Derby City Council

Retail and Centres Study

Executive Summary

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Executive Summary

Instruction and Scope

1. Nexus Planning has been instructed by Derby City Council (hereafter referred to as 'the Council') as lead consultant to undertake an authority-wide Retail and Centres Study, which will act as the evidence base to inform both plan-making and decision taking. The focus of the Study is to consider the requirement for additional retail and leisure uses in the authority area and consider appropriate locations to accommodate such growth.

2. The Derby City Local Plan Part 1 was adopted in January 2017 and sets out the Council's overall strategy in respect of managing future development within defined town centres and its approach in considering proposals for main town centre uses. The Local Plan Part 1 also sets out strategic growth priorities for the period between 2011 and 2028, and includes a requirement for 11,000 new homes to be built within the City. Amber Valley Borough Council and South Derbyshire District Council are also planning to accommodate substantial future growth within the wider Derby Urban Area over the next decade and beyond, in order to meet some of their own and Derby's residual housing needs. Collectively, the three authorities of Derby, Amber Valley and South Derbyshire form the Derby Housing Market Area.

3. The previous Derby Retail and Leisure Study, which was undertaken by Roger Tym & Partners and reported in 2009, has been overtaken by events and is now out of date. There is therefore a requirement to not only provide an up-to-date retail and leisure needs assessment, but to also review current regeneration priorities in the city centre and consider additional opportunities to support further main town centre uses.

4. The purpose of the Study is not just to identify retail and leisure needs, but to also consider where such needs should be met in practice. As a consequence, Nexus Planning has partnered with Aspinall Verdi chartered surveyors, Curtins transport planners and NEMS Market Research Limited in order to deliver the commission.

5. The Study is underpinned by new market research, including a household shopper survey of 2,000 households (undertaken by NEMS in December 2017) across 20 separate zones. The zones are derived from those utilised in the previous 2009 Derby Retail and Leisure Study, which allows comparison of changing market shares over time. The overall Study Area is extensive (incorporating parts of Amber

Valley, Ashfield, Bolsover, Broxtowe, Charnwood, Derbyshire Dales, East Derbyshire, Erewash, North West Leicestershire and South Derbyshire) and reflects the assumed catchment area for Derby city centre.

The Strength of Derby City Centre's Commercial Market

6. As part of this Study, Aspinall Verdi has undertaken a comprehensive market report, which considers trends of specific relevance to Derby city centre.

7. The market report concludes:

- the dominance of the Intu Derby shopping centre is reflected through its near monopoly of the comparison goods national multiple market, which manifests through long leaseholds and a stable tenant line up;
- there is relatively limited demand for additional comparison goods floorspace, which has resulted in new or refurbished accommodation (such as Castleward Boulevard[1] and Riverlights) struggling to attract tenants;
- additional retail development in the pipeline is typically outside the city centre, which mirrors a broader national trend in respect of the diversification of in centre uses (through the change of use of Class A1 retail uses);
- Derby city centre's food and drink offer is principally split between Intu Derby (which typically accommodates national multiple operators) and the Cathedral Quarter (which typically accommodates independents);
- whilst the Cathedral Quarter continues to grow and benefit from new operators (such as Dog & Moon and Bunk), confidence in the mid-market retail sector is relatively fragile and, in Derby, Prezzo closed its restaurant at Friar Gate earlier in the year;
- opportunities which do exist in the short term to materially improve Derby's food and drink offer which can combine an experience with convenience, which is reflected nationally by the popularity of street food and food markets (in this regard the monthly 'pop up' Bustler Market in Derby has been a considerable success); and
- there is potential for the 'urban leisure' (escape rooms, adventure golf and so on) sector to expand further to take currently vacant floorspace.

[1] The units at Castleward Boulevard will likely become increasingly attractive to prospective operators as the local residential population increases

Planning Policy Context: the National Planning Policy Framework

8. The most recent iteration of the National Planning Policy Framework ('NPPF') was published in February 2019. It recognises that a flexible approach will be necessary to provide for the future vitality and viability of town centres, and incorporates a number of policies that impact on the findings of studies of this nature. The revised NPPF reflects the fact that the traditional role of town centres has been undermined by structural changes in the sector, and that there may be a need to plan for a more diverse range of uses going forward. In respect of plan-making and the associated planning evidence base, the following policies are of greatest relevance.

9. Paragraph 20 of the NPPF indicates that development plans should set out an overall strategy for the pattern, scale and quality of development, including policies to deliver retail, leisure and other commercial development. Paragraph 31 states that the preparation and review of all policies should be underpinned by relevant and up-to-date evidence. This should be proportionate and take into account relevant market signals.

10. Paragraph 85 specifically relates to planning for town centres. It indicates that planning policies should:

- define a network and hierarchy of town centres and promote their long-term vitality and viability;
- define the extent of town centres and primary shopping areas, and make clear the range of uses permitted in such locations;
- retain and enhance existing markets;
- allocate a range of suitable sites in town centre to meet the scale and type of development likely to be needed, looking at least ten years ahead;
- where suitable and viable town centre sites are not available for main town centre uses, allocate appropriate edge of centre sites that are well connected to the town centre; and
- recognise that residential uses can play a role in underpinning the vitality of centres.

11. The requirement to plan to meet needs across a minimum ten year period represents a change from the previous NPPF which required town centre needs to be met in full across the entire plan period.

12. In addition, it is notable that the NPPF Annex 2 Glossary drops the previous reference to primary and secondary frontages. Page 32 of the Government Response to the Draft Revised National Planning Policy Framework Consultation indicates that, whilst the revised NPPF has removed the expectation in national planning policy that such frontages must be defined, this does not preclude authorities from

doing so where their use can be justified. However, it is evident that the general intention is to provide for more flexibility through a less prescriptive approach.

Market Research: In Street Surveys

13. An 'in street' survey of users of Derby city centre was undertaken by NEMS in March 2018 to understand how the city centre is used, and identify those aspects of the centre that may benefit from improvement and change. In order to consider how the centre and users' perceptions of it have changed over time, the majority of the in street survey questions are identical to those that formed the previous March 2008 NEMS in street survey, which was undertaken as part of the 2009 Retail and Leisure Study.

14. In total, 200 in street surveys were completed at five different locations in the city centre, these being:

    i) Market Place;
    ii) Osmaston Road;
    iii) Osnabruck Square/Exchange Street;
    iv) St Peters Street; and
    v) Victoria Street.

15. The in street survey has gleaned a large amount of information relating to respondents' views, which can be fully understood with reference to the main report. With regard to the purpose of this Study – which is to consider users' needs and identify locations to accommodate new uses – the following changes since 2008 are of particular relevance:

    - there has been a substantial improvement in the proportion of respondents who (at least on occasion) use the city centre as a venue to eat and drink, which suggests that it is able to appeal to a broad range of customers;
    - this is reflected in an increase in the proportion of respondents who are satisfied with the city centre overall offer as a family entertainment venue;
    - there has been an increase in the 'dwell time' of visitors, with more than half respondents indicating that they intended to stay in the city centre for two hours or more;
    - there has been an increase in the proportion of respondents who identify the quality of shops as the city centre's principal attribute and an increase in the proportion of respondents who like everything about the centre; and

- there has been an increase in the proportion of respondents who are concerned about 'undesirables' in the city centre and an increase in those that expressed concern about the run down appearance of premises.

16. In addition, the 2018 in street survey has identified that:

- the principal reason users visit the centre is to undertake non-food shopping, which is unsurprising given Derby city centre's regional role;
- as a consequence of the above, non-food shopping accounts for the vast majority of visitors' expenditure, with very little typically being spent on food shopping;
- Intu Derby is by far the most popular car park, with the next most popular option being to park on street;
- respondents' concerns about anti-social behaviour relate not just to the city centre as a whole, but also specifically to the St Peters Quarter and Cathedral Quarter (but not to the Intu shopping centre, which is presumably a consequence of its managed environment); and
- respondents' priority in respect of the Market Hall is for it to accommodate more speciality retailers.

Population and Expenditure

17. In December 2017, a survey of just over 2,000 households was undertaken by NEMS within the defined Study Area in order to ascertain where residents go to undertake a range of shopping and leisure activities. The Study Area is derived from that which was utilised in the previous 2009 Study.

18. The population within each postcode sector and each zone at 2019 has been calculated using Experian Micromarketer G3 data (2017 estimate, which was issued in December 2018). Experian also models projected future increases in population, utilising Government population projections. Experian's data provides 2017 base year population estimates which accord with the findings of the 2011 Census release. Its methodology in calculating projected changes in population is based on a 'demographic component model', which takes into consideration birth and death rates, and net migration.

19. The Study Area population, using Experian Micromarketer G3 data, is forecast to increase from 963,177 persons at 2019 to 1,012,733 persons at 2028, equating to an increase in population of 49,556 persons. We also compared the population growth calculated by Experian with the population growth used to inform the Local Plan Part 1 Core Strategy to ensure that the approach was consistent with the Council's own evidence base. The disparity between the two equates to just over 70 persons per annum, which

will not have a material consequence to the findings of the strategic study. As such, it is agreed that the use of Experian data is considered robust and appropriate.

20. In order to calculate per capita convenience and comparison goods expenditure, we again utilise Experian Micromarketer G3 data, which provides detailed information on local consumer expenditure that takes into consideration the socio-economic characteristics of the local population. Having made allowance for special forms of trading, we then take account of projected changes in convenience and comparison goods per capita expenditure in accordance with the recommendations provided by Figure 6 of Appendix 3 of Experian Retail Planner Briefing Note 16.

21. Taking into account the Study Area resident population and the available per capita convenience goods expenditure, we estimate that £2,138.1m of convenience goods expenditure originates within the Study Area at 2019. The available Study Area convenience goods expenditure is forecast to then increase to £2,244.8m at 2028.

22. For comparison goods, we estimate that the resident population of the Study Area will generate £3,096.7m of comparison goods expenditure at 2019. Available comparison goods expenditure is then forecast to increase to £4,143.6m at 2043.

Market Research: Household Surveys

23. The NEMS household survey identifies where residents travel to undertake a range of shopping and leisure activities. In retail terms, the principal purpose of the survey is to establish:

i) patterns of convenience goods spending, based on the location of:

- the shop where the respondent last visited and visited 'the time before last' to undertake their main food shop; and
- the shop where the respondent last visited and visited 'the time before last' to undertake their top up food shop;

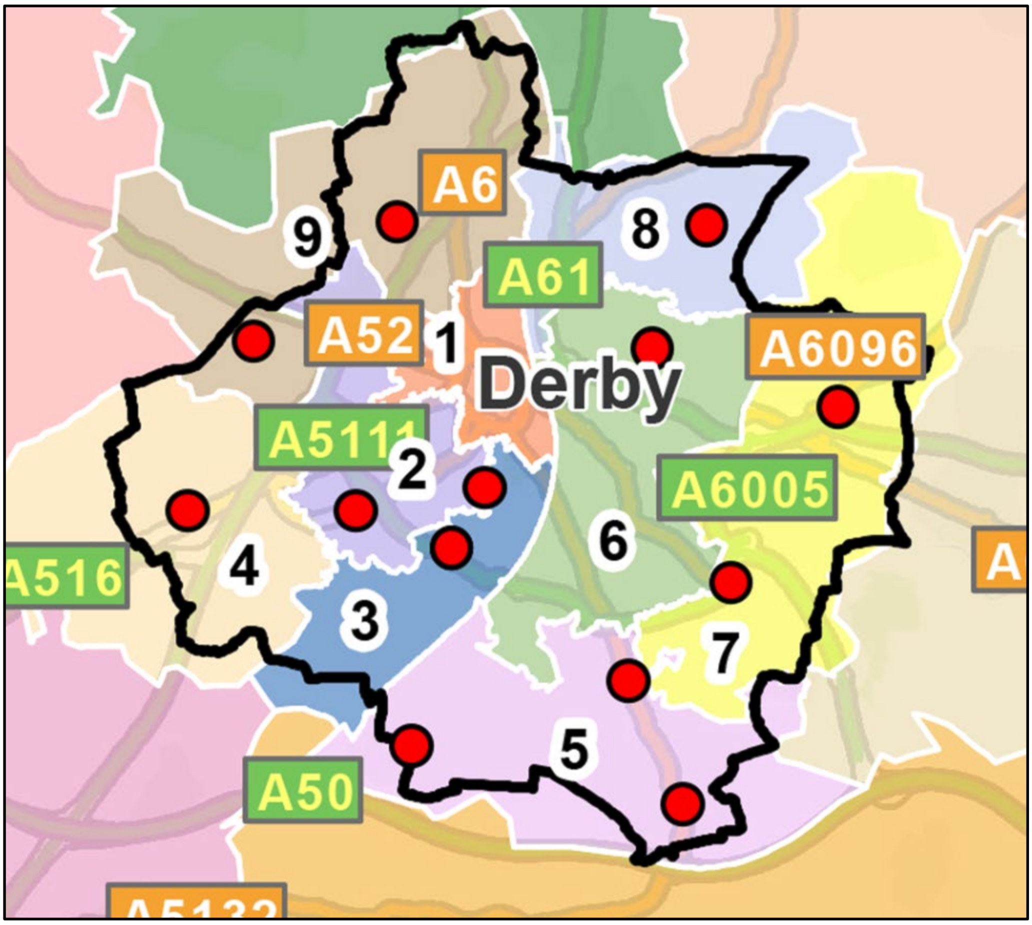
ii) patterns of comparison goods spending, based on the location of the respondent's last shopping trip to purchase the following types of comparison good:

- clothing and footwear;
- books, CDs, DVDs and stationery;

- small household goods, such as home furnishings, clocks, jewellery, glass and china;
- toys, games, bicycles and recreational goods;
- chemist goods, including health and beauty items;
- electrical goods, such as televisions, washing machines and computers;
- DIY and gardening goods; and
- furniture, carpets and floor coverings.

24. The analysis within this Study considers market shares both for the above sub-sectors, but also identifies the overall market share of convenience and comparison goods expenditure secured by various destinations. In this regard, convenience goods expenditure has been considered on the basis that 75% of all such expenditure that goes through the tills of stores will be spent on main food shopping, and 25% will be spent on top up food shopping.

Figure 1: Zones 1-9 of the Study Area



25. In respect of convenience goods, the findings that are of greatest relevance to the future retail and centres strategy in Derby are as follows:

- the authority area claims 94.2% of main food shopping expenditure and 95.3% of top up food shopping that originates in the central Zones 1 to 9. Whilst this represents a slight reduction in Derby's overall market share over the past decade, it is still considered to be representative of sustainable shopping patterns;
- convenience goods operators in Derby benefits from relatively little expenditure from outside the authority area, which is not unexpected given the localised nature of convenience goods shopping;
- in Zone 1 (which encompasses the city centre), the convenience goods retention rate (i.e. the proportion of expenditure that originates within the zone and is spent within the zone) has decreased from 37.0% at 2008 to 21.8% at 2019. The Zone 1 retention rate is therefore low and is reflective of a relatively weak city centre convenience goods offer; and
- the discount foodstore sector is performing extremely well, with discounters identified within the top three performing foodstores in six of the nine central zones.

26. In terms of comparison goods, our assessment has identified that:

- the vast majority of residents in central Zones 1 to 9 are able to meet their comparison goods shopping needs within the Derby authority area. Within these central zones, facilities within the authority area have a comparison goods market share of around 87% to 94%;
- within the Study Area as a whole, the Derby authority area attracts just greater than four out of every ten pounds spent that originates within the Study Area, and Derby city centre attracts just greater than two out of every ten pounds spent;
- the overall Study Area market share of comparison goods expenditure claimed by the Derby authority area has increased from 37.8% at 2008 to 41.2% at 2019, but there has been a decrease in the city centre market share;
- at the same time, the comparison goods market share of out of centre retail parks within the Study Area has very substantially increased; and
- in respect of clothing and footwear purchases, Derby city centre's Study Area market share has increased from 33.0% at 2008 to 39.3% at 2018. Whilst the 2008 household survey results do not allow extensive comparison with the new household survey on a sectoral basis (due to changes in the applied methodology), Derby's market share for other comparison goods has significantly

reduced over this time.

Assessment of Retail Needs

27. The capacity requirements identified in this Study are of some relevance to the determination of future planning applications. However, the identified performance of Derby city centre (particularly in respect of its vacancy rate) is of concern and the existence of theoretical capacity (in a depressed market) should not be determinative to the Council's determination of planning applications for additional retail and leisure developments outside of centres. Instead, there is a clear need to carefully consider the impacts arising from such planning applications in accordance with the relevant policies of the NPPF and the development plan.

28. In terms of convenience goods, once account is taken of commitments, we estimate that the identified capacity surplus would support between 4,900 sq.m and 8,400 sq.m of additional convenience goods sales floorspace at 2019, increasing to a more substantial requirement for between 6,600 sq.m and 11,300 sq.m of floorspace at 2028. The identified capacity would therefore support the delivery of multiple food supermarkets.

29. There is a need to monitor all of the commitments accounted for in our assessment and, if such development is not delivered in practice, the identified requirement will increase further[2].

30. In respect of the distribution of convenience goods retail provision across the City, Section 11 of our report identifies that Zones 1, 2 and 8 are generally well provided for relative to their zonal population. Notwithstanding this, there may be potential to improve the convenience goods retail provision in and around Zone 1 as a consequence of the city centre's role and function, and ability to draw custom from a wider area.

31. By way of contrast, Zones 3, 5, 7 and 9 have a much lesser level of foodstore provision and we believe that there is the potential to improve the convenience goods offer in these areas (subject to appropriate sites becoming available and the impacts arising from such development being acceptable). It may assist to liaise with developers at pre-application stage in order to consider suitable sites for foodstore

[2] In this regard, we note that the Aldi at the former Mackworth College site has actually been implemented since the household shopper survey was undertaken

sites, which have qualitative benefits in improving local consumer choice and addressing shortfalls in provision.

32. In terms of comparison goods, we estimate that a capacity requirement equating to between 300 sq.m and 600 sq.m of net comparison goods sales floorspace is apparent at 2023, increasing to a requirement for between 11,100 sq.m and 19,000 sq.m at 2028. Our assessment covers a significantly longer timeframe to 2043, but this in excess of that which is usually the subject of assessment (and is outside the timeframe for which Experian provides population and expenditure growth estimates). We therefore recommend that this long term forecast is therefore viewed with caution as a consequence.

33. Notwithstanding this, it is evident that comparison goods requirements over the medium term could be met through the re-use, repurposing or redevelopment of existing vacant units in the city centre. In this regard, our survey of the city centre identified approximately 32,000 sq.m of vacant floorspace across 135 units. As such, the re-use of this floorspace would extinguish identified requirements over the medium term

34. On this basis, the key conclusion is not that there is a pressing need for additional retail floorspace; rather, at the present time there is too much stock. The priority should be to ensure that that future comparison goods retail requirements are principally directed towards Derby city centre in order to bring about the reoccupation or redevelopment of vacant premises.

35. Should the there be any additional requirement for comparison goods floorspace in practice over the longer term (above and beyond that which could be accommodated in vacant units), it will also likely be appropriate to try and ensure that the majority of this is delivered in the city centre, in accordance with 'town centre first' principles. There is a clear need to provide for the ongoing health of Derby city centre through improving its offer relative to that of competing destinations (most obviously Kingsway Retail Park). In this regard, our Study has indicated that comparison goods retail remains of key importance to the ongoing vitality and viability of the city centre, and that there are clear opportunities which could support additional comparison goods retail floorspace going forward (albeit other land uses may also be supported).

Assessment of Leisure Needs

36. In terms of the leisure sector, our assessment identifies that there may be sufficient capacity across the Study Area to support additional bingo hall provision. However, it is recognised that this sector has

been in decline over the past decade, and new bingo halls have been few and far between. As such, we do not believe that there is any requirement for the Council to actively plan for any such additional facility; instead, should any operator interest become apparent, proposals would be judged on their own merits with reference to relevant town centre policies.

37. The current level of cinema provision is almost exactly in line with the findings of our capacity assessment. Our research indicates that there are currently 63.0 cinema screens across the Study Area[3] at 2019, which is near identical to the 62.8 screen requirement identified by our assessment. As such, whilst population growth may result in some additional requirement over the medium to long term, we believe that the current level of provision is broadly appropriate. Notwithstanding this, we are aware that there has been something of a renaissance of smaller 'in centre' cinemas in recent years, with this 'boutique' format being pioneered by operators such as Everyman and Picturehouse. These cinemas generally have a strong food and drink offer and are present in cities of a comparable size to Derby. The Council may wish to explore whether there is an opportunity for any such operator to be accommodated in Derby city centre, particularly if any cinema screens are lost elsewhere in the area.

38. The position in respect of ten pin bowling is similar. Our assessment identifies a need for around 76.5 bowling lanes across the Study Area at 2019, which is only very slightly above the existing provision which comprises 73.0 lanes. We again believe that the current level of provision is broadly appropriate and that any quantitative requirement for an additional facility only arises through future population increases. Notwithstanding this, the ten pin bowling sector has been reinvigorated in recent years and there may be some potential to introduce an additional operator to the city centre (which would likely be aimed as much at an evening crowd as families) should the market expand further.

Health of Defined Centres and Future Strategy

39. Paragraph 002 of the Ensuring the Vitality of Town Centres Planning Practice Guidance ('the Town Centres PPG') indicates that development plans should set out a positive strategy or vision to bring about successful town centres which enable sustainable economic growth and provide a wide range of social and environmental benefits. Paragraph 005 of the Town Centres PPG identifies a range of indicators that should be assessed over time in order to establish the health of a town centre. The indicators include the following:

[3] Of which 36 are within the City of Derby authority area

- diversity of uses;
- proportion of vacant street level property;
- retailer representation and intentions to change representation;
- pedestrian flows;
- accessibility;
- perception of safety and occurrence of crime; and
- the state of town centre environmental quality.

40. Detailed healthcheck assessments have been undertaken for Derby city centre, the 13 district centres within the City, and a limited number of neighbourhood centres. The neighbourhood centres that are the subject of a healthcheck assessment are the larger centres or those that are located in close proximity to large scale proposed residential development). We provide a brief summary below of our findings.

Derby City Centre Healthcheck

41. Derby city centre is the main hub of retail and service uses in the authority area, with the Intu Derby shopping centre being the primary focus for retailing. The remainder of the centre takes the form of relatively traditional streets, which accommodate a variety of retail, service and other main town centre uses. Experian Goad data indicates that Derby city centre accommodates 214,370 sq.m of gross floorspace across 818 units.

42. Derby city centre is a major regional centre that draws customers and visitors from an extensive catchment area. It is however in a competitive environment at a regional level and has lost ground against other comparable centres over the past decade.

43. Tables 1 and 2 below provide a breakdown of the diversity of uses within the city centre. The proportion of commercial floorspace dedicated to comparison goods uses is substantially above national average. Such operators account for 90,470 sq.m of floorspace, which equates to 42.4% of all floorspace (by way of comparison, the national average figure is 34.6%). This is reflective of the scale of Derby city centre and its regional role as a comparison goods shopping venue.

Table 1: City Centre Floorspace Composition

GOAD Category	Floorspace at 2018 (sq.m)	Floorspace at 2018 (%)	Floorspace UK Average at 2018 (%)
Convenience	23,530	11.0	15.3
Comparison	90,470	42.4	34.6
Retail Services	9,520	4.5	6.9
Leisure Services	47,160	22.1	25.2
Financial and Business Services	11,890	5.6	7.6
Miscellaneous	0	0.0	0.1
Vacant	31,800	14.9	9.9
TOTAL	**214,370**	**100**	**100**

Source: Composition of City Centre derived from Nexus Planning Survey of August 2018; UK Average from Experian Goad Report June 2018

Table 2: City Centre Unit Composition

GOAD Category	DCC Number of Units at 2013	DCC Units at 2013 (%)	DCC Number of Units 2018	DCC Units at 2018 (%)	Units UK Average at 2018 (%)
Convenience	41	5.8	52	6.3	9.1
Comparison	367	51.2	270	33.0	30.5
Retail Services	198	33.3	98	12.0	14.6
Leisure Services		22.1	197	24.1	24.1
Financial and Business Services		5.6	69	89.4	10.2
Miscellaneous	13	1.8	0	0.0	0.1
Vacant	88	12.5	132	16.1	11.3
TOTAL	**707**	**100**	**818**	**100**	**100**

Source: Derby City Centre derived from Nexus Planning Survey of February 2018; Derby Retail and Leisure Study 2009; UK Average from Experian Goad Report June 2018

44. There were 52 convenience goods units within the survey area at the time of our survey, which equates to approximately 23,540 sq.m of floorspace (or 11.0% of the total commercial floorspace in the centre). This figure is well below the UK average figure of 15.3%. Once more, this is reflective of Derby's primary role as a comparison goods retail destination.

45. The city centre offer includes a broad range of retailers, from national multiples to specialist and independent and regional operators. Intu Derby is the clear focus for national multiple operators. Retail is the dominant service use. Vacancy levels have increased in the city centre and are markedly above national averages, whilst there is also a concentration of derelict and vacant sites around Becketwell.

46. Whilst Derby has suffered from a reduction in its retail provision in recent years (which is reflected in its fall in the Venuescore UK Shopping Venue Rankings), the convenience and comparison goods offer is generally diverse and comprehensive (as would be expected for a centre of this size).

47. At the time of our visit, 132 vacant units were recorded throughout Derby city centre. These units account for approximately 31,800 sq.m of floorspace. This figure amounts to 14.9% of total stock of floorspace, which is substantially higher than the national average figure of 9.3%.

48. Overall, the environmental quality of the primary areas of the city centre is good, with most areas being well maintained and little litter or graffiti noted at the time of our visit. However, the centre is somewhat let down by the quality of shop fronts and signage in key areas, such as St Peters Street and East Street. The secondary areas, which tend to be largely secluded, are often of a poor environmental quality. Such areas are characterised by lower quality operators and units and are primarily located to the south of Friar Gate-Victoria Street-Albert Street.

49. Changes that are taking place in the retail sector will continue to impact on the shape and character of the city centre. Whilst retailing will still have a significant place, the emphasis in terms of city centre strategy should be on diversification, in retail itself, but also through the introduction of additional uses. Alongside this and to avoid the over concentration of activity around the Intu centre, continued efforts should be made to deliver development, regeneration and public realm and other improvements across the city centre.

50. The opportunities for diversification are considered to be principally around employment, creative and related industries, residential and leisure as well as scope to incorporate civic uses such as higher education and health provision.

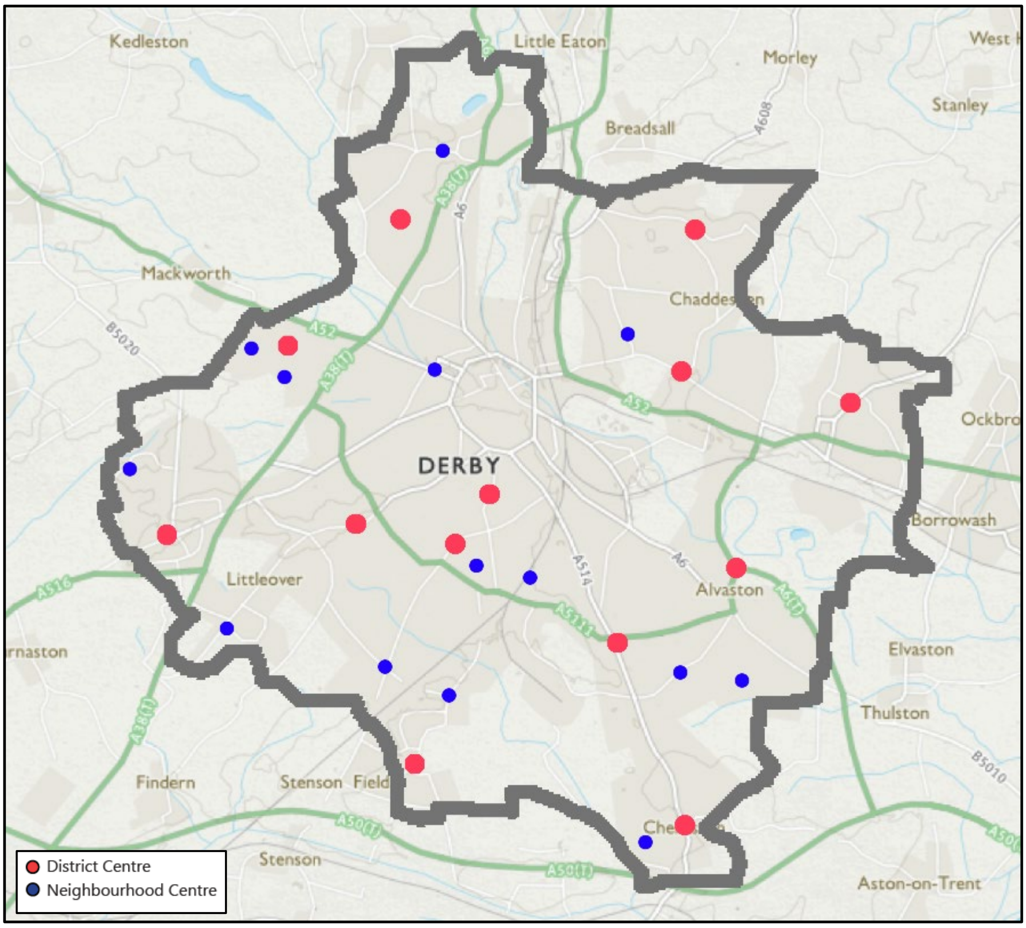
District and Neighbourhood Centres

51. Derby benefits from having a number of diverse district and neighbourhood centres. These vary considerably in vibrancy and quality, with some such as Normanton Road performing a diverse function for both local residents as a convenience and community destination and a wider service role. Centres such as Oakwood and Mackworth are limited in size and are therefore likely to function solely as a destination for immediately adjacent residential areas.

52. Cavendish in particular plays a limited role, with a relatively modest range of convenience and comparison retailers completing its offer. As a result of the limited convenience goods offer in the centre and its proximity to the larger, more diverse Normanton Road district centre, Cavendish struggles to attract convenience goods expenditure which reduces its viability as a district centre.

53. Conversely, Spondon demonstrates a diverse retail offer with a suitable range of convenience units (including two foodstores), comparison and service units. The centre is well-used, with the household survey identifying a high proportion of convenience expenditure directed towards the centre, and has a range of community facilities which help to drive visitors through the district centre.

Figure 2: Defined District and Neighbourhood Centres in Derby



54. We also visited and surveyed a number of the larger neighbourhood centres. For the most part, although these centres are smaller than the district centres, these perform a specific and important local role.

55. Blagreaves Lane-Stenson Road is located in the south-west of Derby, and performs a key local top-up shopping function which is reflective of the moderately sized foodstore located there. Equally, other neighbourhood centres such as St Thomas' Road-Balaclava Road struggle to perform a role due to their limited size and lack of a substantial convenience goods offer.

56. Our assessment of district and neighbourhood centres has found that most perform a convenience goods and service role (with comparison goods shopping sometimes restricted to day to day household goods and utensils). Given the need to direct future comparison goods growth to Derby city centre in order to provide for the reoccupation of vacant units and safeguard the future vitality and viability of the centre, we envisage that any substantial growth in district and neighbourhood centres will generally be limited to convenience goods retail and service uses. This is consistent with the current strategy for such lower tier centres.

57. In this regard, we note that, in comparison to other parts of the City, convenience goods provision is relatively limited in the north-west, east and south of the authority area. Given that the majority of future strategic housing sites are located in the east and south of Derby, the requirement to secure additional provision in these areas will increase going forward. We have identified opportunity sites in Allenton (Zone 6) and Chellaston (Zone 5) that may be able to support improved provision (potentially including new foodstores). However, even if such opportunities are realised, there will likely be additional convenience goods expenditure to support further provision in Zones 3, 5, 7 and 9.

58. As such, we believe that it is appropriate to consider the availability of sequentially preferable sites within the north-west, east and south of Derby to accommodate additional foodstores. In the current market, we anticipate that further demand for representation in the short to medium term is likely to arise from the discount market (i.e. Aldi and Lidl).

Recommendations and Interventions

Derby City Centre Review and Strategy

59. The City Centre Review and Strategy complements the core of the Retail and Centres Study and considers appropriate approaches to future planning policy, regeneration and related accessibility and place management initiatives in the city centre in the context of the retail assessment findings.

60. Whilst there is scope for the city centre to capture an increase in comparison goods expenditure in real terms to 2043, given the extent of retail vacancy and, critically, market sentiment, there is unlikely to be a need for new comparison floorspace and allocations in the foreseeable future. As for convenience expenditure, this is likely to remain static, however the continued strength of the discounting sector (together with a planned population increase) means that additional floorspace will likely come forward in response to market demand, despite significant overtrading of deep discounters. The city centre has

lost convenience market share in recent years and so there may be scope to recapture some of this trade that is 'leaking' to other 'suburban' locations.

61. The changing context for retail in the city centre is evidenced by the increasing vacancy rate and the growing importance of leisure as a city centre.

62. Notwithstanding that, at a national and sub-regional level and perhaps despite short term risks, Gross Domestic Product, employment (along with population), average earnings and expenditure are expected to continue to grow, albeit slowly in the decades to come. The future strategy will therefore need to consider how Derby can accommodate the changing face of retail whilst capitalising on the growth that there is.

63. Central to the future strategy will be diversification, notably through encouraging further leisure, residential, workspace, creative and community uses.

64. Importantly, the strategy for Derby city centre should be centred around fostering quality - celebrating a rich historical and townscape heritage; maintaining and improving accessibility; and above all placing the City Centre at the heart of community and civic life – for entertainment and leisure, retail, enterprise, transport, culture and enterprise and for those big community events and occasions - enlivened by a strong underscore of city centre living.

65. The city centre must cater for all sections of the community, not least young people, disabled people, the student community, the creative community, makers and entrepreneurs. It should offer a high quality environment and embrace new technology. It should build on its industrial heritage and capitalise on new opportunities. The city should celebrate and cherish its architectural heritage but also encourage new, high quality development. It should be a diverse, accessible, inclusive place where retailing is one of a number of significant and vibrant features of city centre life.

66. As part of realising this agenda, a number of key actions and recommendations are made under the broad and inter-related headings of planning, masterplanning and city centre management within the Study itself.

Key Findings: District and Neighbourhood Centres

67. Paragraph 85 of the newly published revised NPPF requires local planning authorities to **'define the**

extent of town centres and primary shopping areas', with there now being no specific requirement to identify primary and secondary frontages. It is apparent from the Government's Response to the Draft Revised National Planning Policy Framework Consultation document (published July 2018) that this change seeks to encourage a more positive and flexible approach to planning for the future of town centres.

68. Annex 2 of the new NPPF indicates that a primary shopping area is the **'Defined area where retail development is concentrated.'**

69. Annex 2 also identifies that a town centre is the **'Area defined on the local authority's policies map, including the primary shopping area and areas predominantly occupied by main town centre uses within or adjacent to the primary shopping area.'**

70. Our instruction includes the review of the boundaries of the district centres and those neighbourhood centres which have been considered as part of the Study. With reference to the above NPPF definitions, it is evident that these lower tier centres generally have a good mix of uses, but do not generally accommodate a substantial line up of comparison goods retailers. As such, it is not easy (and, in our view, not appropriate) to differentiate between the primary shopping area and the remainder of the centre.

71. In this regard, we recommend two proposed amendments to the boundaries previously defined by the City of Derby Local Plan Review Proposals Map (adopted January 2006). These proposed revisions are as follows:

- **Chaddesden District Centre**
  A Lidl foodstore opened on Nottingham Road, directly to the north eastern part of the district centre boundary, in July 2013. The location of the store and its car park is such that it provides a near seamless extension to the district centre and is able to support linked trips to other facilities within the centre. As a consequence, we recommend that Chaddesden district centre boundary is extended to accommodate the Lidl unit and its car park.

- **Chellaston District Centre**
  The Tesco Express at Chellaston district centre is separated from the existing district centre boundary by three residential dwellings. Given the location of the Tesco Express and its relatively substantial size, we believe that it helps underpin the centre as a whole and helps it to fulfil a role

as a district centre (albeit its offer is at the lower end of what we would expect from a district centre). We therefore recommend that the district centre boundary is extended to the north to accommodate the Tesco Express store and its car park.

In addition, we note that the small parade of units on High Street – which is located within the eastern extent of the district boundary – is a relatively significant distance away from shops and services at Derby Road (indeed, it is not visible from this part of the centre). Given the distance to the High Street parade, we believe that the two areas effectively form different centres. As such, we recommend that the High Street parade is removed from the Chellaston district centre boundary and instead forms a separate neighbourhood centre (which could be named East Chellaston neighbourhood centre).

Infrastructure and Accessibility – Which Centres Can Best Accommodate Growth?

72. As part of this commission, Curtins has undertaken an assessment of transport, accessibility, infrastructure and parking attributes of 13 centres[4] in order to identify the locations that are better suited to accommodate additional growth and those that are experiencing some issues in respect of transport and accessibility. Curtins' report is titled Derby Retail Transport Study: Transport and Accessibility Investigation and is provided at Appendix 14 of the Study. Curtins has also undertaken a series of zonal assessments, which are provided at Appendix 15 of the Study.

73. The Retail Transport Study utilises the latest approved Department for Transport mapping software to provide an analysis of each identified retail destination in terms of its accessibility by public transport, bicycle and on foot. The mapping software has been used to inform a series of key performance indicators for each retail destination which can be used to develop transport planning policies and interventions to improve access for households which do not have access to a private motor vehicle.

74. In addition, the Retail Transport Study also draws on a detailed site survey of each retail destination in order to identify transport-related provision, including car parking capacity, bus interchanges, taxi ranks, cycle hubs, rail stations and pedestrianised streets/zones. Combined with the other areas of

[4] Derby city centre and the district centres of Allenton, Allestree, Alvaston, Chaddesden, Chellaston, Littleover, Mackworth, Mickleover, Normanton Road, Oakwood, Sinfin and Spondon

assessment and research, Curtins' physical review of destinations provides an overall set of indicators by which each destination can be appraised.

75. Curtins identifies Derby city centre as the most accessible centre within the authority area, which although is unsurprising, it further confirms that it is the appropriate location to accommodate the majority of future additional comparison goods floorspace.

76. Whilst Curtins' work does not indicate that the poorest performing centres will not be able to accommodate future development, it does suggest that it may be of benefit for particular elements of a centre's infrastructure to improve before additional growth is delivered. Curtins' Retail Transport Study is an extensive piece of work and we recommend that developers have regard to its findings in progressing application proposals for development in and around the centres.

Key Recommendations: Centre Hierarchy

77. In visiting the centres, we have considered their role, function and place in the retail hierarchy. In this regard, it is relevant to note that there is no current national planning policy designations that differentiate the role of 'city', 'district' and 'neighbourhood centres'.

78. We recognise that the Derby centre hierarchy is already established and we review the role of centres with reference to the characteristics of other centres within the local centre and neighbourhood centre typologies. On this basis, we recommend amendments to the hierarchy where these is a clear disparity between the role of a centre and its ascribed position in the hierarchy.

79. In respect of the centres that have been considered as part of our Study, we recommend the following revisions:

- **Proposed Re-Designation of Cavendish District Centre to Neighbourhood Centre**
  Cavendish district centre accommodates just 28 units and does not have any substantial foodstore provision (the large B&M store is the principal retail anchor). In addition, the centre lacks any real civic function (for example, it does not have a library). As such, we believe that it performs a relatively localised role in practice and, as such, recommend that it is re-designated as a neighbourhood centre.

- **Creation of New Neighbourhood Centre at Chellaston**
  As set out above, we believe that the parade at High Street parade is distant from the remainder of

Chellaston district centre. As such, we recommend that it is removed from the district centre boundary and that it forms a separate neighbourhood centre (which could be named East Chellaston neighbourhood parade).

- **Potential Future Re-Designation of Heatherton District Centre**
  Derby City Local Plan Part 1 Core Strategy Policy AC20 identifies that there is potential to provide extended shopping facilities at Heatherton district centre in order to help meet additional needs arising from proposed residential development in the area. We recognise both that there would be benefit in improving retail facilities in the area and that there is the physical potential to expand Heatherton neighbourhood centre. However, we are unaware of any specific proposals to extend the centre and, for the moment, believe that Heatherton performs a role commensurate with a neighbourhood centre designation. As such, whilst we recognise that the role of Heatherton may change in the future, we recommend that it remains a neighbourhood centre for the moment.

80. On this basis and with reference to the centres we have reviewed as part of this Study, we believe that Derby's centres fulfil the following functions in the retail hierarchy:

- Tier 1: Derby city centre;
- Tier 2: District centres – Allenton, Allestree, Alvaston, Chaddesden, Chellaston, Littleover, Mackworth, Mickleover, Normanton Road, Oakwood, Sinfin, and Spondon; and
- Tier 3: Neighbourhood centres.

Recommendations: Out of Centre Retail Facilities

81. Kingsway Retail Park is by some distance the most significant out of centre comparison goods retail venue in the City, followed by Wyvern Retail Park, Osmaston Park Road Retail Park, and then the Meteor Centre. The retail offer at Manor Park Way Retail Park consists of an Aldi foodstore and therefore it has a very limited comparison goods turnover.

82. Kingsway Retail Park has an estimated comparison goods turnover of £204.8m at 2019, which is comprised of £92.1m of non-bulky goods expenditure and £112.7m of bulky goods expenditure. The venue with the second largest non-bulky turnover is Wyvern Retail Park, which claimed an estimated £53.4m of such expenditure at 2019.

83. It is evident from the household survey that, with the exception of Kingsway, the retail parks principally meet bulky comparison goods and convenience goods retail needs, and that none of the out of centre retail venues have an offer which is comparable to that available in the city centre.

84. Notwithstanding this, we again note that city centre has been the subject of a reduction in Study Area market share since the undertaking of the previous household survey in 2008. Given the high vacancy rate in the centre, we believe that it will be important to try to ensure that there is no further loss of share in order that additional expenditure is attracted to the city centre in order to support new uses.

85. The evidential background provided by this Study will assist the Council in identifying where significant adverse impacts are likely to arise, and it will be necessary to robustly assess all applications within the Derby authority area which provide for any material improvement in the offer of out of centre retail destinations. It will also be necessary for future retail planning policy supporting text to appropriately summarise the challenges that the city centre faces in order to provide a policy context which allows the refusal of planning applications which provide for out of centre development, which will lead to a further erosion of the city centre's comparison goods market share.

Recommendation: Local Impact Threshold

86. In accordance with the requirements of paragraph 89 of the NPPF, it is appropriate to identify thresholds for the scale of edge of centre and out of centre retail and leisure development that should be the subject of an impact assessment. Any such threshold policy applies just to the impact test (all planning applications for main town centre uses that are not in an existing centre and not in accordance with an up-to-date development plan should be subjected to the sequential test[5]).

87. The current local impact threshold is identified by Policy CP13 of the Local Plan Part 1, which indicates that proposals above 1,000 sq.m should be accompanied by a retail impact assessment.

88. Going forward, we believe that there may be merit in adopting a 'tiered' approach, whereby a lower threshold applies to development in proximity to lower order centres. By way of example, a convenience store with a net sales area of 250 sq.m (which could be operated by Tesco Express or Sainsbury's Local) would clearly have a significantly greater impact on a lower tier centre than it would on Derby city centre. As such, in reviewing the local impact threshold policy in the future, it may well be appropriate to utilise

[5] With the exception of small scale rural development

a range of proportionate thresholds, relating to the type of centre the proposed development is proximate to.

89. The reduction in Derby city centre's comparison goods market share, together with its vacancy rate, is of concern. As such, we recommend that the Council gives consideration in the future as to whether a lower threshold than 1,000 sq.m may be appropriate. This would provide additional control over a greater range of proposals relating to retail floorspace, including variation of condition applications which have the potential to change the role of out of centre retail parks.

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