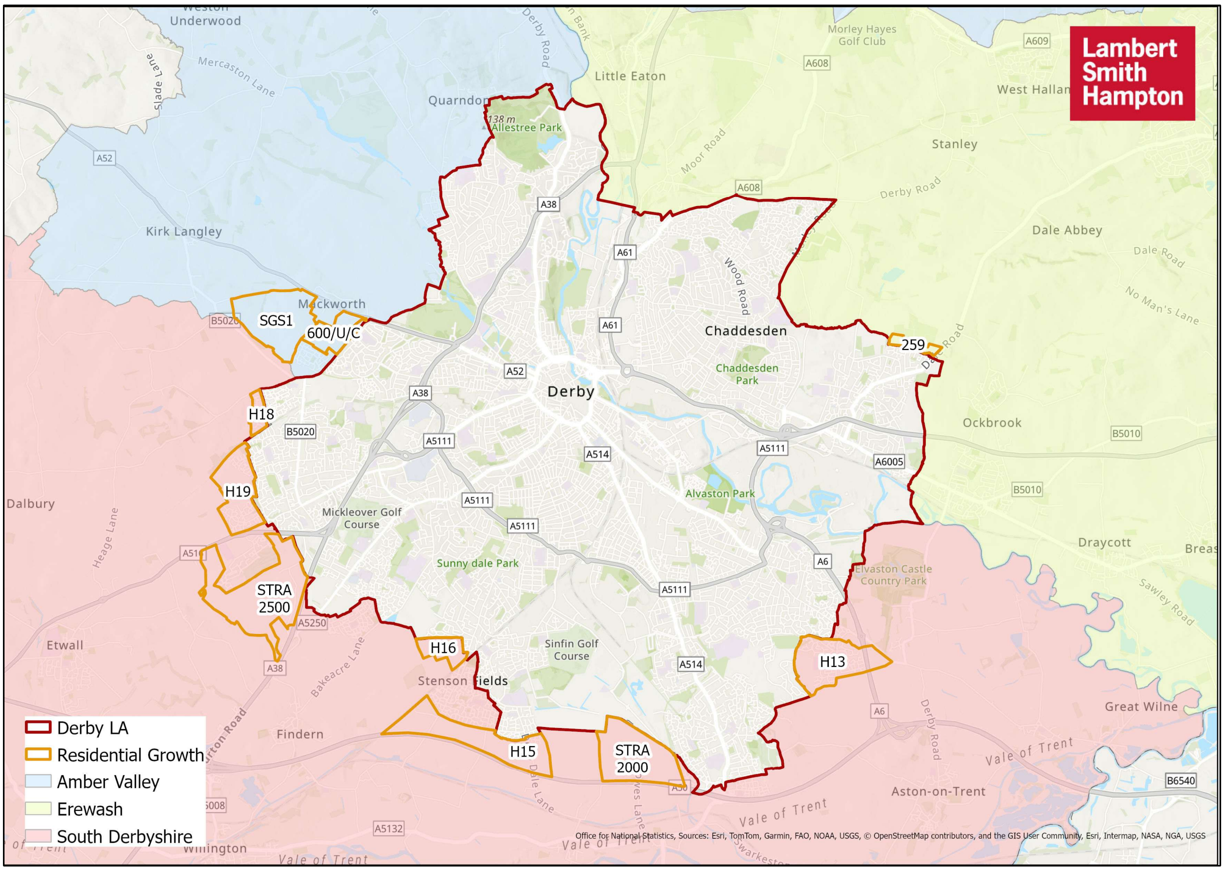
352. It is to be noted that as this sensitivity analysis is being driven a potential housing led trajectory, it can be assumed that for future schemes/developments the need will primarily be for local convenience provision with ancillary comparison goods provision where relevant. On this basis, a future applicant will need to demonstrate and assess how appropriate sustainable provisioning can be supported considering the scale of development and any existing local provision.

Housing Allocations Surrounding Derby City Council Area

353. The Council has also sought to test the potential indicative need arising from allocations in surrounding local authorities. It should be caveated in advance that these findings should be treated as theoretical only and should not be interpreted as establishing a definitive requirement for provision.

354. The scale, composition and timing of individual allocations and the retail provision will evolve through the plan making and development management process. Any future requirement must therefore be determined through a detailed and localised site-specific requirement assessment that reflects the scale and phasing of development, existing provision, catchment characteristics and trading.

Figure 17: Allocations Surrounding Derby City Council Area



Source: Data sourced from Derby City Council

355. The allocations and the quantity of residential proposed by neighbouring local authority area are detailed below:

Local Authority	Allocation Reference	No. of Units	Comment
Amber Valley	SGS 1	2,000	_
	Plus those U/C	600	_
South Derbyshire	H18	36	36 units left to be built from 290 allocated
	H19	800	800 units left to be built from 1,650 allocated
	STRA 2500	2,500	_
	H16	500	_
	H15	1,950	_
	STRA 2000	2,000	_
	H13	1,000	1,000 units left to be built from 1,650 allocated
Erewash		259	_
Total		**11,645**	

356. As highlighted, and at this stage, only a high level strategic assessment can be undertaken based primarily on convenience goods provision as detailed above. Additionally, each allocation will need to be individually assessed taking in to account local conditions prevalent at the time including:

- local catchment area for the proposed floorspace;
- identify the quantum of convenience goods expenditure within the catchment that may be available to support the floorspace proposed;
- the market share of convenience goods expenditure that could be claimed by any proposed floorspace; and
- estimating the quantum of floorspace that this expenditure could likely support.

357. Bearing the above in mind, the broad theoretical strategic assessment at this stage is predicated on the following assumptions:

- typical national average occupation rates of 2.35 people per dwelling;
- average per capita expenditure on convenience goods projected to 2035;
- that of the derived spend generated 25% of this expenditure will be available to any new floorspace;
- some 5% of any new floorspace turnover will be inflow expenditure;
- applying a standard convenience goods sales density of circa £10,000 per sqm to convert available spend to floorspace; and
- the floorspace will be trading by 2035.

358. The broad findings based on the above assumptions are detailed overleaf. This shows:

- the scale of the floorspace is likely to support a small convenience store (generally referred to as a ‘c-store’ format by leading retailers);
- the theoretical derived floorspace need for allocations that comprise 800 units and above range from 128 sqm net to 399 sqm net (182 sqm gross to 570 sqm gross);
- this quantum of floorspace would be of an appropriate scale such that it could underpin say an emerging neighbourhood hub;
- primary operators, such as Tesco Express, Sainsbury Local, Asda Express, Morrisons Daily and the Co-op (i.e. ‘main grocery retailers’), typically take larger stores providing around 400 sqm gross in locations with strong retail catchments; and
- more secondary c-store operators (i.e. ‘c-store format specialists’), which are often franchise-driven, such as One Stop, Budgens, Londis, Premier, Costcutter, and Nisa typically take smaller stores serving a more compact catchment than the primary operators.

Table 6: Strategic Assessment of Allocations in Surrounding Authority Areas

Local Authority	Allocation Reference	No. of Units	Derived Population	Expenditure Per Capita (£) Excluding SFT	Total Available Convenience Expenditure (£m)	Assumed Market Share Retention (at 25%) £m	Inflow from elsewhere (@ 5%) (£m)	Total Expenditure Available to Support New Convenience Floorspace (£m)	Average Sales Density of New Floorspace (£/sq m)	Net Floorspace Capacity (sqm)	Gross Floorspace Capacity (sqm)
Amber Valley	SGS 1	2,000	4,700	2,580	12.1	3.03	0.16	3.19	10,000	**319**	456
	plus U/C	600	1,410	2,580	3.6	0.91	0.05	0.96	10,000	**96**	137
	Sub-total	2,600	6,110	2,580	15.8	3.94	0.21	4.15	10,000	**415**	593
South Derbyshire	H18	36	85	2,580	0.2	0.05	0.00	0.06	10,000	**6**	8
	H19	800	1,880	2,580	4.9	1.21	0.06	1.28	10,000	**128**	182
	STRA 2500	2,500	5,875	2,580	15.2	3.79	0.20	3.99	10,000	**399**	570
	H16	500	1,175	2,580	3.0	0.76	0.04	0.80	10,000	**80**	114
	H15	1,950	4,583	2,580	11.8	2.96	0.16	3.11	10,000	**311**	445
	STRA 2000	2,000	4,700	2,580	12.1	3.03	0.16	3.19	10,000	**319**	456
	H13	1,000	2,350	2,580	6.1	1.52	0.08	1.60	10,000	**160**	228
	Sub-total	8,786	20,647	2,580	53.3	13.32	0.70	14.02	10,000	**1,402**	2,003
Erewash	-	259	609	2,580	1.6	0.39	0.02	0.41	10,000	**41**	59
	Grand Total	11,645	27,366		71	17.65	0.93	18.58		**1,858**	2,655

SUMMARY

359. To reiterate, the NPPF (paragraph 90d) is clear that local planning authorities should plan to meet the need for new retail and town centre uses by "*looking at least ten years ahead*". The PPG also states that given the uncertainty in forecasting long-term retail trends and consumer behaviour, assessments "…*may need to focus on a limited period (such as the next five years) but will also need to take the lifetime of the plan into account and be regularly reviewed*." Therefore, whilst greater weight should be placed on forecasts over the next five to ten-year period, we have also assessed the potential capacity for new retail floorspace over the period to 2043, to help inform both Council's longer-term plan-making and strategies.

360. As shown, under the baseline assessment the forecasts indicate that there is no immediate global capacity for convenience and comparison goods over the ten year period to 2035 or beyond.

361. Under the higher growth sensitivity analysis a nominal 774 sqm net emerges in 2035 for convenience goods rising to 1,311 sqm in 2043. For comparison goods, it is higher 1,097 by 2035 rising to 1,156 by 2043. This assumes that all of the housing trajectory is delivered. This notwithstanding, and in the context of the quantum derived, the level of floorspace identified will be absorbed by any new emerging developments.

362. Overall, there is therefore no requirement for the Council to allocate any new sites for retail provision.

363. A robust policy approach should therefore be adopted, especially development management policies in accordance with the NPPF (paragraphs 90 - 95), to enable the assessment and determination of future proposals that are not in a centre and not in accordance with an up-to-date development plan. It particularly emphasises the importance of the sequential test and having robust locally set impact thresholds, in compliance with the NPPF and NPPG, to ensure that edge and/or out-of-centre proposals do not result in any significant adverse impacts on existing centres.

364. Additionally, where market demand presents an opportunity to improve the retail offer then this should not be discounted on the basis that there is no or limited identified quantitative need. Where demand for new retail floorspace should arise over the plan period, then this should be directed to existing centres in accordance with the "town centre first" (sequential) approach detailed in national and local plan policy and guidance. Consideration should be given to opportunities to repurpose vacant town centre floorspace, particularly in prime retail pitches or as part of redevelopment opportunities.

7. COMMERCIAL LEISURE & CULTURE ASSESSMENT

365. This section focuses on the potential need for new leisure uses and facilities in the Council area over the plan period to 2043.

366. This assessment necessarily focuses on the main leisure, entertainment and cultural uses identified by the NPPF (Annex 2). These uses are widely accepted as making a significant contribution to the overall vitality and viability of town centres and should be located in town centres first in accordance with national and local plan policy objectives.

367. This assessment focuses on the main leisure, entertainment and cultural uses identified as town centre uses in the NPPF (Annex 2) namely:

"…leisure, entertainment and more intensive sport and recreation uses (including cinemas, restaurants, drive-through restaurants, bars and pubs, nightclubs, casinos, health and fitness centres, indoor bowling centres and bingo halls); … and arts, culture and tourism development (including theatres, museums, galleries and concert halls, hotels and conference facilities)." (NPPF, Annex 2).

368. The Government's 2020 reform of the Use Classes Order classified the main food and beverage, commercial leisure and cultural uses as follows:

Table 7: 2020 Use Classes Order Update

Original Use Class	Revised Use Class:	Use:	Description:
Class A3	**Class E (b)**	Restaurants and cafés:	Defined as selling food and drink for consumption on the premises.
Class A4	**Sui Generis**	Drinking establishments:	Includes public houses, wine bars or other drinking establishments (but not night clubs), and drinking establishments with expanded food provision
Class A5	**Sui Generis**	Hot food takeaways:	Defined as the sale of hot food for consumption off the premises.
Class D1	**Class F.1**	Non-residential institutions:	Includes art galleries (other than for sale or hire) and museums.
Class D2	**Sui Generis**	Leisure/Recreation (indoor/outdoor)	Cinemas, music and concert halls, bingo and dance halls
Class D2	**Class E (d)**	Leisure/Recreation (indoor/outdoor)	Gymnasiums or area for indoor recreations.
Class D2	**Class F.2**	Leisure/Recreation (indoor/outdoor)	Indoor or outdoor swimming baths, skating rinks and outdoor sports/recreations.
Sui Generis	**Sui Generis**	A use on its own	Theatres, nightclubs, casinos

Source: Town and Country Planning (Use Classes) Order 1987 (as amended) and Revised Town and Country Planning (Use Classes) (Amendment) (England) Regulations 2020 (SI 2020 No.757).

369. It is also the case that the 2020 changes to the Use Classes Order mean that the main commercial leisure sector in terms of spend – Food and Beverage (F&B) encompasses both Class E and Sui Generis uses. As a result, any changing demand for restaurant and café uses can be met within the existing or committed town centre floorspace. This trend was already apparent before 2020 with many developments seeking permission for flexible A1/A3 uses. This is no longer

necessary as planning permission is not required to change between Class E uses.

370. It is important to understand at the outset that forecasting the need for new leisure uses is more problematic than for retailing, as the sector is highly complex and dynamic. For example, the demand for existing and new leisure uses and facilities is particularly sensitive to changes in economic, demographic, lifestyle and fashion trends. Consequently, the methods developed to forecast the need for new leisure uses are necessarily more flexible, qualitative and high level. In this context LSH has developed robust and transparent approaches to assess leisure needs based on the following key inter-related workstreams:

- A review of the key trends driving expenditure growth and market demand in the leisure sector over the last decade.
- An audit of existing leisure provision to help identify any significant ‘gaps’ in provision.
- A review of current leisure participation rates and preferences across the Study Area based on the results of the Experian Insights data where relevant.
- The application of a robust economic/quantitative need assessment for some leisure groups based on accepted approaches.

371. This section provides a summary of the key leisure trends, current provision and participation to help identify the potential (quantitative and qualitative) need for new uses and facilities over the plan period. As with the retail capacity assessment the quantitative findings where relevant draw on both the baseline assumptions of population growth and separately the higher housing growth led population scenario. All leisure need forecasts should be treated with caution as they are subject to dynamic market and lifestyle trends and changes in the market demand and investment preferences of leisure operators.

COMMERCIAL LEISURE TRENDS

372. The UK leisure sector is undergoing a period of significant change shaped by shifting consumer behaviour, technological innovation and continued economic pressure. Despite a series of shocks including the COVID-19 pandemic, high inflation and elevated energy costs, leisure spending remains a substantial part of household expenditure in the UK averaging around £3,185 per person per year. Understanding these dynamics is essential to addressing how town centres can adapt and remain competitive in an increasingly fluid market.

373. The following trends are shaping change across key leisure sub sectors:

- restaurants remain under pressure from oversupply, rising operating costs, labour shortages and weaker consumer spending. While delivery services are now well established, they present additional challenges for operators particularly in managing margin mix (i.e. deciding which parts of their offer to prioritise to maximise profitability) and operational balance (i.e. controlling costs efficiently while maintaining overall profitability).

- Coffee shops and cafes remain one of the most resilient sub sectors. The UK branded coffee shop market reached 11,456 outlets in early 2025 with sales of £6.1 billion and is forecast to continue growing strongly in the medium term (source: https://www.worldcoffeeportal.com).

- Public houses and bars continue to face structural decline with more than 2,000 closures since 2020 and the number of pubs falling below 39,000 in England and Wales rising costs and cautious consumer spending remained the main pressures.

- Hairdressing and personal grooming are increasingly important in town centres because these uses need a physical presence and typically occupy smaller units often in secondary or slightly off pitch locations.

- Cinemas continue to face competition from streaming services and changing audience expectations although boutique formats and community screenings are helping support parts of the market.

- Health and fitness remains a resilient sub-sector supported by continued consumer interest in health well-being and lifestyle led activity. While the overall a state has not fully recovered to pre-pandemic levels, membership levels remain strong and growth is being led by budget operation operators and niche facilities.

- Theatres have recovered strongly following the pandemic with sustained audience demand and improving occupancy levels across many regional venues. The sector remained sensitive to rising operating and maintenance costs, but younger audiences and experiential leisure demand continue to support its long term relevance.

- Music venues particularly grassroots venues remain under severe pressure. Closures have continued as a result of rising costs licencing challenges redevelopment risk and wider changes in consumer behaviour. Despite their cultural importance many venues are operating with limited financial resilience.

374. According to Experian RPBN 23, following a dramatic -36.5% fall in leisure spend per head in 2020, Experian forecasts showed a return to growth in 2021 (+28.5%) but a drop to -1.4% in 2023 and – 1.3% in 2024 and modest growth of 0.7% in 2025. Thereafter there is a nominal forecast growth of +0.6% for 2026 with growth averaging between +1.0% and +1.1% over the long term between 2028 to 2041. These expenditure growth trends, and forecasts, have informed the updated leisure needs assessment.

375. Hence, any further dampening of growth rates over the short to medium term will have implications for the viability of existing leisure businesses and the demand for new space.

376. The demand for leisure is currently dependent on broader economic conditions and prevailing consumer confidence. The key issues for commercial leisure provision encompasses a number of factors, particularly:

- macro-economic and resulting consumer sentiment (e.g. income growth, rising cost inflation, cost of living crisis, rising wage bills through increased National Insurance contributions);
- the rise in home working and benefiting local locations and businesses;
- changing consumer tastes and preferences (e.g. younger generation drinking less alcohol; prioritising experiences and prioritising spend)
- rise of home delivery; and
- the increase in the use of open spaces and pursuits.

377. Continuing uncertainty over inflation, increase in national insurance contributions, future regulation and staffing levels is said to be causing a “crisis of confidence” among business owners, which has fallen to a lower level than at any point during the pandemic. The vulnerability of the sector due to soaring energy costs, crippling rises in the cost of goods and dampening consumer confidence is likely to affect the sector over the next few years further.

378. The leisure sector is likely to remain in a period of adaptation with operators required to respond to cost pressures, shifting consumer expectations and changing patterns of demand. While some segments, including coffee shops, gyms and theatres, continue to demonstrate resilience others such as pubs and grassroots music venues remain vulnerable to structural decline. In this context, modest future growth in leisure expenditure reinforces the need to repurpose surplus retail floor space and secure a more diverse mix of town centre uses to sustain football and ensure vitality and long term resilience.

379. From a planning policy perspective the key to meeting future, as yet unknown needs, will be the development of policies that can accommodate the changing needs of the sector and can operate in the real world. This includes recognising that for many leisure uses the level for entering a new market will be relatively high and, unlike retail outlets where store size can vary significantly, incremental development is unlikely if only small increases in market growth are identified. For instance, a new cinema or bowling alley will need a certain number of screens or alleys to be commercially viable.

DERBY CITY COUNCIL AREA EVENING ECONOMY

380. Derby City centre has the strongest and most diverse evening offer in the Council area. This comprises of bars, restaurants, clubs, theatres, live music venues, late opening food drink and cinema as part of its core leisure mix. This reinforces the city centre's role as Derby’s main evening economy destination. The centre has also held the Purple flag status for many years. The mains strengths are in the City Centre core area especially around the Cathedral Quarter and Saint Peter’s Quarter.

381. The city's offer has tended to be stronger later in the night than in the early evening (5pm to 8pm). The cinema element helps broaden the offer beyond drinking and supports early evening activity for mixed aged audiences. However there are reported safety pressures in relating to crime and anti-social behaviour in the night time core.

382. Derby City Centre's diverse evening offer is dominated by bars, clubs, restaurants, theatres, cinemas, live music venues and late opening food and drink uses. Examples include Derby Theatre, Derby QUAD (multi-purpose venue with cinema, art gallery, cafe-bar and events spaces for hire), The Hairy Dog (music venue), Genting Riverlights (casino) and Vaillant Live (music venue) alongside late opening food and drink at Derby Market Hall.

383. In terms of the District Centres the F&B offer comprises of the following:

- **Allenton:** F&B provision comprises pubs (e.g. The Crown Hotel) and a range of takeaways (e.g., Subway, Greggs, Papa Johns Pizza, Allenton Balti House, Zan Fish & Chips, Zaza Pizza).

- **Allestree:** F&B provision is in the form of Costa Coffee, Papa Johns Pizza, Happy Choice Chinese Takeaway and The Royal Raj Indian Restaurant.

- **Alvaston:** Local restaurant (Zaal Indian Kitchen, Spice Hut) and café-bar use most prominent together with a range of takeaways (Steve's Fish Bar, Subway, Alvaston Kebab, Dixy Chicken, Domino's Pizza).

- **Cavendish:** Limited provision dominated by take-aways including Cavendish Kebabs, Spice Curry, Ranya Shawarma.

- **Chaddesden**: Limited provision dominated by take-aways including Dixy Chicken, 3 Chefs and Domino's Pizza; together with other local hospitality including a Toby Carvery.

- **Chellaston**: Limited provision comprising a range of takeaways / restaurants including Love Curry and China Garden.

- **Littleover:** F&B provision comprising a range of takeaways / restaurants including Subway, Jimmys Pizza, Zan Fish, 3 Chefs, Red Chili Restaurant, Thai Boran Restaurant, Half Moon P/H and Chan's Garden takeaway.

- **Mackworth:** Limited provision comprising a range of takeaways including Brittania Fishbar, Greggs, Pizza Cottage.

- **Mickleover:** Decent provision comprising Binary Bar & Restaurant, Brooks Deli / Bar, Nags Head P/H, The Vine P/H, The Masons Arm P/H, Domino's Pizza, New World takeaway and Steve's Fish & Chips.

- **Normanton Road:** Long linear centre with an extensive provision although dominated by takeaways; provisioning includes:

  - **Takeaways:** Wendys, Dad's Kitchen, Shawerma Express, Snack box, Planet Pizza, Famous Chicken, Veggie Master, Smash 'n' Burger, Sultan's Kitchen, Venice Chicken, Flavours, Oodles, Mr. Pizza, Subway, Pepe Piri Piri, Barbecue Express, Al Merab Karahi, Burger Box, Smooky Grill, Maeme's Piri Piri, Nevada Chicken, Crown Pizza, Desi Dera, Laziza Grill, Khaman Sweet, Shawarma 4 You, Shahenshah, Wafflebox, Chai Hut, Istanbul Shawarma, Tasty Chicken, Marielane Pizza, Falame'o Pizza, Royal Fast Food, Haroon's Takeaway.

  - **Café's & Restaurants:** Istanbul Restaurant, Chaiiwala, Starbucks, Maher's, Rita Habesh Coffee, Mirch Masala, Sharmas.

  - **PH / Bars:** Melbourne Bar P/H, Lyndhurst Bar.

- **Oakwood:** Small centre with limited provision comprising of two takeaways namely Peony House and Oakwood Fish Bar.

- **Sinfin:** Small centre with limited provision comprising Cake Box, Subway and Greggs with recent arrivals being KFC and Starbucks.

- **Spondon:** Small centre with limited provisioning comprising Spondon Fryer, White Swan P/H, Aroma Coffee House, Tamarind Restaurant, Oriental Chef takeaway.

384. Overall, the evening and night time economy in the district centres takes the form of a variety of local F&B provision depending on centre size. With the exception of Normanton Road, in most cases this is of a scale that is commensurate with a locally driven focus. In contrast, the offer in the city centre is more diverse in terms of activity, national brands and a range of provision that caters for all age groups that attracts visitors from both the Council area and beyond.

LEISURE EXPENDITURE GROWTH

385. The leisure sector has experienced significant growth in consumer and market demand since the mid-1990s; fuelled by a buoyant economy, growing disposable income and low unemployment levels. Although the sector has been significantly impacted by the pandemic, the fact is that leisure and entertainment activities remain an important lifestyle and entertainment choice for many consumers over other areas of spending.

386. UK households on leisure includes items covering:

- Recreational and sporting services – i.e. services provided by sports stadia, racecourses, rinks, golf courses, pools, courts, bowling alleys, gyms, fairs, parks, dancing and skating;

- Cultural services – i.e. cinemas, theatres, concerts, circuses, TV rental, satellite subscription, video hire, hire of musicians, clowns, performers, photographers, film processing;
- Restaurants, cafes etc (F&B) – i.e. catering services, meals, alcohol, snacks and drinks sold by restaurants, pubs, cafes etc;
- Accommodation services – i.e. accommodation in hotels, motels, inns, “bed and breakfast” establishments, caravan sites, youth hostels, boarding schools, universities and other educational establishment accommodation;
- Games of Chance – i.e. spending on Bingo stakes, betting, football pools and lottery tickets; and
- Hairdressing salons & personal grooming – i.e. hairdressers, barbers, beauty shops and salons, men’s personal grooming centres, massage parlours, saunas, tanning centres.

387. The table below sets out average expenditure per capita for residents within the Study Area and zones. Average spend on leisure services is dominated by Food and Beverage (‘F&B’), which includes cafés, restaurants and bars. F&B accounts for approximately 66% of all average spend per capita on leisure services in the Study Area (Zones 1-5). Within the Council area (Zones 1 and 2) it accounts for 66% and 59%, respectively.

Table 8: Estimates of Annual Expenditure per Capita on Leisure Services (2026)

Zone	Hotels, B&Bs, etc	Culture	Games of chance	Personal Grooming	Recreation & sport	Restaurants, cafes etc	Total
Zone 1	£219	£508	£156	£118	£229	£2,412	£3,642
	£184	£435	£149	£116	£214		
	£192	£444	£151	£117	£215		£2,771
	£254	£501	£163	£146	£255		£3,060
	£287	£550	£189	£164	£277		£3,422
Study Area Average	£219	£508	£156	£118	£229	£2,412	£3,642

Note: Average spend per capita estimates (2024 prices) are derived from Experian Location Analyst 'Retail Area Planner' Reports. Expenditure growth forecasts (from Retail Planner Briefing Note 23 published by Experian Business Strategies (March 2026)) have been used to project to 2026 average spend per capita estimates.

388. From a planning perspective this clearly shows the potential importance of spending on F&B for town centres, given much of that spend will, or has the potential to be spent in defined centres at all levels of the retail hierarchy. Cultural spend will be important for the larger centres, at the top of the hierarchy, whilst hairdressing and personal grooming services may generate less expenditure per head but are more likely to be spent locally. Provision of such services is therefore

often a key part of a district or local centre offer, as well as being present in higher order centres.

389. Spend generated by the residents of the Derby City Council area on accommodation services is not likely to be spent within the authority area but spend from visitors staying in Derby or elsewhere whilst visiting, will be vital to supporting the hospitality market. Spend on recreational & sporting activities is likely to be less important for town centres as is spend on games of chance – the former due to the scale on expenditure on activities that will not be located in town centres and the latter due to the significance of online spend.

LEISURE EXPENDITURE FORECASTS

390. The base year expenditure per capita levels for leisure have been projected forward to 2043 using Experian's forecast annual growth rates above and then applied to the projected population for each study zone to identify the total available expenditure on leisure and recreation goods and services.

391. The table below shows the most recent leisure spend projections by Experian Business Strategies (EBS) as set out in Retail Planner Briefing Note 23 (March 2026).

Table 9: Actual & Forecast Growth in UK Leisure Spend (% per annum)

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028 32	2033 41
Leisure Spend Growth (%)	-0.1%	-36.5%	28.5%	21.3%	-1.4%	-1.3%	0.7%	0.8%	0.6%	1.1%	1.0%

392. Based on the baseline population forecasts this results in total available leisure expenditure in 2026 of £4,092.4m in the Study Area. Within the Council area (Zones 1 and 2) it is £715.3m (see table below).

Table 10: Total Forecast Growth in Commercial Leisure Expenditure: 2026 – 2043 (£m) – Baseline Assessment

						Growth 2026 to 2035		Growth 2026 to 2043	
Zone	2026	2030	2035	2040	2043	£m	%	£m	%
Zone 1	£22.7	£24.0	£25.9	£27.9	£29.1	£3.1	13.8%	£6.4	28.0%
Zone 2	£692.5	£724.1	£769.9	£816.9	£846.5	£77.3	11.2%	£154.0	22.2%
Zone 3	£1,560.0	£1,633.6	£1,728.5	£1,821.6	£1,879.7	£168.5	10.8%	£319.6	20.5%
Zone 4	£1,120.8	£1,223.9	£1,358.3	£1,491.1	£1,571.9	£237.5	21.2%	£451.1	40.2%
Zone 5	£696.3	£739.2	£797.6	£857.5	£895.4	£101.3	14.5%	£199.2	28.6%
Total Study Area	**£4,092.4**	**£4,344.7**	**£4,680.0**	**£5,015.1**	**£5,222.6**	**£587.7**	**14.4%**	**£1,130.3**	**27.6%**

393. Applying the most recent year-on-year leisure spend growth rates sourced from Experian Business Strategies to the population projections results in an increase in total available commercial leisure expenditure across the defined Study Area (Zones 1-5) of +587.7m (+14.4%) by 2035 and +27.6% (+£1,130.3m) by 2043 under the baseline assessment. The equivalent figure for the Council area (Zones 1 & 2) is +£80.5m (+11.2%) by 2035 and +22.4% (+£160.3m) by 2043.

394. As with retail capacity, higher housing growth led population growth forecasts have also been tested. This shows a higher overall rate of growth over the period 2026 to 2043 and for the Council area (Zones 1 & 2) an increase of +£130.9m (+18.2%) by 2035 rising to +32.8% (+£235.7m) by 2043.

Table 11: Total Forecast Growth in Commercial Leisure Expenditure: 2026 – 2043 (£m) – Sensitivity Analysis

						Growth 2026 to 2035		Growth 2026 to 2043	
Zone	2026	2030	2035	2040	2043	£m	%	£m	%
Zone 1	£22.7	£24.0	£25.9	£27.9	£29.1	£3.1	13.8%	£6.4	28.0%
Zone 2	£696.9	£750.3	£824.7	£886.4	£926.3	£127.7	18.3%	£229.4	32.9%
Zone 3	£1,560.0	£1,633.6	£1,728.5	£1,821.6	£1,879.7	£168.5	10.8%	£319.6	20.5%
Zone 4	£1,120.8	£1,223.9	£1,358.3	£1,491.1	£1,571.9	£237.5	21.2%	£451.1	40.2%
Zone 5	£696.3	£739.2	£797.6	£857.5	£895.4	£101.3	14.5%	£199.2	28.6%
Total Study Area	**£4,096.8**	**£4,371.0**	**£4,734.9**	**£5,084.5**	**£5,302.4**	**£638.1**	**15.6%**	**£1,205.7**	**29.4%**

395. The table below breaks down the growth in leisure expenditure by category. It shows that F&B expenditure between 2026 and 2035 in the Study Area (Zones 1-5) is forecast to increase by +£340.9m (accounting for 58% of the total) followed by cultural services +£95.2m (accounting for 16% of the total). By way of reference, the equivalent figure for F&B within the Council area (Zones 1 & 2) is +£47.5m (+11.3%) by 2035 and for cultural services +11.2% (+£13.1m).

Table 12: Study Area: Total Forecast Growth in Commercial Leisure Expenditure: 2026 – 2043 (£m) - Baseline Assessment

						Growth 2026 to 2035		Growth 2026 to 2043	
CATEGORY	2026	2030	2035	2040	2043	£m	%	£m	%
Accommodation services (hotels, guesthouses, B&Bs)	£308.6	£328.1	£353.9	£379.8	£395.8	£45.4	14.7%	£87.3	28.3%
Cultural services (cinema, theatre, concerts, etc)	£661.8	£702.7	£757.0	£811.3	£845.0	£95.2	14.4%	£183.2	27.7%
Games of chance (bingo, casino, betting)	£223.2	£236.9	£255.1	£273.4	£284.6	£31.9	14.3%	£61.4	27.5%
Personal grooming (hairdressers, barbers, etc)	£183.6	£195.0	£210.3	£225.6	£235.0	£26.8	14.6%	£51.5	28.0%
Recreational and sporting services (gym, fitness, etc)	£328.0	£348.4	£375.5	£402.5	£419.3	£47.5	14.5%	£91.3	27.8%
Restaurants, cafes, bars, etc	£2,387.3	£2,533.6	£2,728.1	£2,922.4	£3,042.9	£340.9	14.3%	£655.6	27.5%
Total Study Area	**£4,092.4**	**£4,344.7**	**£4,680.0**	**£5,015.1**	**£5,222.6**	**£587.7**	**14.4%**	**£1,130.3**	**27.6%**

396. Under the higher growth housing led population assessment, F&B expenditure between 2026 and 2043 in the Study Area (Zones 1-5) is forecast to increase by a higher +£370.5m (+.15.5%). Within the Council area (Zones 1 & 2) F&B expenditure increases to +£77.1m (+18.2%) by 2035 and for cultural services +18.2% (+£21.3m).

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Table 13: Study Area: Total Forecast Growth in Commercial Leisure Expenditure: 2025 – 2045 (£m) - Sensitivity Analysis

						Growth 2026 to 2035		Growth 2026 to 2043	
CATEGORY	2026	2030	2035	2040	2043	£m	%	£m	%
Accommodation services (hotels, guesthouses, B&Bs)	£308.9	£329.9	£357.7	£384.6	£401.3	£48.9	15.8%	£92.5	29.9%
Cultural services (cinema, theatre, concerts, etc)	£662.5	£707.0	£766.0	£822.7	£858.0	£103.5	15.6%	£195.5	29.5%
Games of chance (bingo, casino, betting)	£223.5	£238.4	£258.2	£277.3	£289.1	£34.8	15.6%	£65.7	29.4%
Personal grooming (hairdressers, barbers, etc)	£183.7	£196.2	£212.7	£228.6	£238.5	£29.0	15.8%	£54.8	29.8%
Recreational and sporting services (gym, fitness, etc)	£328.4	£350.5	£379.9	£408.1	£425.7	£51.5	15.7%	£97.4	29.7%
Restaurants, cafes, bars, etc	£2,389.8	£2,549.0	£2,760.3	£2,963.2	£3,089.7	£370.5	15.5%	£699.9	29.3%
Total Study Area	**£4,096.8**	**£4,371.0**	**£4,734.9**	**£5,084.5**	**£5,302.4**	**£638.1**	**15.6%**	**£1,205.7**	**29.4%**

397. Against this background of forecast leisure expenditure growth over the plan period, the following assessment identifies the potential quantitative and qualitative need for new commercial leisure uses in the centres across the Council area, concentrating on the spend types most likely to be made in town centres across:

- Eating out /Food & Beverage (F&B) uses;
- Cultural services; and,
- Recreational and sporting services.

EATING AND DRINKING OUT

398. The food and beverage (F&B) sector include restaurants, cafés, bars and pubs (former Class A3-A5). These uses are integral to a town centre’s wider offer and economy. A good choice and quality of F&B uses can help to complement other town centre uses, by generating trips, stretching “dwell times” (i.e. the time people spend in centres), increasing “linked” expenditure to other shops and businesses as part of the same trip, and strengthening both daytime and evening economies.

399. As identified previously, the F&B sector dominates average household expenditure and participation in leisure across the Study Area. Spend on F&B is also forecast to experience the greatest growth over the period to 2043. In theory, this expenditure growth should support the potential to enhance the scale, quality and choice of F&B uses across the Council area. In reality though, this growth will be determined by current and future trends in the sector and market demand.

400. Research shows that the multiple chains mainly dominated the expansion of the F&B sector up to 2017 when they accounted for almost half of all net new business openings. However, since 2017 a number of multiples in the casual dining sector have struggled against a backdrop of increased competition, rising costs and a tightening of consumer spending due to wider economic concerns. The reality is that too many F&B operators expanded too quickly into increasingly marginal locations, funded by private equity, and the market became saturated and unsustainable.

401. These new challenges and pressures have resulted in a radical restructuring of businesses across the sector, resulting in the closure of many loss-making branches. It is likely that there will be an increase in business failures and closures during 2026/27 as cost of living, rising energy and wage costs impacts on sales, profit margins and increasing debts deepens. Experts predict that this further “shakeout” in the sector will leave the proactively managed multiple and independent businesses that have strong brand loyalty and/or a clear differentiated offer as the main “winners.”

402. F&B operators, like retailers, will also need to understand and cater for the needs of the changing demographic and consumer market to remain relevant and viable. For example, Millennials (under 35s) make-up almost one-quarter of the UK population and research shows that they spend a substantial 13% of their disposable incomes on eating and drinking out. It is estimated that Millennials will make up over 80% of all parents in the UK over the next few years, meaning that restaurants, pubs and cafés will also need to evolve and adapt to cater for the changing needs of new ‘Millennial families’. This could be driven for example, by increasing emphasis on convenience, affordability, entertainment, uniqueness and the use of technology and apps.

403. Restaurant operators will therefore, as a minimum, need to make sure that they are easy to reach online and on social media with up-to-date menus and strong images, and adapt the latest technologies to drive online booking.

404. The popularity of street food, market halls and “meanwhile”/ “pop-up” restaurants and bars is largely driven by Millennials and subsequent demographic cohorts from 1997 onwards. These more informal drinking and eating venues fulfil their desire to experiment and explore distinctive styles of drink, food and new cuisines in exciting new and more informal environments. Trialling a “pop-up” site also represents an opportunity to test a new concept, gain a following, fine-tune details and secure investment before making a long-term commitment. The pop-up concept is also attractive to landlords and property companies who are increasingly nervous about signing long leases following numerous high profile restaurant closures.

405. The type of F&B provision available across Derby Council areas town centres is summarised in the table below:

Table 14: F&B Provision by Town Centre

Number of Outlets	Bars & Wine Bars	Cafes	Fast Food & Take Away	Public Houses	Restaurants	Total
Derby City Centre	33	36	44	21	44	178
Allenton District Centre	0	1	9	1	0	11
Allestree District Centre	0	3	6	1	1	11
Alvaston District Centre	0	2	13	1	0	16
Cavendish District Centre	0	0	4	0	0	4
Chaddesden District Centre	0	1	8	2	1	12
Chellaston District Centre	0	1	4	1	0	6
Littleover District Centre	0	1	10	1	2	14
Mackworth District Centre	0	0	2	0	0	2
Mickleover District Centre	0	1	3	5	1	10
Normanton District Centre	0	7	46	3	5	61
Oakwood District Centre	0	0	2	1	0	3
Sinfin District Centre	0	0	1	1	0	2
Spondon District Centre	0	3	5	3	3	14
Total	33	56	157	41	57	344

Source: Derby City Council and Experian Goad

406. Overall, existing provision is greatest in the City Centre which is expected given it is the principal shopping and leisure destination across the local authority area. The existing provision in Normanton Road follows next with its sizeable range of provision especially for fast food and take-aways. Most other centres have much lower levels of provision as described previously.

Leisure Food & Drink Expenditure Patterns

407. As detailed previously, within the Council area (Zones 1 & 2) F&B expenditure increases under the baseline scenario to +£47.5m (+11.3%) by 2035 and by £94.7m (+17.1%) by 2043.

408. The market share analysis on F&B based on Experian Insights transactional spend is set out in **Table 1 in Appendix 8, Volume 3** (baseline scenario) and **Appendix 9** (sensitivity analysis) **.**

409. The analysis shows that for the Council area (Zones 1 & 2) when considering online spending:

- The broad rate of retention is 40.4%. Of this Derby City Centre dominates with a market share of 10.8%. Other centres with a market share of 1% and above include Chaddesden District Centre (1%); Spondon District Centre(1%), Normanton Road District Centre (1.2%) and the out-of-centre provision at Meteor Centre that includes a Costa, Nandos, McDonalds, KFC alongside an Odeon cinema.

- More than a third (35.6%) is attributed to leakage of which 1.5% is attributed to Nottingham City Centre as the main named centre.

- Online accounts for 24% of the total. However, it should be noted that this will include takeaway/delivery orders from restaurants and takeaways via third party delivery platforms (e.g. Deliveroo, Just Eat, Uber Eats, etc). The availability of such services may affect the market shares achieved in some areas.

- If online spending is excluded from the market share analysis for F&B, then the percentage retained within the Council area (Zones 1 & 2) increases from 40.4% to 53.2%.

- With the above caveats in mind, the market shares should be treated as indicative, but it can be assumed that retained F&B expenditure for the Council area will therefore range somewhere between 40% to 53%.

- A clearer picture emerges on F&B spend when we take account of F&B expenditure from domestic (UK) residents originating from outside the Council area (Zones 1&2). The results show a considerable uplift across the following centres:
  - the turnover for Derby City Centre (£2.44m uplift) (+103.3%) – reflecting the dominance of the City Centre and its multiple venues and establishments.
  - Normanton Road District Centre (£0.42m uplift) (+66.8%) – reflecting the extensive provision with a considerable ethnic mix that acts as a potential draw.
  - The Meteor Centre ((£0.24m uplift) (+87.1%) – influenced by Odeon Cinema and accompanying F&B provision (Costa, Nandos, McDonalds, KFC).

410. As detailed previously this is a sector that has been hit hard prior to, and even more so, during the pandemic and under the prevailing macro-economic pressures. On this basis, it can be reasonably assumed that a proportion any growth is likely to be absorbed by existing businesses to cover the debt incurred during the pandemic, rising operational / occupancy costs and inflation.

411. It should be emphasised that the growth to sustain new cafés, restaurants and bars will be very much subject to market demand. Focusing new uses in town centres will help increase competition and consumer choice, and to support both daytime and evening economies.

CULTURE & ENTERTAINMENT SERVICES

412. Cultural services include theatres, cinemas, music venues, and museums which have an important role in providing education and promoting wellbeing to residents. These services can also have a key role in drawing visitors to a centre and help generate linked trade to other town centre businesses.

413. In the context of Derby the cultural services serve different markets – resident and visitor markets. This review principally focuses on cultural services serving the resident market and most likely to occupy town centre locations.

Culture / Entertainment Services Expenditure

414. The table below provides an overview of expenditure on entertainment and cultural activities by Study Area residents over the period to 2043.

Table 15: Available Expenditure for Cultural Services (£m) – Baseline Assessment

Zone	2026	2030	2035	2040	2043
Zone 1	£3.2	£3.3	£3.6	£3.9	£4.1
Zone 2	£113.3	£118.5	£126.0	£133.7	£138.5
Zone 3	£249.7	£261.5	£276.7	£291.6	£300.9
Zone 4	£183.6	£200.5	£222.5	£244.3	£257.6
Zone 5	£112.0	£118.8	£128.2	£137.9	£144.0
Total Study Area	**£661.8**	**£702.7**	**£757.0**	**£811.3**	**£845.0**

415. Spending on entertainment and cultural services is based on per capita rates of expenditure sourced from Experian. When applied to population projections, and under the baseline assessment, it is estimated that within the Study Area (Zones 1 -5), this grows by +£95.2m by 2035 (+14.4%) and +£183.2m (+27.7%) by 2043. Turning specifically to Derby City Council's residents (i.e. Zones 1 & 2) they generate £116.5m in available expenditure on culture and entertainment in 2026. This increases by +£13.1m by 2035 and +£26.1m by 2043 (forecasts for 2043 should be treated as indicative only).

416. Considering the sensitivity analysis this increases with Derby City Council's residents (i.e. Zones 1 & 2) generating £117.2m in available expenditure on culture and entertainment in 2026. This increases by +£21.3m by 2035 and +£38.4m by 2043.

Table 16:Available Expenditure for Cultural Services (£m) – Sensitivity Analysis

Zone	2026	2030	2035	2040	2043
Zone 1	£3.2	£3.3	£3.6	£3.9	£4.1
Zone 2	£114.0	£122.8	£134.9	£145.0	£151.6
Zone 3	£249.7	£261.5	£276.7	£291.6	£300.9
Zone 4	£183.6	£200.5	£222.5	£244.3	£257.6
Zone 5	£112.0	£118.8	£128.2	£137.9	£144.0
Total Study Area	**£662.5**	**£707.0**	**£766.0**	**£822.7**	**£858.0**

417. As for F&B, it is reasonable to assume that a proportion of this expenditure uplift will be absorbed by existing businesses seeking to improve their trading position within what is a very competitive sector.

Cinemas

418. The UK cinema sector has evolved dramatically since the 1990s when it was largely dominated by a handful of national multiples. Today the sectors offer ranges from larger multiplexes (any cinema with five screens or more, though some of the largest multiplex sites have as many as 12 or 16 screens), to smaller independent operators and ‘pop up’ venues.

419. Although year-on-year admissions and box-office takings are notoriously volatile - driven by the appeal of individual films and Hollywood ‘blockbusters’ - the long-term trend since the mid-1980s has been upward and has principally been driven by the development of new cinemas. The growth in the cinema sector over the last 10-20 years is even more impressive when one considers that this has occurred against the increase in new and sophisticated in-home entertainment, driven by innovative technology, choice and flexibility (including online streaming platforms , for example, Sky, Netflix and Amazon Prime, Apple TV and Disney+ platforms).

420. There has also been a growth in smaller cinemas serving smaller catchment areas. These cinemas are more flexible and less “space-hungry,” as they do not require large auditoriums. There are therefore opportunities to provide a modern cinema offer in existing (repurposed) buildings and shopping centres, or as part of a mixed use offering. Other trends in the sector include the growth of ‘pop-up’ cinemas. Although there appears to be no dependable or recent data on the UK ‘pop-up’ cinema market.

421. The pandemic hit the cinema industry hard, particularly for the major chains. As previously mentioned, smaller nimble operators have found novel ways to show films. A temporary or mobile cinema (referred to as a pop-up cinema) and the UK’s smaller independent chains, Curzon, Picture House (which is owned by Cineworld) and Everyman fared much better during the pandemic. They showed a more diverse selection of films, and with high-quality food offering, fully stocked bars and high-end seating, attracting more visitors during periods in which restrictions have eased.

422. The future growth in the sector is dependent on the levels of available discretionary spending. Cinema trips will remain a significant and popular leisure activity for all age groups. Notwithstanding this, the competition from home entertainment and alternative at-home film channels will intensify and cinema operators will have to keep updating and adapting their offer to respond to consumer needs.

423. The current commercial cinema provision within the local authority area comprises of 25 screen across the following venues:

- Showcase Cinemas de Lux Derby (Derbion Centre|) - 12 screens;
- ODEON Luxe Derby (Meteor Centre) - 10 screens;
- Derby QUAD (Market Place) - 3 screens.

424. To note that the Showcase multiplex cinema at Foresters Leisure Park (Osmaston / Sinfin) closed down in 2020. The cinema had 11 screens and is now in the process of being demolished.

425. In terms of capacity to support new screens, a high-level assessment of screen capacity is set out below. The high-level assessment of the potential need for new commercial cinema provision in the Council area is based on standard approaches that draw on published national and regional ‘screen density’ averages (i.e., the number of screens per 100,000 population). According to the latest available research (from Dodona Research, Office for National Statistics (ONS) and British Film Institute (BFI)), the current UK average is 7 screens per 100,000 people, which represents an increase from 6.1 screens in 2014. The equivalent average figure for the East Midlands region is lower, at 5.3 screens per 100,000 people.

426. The table below shows the potential quantitative need for additional cinema screens to 2043 based on the baseline population projections previously described.

Table 17: Potential Capacity for New Cinema Screens – Baseline Assessment

DERBY CITY COUNCIL AREA POPULATION		266,451	268,044	270,711	273,429	275,043
		5.3	5.3	5.3	5.3	
Screen potential		14	14	14	15	15
Existing screens:	No. per Venue					
	12					
	10					
	3					
Total no. existing screens	**25**					

427. The findings indicate no capacity under the baseline scenario. This is also replicated under the higher growth housing led population sensitivity analysis as shown below:

Table 18: Potential Capacity for New Cinema Screens – Sensitivity Analysis

DERBY CITY COUNCIL AREA POPULATION		268,108	277,517	289,520	296,116	300,338
		5.3	5.3	5.3	5.3	
Screen potential		14	15	15	16	16
Existing screens:	No. per Venue					
	12					
	10					
	3					
Total no. existing screens	**25**					
Indicative screen capacity				**No Capacity**		

428. In summary, there does not appear to be any significant capacity or demand for new cinema provision in the Council area. Any market interest and demand from cinema operators seeking representation in the area should be directed to the town centres first, to further help diversity daytime and evening economies. This also does not preclude any improvements to the existing offer.

Theatres and Music Venues

429. Performing arts venues vary significantly in size and scale from larger venues such as theatres and concert halls, to smaller, live music and dance venues operated on a permanent, temporary or occasional basis. However, all help to enrich cultural experiences for residents within town centres and complement a wider mix of experiences including music festivals that may operate in a wider range of locations.

430. Performing arts and music venues also support town centre evening time economies and other businesses sectors, such as F&B businesses.

431. The Derby City Council area has broad range of performing arts venues including:

- **Core cultural anchors**: Derby Theatre, Guildhall Theatre (has been closed since 2019 and is currently undergoing significant restoration works), QUAD, Vaillant Live, Derby Arena.
- **Mid-tier and flexible venues**: Chapel Street Arts Centre, Derby Market Hall, Museum of Making.
- **Grassroot music circuit**: The Hairy Dog, The Venue, The Flowerpot, BlueNote Club, Electric Daisy, The Old Bell Hotel, The Hideout, Dubrek Studios.
- **Outdoor event-led space**: Darley Park.

Table 19: List of Performing Arts Venues

Venue	Type	Primary Use
Derby Theatre	Large-scale theatre	Producing and touring drama, musicals, community and learning theatre.
Guildhall theatre	Mid-scale theatre	Touring theatre, comedy, dance, civic and cultural programming.
Chapel Street Art Centre	Multi-arts venue	Dance, theatre, music, workshops and community arts.
Vaillant Live	Large Arena / Concert Venue	Concerts, comedy, major live events and conferences.
Derby Arena	Multi-purpose Arena	Concerts, sports and large scale entertainment.
QUAD	Arts Centre / Multi-purpose Venue	Film, digital arts, talks and small scale performances.
Derby Market Hall	Mixed-use event space	Live music, pop-up performances and community events
Museum of Making	Cultural heritage venue	small concepts, cultural programming and special events.
Dubrek Studios	Studio and performance space	Rehearsals, live gigs and creative arts events.
The Hairy Dog	Dedicated music venue	live rock and alternative gigs.
The Venue	Live music and club venue	Live music, DJ events and club nights.
The Flowerpot	Pub with live music	Acoustic, folk, jazz and grassroots music.
BlueNote Club	Nightclub and Music Venue	DJs, live music and club events.
Electric Daisy	Nightclub and Music Venue	Dance music, DJ events and live performances.
The Old Bell Hotel	Historic pub with live music	Acoustic sessions, folk and small live performances.
The Hideout	Bar with live music	Live music and informal performances.
Darley Park	Outdoor event space	Festivals and concerts including Darley Park ‘Weekender’

432. As detailed above the offer is varied both in terms of variety and scale in offer. In Derby Theatre, Vaillant Live, Derby Arena and QUAD have the highest capacity, whilst the smaller music-led venues are important for the wider cultural ecosystem especially for grassroots talent, night time economy, performance and programme diversity.

RECREATIONAL AND SPORTING SERVICES

Health And Fitness Facilities

433. The health and fitness (H&F) sector as a whole was badly hit by the pandemic, with lockdowns forcing the closure of facilities. It is undeniable that the pandemic reinforced the need for outdoor activity particularly to support mental health and wellbeing. Furthermore, alternative means of exercise increased during the series of lockdowns in 2020 and 2021, including at-home workouts, digital workouts, outdoor exercise and classes, and the purchase of home gym equipment. Whilst this was an accelerated reaction to the pandemic, the long-term impact on the sector and gym memberships remains unclear.

434. The growth of the budget gym operators has also ‘squeezed’ the memberships and viability of some of the established mid-market chains, such as LA Fitness and Fitness First. This has resulted in the increasing polarisation of the gym sector between the budget operators at the value end of the spectrum, and the more exclusive health and fitness centres at the higher, more expensive end. As a result, analysts predict that those mid-market gym operators that are neither very cheap, nor particularly exclusive will struggle to maintain market share in the competitive marketplace unless they revise their business models.

435. Representation of key national multiple gym and fitness operators / studios includes:

- PureGym Derby (Derbion Centre)
- PureGym Derby (Kingsway Retail Park)
- PureGym Derby (Meteor Centre)
- JD Gyms Derby (Osmaston Road)
- The Gym Group Derby (Southgate Retail Park)
- Nuffield Health Derby Fitness & Wellbeing Gym (Nottingham Road)
- David Lloyd Leisure Derby (Pride Park)
- Everlast Gyms Derby (Kingsway Retail Park)
- LivingWell Health Club (Hilton/DoubleTree)
- Hotpod Yoga Derby (The Cube, Allestree)

436. There is a strong presence of Budget chains (PureGym, Gym Group and JD Gyms) and representation from premium providers (David Lloyd and Nuffield Health).

437. In addition to private gym and fitness studios, there are a number of public sector owned run leisure centres located across the Council area managed by the

Council through its Derby Active service or through operating partners such as Everyone Active or dedicated trusts. Venues include:

- Derby Arena (Pride Park) – major indoor cycling velodrome + 140-station gym
- Springwood Leisure Centre (Oakwood) – gym, exercise classes, courts, pitches
- Moorways Sports Village & Water Park (Allenton) – large leisure complex with gym, 50m pool, studios (operated by Everyone Active on behalf of the council)
- Gayton Swimming Pool (Littleover) – community swimming facility (managed by a trust on behalf of the council

438. In addition to the above there are a wide range of independent and boutique gyms / studios including:

- Physique Evolution Gym & Fitness
- Derby Fitness Hub
- Santino's Gym & Studio
- MindFit Yoga
- Derby Pilates

439. Overall, it is therefore considered that there is a reasonably good provision of health, gym and fitness facilities.

440. As with other commercial leisure sectors, the take-up of any forecast need based on population growth will be dependent on market interest and the demand from gym operators for representation.

441. Enhancement of existing facilities and promotion of the provision of new gym and fitness facilities is recommended within town centres to help maintain and enhance their overall diversity and attraction, and/or focussed on transport hubs. Town centre locations also represent the most sustainable and accessible locations for the majority of the population. Meeting needs over the plan period will also have to take account of the changes in the local demographic profile and lifestyle trends. For example, facilities, clubs and classes will need to cater for a wide range of demographics including the elderly.

Other Commercial Leisure

442. Other commercial leisure facilities can be grouped together under 'family entertainment venues' (FEVs), which include paid activities that appeal to adults and children (such as, for example, tenpin bowling, BMX biking, roller skating, ice skating, and similar uses).

- **Tenpin bowling** – is possibly the most popular activity in the 'family entertainment' sector. After a period of decline in the 1970s, there are currently some 320 venues in the UK according to Mintel figures. A number of the successful bowling facilities opened over the last 15-20 years (e.g., Hollywood Bowl and Ten Entertainment) tend to form part of larger leisure complexes that include multi-screen cinemas, restaurants and nightclubs. The critical mass of leisure uses "under one roof" help to underpin the viability of tenpin bowling centres, as they tend to struggle as standalone destinations.

The sector is evolving from old-style bowling alleys, to modern, multi-generational entertainment centres where bowling is blended with other forms of activity alongside an enhanced dining offer. This is balanced by the growth of smaller independent specialist bowling facilities. Within the Council area commercial provision is seen at Hollywood Bowl Derby (Derbion Centre), Tenpin Derby (Sinfin).

- **Trampoline Parks** - over recent years there has also been growth in other more specialist commercial leisure attractions, such as trampoline parks. Since the opening of the first indoor parks in the UK in 2014, trampolining has become one of the UK's fastest growing sport and leisure trends. The main operators in this sector include Oxygen Freejumping, Ryze, and Gravity Active Entertainment. The public sector is also investing in trampoline parks, including Eastbourne Borough Council, Waltham Forest Council and Tameside Metropolitan Borough Council. In response to the broad range of "jumpers," trampoline parks are also offering a range of activities and experiences that cater to the needs of a broader demographic, including rock-climbing, ninja courses, laser tag and other social events. Within the Council area commercial provision is seen at Oxygen Derby (Pride Park area), Infinity Derby (Riverlights) and Berzerk Active Play Derby (trampolines and active play).

- **Other family provision includes**:
  - Rollerworks Derby (indoor roller rink, one of the largest traditional rinks in the UK);
  - BMX Biking (BMX tracks at Alvaston Park; Osmaston Park; Sinfin Moor Park).
  - The Council area has a good offer of paid entry indoor adventure/soft play centres including: Injoy Centre Derby (soft play with interactive zones); Tubby Bear's Play Zone (soft play and children's amusement centre); Freddy & Friends (soft play centre) Mundy Play Centre (family play centre); Alter Rock (indoor climbing) and Fun Valley Derby (soft play centre at multi levels).

- **Competitive socialising:** More recently new activities are emerging and locations such as virtual reality experiences and competitive socialising activities that blend activities with F&B provision. Within the Council area this includes Hatchet Harry's Ace Throwing (urban competitive socialising); The Hideout (sports bar and social gaming) and The Escape Room Guys.

SUMMARY

443. This section has shown that the commercial leisure industry faces considerable challenges and pressures. It is clear that consumers are becoming increasingly selective in terms of where and how they spend their discretionary leisure

expenditure. There will also be a continued increase in at-home activities due to the advances in technology such as the use of virtual reality headsets. More immediately this will be compounded by the current macro-economic challenges including rising operating costs and rising costs of living that has an impact on consumer finances. The challenge for town centres and leisure operators in the future will be how to attract customers away from their homes.

444. In summary, the leisure needs assessment shows the following:

- **Food and Beverage** – Retention level of between 40% to 53%. Derby City Centre dominates with an F&B market share of 10.8% and inflow (visitors) boosting trade. Despite growth in available spend it will be most likely be absorbed by existing operators due to cost pressures and debt recovery.

- **Culture & Entertainment**: growth in available spend again is most likely to expected to support existing venues.
  - Cinemas – currently the City Council area has 25 screens across 3 venues and there is no identified additional screen capacity to 2043. Any new demand should prioritise town centre locations.
  - Theatre & Music Venues: Diverse offer from large venues to grassroots spaces. Key anchors include Derby Theatre, QUAD and Vaillant Live. Smaller venues contribute to broader nightlife, diversity and talent development. Overall, the cultural offer supports a wider ecosystem for the City Centre economy and especially F&B sector.

- **Recreational & Sporting Services**: Derby has a strong and varied recreational offer. Good provision of health and fitness facilities sit alongside a broad range of family entertainment and activity based leisure uses. The sector continues to support wellbeing, participation and town centre vitality through:
  - Health & Fitness: well provided with a good mix of budget and premium provision.
  - Other Commercial Leisure: Good mix of family and experience led venues and a rising competitive socialising trend.

445. The analysis has shown that there a good mix of provision. The sector shows growth but is highly competitive. Much of future expenditure is likely to sustain existing provision. Generally, opportunities to support the repurposing of vacant or under-utilised retail and commercial units should be encouraged and town centres remain the priority focus for any future development.

446. Overall, the potential for new commercial leisure venues, facilities and attractions will be subject to dynamic economic, market and consumer trends over time. Where demand from operators does arise for representation, this should be directed to town centres first, aligned with national and local plan policy objectives. Meeting needs over the plan period will also have to take account of the changes in the local demographic profile and lifestyle trends.

8. KEY FINDINGS & POLICY RECOMMENDATIONS

447. This concluding section provides high-level advice and recommendations to help the Council effectively plan and manage the vitality and viability of its centres. The National Planning Policy Framework (NPPF) specifically states that planning policies and decisions should support the role that town centres play "at the heart of local communities" and should promote the long term vitality and viability of centres "*by allowing them to grow and diversify in a way that can respond to rapid changes in the retail and leisure industries, allows a suitable mix of uses (including housing) and reflects their distinctive characters*" (paragraph 90a).

448. Aligned with the NPPF and National Planning Practice Guidance (PPG), our advice takes account of the lifetime of the emerging plan period to 2043. We have robustly assessed both the quantitative and qualitative need for new retail (comparison and convenience goods) floorspace and commercial leisure uses over the forecast period. These assessments have been informed by a comprehensive review and update of the dynamic economic and market trends that are impacting on the retail and leisure sectors. This includes the resulting impact of the pandemic and the implications of recent high levels of inflation and the cost of living crisis.

449. This assessment draws on a robust evidence base informed Experian Insights transaction data. It also draws on updated health check assessments for the Council's centres highlighted in **Volume 2**. These health checks are based on a series of Key Performance Indicators (KPIs), informed by the NPPG, that help identify the vitality and viability of centres, their SWOTs, and their relative role and function in the network and hierarchy of centres.

450. This study also takes account of the series of reforms to the planning system issued by the Government that were made into law through the amended Town and Country Planning (Use Classes) (Amendment) (England) Regulations 2020 that came into effect from 1st September 2020.

451. It is against this background, including current economic challenges that we provide the Council with our robust recommendations to help inform plan-making and decision-making over the next 5-10 years, and over the period to 2043. Our advice covers:

- the need ('capacity') for new retail (convenience and comparison goods) floorspace and other main leisure and town centre uses.
- Meeting needs and site allocations (NPPF, paragraph 90(d))
- Network and hierarchy of centres (NPPF, paragraph 90(a))
- Extent of town centres and primary shopping areas (NPPF, para 90(b))
- Strategies for the future of each centre (NPPF, paragraph 90(b))
- Markets (NPPF, paragraph 90(c))
- Retail and leisure impact thresholds (NPPF, paragraph 94).

REFORM OF USE CLASSES ORDER & PERMITTED DEVELOPMENT RIGHTS

452. As previously mentioned, the Government has issued a series of reforms to the planning system. These reforms principally relate to Permitted Development Rights (PDR); the Use Classes Order (UCO) and more recently the Levelling-up and Regeneration Act 2023.

453. The impact of the changes will still require the definition of a town centre boundary and a primary shopping area, or a primary ‘commercial’ area to be the foci for E and F Classes. Also, in most instances the former use classes can be ‘translated’ into the equivalent categories within the new E and F Classes. This can assist with the interpretation of policy wording and the effective use of conditions.

454. The changes have implications for the former designations of primary and secondary shopping frontages, as the control of shopping and service uses is legally less enforceable in commercial areas, as a change of use between Class E does not constitute development and will therefore not require planning permission. It should be noted that the effectiveness of frontage policies was declining before the pandemic and previous changes to the UCO.

455. Hence beyond 2026, town centres are likely to consolidate their retail and shopping role with more emphasis on place and non-transactional uses, this could include high activity-based land uses such as health and education being located in more central locations and stem previous trends of decentralisation.

456. Permitted Development Changes (Amendment No. 2) (2020) released in August 2020 (under The Town and Country Planning (General Permitted Development) (England) (Amendment) (No. 2) Order 2020), introduced Class AA and AB that allows new residential on detached or terrace buildings in commercial or mixed-use areas (but not in conservation areas). This could potentially lead to the loss of commercial floorspace to residential.

457. Furthermore, the Town and Country Planning (General Permitted Development etc.) (England) (Amendment) Order 2021 (Order) that came into force in August 2021 created a new class of permitted development right (Class MA) into the Town and Country Planning (General Permitted Development) Order 2015 (GPDO) authorising changes of use from Use Class E commercial uses to Use Class (C3) residential.

458. For any application submitted on or after 5 March 2024, there is now no limit to the floorspace that can be converted under Class MA and there is no requirement for the building to be vacant for three months.

459. These changes replace existing retail, light industrial and office to residential rights with rights applying to all of Use Class E in which those uses now sit. Exercise of the right is subject to prior approval by the local planning authority and therefore would be subject to some planning control. Details must be submitted relating to flooding, transport, contamination, noise amenity, natural light, fire safety and agent of change issues.

460. Research conducted by LSH and REVO (*Shaping Tomorrows Places – June 2025*) provides a broad indication of impact of these changes and shows that both have proved controversial and have divided opinion. On the one hand they are viewed positively by some as helping to revitalise and repurpose high streets and boost housing delivery, by making it easier to change the use of buildings and respond more flexibly to dynamic market trends and demand. On the other hand, it is argued that the reforms seriously undermine the plan-led approach to town centre regeneration and place-making. Almost half of respondents from the private sector believe that reform has had or will have a positive impact (45%), compared with the public sector (36%).

461. In response, several Councils have turned to Article 4 Directions (A4Ds) to try to remove PDRs. Where correctly applied, they can help prevent "*wholly unacceptable adverse impacts*" (National Planning Policy Framework; paragraph 54) on the vitality and viability of centres through the potential loss of their primary shopping areas.

462. The implications arising from these changes both locally and nationally result in more flexibility and are likely to be focussed on the peripheral parts of existing town centres, reflecting the influence of land values, but the outcomes are unclear, particularly the likely scale of increased residential and loss of commercial space and this should be investigated and monitored further. In strategic terms, and especially for the future of town centres, the PDR deregulation is likely to add to the already high levels of uncertainty surrounding their future composition.

ARTICLE 4 DIRECTIONS

463. The latest revision to the NPPF has tightened the rules and restricts the ability of local authorities to secure Article 4 directions (A4Ds). The revised version of the NPPF (paragraph 54) tightens this scope in relation to changes of use from commercial to residential, stating that such directions should be used where they are "*necessary to avoid wholly unacceptable adverse impacts".* These impacts *"could include loss of the essential core of a primary shopping area*", thereby "*seriously undermining its vitality and viability*". However, the paragraph contains the caveat that such a direction would be "*very unlikely to extend to the whole of a town centre*".

464. The Council should be mindful of the following in considering the use of A4Ds:

- it will be difficult to restrict the use of PD rights using A4Ds;
- restriction is likely to be more difficult for residential PD rights than non-residential, but in all cases "*robust evidence*" will be needed to justify their use;
- there is a high bar, and the scope of any A4D which is used must be limited geographically to the smallest area possible as opposed to an entire area being covered by an A4D; and
- in terms of this area, the Council will need to be clear with targeted evidence to show why PD rights need to be restricted e.g., loss of employment space; preserving community uses or protecting a historic area / amenity.

465. Policy for permitted development was changed in March 2024 (The Town and Country Planning (General Permitted Development) (England) (Amendment) Order 2024 that came into force on 5th March 2024 (under Statutory Instruments 2024 No.141) to remove the cap on conversion sizes (previously up to 1,500 sqm) and the need for assets to be vacant (previously needed to be vacant for a continuous period of at least 3 months immediately prior to the date of the application). The changes to PDR – allowing offices of unlimited size to be converted without planning permission or the need for affordable housing – has provided an alternative use for surplus stock. As a result, it is reported that some authorities are hastening to block office-to-residential conversions and are consulting on A4Ds to limit the number of conversions.

466. In terms of retail and leisure uses our assessment of the centres within the Council area has not yielded any threat to commercial integrity of a retail/leisure area or particular commercial building or ground floor use that warrants this protection. Furthermore the Council is advanced in its broad strategy for the future particularly in Derby City Centre underpinned by a range of ongoing transformation visions and strategies including: *The Derby City Centre: Emerging Public Realm Strategy (2026)* and *Towards a New Vision for Derby City Centre, Ambition (2022)*.

LEVELLING-UP AND REGENERATION ACT 2023

467. The Levelling-up and Regeneration Bill received Royal Assent at the end of October 2023 and officially became the Levelling-up and Regeneration Act 2023 (LURA 2023). The government proclaimed that LURA 2023 will "*speed up the planning system, hold developers to account, cut bureaucracy, and encourage more councils to put in place plans to enable the building of new homes*.'

468. In relation to town centres specifically, the Act enables "*local authorities powers to instigate auctions to rent vacant commercial properties in town centres and on high streets, for leases from one to five years to attract new tenants*." These rules "*can be exercised at the discretion of local authorities, based on their local context and need, but only on properties which have been vacant for over 12 months*". These 'High Street Rental Auctions' (HSRAs) became effective from December 2024. They have been designed to bring persistently vacant premises back into use, particularly where the premises is part of wider regeneration plans and/or the landlord is being uncooperative.

469. The rules apply to commercial premises (other than premises last used as a warehouse, which are specifically exempt) and which satisfy the following criteria:

- situated in an area which a local authority has designated as being a high street or town centre. These will be areas with a high concentration of premises with high street uses. These uses include "traditional" uses associated with a high street, like shops, restaurants and pubs, as well as offices and public entertainment spaces, communal halls. Manufacturing processes are even included in high street uses as long as they are carried on near to, and compatible with, other high street uses. A local authority is required to maintain and make available to the public a list describing, and a map showing, any designations that are in force in its area.

- unoccupied for the last year or for 366 days in the last two years,
- suitable for high street use and
- considered by the local authority to benefit the local economy, society or environment if occupied for high street use.

470. To execute the HSRA, the local authority is responsible for both designating their high street or town centre and identifying the suitable vacant premises. They will then issue an initial notice of intent to the landlord, followed by an 8-week grace period. If still unlet, the local authority can serve a final notice and the premises is then subject to the auction process.

471. In the context of the Council area this is potentially another tool to aid a wider regeneration strategy for a centre. To note, the general consensus is that LURA, and HSRAs specifically, provide the potential to redefine our high streets and town centres through a collaborative process in which both the local authority and property owners will need to work together especially where premises have remained unoccupied for a specified duration and in combating long-term vacancies. It remains to be seen whether Local Authorities have the resources to execute the powers given and the extent to which they will be utilised and whether they are successful in revitalising high streets and town centres. Overall, this initiative should be part of a mix of initiatives to revitalise high streets and town centres.

RETAIL NEEDS

472. The NPPF (paragraph 90d) is clear that local planning authorities should plan to meet the need for new retail and town centre uses by "*looking at least ten years ahead*". The PPG also states that given the uncertainty in forecasting long-term retail trends and consumer behaviour, assessments "…*may need to focus on a limited period (such as the next five years) but will also need to take the lifetime of the plan into account and be regularly reviewed*." Therefore, greater weight should be placed on forecasts over the next five to ten-year period.

473. The headline retail capacity forecasts from the baseline assessment shows no immediate capacity for both convenience and comparison goods over the ten year period to 2035 or beyond.

474. Under the higher growth sensitivity analysis, and in the short term to 2030, there is no capacity identified across both types of goods. Capacity emerges later over the longer term horizon (ten year period) to 2035 of some 774 sqm net for convenience goods and 1,097 sqm net for comparison goods. The level of floorspace identified is predicated on the housing trajectory being delivered but is of a scale that is likely to be absorbed by emerging developments.

475. Hence as such, much of the need is likely to be met through the inclusion of local shopping facilities within the major new housing areas where local retail provision (e.g. small convenience stores, services etc) will be required to support

communities where residents are able to access daily needs within a short walk, or cycle, to reduce car dependency.

476. In addition to new provision to serve new communities, it would be expected that there will continue to be a need for some new development as a result of identified qualitative needs. These may be linked to the need to reconfigure/refurbish existing outdated space, or to meet the new space requirements of future occupiers. Therefore, whilst there is no requirements for policies to identify new sites for development, policies should encourage appropriate development/redevelopment in town centres that would support their growth and adaptation in accordance with the NPPF.

LEISURE NEEDS

477. A high-level assessment has been provided of the potential need for new commercial leisure uses and facilities over the next 5-10 years, and over the lifetime of the plan. Even under normal circumstance it is difficult to predict the need and demand for new leisure uses, as the sector is very diverse and highly influenced by market, lifestyle and consumer trends. Predictions as to likely future need, even over the short term (i.e. the next 2-3 years), have been further complicated by the impact of the pandemic, rising inflation and the cost of living crisis. These will have an impact on leisure expenditure trends and growth, consumer preferences and business viability.

478. Notwithstanding these caveats, commercial leisure uses are a critical part of the overall offer and attraction of centres. They make a significant contribution to their overall diversity, vitality and viability of centres, and to their daytime, evening and night-time economies (the "evening" economy generally relates to all leisure activities that are open until around 11pm. The "night-time" economy is generally defined as businesses and activities with late night licences that are open beyond 11pm, particularly at the weekend).

479. As part of their future adaptation and growth, it is therefore important that the Council maintains and promotes diverse and flexible leisure uses, venues and events catering for a wide demographic in the main centres over the period to 2035 and beyond.

480. The analysis for the Council area has shown that there a good mix of provision however, much of future expenditure is likely to sustain existing provision. Generally, opportunities to support the repurposing of vacant or under-utilised retail and commercial units should be encouraged and town centres remain the priority focus for any future development.

481. From a planning policy perspective therefore the key to meeting future, as yet unknown needs, will be the development of policies that can accommodate the changing needs of the sector and ones that can operate in the real world. This includes recognising that for many leisure uses the cost for entering a new market will be relatively high and, unlike retail outlets where store size can vary significantly, incremental development is unlikely if only small increases in market growth are identified.

482. It is also the case that the recent changes to the Use Classes Order mean that the main commercial leisure sector in terms of spend is Food and Beverage which encompasses both Class E and Sui Generis uses. As a result, any changing demand for restaurant and café uses is likely to be met by changing uses within the existing or committed town centre floorspace.

483. In all cases, the forecast need for any new commercial leisure uses will be subject to wider economic, consumer and market trends, and will depend on the demand from leisure operators for representation. Where demand does exist, new uses and activities should be focussed across town centres first, in compliance with national and local plan policy objectives to maintain and enhance their overall vitality and viability.

ACCOMMODATING RETAIL AND LEISURE NEEDS

484. The NPPF (paragraph 90d) states that planning policies should *"…allocate a range of suitable sites in town centres to meet the scale and type of development likely to be needed, looking at least ten years ahead*". Aligned with the NPPF, the PPG (Paragraph 004, Reference ID:2b-004-20190722) identifies that town centre strategies should establish the potential for "*…development or the redevelopment of under-utilised space*" to accommodate the scale of assessed need, and the more effective and efficient use of land (for example, the scope to group particular uses such as retail, restaurant and leisure activities into hubs, or for converting airspace above shops). In turn, this will help to establish the need for centre "expansion," "consolidation" and/or "restructuring."

485. It is to be recognised that the capacity forecasts do not take account of current (or future) vacant retail floorspace in the main centres and shopping locations. Some of this vacant space (particularly in prime shopping locations) will be available and suitable for re-occupation, re-purposing and/or redevelopment both now and in the future. We therefore advise that any forecast capacity and/or market demand for new retail and commercial leisure floorspace could either be accommodated in suitable vacant units, or by the mixed-use development of vacant sites/buildings (i.e., ground floor commercial uses, with residential above).

486. As the headline baseline retail capacity forecasts have shown there is no capacity for both convenience and comparison goods and there is no requirement for the Council to allocate any new sites for retail provision to the period to 2035.

487. Finally, the quantitative and qualitative needs assessments have confirmed that there is limited quantitative need for additional floorspace during the plan period, although this excludes any consideration of requirements that may arise as a result of major new housing developments. This will need to be considered in detail separately when the location and scale of residential development is known. Advice can then be provided of the appropriate provision of local shopping facilities within any major new housing areas. This is particularly relevant in the context of the City Centre where a large proportion of future housing is being proposed.

NETWORK AND HIERARCHY OF CENTRES

488. We have reviewed the Council's existing network and hierarchy of main centres in accordance with the advice set out in the NPPF (paragraph 90a) and PPG (References to town centres or centres apply to city centres, town centres, district centres and local centres but exclude small parades of shops of purely neighbourhood significance. Unless they are identified as centres in the development plan, existing out-of-centre developments, comprising or including main town centre uses, do not constitute town centres).

489. As noted in **Section 2**, under extant **Policy CP12** on '**Centres'** details the hierarchy of the centres in the Council area. This is reinforced in the emerging Local Plan under **Policy E8** on '**Defined Centres'**.

490. In broad terms having reviewed this hierarchy in the context of the latest health checks and do not consider the need to change the hierarchy.

491. In the context of refining the outputs of the emerging plan particularly **Policy E8,** it is recognised that the reference to 'Local Centres' in the policy refers to both 'District Centres' and 'Neighbourhood Centres', but use of the term is perhaps slightly ambiguous as a more typical centres hierarchy would comprise City or Town Centres; followed by District Centres; and then followed by Local Centres

492. Notwithstanding this, **Policy E8's** definition of a District Centre is considered to be appropriate and generally representative of the role and function of Derby's District Centres in practice.

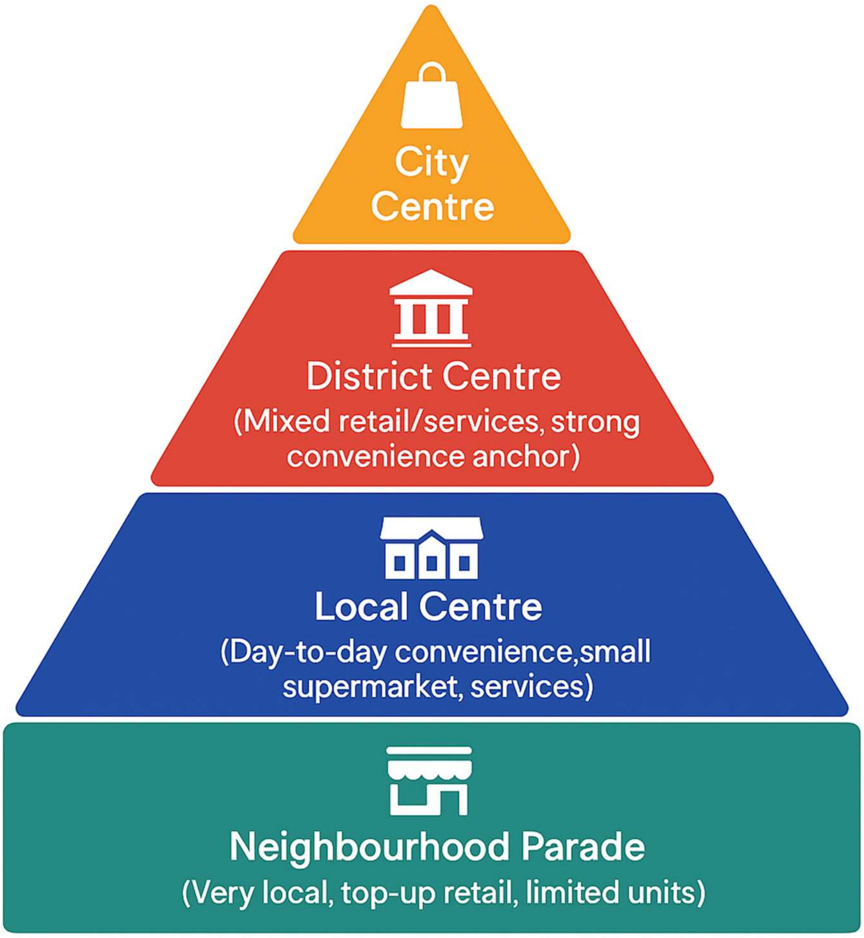
493. In addition, **Policy E8** identifies Neighbourhood Centres that:

- meet needs for small scale retail services related to small local catchments; and
- may not actually always be defined on the Policies Map.

494. To note that the NPPF Annex 2 Glossary identifies that '*References to town centres or centres apply to city centres, town centre, district centres and local centres but exclude small parades of shops of purely neighbourhood significance*.' Whilst LSH has not been asked to review Neighbourhood Centres as part of the Study, we are not convinced that the thrust of **Policy E8** in respect of Neighbourhood Centres is consistent with the NPPF Annex 2 Glossary definition which cautions that small parades of shops of neighbourhood significance should not formally be designated as 'centres'.

495. In this context, it is recommended that consideration be given to revising the Council's centres hierarchy such that it refers to the following three types of centre: City Centre; District Centres and Local Centres. On this basis and considering any localised provision say in villages the suggested hierarchy can be summarised as follows:

Figure 18: Suggested Hierarchy of Centres



496. This hierarchy provides the Council flexibility to categorise both existing and potentially emerging centres. Consequently, future strategic urban extensions are expected to include an appropriate level of provision that will determine the emerging centre's eventual position in the hierarchy. Initially, it will most likely be a local or district centre.

TOWN CENTRE FUTURES

497. The NPPF requires that: *"…planning policies and decisions should support the role that town centres play at the heart of communities, by taking a positive approach to their growth, management and adaptation*" (paragraph 90). Both the NPPF and the extant plan policies support the need to maintain and enhance the long-term vitality and viability of town centres first, as the most appropriate and sustainable locations for new investment and development.

ISSUES, CHALLENGES AND OPPORTUNITIES

498. As the future demand for retail and other main town centre uses has the possibility of being the subject of considerable change during the plan period, and there is a limit on the extent to which planning policy can control end uses, it is important that the Council's ambitions for a centre and the long term objectives are clearly communicated to ensure that development proposals can be co-ordinated in a way that contributes to the long-term goals. This is best done through the development of town centre strategies that can consider the wider development opportunities and policy aims for a town centre.

499. In the context of the issues and challenges detailed in this assessment, and although retail will remain a key part of town centres overall offer, vitality and viability - helping to generate trips, footfall and spend – it is critical that the policies and strategies developed for each centre help to promote greater flexibility and diversity, so that they can respond more effectively and rapidly to future trends. This flexibility and diversity will, in turn, help to create more resilient, attractive and successful town centres. It will also help to strengthen their respective roles in the network and hierarchy of centres as places to live, work, shop, study, play and visit for a wide range of uses and activities.

500. The preparation of town centre strategies, masterplans or similar is one way this can be achieved. Such plans can assist in identifying the areas where new investment is most likely to be required or accommodated and provide broad guidance on end uses in particular areas, having regard to existing land uses and compatibility. Strategies can also consider phasing and priorities, whilst avoiding too detailed site allocations that may not be appropriate for the whole life of the plan period or changing commercial and customer demands.

501. The opportunities for growth and transformation by centre are as follows:

- **Derby City Centre**:
  - Expand city centre living to increase the resident population to foster footfall and create a stronger day and evening economy.
  - Grow the worker population through regeneration and investment, helping support retail, leisure and service demand.
  - Repurpose vacant units and underused sites to address vacancy levels and bring activity to weaker parts of the centre.
  - Strengthen Derby's cultural offer brand building on existing anchors (e.g. Derby Theatre, Derby QUAD and Vaillant Live).

- Improve connectivity across the centre so key destinations are more ‘joined-up’ and easier to navigate.
- Reinforce the findings of the Derby City Centre Public Realm Strategy and Towards a New Vision for Derby City Centre: Ambition by delivering targeted public realm improvements that re-balance streets in favour of people, including reducing road space where appropriate, improving pedestrian connectivity, and creating more attractive, flexible space for social activity, dwell time and movement.
- Integrate green infrastructure to improve the environmental quality of the centre and visitor experience.
- Encourage and curate a more balanced centre economy that is less dependent on retail and better able to adapt to future change.

- **Allenton District Centre:**
  - Upgrade streetscape to improve public realm, environmental appeal and dwell time.
  - Integrate both sides of the centre across the arterial route to create a better coherent connected centre.
  - Encourage cafés and restaurants to complement takeaways and drive daytime activity and footfall.
  - Encourage diversification of the centre to increase resilience.
  - Strengthen sense of place to enhance attractiveness and competitiveness.

- **Allestree District Centre:**
  - Diversify the F&B offer and encourage a more diverse town centre leisure offer to complement the existing fast food/takeaway provision and strengthen daytime/evening vitality.
  - Strengthen leisure provision and encourage complementary uses e.g. family friendly activities to support longer dwell times.
  - Build on attractive public realm and pedestrianised layout to market the centre as a high-quality local hub.

- **Alvaston District Centre:**
  - Diversify the F&B offer and encourage more family friendly venues to broaden appeal and broaden daytime and evening activity across the centre.
  - Public realm upgrades by enhancing streetscape, planting, lighting and seating to improve attractiveness and dwell time.
  - Improve visual quality through refurbishments of frontages.
  - Introduce traffic calming and pedestrian friendly measures to improve environmental quality across the centre.

- **Cavendish District Centre:**
  - Invest in streetscape (seating, planting, lighting) and shopfront improvements to move beyond a utilitarian environment and increase dwell time.
  - Improve pedestrian priority, crossings and legibility to create a safer, more attractive centre experience.
  - Improve visual continuity and refurbishments of frontages around the core to strengthen sense of place.

- **Chaddesden District Centre:**
  - Diversify the F&B offer and encourage a rebalance away from over-concentration of takeaways by attracting cafés, restaurants and daytime-led operators to improve activity throughout the day.
  - Build on good environmental quality with upgraded public realm, seating and greening to support longer stays.
  - Curate a more distinctive offer to differentiate from competing centres and reinforce local identity.

- **Chellaston District Centre:**
  - Diversify the F&B offer and encourage a rebalance away from over-concentration of takeaways by attracting cafés, restaurants and daytime-led operators to improve activity throughout the day.
  - Improve streetscape, seating, greening and pedestrian priority to enhance environmental quality.
  - Consider refurbishments of shop frontages.
  - Strengthen walking/cycling links and local connectivity to widen catchment and support footfall growth.

- **Littleover District Centre:**
  - Diversify the F&B offer and encourage a rebalance away from current domination of takeaways and improve daytime/evening vibrancy.
  - Invest further in public realm (greening, seating, outdoor dining) to reinforce attractiveness and support longer visitor stays.
  - Enhance pedestrian/cycle connectivity and local permeability to reinforce its strong local catchment role.

- **Mackworth District Centre:**
  - Maintain strong public realm (planting, seating, cleanliness) to preserve positive user experience.
  - Build on existing connectivity with incremental improvements (walking / cycling links, signage).
  - Capitalise on the new proposed healthcare facility to increase daytime trips and linked spending.

- **Mickleover District Centre:**
  - Enhance leisure/F&B provision to extend dwell time beyond convenience shopping.
  - Intensify centre uses (e.g. upper floor residential, small workspace) to strengthen footfall and vitality.
  - Public realm upgrades to build on strong environmental quality and create a more distinctive centre identity.
  - Active travel and accessibility improvements to reinforce its role as a local destination for a wider catchment.

- **Normanton Road District Centre:**
  - Public realm uplift through targeted investment in street furniture, planting and lighting to address inconsistent environmental quality and enhance dwell time.
  - Reduce dominance of passing traffic (e.g. traffic calming, crossings) to improve safety.
  - Upgrade poor-quality shopfronts and reinforce the centre's strong cultural identity.
  - Promote and curate the diverse independent offer through branding and events to reinforce distinctiveness.
  - Support uses with daytime draw (cafés, co-working, community/health uses) to complement strong evening takeaway activity.

- **Oakwood District Centre:**
  - Capitalise on good environmental quality with incremental improvements (seating, greenery, dwell space) to increase dwell time.
  - Strengthen links to surrounding neighbourhoods and new developments (walking/cycling routes, legibility, local transport integration).

- **Sinfin District Centre:**
  - Rebalance from car-dominated layout to a people-focused environment (introduce seating, planting, lighting, street furniture)
  - Create a defined centre "heart" to strengthen identity and sense of place.
  - Encourage community uses to broaden activity beyond shopping trips.
  - Consider public realm upgrades including introducing greenery.
  - Rebalance from car-dominated layout to a people-focused environment (introduce seating, planting, lighting, street furniture).

- **Spondon District Centre:**
  - Targeted public realm enhancements (introduce seating, planting, lighting, street furniture) to increase dwell time and support local spend.
  - Consider refurbishments of shop frontages.

TOWN CENTRE BOUNDARIES AND PRIMARY SHOPPING AREA DEFINITIONS

502. The NPPF states that planning policies should *"…define the extent of town centres and primary shopping areas and make clear the range of uses permitted in such locations, as part of a positive strategy for the future of each centre*" (paragraph 90b). Furthermore, Annex 2 to the NPPF:

- defines the **Primary Shopping Area** (PSA) as an "…area where retail development is concentrated;"
- defines **Edge of centre** (for retail purposes) as a location that is *"…well connected to, and up to 300 metres from, the primary shopping area*" (our emphasis underlined); and
- for all other main town centre uses edge of centre is a location *"…within 300 metres of a town centre boundary*" (our emphasis underlined).

503. The NPPF explains that the **town centre** is an area defined on the local authority's policies map, and includes the PSA and areas predominantly occupied by main town centre uses within or adjacent to the PSA.

504. There is no policy requirement under the NPPF to define primary and/or secondary shopping frontages. The revised NPPF (December 2024) has removed the requirement for local authorities to identify shopping frontages. This means that the control of shopping and service uses within central areas is now legally less enforceable given that a change of use within Class E does not constitute development and will therefore not require planning permission.

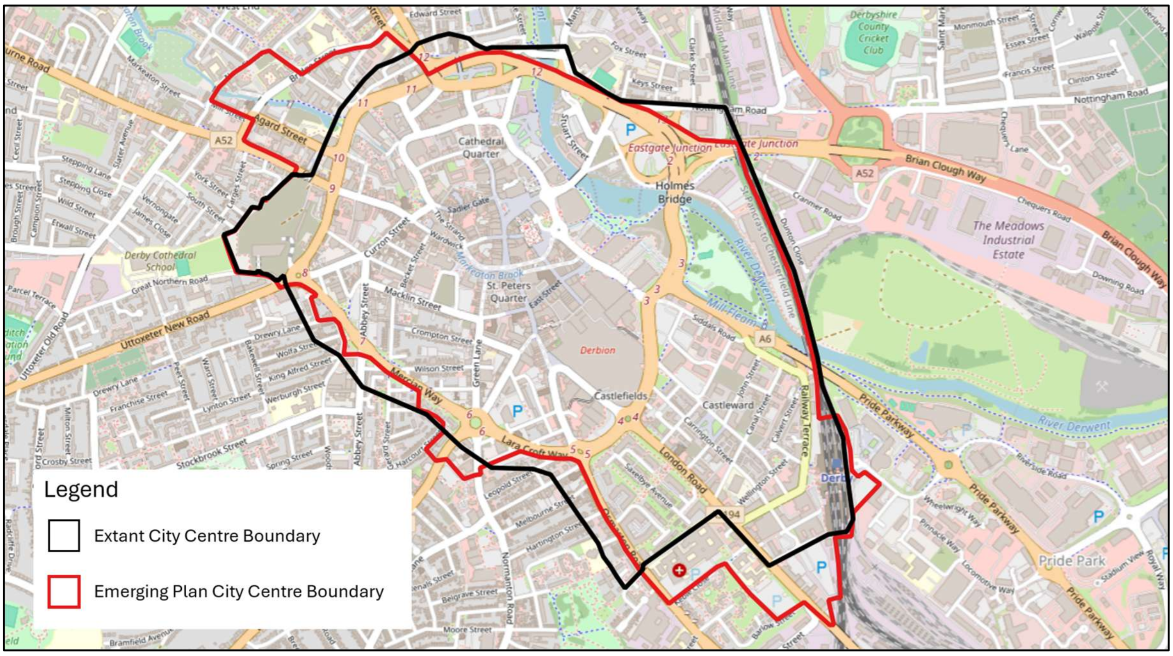
505. As a result, the relevance of a PSA is also reduced and it is noted that the draft NPPF currently the subject of consultation proposes its removal. As a result it is not recommended that PSAs will need to be defined for all centres, other than City Centre only. It is however acknowledged that in the context of this report, the emerging plan is being prepared under the legacy planning making arrangements and therefore will be assessed against the extant NPPF (December 2024).

506. Town centre boundaries will be required and will need to be directly related to the policies contained in the plan or other policy initiatives such as Town Centre Masterplans, Strategies or Regeneration Frameworks. Existing boundaries should therefore be reviewed once draft policy wording has been agreed.

507. Based on our healthcheck assessments and review of both extant boundaries and those from the emerging plan, consideration to possible amendments (where required) are provided below:

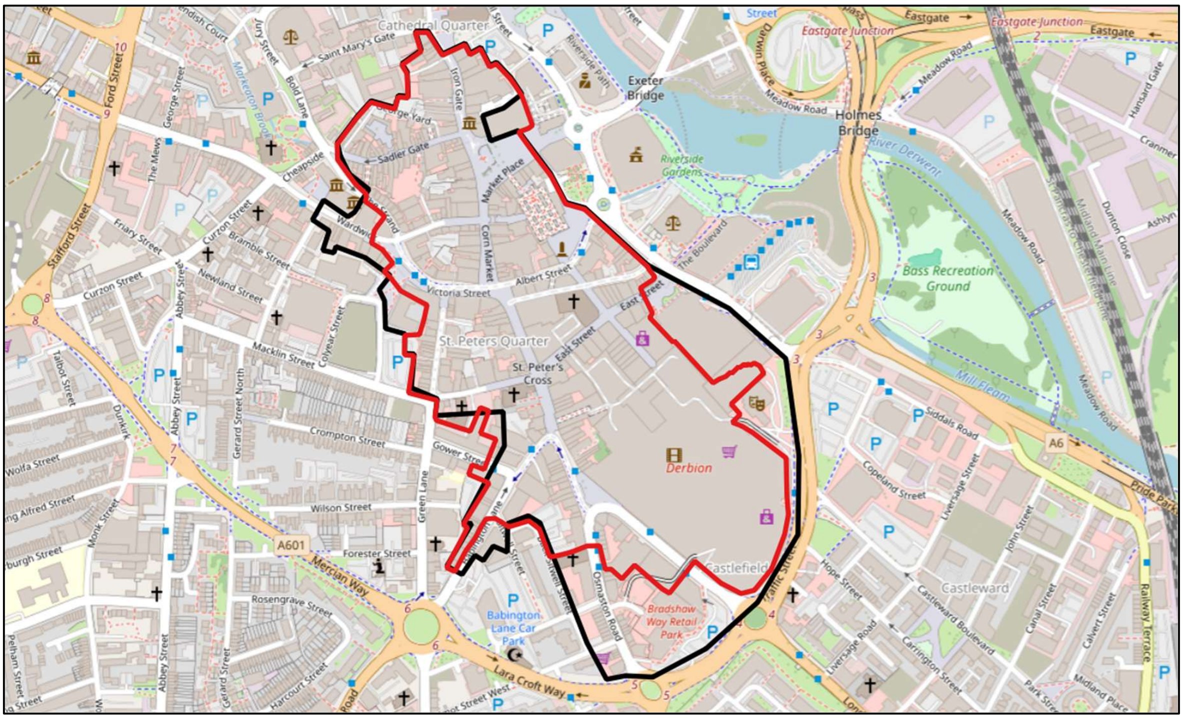
- **Derby City Centre:** Having reviewed both the extant and emerging City Centre boundaries, we consider the latter to provide a more appropriate and up-to-date definition of the City Centre. It better reflects Derby City Centre's current role, function and spatial extent, including areas that now form part of its wider commercial, cultural, transport and regeneration offer.

Figure 19: Derby City Centre: Extant and Emerging Centre Boundary



- In relation to the City Centre PSA, we support the boundary proposed in the emerging plan. The more consolidated boundary appropriately focuses on the core retail area of the centre, reflecting recent regeneration initiatives and the associated changes in land use.

Figure 20: Derby City Centre: Extant and Emerging PSA



- **Allenton District Centre**: No change to District centre boundary.

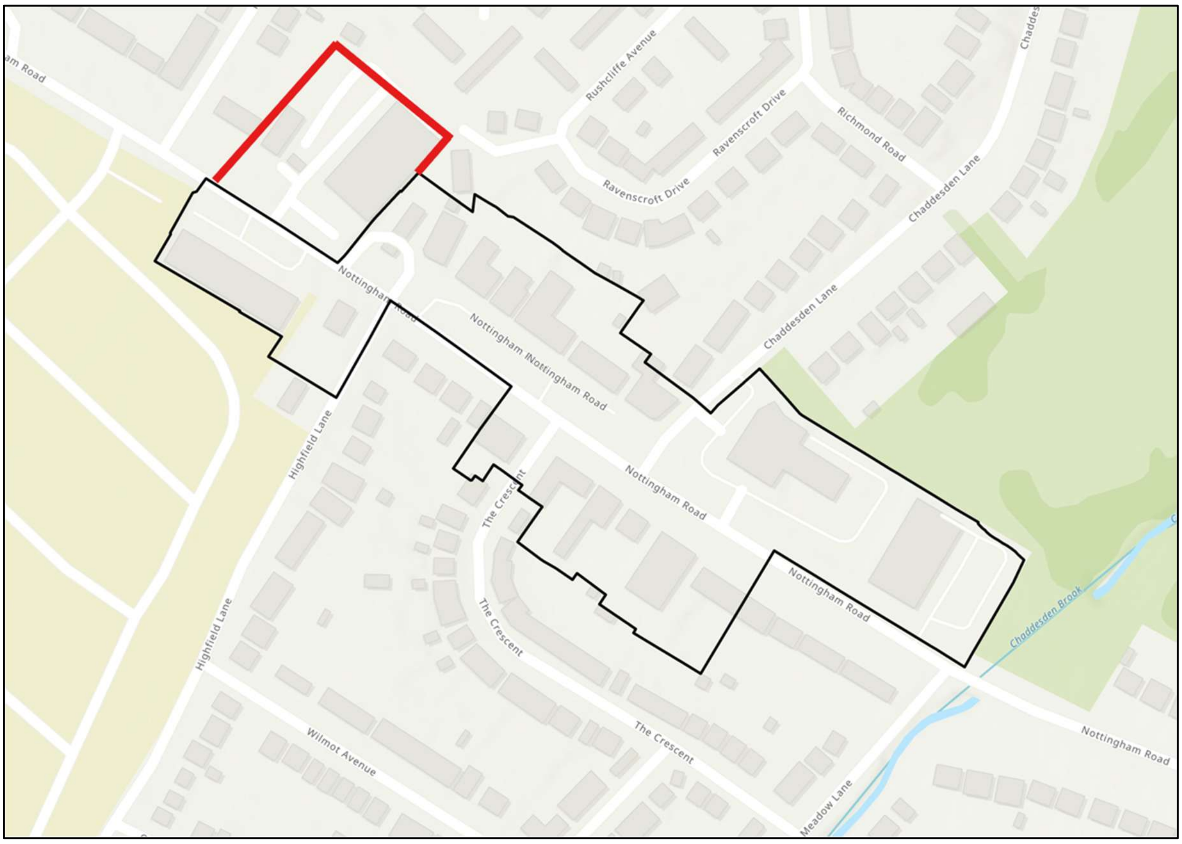
- **Allestree District Centre**: No change to District centre boundary.

- **Alvaston District Centre**: No change to District centre boundary.

- **Cavendish District Centre**: No change to District centre boundary.

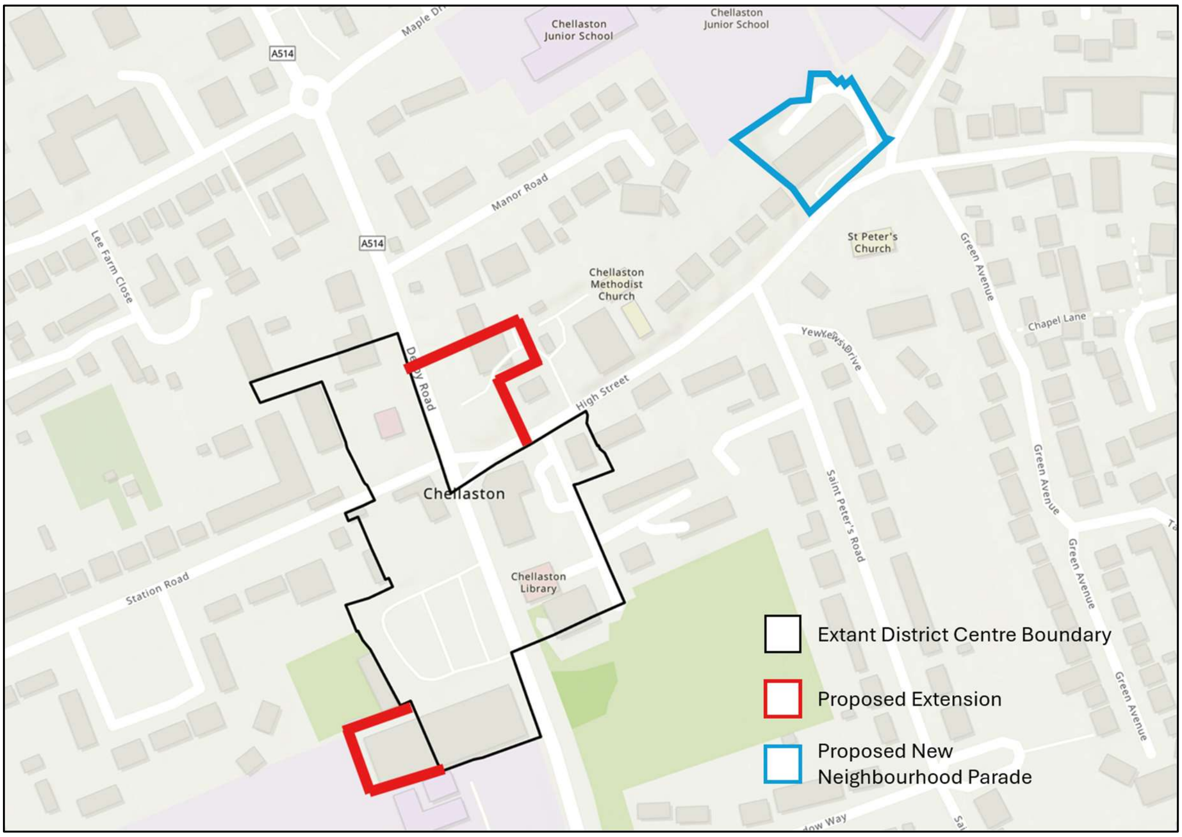
- **Chaddesden District Centre**: Suggested extension to the existing centre boundary to the west of the centre to include the Lidl foodstore and adjacent veterinary practice.

Figure 21: Chaddesden District Centre: Suggested Boundary Change



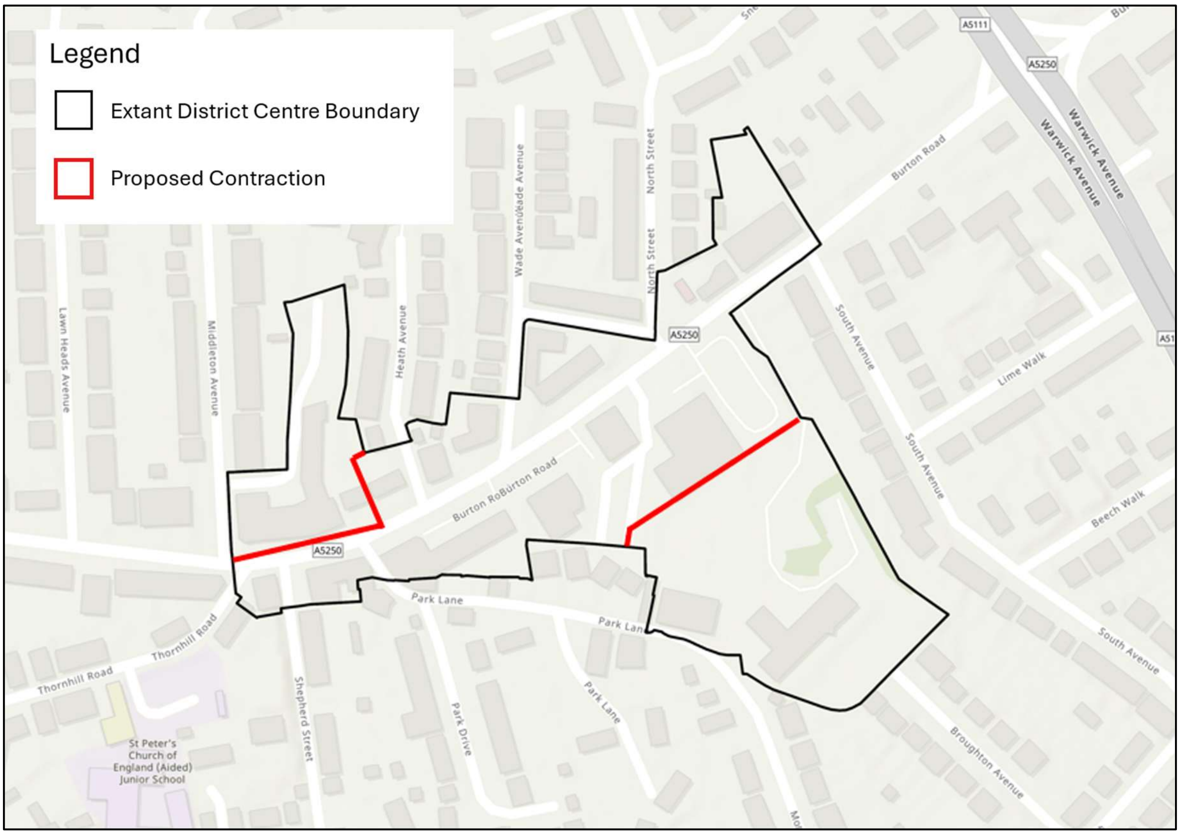
- **Chellaston District Centre**: We suggest extending the centre boundary to the south to take in the Lidl store in its entirety and also include the sports bar at the junction of High Street and Derby Road to the north-east. Additionally the parade of nine units on High Street is geographically separate from the District centre and we recommend that this is considered a separate entity in the form of a neighbourhood parade.

Figure 22: Chellaston District Centre: Suggested Boundary Change



- **Littleover District Centre**: A contraction of the town centre boundary is recommended at the western edge, where the area is more residential in character and includes a care home, with limited relationship to the centre’s commercial function. A further contraction is also recommended to the south-east to exclude Grange Hall and the Masonic Hall, which are physically and functionally removed from the main linear commercial frontage along Burton Road and do not form an integral part of the District Centre’s core offer.

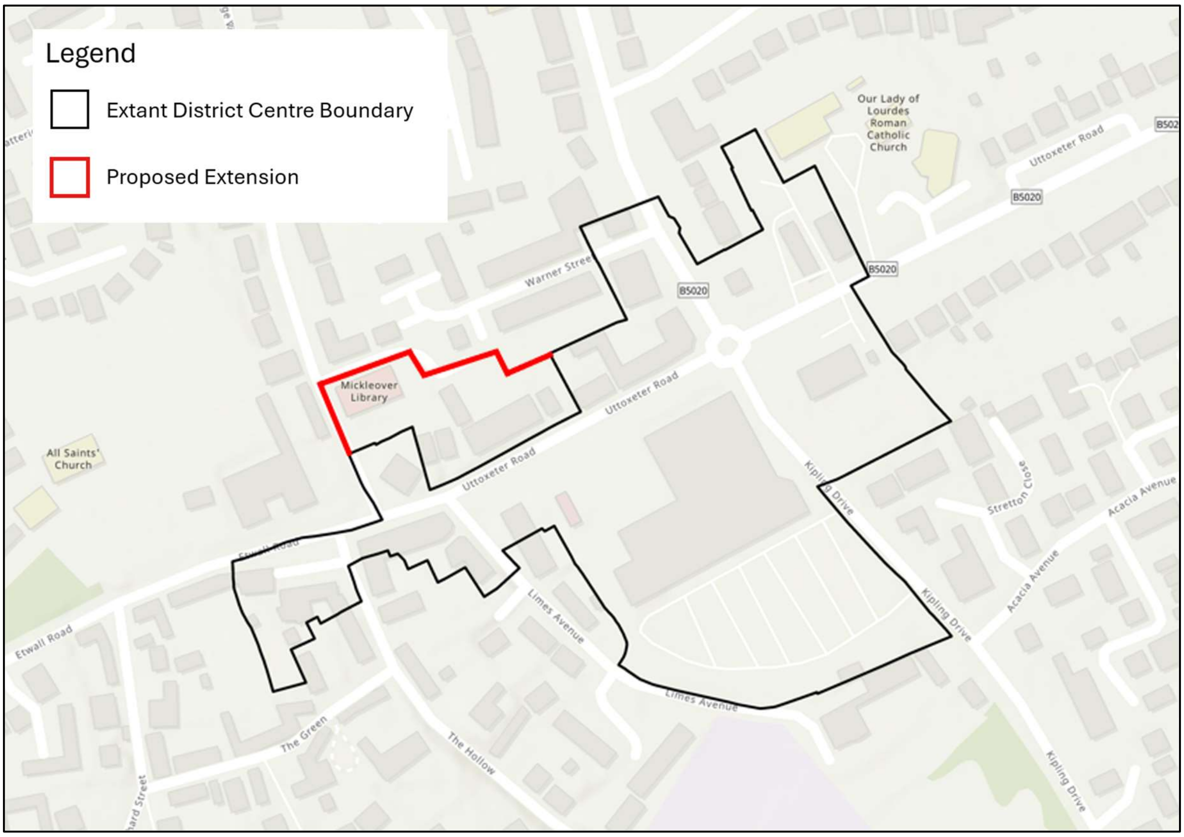
Figure 23: Littleover District Centre: Suggested Boundary Change



- **Mackworth District Centre**: No change to District centre boundary.

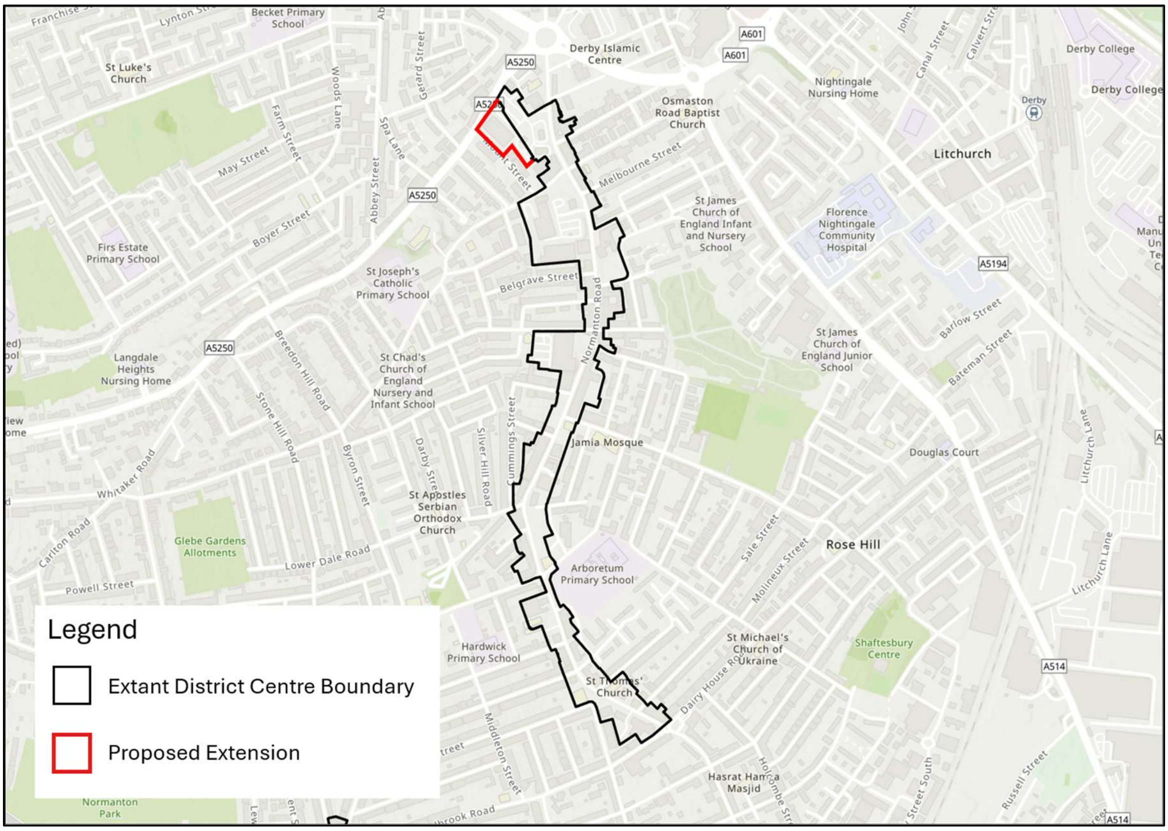
- **Mickleover District Centre**: The boundary should be expanded to include a wider range of community-oriented uses within the immediate vicinity, where these contribute to the centre's role and function as a local service hub. In particular, it would be appropriate to include Mickleover Library and Mickleover Community Centre within the designated boundary, as both uses support regular community activity, generate linked trips and form part of the wider civic and social infrastructure serving the centre.

Figure 24: Mickleover District Centre: Suggested Boundary Change



- **Normanton Road District Centre**: The north-western boundary should be extended to include the Aldi store accessed from Normanton Road.

Figure 25: Normanton Road District Centre: Suggested Boundary Change



- **Oakwood District Centre**: No change to District centre boundary.
- **Sinfin District Centre**: No change to District centre boundary.
- **Spondon District Centre**: No change to District centre boundary.

MARKETS

508. Markets play an important role in many town centres, adding to their variety and providing economic and social benefits. Local plan policies should therefore support the role of existing markets, both temporary and permanent and encourage new provision where commercially viable.

509. At the present time, extant **Policy CP14** on **'Tourism/Culture and Leisure'** refers to support in maintaining and developing the City's outdoor cultural offer, including providing spaces and locations for festivals, events and markets. Furthermore, within the emerging Local Plan, **Policy E1** on '**Tourism and Culture'** refers to supporting developments that enhance the visitor economy and cultural facilities including markets.

510. It should also be noted that the current NPPF policy support for such activities is being proposed for removal in the draft NPPF (December 2025). The reason for this is given in the accompanying consultation document as "*The specific reference to markets in the current Framework has been omitted as their existence is not controlled directly by planning, but we would expect opportunities to create*

or strengthen markets to be a consideration in the wider strategies for town centres mentioned above" (draft NPPF Policy TC1). This limitation may need to be reflected in any emerging policy.

LOCAL FLOORSPACE IMPACT THRESHOLD

511. The NPPF requires an impact assessment to be undertaken for *"retail, leisure and office development outside of town centres, which are not in accordance with an up-to-date Local Plan*" (paragraph 90). Local planning authorities should require an impact assessment if the development is over a proportionate, locally set floorspace threshold, but if there is no local threshold, then the NPPF default threshold (2,500 sqm gross) should be applied. To help inform the setting of an appropriate impact threshold, the PPG (Paragraph: 015. Reference ID: 2b-015-20190722) also states that it will be important to consider the following:

- scale of proposals relative to town centres;
- the existing viability and vitality of town centres;
- cumulative effects of recent developments;
- whether local town centres are vulnerable;
- likely effects of development on any town centre strategy; and
- impact on any other planned investment.

512. At present the current position is as follows:

- **Extant Local Plan** (Core Strategy): Derby City Local Plan (adopted 2017). **Policy CP13** sets out impact threshold of 1,000 sqm gross (All retail proposals over 1,000 square metres gross will be required to submit a detailed retail impact assessment to show there is no significant adverse impact on the vitality, viability, planned investment or role of any defined centre).
- **Emerging Local Plan** (the Regulation 18 consultation on the Plan) in which under **Policy E9** also sets out impact threshold of 1,000 sqm gross.

513. We advise an impact threshold of **280 sqm net** (**circa. 350 sqm gross**) is most appropriate and robust for assessing the impacts of any proposed retail/leisure developments outside of defined centres in accordance with paragraph 94 of the NPPF. The justification and evidence to support this lower impact threshold is set out in the paragraphs below.

514. As reported in **Section 3**, the growth in internet shopping is having a significant impact on the way households choose to buy food and non-food goods, which in turn is impacting upon retailer business and operating models. This should be considered alongside the long-term impacts of out-of-centre stores, shopping and leisure facilities on town centres. These impacts are probably best illustrated by the changes in the grocery sector over the last decade. Following a sustained period of growth over almost 20 years up to 2010, principally driven by new larger format superstore openings, the main grocery operators (i.e. Tesco, Sainsbury's, Asda, Waitrose and Morrisons) have effectively scrapped their superstore expansion programmes to focus on growing their market shares via online sales and opening smaller convenience stores (i.e. Sainsbury's Local, Tesco Express,

Little Waitrose, etc.). Although sizes vary from location-to-location, the main grocers are promoting smaller convenience stores with a minimum gross floorspace of between 280 sqm and 372 sqm (circa 3,000 - 4,000 sq ft).

515. The 280 sqm net floorspace figure is also significant, as stores below this threshold are exempt from Sunday trading restrictions. In brief, the Sunday Trading Act defines a 'large shop' as generally being over 280 sqm net. It is the Government's intention through this Act to protect smaller, independent stores which are perceived to be financially weaker and therefore require protection from unfair competition from the major supermarket operators. In general terms therefore it follows that proposals for retail floorspace over 280 sqm net are unlikely to be a purely local facility and will have the ability to draw trade from outside of their immediate local catchment with potential consequent impacts on existing stores and centres. For example, in circumstances where convenience stores are proposed on the edge or outside of centres, often as part of petrol filling stations or conversions of public houses, they can have a significant adverse impact on the trading performance, vitality and viability of smaller local centres nearby. This will particularly be the case where these existing centres are dependent on smaller supermarkets and/or convenience stores to anchor their retail offer, and to generate footfall and linked trips/expenditure to the benefit of other shops, services and facilities. In some cases, post office counters can also form an integral part of the convenience store offer and attraction in smaller centres, and their future operation could therefore also be jeopardised by new convenience stores opening outside of centres.

516. The Government's overarching aim to protect the role, function and integrity of local shops selling essential goods and comprising essential services (e.g. post-office counters) is further demonstrated by the reforms to the UCO and the introduction of the new Class F2, which covers local community uses. Within this category, Class F2(a) specifically pertains to a shop (previously classified as A1) selling mostly "essential goods", including food, to visiting members of the public where the shop's premises cover an area of no more than 280 sqm and there is "*no such facility within 1,000 metre radius of the shop's location*". This new use class is intended to ensure that uses which are important to local communities have some protection through the planning system, because the scope to change use without planning permission is more limited.

517. At the same time, the market demand from operators seeking representation and space in town centres is falling significantly as the space available in centres is often of the wrong size and configuration, and in the wrong location to meet today's retailer requirements. For example, modern multiple retailers selling a range of comparison goods (including, for example, fashion, home store and 'bulky' goods) generally have requirements for larger format modern premises with a minimum size of circa 465 sqm gross (5,000 sqft), and usually 929 sqm (10,000 sqft) and above. This minimum floorspace provides operators with the necessary 'critical mass' of sales needed to display their full range of goods in-store and attract customers from a wider catchment area, particularly where they are co-located alongside similar stores in town centre and out-of-centre locations. These

minimum floorspace requirements also fall significantly below the NPPF-default threshold of 2,500 sqm gross.

518. The health checks for the town centres have also identified that smaller independent stores and services make a significant and vital contribution especially to the town and local centre(s) diverse offer, attraction and viability.

519. In conclusion, we consider that the above evidence provides robust support and justification for the setting of a lower floorspace threshold of 280 sqm net. This will provide the Council with greater flexibility to robustly assess the individual ('solus') and cumulative impacts of any smaller commercial floorspace (including convenience stores) proposed outside of existing centres that could compete 'like-against-like' with existing, planned and proposed investment in its main centres. We also advise that this threshold should be applied, where relevant, to change of use applications and applications seeking variations of conditions. It should be noted that whilst the proposed threshold applies to net additional floorspace, where a proposal is for the redevelopment of existing retail floorspace, the threshold should apply to the total floor area proposed (i.e. existing and net additional).

520. By way of additional clarification, the Council will be aware that the locally set impact threshold does not determine whether an application should be allowed or refused, only whether an application should be subject to an impact assessment. Furthermore, the PPG advocates that the level of information pertaining to the impact test (and the sequential test) provided in support of any application should be proportionate and considered in a locally appropriate way. We therefore advise the Council that they should pro-actively engage with any applicant at an early stage in the pre-application process to scope and agree the detail of any assessment and the evidence required in support of an application on a case-by-case basis.

9. GLOSSARY OF TERMS

Term	Definition
Town Centres	Town are the principal centre or centres in a local authority's area. When planning the future of town centres, local planning authorities should consider the function of various parts of the centre and how these contribute to its overall vitality and viability.
District Centres	District centres will usually comprise groups of shops often containing at least one supermarket or superstore, and a range of non-retail services, such as banks, building societies and restaurants, as well as local public facilities such as a library. These centres generally contain between 10,000-50,000sqm of retail, leisure and service floorspace; and provide a higher proportion of convenience over comparison goods.
Local Centres	Local centres include a range of small shops of a local nature, serving a small catchment. Typically, local centres might include, amongst other shops, a small supermarket, a newsagent, a sub-post office, a pharmacy or a launderette.
Town Centre Uses	As defined in the NPPF, main town centre uses are retail development (including warehouse clubs and factory outlet centres); leisure, entertainment facilities the more intensive sport and recreation uses (including cinemas, restaurants, drive-through restaurants, bars and pubs, nightclubs, casinos, health and fitness centres, indoor bowling centres, and bingo halls); offices; and arts, cultural and tourism development (including theatres, museums, galleries and concert halls, hotels and conference facilities).
Neighbourhood Centres	Normally comprise all parades of shops that are of purely local significance.
Town Centre Boundary	Defined area, including the primary shopping area and areas of predominantly leisure, business and other main town centre uses within or adjacent to the primary shopping area. The extent of the town centre should be defined in Local Plans and on the policies map.
Primary Shopping Area	Defined area where retail development is concentrated.

Term	Definition
Edge-of-Centre	As defined in the NPPF, for retail purposes a location that is well connected up to 300 metres from the primary shopping area. For all other main town centre uses, a location within 300 metres of a town centre boundary. For office development, this includes locations outside the town centre but within 500 metres of a public transport interchange. In determining whether a site falls within the definition of edge-of-centre, account should be taken of local circumstances.
Out-of-Centre	A location which is not in or on the edge of a town centre. Out-of-centre locations are at the bottom of the retail hierarchy and any application for retail development in an out-of-centre location must fully assess impacts and rule out potential for locating in a more sequentially preferable location.
Convenience Retailing	Convenience retailing is the provision of everyday essential items, including food, drinks, newspapers/magazines and confectionery.
Comparison Retailing	Comparison retailing is the provision of items not obtained on a frequent basis. These include clothing, footwear, household and recreational goods.
Supermarkets	Stores selling mainly food, with a trading floorspace less than 2,500 square metres, often with car parking.
Superstores	Stores selling mainly food, or food and non-food goods, usually with more than 2,500 square metres trading floorspace, with supporting car parking.

Term	Definition
Regional Centre	The current NPPF (December 2024) does not provide a specific definition for a regional centre. The term 'regional centre' is typically used contextually within local plans and hierarchies to describe a centre that serves a wide catchment area beyond its immediate locality. In the historic 'Planning Policy Statement 6 (PPS6) (2005): Planning for Town Centres, (Annex A),' the term "regional centre" is described within the typologies of centres and in particular when describing a City centre as follows: "*In terms of hierarchies, they will often be a regional centre and will serve a wide catchment. The centre may be very large, embracing a wide range of activities and may be distinguished by areas which may perform different main functions*."
Retail Warehouses	Large stores specialising in the sale of household goods (such as carpets, furniture and electrical goods), DIY items and other ranges of goods, catering mainly for car-borne customers.
Retail Parks	An agglomeration of at least 3 retail warehouses.
Warehouse Clubs	Large businesses specialising in volume sales of reduced priced goods. The operator may limit access to businesses, organisations or classes of individual.
Factory Outlet Centres	Groups of shops specialising in selling seconds and end-of-line goods at discounted prices.
Leisure Parks	Leisure parks often feature a mix of leisure facilities, such as a multi-screen cinema, indoor bowling centres, night club, restaurants, bars and fast-food outlets, with car parking.
Convenience Goods Expenditure	Expenditure (including VAT as applicable) on goods in COICOP (Classification of individual consumption by purpose categories): Food and non-alcoholic beverages, Tobacco, Alcoholic beverages (off-trade), Newspapers and periodicals, Non-durable household goods.

Term	Definition
Comparison Goods Expenditure	Expenditure (including VAT as applicable) on goods in COICOP Categories: Clothing materials & garments, Shoes & other footwear, Materials for maintenance & repair of dwellings, Furniture & furnishings; carpets & other floor coverings, Household textiles, Major household appliances, whether electric or not, Small electric household appliances, Tools & miscellaneous accessories, Glassware, tableware & household utensils, Medical goods & other pharmaceutical products, Therapeutic appliances & equipment, Bicycles, Recording media, Games, toys & hobbies; sport & camping equipment; musical instruments, Gardens, plants & flowers, Pets & related products, Books & stationery, Audio-visual, photographic and information processing equipment, Appliances for personal care, Jewellery, watches & clocks, Other personal effects.
Special Forms of Trading	All retail sales not in shops and stores; including sales via the internet, mail order, TV shopping, party plan, vending machines, door-to-door and temporary open market stalls.
Gross Ground Floor Footprint Floorspace	The area shown on the Ordnance Survey map or other plans as being occupied by buildings and covered areas measured externally.
Gross Retail Floorspace	The total built floor area measured externally which is occupied exclusively by a retailer or retailers; excluding open areas used for the storage, display or sale of goods.
Net Retail Sales Area	The sales area within a building (i.e., all internal areas accessible to the customer), but excluding checkouts, lobbies, concessions, restaurants, customer toilets and walkways behind the checkouts.
Retail Sales Density	Convenience goods, comparison goods or all goods retail sales (stated as including or excluding VAT) for a specified year on the price basis indicated, divided by the net retail sales area generating those sales.

Term	Definition
Quantitative Need	Is conventionally measured as expenditure capacity (i.e., the balance between the turnover capacity of existing facilities and available expenditure in any given area). Expenditure capacity, or ‘quantitative need’ can arise as a result of forecast expenditure growth (either through population growth or increase in spending), or by identification of an imbalance between the existing facilities and current level of expenditure available in an area.
Qualitative Need	Includes more subjective measures such as, for example, consumer choice; the appropriate distribution of facilities; and the needs of those living in deprived areas. ‘Over trading’ is also identified as a measure of qualitative need, although evidence of significant over-crowding, etc., may also be an indicator of quantitative need.