

# Derby City Council

## Retail and Centres Study

**Final Report**

July 2019



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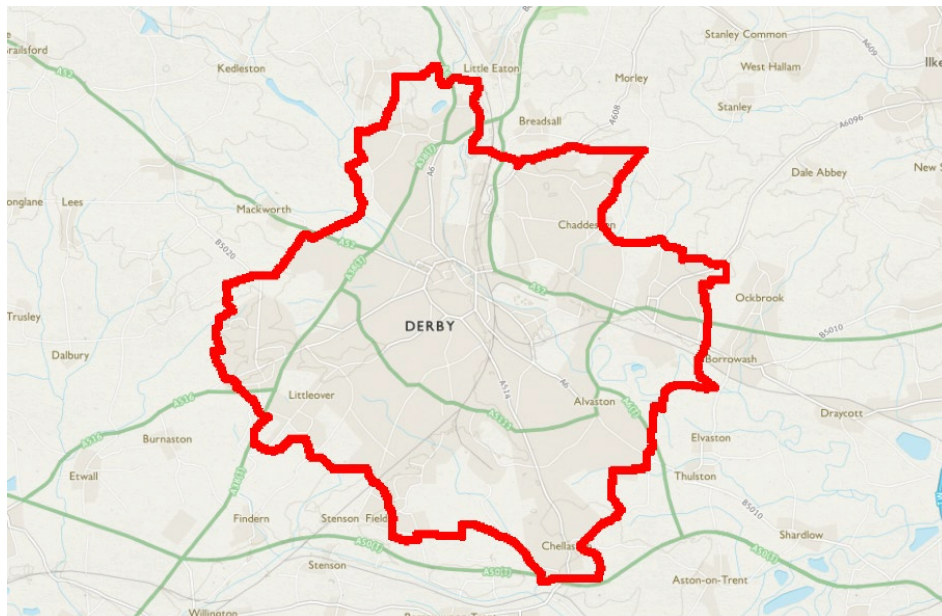
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## 1.0 Introduction

### Instruction and Scope

- 1.1 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.
- 1.2 Derby city centre is part way through a period of change, with some large-scale regeneration projects having been delivered in recent years – including the opening of what is now the Intu Derby shopping centre in October 2007 – and others still in the pipeline. In addition, the Council adopted the Derby City Local Plan Part 1 in January 2017, which 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.
- 1.3 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.
- 1.4 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Study, which was undertaken by Roger Tym & Partners and reported in 2009, has been overtaken by events and is now out of date.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.
- 1.5 By way of context, Figure 1.1 identifies the City of Derby administrative area and its surrounding hinterland (which takes in Amber Valley, Erewash and South Derbyshire).

**Figure 1.1: Plan of the City of Derby Administrative Area and Surrounding Hinterland**

1.6 To this end, a series of Core Tasks for the Study are set out at Section 3 of the Council's Invitation to Tender ('ITT'). The Core Tasks act to inform our approach to the Study and are summarised below.

- **Task A: Policy Analysis**

A summary of recent retail and town centre trends, together with an up to date analysis of retail policy at national and local level.

- **Task B: Capacity Assessment**

The undertaking of a quantitative need assessment, in order to consider the requirement for additional convenience goods and comparison goods retail floorspace in the authority area across both the current plan period (to 2028) and the longer term (to 2043). The quantitative assessment will take into consideration planned population growth and reflect how committed development may influence future market shares. In addition, a qualitative assessment should incorporate a 'gap analysis' of the type of potential retail and leisure operators that could be attracted to Derby.

- **Task C: City Centre – Health and Vision**

The undertaking of a retail audit of the city centre in order to: identify distinct trading zones; assess the centre's vitality and viability; and, appraise the Council's City Centre Masterplan and the extent to which it responds current circumstances. The retail audit will support the formulation of a Strategic Vision for the city centre and its different trading zones.

- **Task D: District Centres – Health and Vision**

The undertaking of retail audits in Derby's district centres (and a limited number of local centres), including the assessment of opportunities to improve the vitality and viability of centres. The audit will consider the ability of each centre to accommodate future growth and, as appropriate, opportunities for land assembly and public realm improvements. There is a need to consider the role and function of district centres, and whether current boundaries are still appropriate and logical.

- **Task E: Out of Centre Locations and Special Forms of Retailing**

A review of existing key out of-centre destinations, with reference to their role and function, and potential for such locations to accommodate additional development. Advice on suitable policies and strategies for dealing with non-traditional forms of retailing (such as showrooms, factory shops, trade counters and so on), and the potential need to impose restrictive goods conditions in order to help maintain complementarity between in-centre and out-of-centre retail venues.

- **Task F: Longer Term Role and Function of the Retail Hierarchy**

A review of the long-term retail hierarchy, in order to reflect sustainable development principles and provide opportunities to reduce the need to travel by car. Consideration should be given to opportunities for new investment, particularly within new urban extensions and changes to the role and function of existing locations.

1.7 Taken collectively, the Core Tasks indicate that the purpose of the Study is not just to identify retail and leisure needs, but consider where such needs should be met in practice. As a consequence, Nexus Planning has partnered with Aspinall Verdi chartered surveyors<sup>1</sup>, Curtins transport planners<sup>2</sup> and NEMS Market Research Limited<sup>3</sup> in order to deliver the commission.

1.8 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

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<sup>1</sup> Advising on the buoyancy of the local retail and leisure market, and the site-specific opportunities that may be able to accommodate future growth

<sup>2</sup> Advising on the accessibility of defined centres and the accessibility of opportunities to accommodate future growth

<sup>3</sup> Undertaking new market research in the form of household shopper surveys (to identify patterns of shopping and leisure use) and in-street surveys (to identify how respondents use Derby city centre in practice)

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. A plan of the Study Area is provided as Appendix 1, and the tabulated household survey results are provided as Appendix 2. As part of the Study, NEMS has also undertaken 'in street' surveys in Derby city centre in order to gauge shoppers' views in respect of the performance of the centre.

- 1.9 The ITT indicates that the remit of the Study is to not just consider needs which should be met within the City of Derby administrative area, but also assess the requirement of growth areas associated with the wider Derby Urban Area<sup>4</sup>. The baseline research undertaken as part of the commission informs a series of recommendations relating to future strategies for Derby city centre, district centres and longer term growth in the Derby Urban Area.
- 1.10 The ITT indicates that the outputs from the Study will be used primarily to inform the progression of the Council's Local Plan Part 2 and will also be used to inform the progression of planning applications, the submission of funding bids and the implementation of the City Centre Masterplan. The Local Plan Part 2 is principally concerned with allocating additional development sites and addressing more detailed policy issues. It will complement the adopted Local Plan Part 1 by:
- allocating additional sites to meet residual housing and other development needs and, where necessary, any specific infrastructure requirements;
  - setting out additional more detailed policy requirements to guide development management decisions; and
  - reviewing the remaining saved policies of the City of Derby Local Plan Review 2006.
- 1.11 The Council undertook a consultation exercise on a Local Plan Part 2 Issues and Options paper in early 2018, and is due to publish a Draft Plan for consultation later this year.

### Structure of Report

- 1.12 Our report firstly provides an overview of prevailing retail and leisure trends, before then going on to consider the planning policy context for the Study. We then summarise the findings of the in-street and household surveys, before considering the vitality and viability of defined centres within the administrative area. The remainder of the report is focused around the assessment of retail and leisure needs, before then considering such needs should be met. The final section provides a summary of

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<sup>4</sup> Which is defined as the built extent of the city and contiguous built development (existing and planned) that spills over into adjoining authorities

the Study's findings and sets out a series of policy recommendations.

1.13 Accordingly, our report is structured as follows:

- Section 2 identifies current retail and leisure trends of relevance;
- Section 3 provides an overview of the planning policy context;
- Section 4 summarises the findings of the in-street surveys in Derby city centre;
- Section 5 summarises our assessment of the vitality and viability of defined centres;
- Section 6 provides an overview of forecast changes in Study Area population and expenditure growth over the Study period;
- Section 7 considers shopping patterns and changes in market share since 2009;
- Section 8 sets out our assessment of retail needs in the Derby area;
- Section 9 sets out our assessment of leisure needs in the Derby area;
- Section 10 considers the role and function of Derby city centre and provides recommendations in respect of the strategy to safeguard its future vitality and viability;
- Section 11 considers the potential future distribution of day to day shopping facilities;
- Section 12 reviews substantial out of centre retail provision within the authority area; and
- Section 13 provides our summary, conclusions and policy recommendations.



## 2.0 Overview of Retail and Leisure Trends

- 2.1 In order to provide a context for this Study and help identify the sectors that are more likely to be the subject of further developer interest, we provide an update of current retail and leisure trends below. In reading this review, it should be noted that the sectors are dynamic and, whilst online shopping has impacted on the retail market, new operators and formats continue to evolve to meet shoppers' needs. The below commentary should therefore be taken as a 'snapshot' in respect of current market conditions; it will be necessary to judge future development proposals for main town centre uses with reference to the prevailing conditions at the time of a proposal's determination.
- 2.2 Following the overview of national trends, we consider the implications for the Derby authority area and for Derby city centre.

### **The Impact of Brexit and the Current State of the UK Economy**

- 2.3 Subsequent to the referendum result in June 2016, which secured a majority vote for the UK to leave the European Union, it is generally accepted that the immediate future is likely to be one of economic uncertainty with a consequential impact on consumer confidence and spending. In the aftermath of Brexit, Verdict published its Economic & Retail Update<sup>5</sup> in September 2016. Verdict forecast the following economic trends.
- Retail growth across Britain in 2016 is likely to be relatively flat. However, a weaker pound effectively brings down the cost of goods for international travellers, who may spend more as a consequence.
  - A weaker pound also leads to higher import and manufacturing costs, which retailers may pass onto consumers. Verdict anticipates that the clothing and footwear sector is likely to be the subject of the greatest inflationary price increases.
  - Brexit may have a negative impact on the housing market and a consequential adverse impact on those retailers who rely on householders investing in their property. As such, there may be less money spent on goods such as DIY, furniture, floor coverings, gardening goods and so on.
  - In volume terms, little will change in respect of the food retail sector, but inflationary pressures may mean that (in time) shoppers spend more on their groceries and less on other goods.

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<sup>5</sup> 'Economic & Retail Update: H2 2016', Verdict, September 2016

- 2.4 Two years on, Verdict's initial forecast in respect of how the market will react appears relatively accurate.
- 2.5 As we go on to consider in greater detail below, page 2 of Experian's Retail Planner Briefing Note 16 ('ERPBN16') finds that the UK economy's recovery '**...will remain on a sluggish growth trajectory for the next couple of years amid ongoing uncertainty over the final outcome of Brexit negotiations.**'
- 2.6 In terms of inflation, Office for National Statistics data<sup>6</sup> indicates that the rate of inflation (as measured by the consumer price index) increased from 0.5% at June 2016 to a high of 3.1% at November 2017, before reducing to 2.4% at June 2018. The increasing cost of living is particularly problematic for the retail sector, as inflation has been principally driven by increasing fuel prices (affecting the cost of electricity, gas and petrol), meaning that consumers have a lesser amount to spend on the high street. Indeed, The Guardian<sup>7</sup> reports that the price of men's clothing in particular has fallen and that the monthly drop in clothing costs in June 2018 was the biggest recorded since 2012 as shops staged their summer sales in a challenging trading environment.
- 2.7 In respect of the predicted downturn for the DIY sector, both B&Q and Homebase have reported difficult trading conditions in recent times. Kingfisher, owner of B&Q, saw its share price reduce significantly in March 2018 after reporting a 2.8% fall in full year like-for-like sales<sup>8</sup>. Homebase is in even greater difficulty after its previous owner, Wesfarmers, sold the chain to Hilco for £1 in May 2018. It has been widely reported<sup>9</sup> that 1,500 jobs are to be lost at Homebase as it will close 42 stores in late 2018 and early 2019.
- 2.8 In terms of the grocery market, Kantar<sup>10</sup> reports that grocery inflation stands at 1.9% for the 12-week period ending 17 June 2018. Prices (judged on a like-for-like basis, with reference to identical products) have increased over every quarterly reporting period since January 2017. However, this cannot be attributed just to the economic impacts of Brexit. It is also a consequence of weather conditions and factors such as the 'sugar tax' on soft drinks (which came into force in April 2018). The increase in prices is not necessarily good news for the industry as it is reflective of costs increasing, and shoppers have often 'traded down' to buy cheaper substitutes or have undertaken more shopping at discount stores in order to avoid price increases.

<sup>6</sup> ONS 'Consumer price inflation tables' dataset, July 2018

<sup>7</sup> Article headlined 'UK interest rate rise in doubt as inflation stays at 2.4%', The Guardian, 18 July 2018

<sup>8</sup> Article headlined 'DIY sector sums up need for economic improvement', Sky News online, 27 April 2018

<sup>9</sup> Including the article headlined 'Homebase closures list: Which stores are shutting down in the UK and Ireland? store closures loom', The Guardian, 28 June 2018

<sup>10</sup> Article headlined 'UK grocery market reaches two-year growth milestone', Kantar, 26 June 2018

### Available Expenditure and the Impact of the Internet

- 2.9 ERPBN16 identifies the current state of the retail sector in the UK in the above context and provides forecasts in respect of future growth. Page 3 of ERPBN16 provides the following summary of the state of the UK economy at December 2018:

**'The UK economy has thus far been relatively resilient against the turbulent backdrop of tense Brexit negotiations, the domestic political fallout and the ongoing cloud of uncertainty over the future relationship with the EU. That said, the economy has entered a slower growth trajectory over the past year, with GDP growth set to average close to 1.5% in 2018, the weakest performance in 7 years. This reflects the lacklustre pace of business investment as companies continue to hold back on capital spending due to uncertainty over Brexit negotiations. After a very weak start to the year, consumer spending has recovered some momentum as the squeeze on incomes has unwound, but growth remains below the performance of earlier years. Latest indications suggest spending growth may be faltering again in the run up to Christmas. Looking ahead, our baseline projections assume that the initial phase of the Brexit negotiations will conclude by the end-March 2019 deadline and the focus will shift to defining the new trading relationship over the transition period. However, with so much still to be decided, uncertainty will persist over the final agreement for some time and investment decisions are set to remain cautious. Alongside this, the recovery in consumer spending will remain muted, reflecting sluggish incomes growth. Given this, we project GDP growth to remain close to 1.5% in 2019 and 2020, well below the performance of 2013-2017.'**

- 2.10 Given the above, Experian forecasts limited increases in per capita convenience and comparison goods expenditure over the short term. The below Table 3.1 provides an extract from Figure 1a and Figure 1b of ERPBN16. The convenience goods sector has been the subject of a reduction in per capita consumer expenditure across much of the past decade (in real terms, after allowing for inflation), with some limited growth only returning from 2015. The market conditions can be attributed to the continued rise of the discount operator subsequent to the recession of 2008 and 2009, and the reaction of the 'big four' supermarket operators<sup>11</sup> to increased competition. Experian forecasts that per capita expenditure growth in the convenience goods sector will slow to 0.5% at 2019 (from 1.0% at 2018), with very limited forecast growth thereafter.
- 2.11 As Table 2.1 indicates, forecast increases in comparison goods spending are more optimistic, but it is evident that per capita comparison goods expenditure increases will be below the level apparent at the turn of the millennium. Experian identifies that per capita comparison goods expenditure growth dropped from 5.5% at 2017 to 2.8% at 2018, and forecasts that it will remain between 2.6% and 3.3%

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<sup>11</sup> Asda, Morrisons, Sainsbury's and Tesco

per annum across the next decade and beyond. By way of comparison, Figure 1a of ERPBN16 indicates that per capita expenditure growth was, on average, 8.2% per annum between 1997 and 2007.

**Table 2.1: Experian's Identified and Forecast Convenience and Comparison Goods Per Capita Expenditure Growth**

Volume Growth Per Head (%)	2013	2014	2015	2016	2017	2018	2019	2020	2021-2025	2026-2037
Convenience goods	-0.9	-0.1	0.5	1.3	1.3	1.0	0.5	0.1	0.1	0.1
Comparison goods	3.6	4.3	4.9	4.7	5.5	2.8	2.6	2.8	3.3	3.2

Source: Figure 1a and Figure 1b of Experian Retail Planner Briefing Note 16

- 2.12 Whilst the above figures relate to a level of growth which is significantly below that which has historically been available to retailers, the situation is exacerbated through the increasing amount of expenditure which is committed through special forms of trading<sup>12</sup> and, in particular, online.
- 2.13 In this regard, Appendix 3 of ERPBN16 indicates that a strong increase in online shopping over the past decade has lifted the share of special forms of trading to a level where it now accounts for around 20% of total retail sales (with the internet alone accounting from 17% of total retail sales). Experian forecasts that non-store retailing will continue to grow rapidly, increasing at a faster pace than total retail sales well into the long term. Experian believes that special forms of trading will account for almost 23% of retail sales by 2022, increasing to around 27% by the mid-2030s.
- 2.14 The below Table 2.2 sets out Experian's identified and forecast level of special forms of trading as a proportion of overall convenience and comparison goods expenditure. Experian estimates that special forms of trading will account for more than a quarter of comparison goods expenditure and around a fifth of convenience goods expenditure at 2037.

**Table 2.2: Experian's Identified and Forecast Market Share of Non-Retail Sales for Convenience and Comparison Goods Sectors**

Volume Growth Per Head (%)	2015	2016	2017	2018	2022	2027	2029	2032	2037
Convenience goods	8.2	9.4	11.2	12.4	15.3	17.5	18.0	18.7	19.7
Comparison goods	16.4	18.1	20.7	22.6	26.3	28.1	28.5	28.7	29.0

Source: Figure 1a and Figure 1b of Experian Retail Planner Briefing Note 16

- 2.15 The ongoing popularity of internet shopping continues to have clear implications in respect of the viability of some 'bricks and mortar' retailers. However, it is important to note that changes in how

<sup>12</sup> Including internet sales, mail order, stalls and markets, door-to-door and telephone sales

people shop also bring about opportunities for retailers trading from the high street. In particular, many stores sell online but fulfil orders from regular stores rather than warehouses<sup>13</sup>, with purchases therefore helping to sustain tangible retail floorspace. As a consequence, Experian also provides an 'adjusted' estimate of special forms of trading, which relates to expenditure which is not available to actual stores. We return to this matter when considering the level of expenditure generated within the Study Area at Section 6 of this report.

- 2.16 One way in which online expenditure can help sustain bricks and mortar retailers is through the use of the internet to 'click and collect', with purchases being picked up at a dedicated counter within a store. Such sales now account for over half of John Lewis internet orders<sup>14</sup>. In addition, it is evident that some retailers (particularly those offering big ticket items) are benefitting from having a bricks and mortar presence which can be used as a 'showroom' in order to view and try goods, with some purchases then being made later online. Retailers are also more frequently providing in-store wi-fi and 'technology points', which can allow shoppers to browse a wider product range than is carried in-store. Accordingly, whilst new technology provides significant challenges to bricks and mortar operators, it also provides opportunities for more progressive operators that are able to invest in new technology.

### Convenience Goods

- 2.17 Recent socio-economic conditions have led to significant shifts in convenience goods retailing, which have resulted in the 'big four' supermarket operators' market share being cut. Mintel<sup>15</sup> finds that the decline of the food superstore is well established and that this can be attributed to two issues.
- 2.18 Firstly, people are undertaking food shopping in different ways. More people are living in town and city centres and more people are having difficulties financing the purchase of their own home. Mintel indicates that such people are more likely to undertake food shopping on a 'as needs' basis and are more likely to eat out or use takeaways. As such, they are less likely to have need to undertake a 'main food shop'.
- 2.19 Secondly, the current uncertainty in the economy has made hard discounters (namely Aldi and Lidl) a more attractive proposition. Discounters have also made efforts to try to compete more directly with the 'big four' supermarket operators, with larger stores, greater ranges, fresh foods and premium

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<sup>13</sup> This is particularly the case with food shopping and speciality comparison goods purchases, where retailers often try to tap into a wider market through an online presence

<sup>14</sup> 'Click and Collect', Mintel, September 2014

<sup>15</sup> 'UK Retail Rankings', Mintel, April 2016

products becoming increasingly prevalent. When analysing the performance of Aldi, Retail Economics<sup>16</sup> notes that it has '**attacked the heartland of UK grocery**' by undercutting the 'big four' with highly competitive prices and investing in more high quality premium produce. In a similar way, Lidl has also adopted an aggressive growth programme relating to its pricing, produce offer and store openings since 2013.

- 2.20 The move towards the middle ground has allowed discounters to secure market share from both superstores and smaller convenience stores. In addition, we note that discount retailers are often happy to trade alongside more upmarket convenience goods retailers (such as Marks & Spencer Foodhall) as, collectively, the two stores can meet the majority of food shopping needs.
- 2.21 The shifts in the sector are illustrated with reference to changes in retailers' market share in recent years. As Table 2.3 sets out, the market share of each of the 'big four' has been consistently eroded in recent years, with Tesco and Morrisons being the subject of the largest percentage point losses. Tesco's market share of the UK grocery market has reduced from 23.7% at 2011 to 21.6% at 2016, and Morrisons market share reduced from 9.5% to 7.7% over the same timeframe. The greatest beneficiaries have been Aldi and Lidl, with the former's market share more than doubling from 1.9% at 2011 to 5.3% at 2016. Lidl's market share increased from 1.9% to 2.7% over the same period.

**Table 2.3: Market Share of Principal UK Grocers**

	2011	2012	2013	2014	2015	2016
Tesco	23.7%	23.9%	23.0%	22.5%	22.0%	21.6%
Sainsbury's	12.8%	13.1%	12.9%	12.8%	12.2%	11.9%
Asda	12.5%	13.3%	13.0%	13.0%	12.0%	11.5%
Morrisons	9.5%	9.3%	8.9%	8.2%	7.9%	7.7%
Aldi	1.9%	2.6%	3.3%	4.2%	4.8%	5.3%
Co-op	5.5%	5.4%	5.1%	4.9%	4.8%	4.7%
Waitrose	3.5%	3.6%	3.7%	3.9%	3.9%	3.9%
Marks & Spencer	3.6%	3.7%	3.7%	3.8%	3.9%	3.9%
Lidl	1.9%	2.0%	2.0%	2.2%	2.4%	2.7%
Iceland	1.8%	1.9%	1.9%	1.9%	1.8%	1.8%

Source: UK Food & Grocery Retailer Update, October 2016

- 2.22 As a consequence of the above, 'big four' grocers have closed some of their loss-making stores and larger stores have accommodated further concessions in order to take floorspace which is no longer required for the operators' main product range. By way of example, Sainsbury's is progressing with

<sup>16</sup> 'UK Food and Grocery', Retail Economics, September 2015

plans<sup>17</sup> to open around 250 Argos within Sainsbury's foodstores. Other food superstores have welcomed additional concessions (including day to day services, such as dry cleaning and key cutting).

- 2.23 One of the most significant structural changes affecting large format food retailing in recent times may arise as a consequence of the proposed merger between Asda and Sainsbury's, which was announced in April 2018. Whilst the merger is currently being considered by the Competition and Markets Authority ('CMA'), on announcement of the proposed deal both companies stated<sup>18</sup> that no stores would close as a consequence, but that some stores could be sold off to other grocers, if required by the CMA. Both the Asda and Sainsbury's company fascias would be retained subsequent to the merger being completed.
- 2.24 In considering the potential repercussions in respect of store closures or sales, it is relevant to note that each company's property portfolio is broadly complementary, with Asda having limited representation in the South, and Sainsbury's generally weak in Scotland, the North and Wales. However, in Derby, the Asda superstore at Derby Road, Spondon is close to the Sainsbury's superstore at Wyvern Way, Chaddesden; and, the Asda superstore at Sinfin Shopping Park is close to the Sainsbury's superstore at Osmaston Park. Accordingly, there is the potential for facilities in Derby to be impacted should the merger go through.
- 2.25 Discount operators continue to be generally optimistic in respect of their future growth. Aldi announced ambitious expansion plans in 2017, with an aspiration to trade from around 1,300 stores by 2022<sup>19</sup>; a significant increase given it currently trades from 700 stores. Similarly, Lidl announced last year its intention is to open at least one shop a week in forthcoming years<sup>20</sup>.
- 2.26 In addition, Tesco has decided to take on the discounter market directly with its own operation, named Jack's, which launched in late 2018. It appears that the initial stores trading under the Jack's fascia will occupy former and proposed Tesco stores, which may allow the new operation to grow relatively quickly. Reports suggest that the initial plan is for around 60 Jack's stores to open across the UK<sup>21</sup>.

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<sup>17</sup> Article headlined 'Sainsbury's pushes ahead with Argos rollout in supermarkets', BBC News online, 13 April 2017

<sup>18</sup> Article headlined 'Sainsbury's vows to slash prices after Asda merger', The Guardian, 30 April 2018

<sup>19</sup> Article headlined 'Aldi plans to open up to eight stores in some UK towns', The Guardian, 12 May 2017

<sup>20</sup> Article headlined 'Lidl to add 60 new shops a year in ambitious £1.5bn UK expansion plan, The Telegraph, 8 July 2017

<sup>21</sup> Unlike Aldi and Lidl, Jack's do not currently publically identify where they have a requirement for a store and we are unaware of any proposals in the Derby area

## Comparison Goods

- 2.27 The comparison goods sector is currently being squeezed by a number of factors, including reduced expenditure growth, the ability of internet shopping to plug gaps in retailer representation, increases in the minimum wage, and business rates changes. This 'perfect storm' has resulted in changes in the structure of retailing on the UK high street and a generally lesser reliance on comparison goods retail.
- 2.28 Whilst the sector is continually evolving and there are a number of ongoing success stories (including Primark, Zara, Jack Wills, Joules and Hotel Chocolat<sup>22</sup>), recent headlines have focused on failing retailers and store closures. High profile retailers that have struggled include:
- BHS, which entered into administration in April 2016, resulting in the closure of 164 stores;
  - Marks & Spencer, which has had problems with its core clothing and homeware business, resulting in a May 2018 announcement that it is to close around 100 stores;
  - New Look, which entered into a company voluntary arrangement ('CVA') in March 2018, and intends to close 60 of its 593 stores;
  - Maplin, which entered into administration in February 2018, resulting in the closure of 219 stores;
  - Toys 'R' Us, which entered into administration in February 2018, resulting in the closure of 100 stores;
  - Poundworld, which entered into administration in June 2018, resulting in the closure of 335 stores; and
  - House of Fraser, which was bought out of administration by Sports in August 2018, and has subsequently announced a series of store closures.
- 2.29 In terms of the above retailers, Derby lost BHS from St Peters Street in the city centre in 2016, Poundworld from the Intu shopping centre in 2018, and Maplin and Toys 'R' Us from Wyvern Retail Park in 2018.
- 2.30 The loss of some of the above names will have significant repercussions for certain towns (particularly those that lose Marks & Spencer and House of Fraser from their high street in very quick succession). However, it is evident that a number of struggling retailers have failed to 'move with the times' and update both their offer and accommodation.
- 2.31 This is partly a consequence of retailers being unable to reinvest in their business when margins are

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<sup>22</sup> All of which currently trade in Derby city centre



tight (or non-existent). In this regard, there has been a particular issue in respect of the ‘polarisation’ of shopping habits, whereby shoppers have increasingly been prepared to travel to access a greater choice of shops and services, effectively visiting centres for the day as a leisure activity. Consequently, larger retail venues (with a sub-regional or regional role) have tended to perform relatively well, but smaller town centre centres (particularly those located in satellite towns around major centres) have struggled. The performance of smaller towns has been particularly affected by the last recession and by internet shopping, which has resulted in some retailers covering the UK with a lesser number of stores.

- 2.32 Colliers has reported<sup>23</sup> that some new entrants to the market aspire to trade from around 50 stores in key locations across the UK and that this trend has an impact in terms of the take-up of available stock on the high street. It is also evident that certain retailers – including Marks & Spencer, Next and retailers within the Arcadia Group – are prepared to close town centre stores and instead just trade out of centre.
- 2.33 Whilst such structural changes have had a material impact on the vitality and viability of many UK high streets, there are some beneficiaries. In particular, household discount operators, such as B&M Bargains, Poundland and Wilko, have reoccupied a number of medium to large retail units. However, as evidenced by the recent failure of Poundworld, there is some evidence that this market may be approaching capacity.
- 2.34 More encouragingly, the availability of high street units appears to have helped stoke an entrepreneurial spirit, with a number of centres beginning to benefit from a greater focus on independent retailers and modern markets, which are frequently focused around food and drink operators. In addition, there are an increasing number of small-scale ‘cottage industry’ businesses – which are often focused around the arts and crafts, as well as food and drink – which often trade online but are also increasingly having a presence at markets, craft fairs and as part of pop-up events. Whilst the economic contribution of such businesses may be relatively limited (in relation to the turnover of national multiples), they help draw people into a centre and offer differentiation in respect of the centre’s offer.

### **Leisure and Food & Drink**

- 2.35 One of the recent high street success stories has been the resurgence of the town centre leisure sector, which has sometimes been focused around new cinemas close to the shopping core and, increasingly,

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<sup>23</sup> ‘Midsummer Retail Report 2014’, Colliers, July 2014

modern markets.

- 2.36 Colliers<sup>24</sup> has reported that cinema openings are on the up and niche cinema operators – including Curzon, Everyman and The Light – are able to operate from smaller sites in town centre (partly as a consequence of digital technology). Town centre cinema development has successfully underpinned wider mixed-use developments, as food and drink operators are typically keen to locate in close proximity to benefit from spin-off custom. It should be noted that the Quad cinema at the Market Place fulfils a similar role in Derby city centre.
- 2.37 The importance of independent food and drink operators and modern markets has been exemplified by the success of the Market House in Altrincham, which accommodates six different kitchens, a coffee shop, chocolatier, a wine shop and a bar. The success of Altrincham market has resulted in a resurgence of its town centre as a destination to eat and drink, with many new openings occurring because of the popularity of the market. The confidence in Altrincham as a dining destination has had a beneficial impact on the town's vacancy rate, and also now appears to be helping to attract new retailers to the town. The 'Altrincham model' is beginning to be replicated by other centres, with new or refreshed markets and new food halls being planned in many towns. As this report goes on to consider in greater detail, the Council is currently considering its strategy in respect of the future of Derby Market Hall and the potential need to modernise its offer. An initial stage in this process is the renovation of the cast iron roof, which is anticipated to be completed in 2021.
- 2.38 The food and drink sector has also been buoyed in recent years by the success of mid-market national multiples, which expanded quickly across the UK. However, there are signs that the 'bubble has burst' and a number of high profile operators have been in financial difficulty. These operators include Byron<sup>25</sup>, Carluccio's<sup>26</sup> and Jamie's Italian<sup>27</sup>, which have closed a number of restaurants in the past few months. Given the problems suffered by such operators, the market has become more cautious and mid-market operators are picking new sites carefully as a result.
- 2.39 More generally, the gym market continues to perform well, with the Leisure Database Company<sup>28</sup> identifying that there are now more than 7,000 gyms across the UK, with the fitness market having an estimated value of more than £5bn. The Leisure Database Company suggests that this is a 'golden age

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<sup>24</sup> 'Midsummer Retail Report 2015', Colliers, July 2015

<sup>25</sup> In January 2018, Byron announced that it was closing 20 of its 67 restaurants, and its restaurant at Intu Derby closed in February 2019

<sup>26</sup> In May 2018, Carluccio's announced that it was closing 34 of its 103 restaurants

<sup>27</sup> In February 2018, Jamie's Italian announced that it was closing 12 of its 37 restaurants

<sup>28</sup> 'State of the UK Fitness Industry Report', Leisure Database Company, May 2018

of fitness', with around one in every seven Britons having a gym membership.

- 2.40 Budget gyms are currently particularly popular, with operators such as Pure Gym, the Gym Group and easyGym utilising a format that is based on low costs and high volume. Whilst Pure Gym has become the first operator to reach 200 clubs and to pass the one million members mark<sup>29</sup>, the Gym Group is currently growing at the greatest rate, opening 21 new gyms in 2017 and planning for a further 15 to 20 openings in 2018<sup>30</sup>.
- 2.41 There are also a number of emerging leisure concepts, which are generally supported by larger town centres, including modern 'in centre' bowling alleys (which have tend to have a strong food and drink offer and are pitched at providing an evening out, as much as the family market), indoor climbing centres<sup>31</sup>, and crazy golf. In this regard, Intu Derby currently accommodates the Hollywood Bowl ten pin bowling alley and Paradise Island Adventure Golf, as well as the Showcase Cinema.

### Influential Reports

- 2.42 The effects of the 2008 recession and the growth in e-commerce led to three influential UK reports on the future of town centres, these being the Portas Review (December 2011), the Grimsey Review (September 2013), and the Taskforce Report: Beyond Retail (November 2013). These three reports share common elements of:
- a recognition that there is a need to diversify town centres, so as to encompass other non-retail functions;
  - a recognition of the need for a review of the business rates system, so as to reduce occupational costs for town centre businesses, compared to online retailers;
  - a need to make it easier to change the use of buildings in town centres through further reforms to the General Permitted Development Order (which have subsequently been implemented by Government);
  - the need for local planning authorities to be more proactive in the use of their CPO powers and for simplification of the CPO procedures; and
  - a need for enhancement of secure car parking facilities within town centres and a review of pricing and management practices, so as to enable town centres to better compete with out-of-centre

<sup>29</sup> Article headlined 'State of industry report: UK fitness industry worth £5bn', Well to Do: Global Wellness News, 16 May 2018

<sup>30</sup> Article headlined 'Gym Group reports fastest growth in budget sector', Health Club Management, 16 January 2018

<sup>31</sup> The operator Rock Up is currently rolling out an expansion programme and is seeking additional sites in retail and leisure parks, and shopping centres

locations with free car parking.

2.43 The Ministry of Housing, Communities and Local Government and HM Treasury published a Future High Street Fund policy paper on 29 October 2018. It outlined structural changes on high streets, summarised below.

- High streets have been affected by major changes in the past decades, and the speed of this change is increasing. Online shopping in particular has become significantly more popular than it was 10 years ago. Between 2007 and 2018 online sales increased six-fold while growth of in-store sales has lagged behind. In 2000, online retailing accounted for less than 1% of retail sales while in August 2018 almost a fifth of all retail sales took place online.
- The rise in online retailing has reduced barriers to entry in the retail market. Online retailers are able to offer competitive prices, more choice and greater convenience than many high street competitors. In turn, consumers are changing what they want from their local high street: there is an increased importance on the overall 'experience' of high street shopping. People want local high streets to provide convenience, a sense of community and to add value through services not offered online.
- As a result, high streets are having to evolve and adapt. Evidence shows that high streets with a wide choice alongside well designed and planned residential and office space are more resilient to these changes and are adapting more successfully. In contrast, high streets that rely heavily on traditional retail without sufficient office space and housing surrounding the high street have found it harder to adapt to these changes and tend to be the ones that are struggling.
- Alongside this, local leadership is an important feature of successful high streets. Research shows that strong local leadership is needed to support effective regeneration, reconfiguring space, increasing the number of homes for young and old alike, encouraging more workspaces and reducing congestion with new infrastructure. Well-designed parking policy, active management of change of use of retail units and reinstatement of roads promptly to full use after roadworks can also support vibrant town centres (Institute of Place Management).

2.44 To respond to these challenges, the Government has announced a new £675 million Future High Streets Fund will be set up to help local areas to respond to and adapt to these changes. It will serve two purposes: it will support local areas to prepare long-term strategies for their high streets and town

centres, including funding a new High Streets Taskforce to provide expertise and hands-on support to local areas. It will also then co-fund with local area projects including:

- investment in physical infrastructure, including improving public and other transport access, improving flow and circulation within a town/city centre, congestion-relieving infrastructure, other investment in physical infrastructure needed to support new housing and workspace development and existing local communities, and the regeneration of heritage high streets; and
- investment in land assembly, including to support the densification of residential and workspace around high streets in place of under-used retail units.

2.45 It was announced on 5 July 2019 that the Derby Future High Streets Fund bid has been successful in securing second round funding in order to work up proposals. The Future High Streets Fund bid focuses on the traditional high street area of the city centre (including St Peters Street,

#### **Implications for the City of Derby Authority Area**

2.46 The above trends have consequences for the future provision of retail and leisure floorspace in the Derby administrative area. The prevailing conditions in respect of the comparison good market are evident through the proliferation of vacant stock in secondary retail locations (such as Green Lane, Osmaston Road and Wardwick); whilst the Intu shopping centre is well established and trades strongly, the demand for premises is finite and its success has created problems elsewhere. As a consequence, the vacancy rate in Derby city centre is well above national average, both in respect of the proportion of floorspace and the proportion of units that are vacant.

2.47 Notwithstanding this, Derby clearly plays an important regional role and is the only centre in the authority area that is able to sustain a substantial national multiple comparison goods offer. As we go on to consider in greater detail later in this report, the consequence of this is that other centres in the City have a role that is principally focused around convenience goods and service provision, supplemented by comparison goods retailers that meet day to day household or specialist needs.

2.48 In respect of the convenience goods sector, all of the 'big four' operators currently trade from stores in the Derby authority area. In addition, there are currently four Aldi stores and two Lidl stores trading in the City<sup>32</sup>, with more in the pipeline. Given that these discounters generally trade very strongly

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<sup>32</sup> With a further Aldi store being located just beyond the Derby administrative area (but within the Derby Urban Area) at Chellaston Fields

indeed and the market continues to expand generally, we believe that additional pressure for further convenience goods floorspace is most likely to derive in the short term from this type of discount operator. In this regard, we note that both Aldi and Lidl have outstanding store requirements through Derby (with the latter operator alone identifying seven separate store requirements in the area)<sup>33</sup>.

### Derby City Centre Market Report

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

2.50 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<sup>34</sup> 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

<sup>33</sup> As identified on the aldi.co.uk and lidl.co.uk websites in January 2019

<sup>34</sup> The units at Castleward Boulevard will likely become increasingly attractive to prospective operators as the local residential population increases

- there is potential for the 'urban leisure' (escape rooms, adventure golf and so on) sector to expand further to take currently vacant floorspace.

2.51 Aspinall Verdi's market report<sup>35</sup> is provided at Appendix 3.

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<sup>35</sup> Which was finalised in January 2019 and is reflective of the market position in late 2018

## 3.0 Planning Policy and Legislative Context

- 3.1 In order to shape the direction of this Study, it is helpful to understand relevant retail and town centre planning policy at a national and local level. As such, we first summarise national planning policy of relevance before considering relevant development plan policy as set out in the Derby City Local Plan Part 1 Core Strategy (adopted January 2017) and the emerging Local Plan Part 2 (which was the subject of Issues and Options consultation from February to April 2018).

### **The Revised National Planning Policy Framework**

- 3.2 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. The policies of the NPPF are categorised on a thematic basis and can be summarised as follows.

#### Plan-Making

- 3.3 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.

#### Building a Strong, Competitive Economy

- 3.4 Paragraph 80 of the NPPF indicates that planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt. Significant weight should be placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development.

#### Ensuring the Vitality of Town Centres

- 3.5 Paragraph 85 specifically relates to planning for town centres. It states that:



**'Planning policies should:**

- a) define a network and hierarchy of town centres and promote their long-term vitality and viability – 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;**
- b) 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;**
- c) retain and enhance existing markets and, where appropriate, re-introduce or create new ones;**
- d) 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. Meeting anticipated needs for retail, leisure, office and other main town centre uses over this period should not be compromised by limited site availability, so town centre boundaries should be kept under review where necessary;**
- e) 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. If sufficient edge of centre sites cannot be identified, policies should explain how identified needs can be met in other accessible locations that are well connected to the town centre; and**
- f) recognise that residential development often plays an important role in ensuring the vitality of centres and encourage residential development on appropriate sites.'**

3.6 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.

3.7 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.

### **Ensuring the Vitality of Town Centres Planning Practice Guidance**

3.8 The Ensuring the Vitality of Town Centres Planning Practice Guidance ('the Town Centres PPG') was published in March 2014 and remains in place to provide additional direction in respect of how retail and town centre planning policy should be applied in respect of plan-making and decision taking. The Town Centres PPG affirms the Government's aspiration to support town centres in order to generate employment, promote beneficial competition and create attractive, diverse places where people want

to live, work and visit.

3.9 Paragraph 003 of the Town Centre PPG indicates that a local planning authority's strategy for their town centres should include:

- the appropriate and realistic role, function and hierarchy of town centres in the area over the plane period;
- a vision for the future of centres, considering the appropriate mix of uses to enhance overall vitality and viability;
- the opportunity for centres to accommodate any identified needs for additional town centre uses; and
- the timeframe to deliver additional retail floorspace.

3.10 Paragraph 003 goes on to state that town centre strategies should identify changes in the hierarchy of centres, including where a town centre is in decline. In such cases, strategies should seek to manage change positively in order to encourage economic activity and achieve an appropriate mix of uses commensurate with a realistic future for that town centre.

3.11 Paragraph 005 of the Town Centres PPG identifies a series of key indicators of relevance in assessing the health of a centre over time<sup>36</sup>. The same paragraph states that not all successful town centre regeneration projects have been retail led or have involved significant new development. Improvements to the public realm, transport (including parking) and accessibility can also play important roles. Any strategy should identify relevant sites, actions and timescales through the development plan, and should be the subject of regular review.

3.12 Paragraph 009 indicates that the sequential test is of direct relevance to plan-making. It requires local planning authorities to consider the suitability, viability and availability of sites when considering sequentially preferable opportunities to accommodate additional development for main town centre uses.

### **Changes to Permitted Development Rights**

3.13 On 15 April 2015, the Town and Country Planning (General Permitted Development) (England) Order came into force. The Order consolidates and replaces the Town and Country Planning (General

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<sup>36</sup> We consider these indicators in greater detail at Section 5 of this report

Permitted Development) Order 1995 (and its subsequent amendments), and provides additional permitted development rights.

3.14 The new rights of relevance to town centres include:

- a permitted change from amusement arcade/casino (sui generis use) to residential use (Class C3);
- a permitted change from retail (Class A1) to financial services (Class A2);
- a permitted change from retail/financial services (Class A1/A2) to food and drink (Class A3);
- a permitted change from retail/financial services (Class A1/A2), betting offices, pay day loan shops and casinos to assembly and leisure (Class D2);
- extension of the temporary permitted development rights introduced in May 2013 for extensions to shops, offices, industrial and warehouse buildings to support business expansion and the economy so they apply permanently;
- the erection of click and collect facilities within the curtilage of an extension retail shop; and
- modifications to the size of an existing retail shop loading bay.

3.15 In addition to the above, the Town and Country Planning (General Permitted Development) (England) (Amendment) Order 2016 subsequently came into force on 6 April 2016. The Amendment Order provides for:

- a permitted change from launderettes (sui generis use) to residential use (Class C3); and
- the previously temporary permitted development right to change offices (Class B1) to residential use (Class C3) to be made permanent, with a condition allowing the local planning authority to consider certain noise impacts.

3.16 The above provisions seek to make it more straightforward to secure the reuse of buildings (and thereby reduce the amount of vacant property). It is considered that the relaxation in respect of residential dwellings may be of greatest consequence in proximity to larger cities, which are more likely to benefit from both a substantial stock of office floorspace and strong demand for apartment development. We are aware that there have already been a significant number of office to residential conversions in the City that have been undertaken through permitted development rights.

### **City of Derby Local Plan Review**

3.17 A number of 'saved policies' in the City of Derby Local Plan Review (adopted January 2006) remain part of the development plan and two are of particular relevance to this Study.

3.18 Policy S10 relates to trade and showroom sales and states that:

**‘Outside the defined shopping centre hierarchy, planning permission will be granted for trade and showroom-type sales (namely, garden centres, car and caravan showrooms, petrol filling stations, tyre and exhaust centres, and trade only wholesalers such as builders and plumbers merchants) provided that:**

- a. The surrounding area is predominantly commercial or industrial in character, and where appropriate;**
- b. It is accessible by a choice of means of transport.**

**Conditions will be attached to permissions preventing any subsequent change of use to other retail purposes. Planning conditions will be imposed to restrict retail floorspace or the range of goods sold from petrol filling stations.’**

3.19 In addition, Policy S11 is concerned with Factory Shops development and indicates that:

**‘Planning permission will be granted for factory shops where:**

- a. The premises are included within the curtilage of and are ancillary to the manufacturing unit which produces the goods intended to be sold; and**
- b. Visiting customers can be accommodated without generating problems of vehicular access and parking on the premises or on the adjacent highway.**

**Planning permission will be granted subject to conditions restricting the goods sold to those manufactured on the site and preventing the sale of goods imported or manufactured elsewhere.’**

### **Derby City Local Plan Part 1 Core Strategy**

3.20 The retail policies that specifically relate to Derby’s centres and more traditional forms of retail development are provided by the adopted Local Plan Part 1 and the emerging Local Plan Part 2. The Part 1 Local Plan sets out a series of overarching strategies and development principles, but also identifies Areas of Change where regeneration and growth is being promoted.

#### [Spatial Vision and Core Development Principles](#)

3.21 The Spatial Vision for Derby is provided at Section 3 of Part 1 of the Local Plan. In respect of the city centre, the Spatial Vision indicates that by 2028:

- the city centre will be strong, accessible and vibrant through the provision of economic, civic and cultural activities, new residential areas, and a thriving daytime and evening economy;

- the Cathedral and St Peters Quarters will have developed distinctive roles and characters to support the city centre's economy;
- the city centre will remain predominantly within its existing boundaries, with the focus of development being on regeneration and consolidation rather than expansion;
- new investment will have taken place within the City Centre to complement Intu Derby and Riverlights, including the provision of new and improved leisure and cultural facilities; and
- new office development will have been brought forward across the city centre in order to boost its economy.

3.22 Section 4 of the Part 1 Local Plan sets out a detailed Strategy for Derby in order to deliver sustainable growth. In respect of retail uses, paragraph 4.34 states:

**'New retail development will continue to be directed into the City Centre to help bolster its vitality and viability. There are a number of extant planning permissions for out-of-centre retail and therefore the Plan does not make provision for any new major, additional, out-of-centre retail development. Provision is made for the expansion of the existing local centre at Heatherton, whilst new local centres are proposed at Hackwood Farm, Manor Kingsway and Boulton Moor to enhance the sustainability of these development sites.'**

3.23 The key Part 1 Local Plan policies in respect of retail and town centres are Policies CP12, CP13, CP15 and CP15.

3.24 Policy CP12 indicates that the Council will seek to sustain and enhance the vitality, viability and competitiveness of defined centres and priorities them as the most accessible and sustainable way of meeting shopping and service needs. The policy identifies a three-tier hierarchy for Derby's defined centres, comprising: the city centre; followed by the district centres; followed by the neighbourhood centres.

3.25 Policy CP12 indicates that Derby city centre and its defined Core Area will be the focus for comparison goods retail, and a sub-regional focus for commerce, culture, leisure and the visitor economy.

3.26 Policy CP12 goes on to state that district centres have an essential role in providing key services to the City's neighbourhoods, including shopping, commercial, leisure, public and community functions, ensuring that residents can access such services easily. Development in district centres should primarily respond to the needs of the catchment and support, rather than undermine, the vitality and viability of other centres in the hierarchy.

- 3.27 The same policy indicates that neighbourhood centres meet needs for small scale retail and services for localised catchments. Development in these centres should be limited and have regard to maintaining access to local shopping and other facilities that meet day-to-day needs.
- 3.28 Finally, Policy CP12 identifies that new or extended centres should be delivered at Boulton Moor, Hackwood Farm, Manor Kingsway and Rykneld Road in order to support the creation of new or growing communities.
- 3.29 Policy CP13 sets out the Council's 'town centre first' policy test that is to be applied to out of centre development, which is derived from the sequential and impact tests articulated in national planning policy. Policy CP13 indicates that the sequential and impact tests should be applied to all proposals for retail, entertainment, recreation and leisure development outside defined centres. The policy establishes a 'local impact threshold' of 1,000 sq.m, above which proposals should be accompanied by a retail impact assessment.
- 3.30 Policy CP14 seeks to support Derby's tourism, culture and leisure offer through:
- developing major new leisure venues;
  - supporting proposals that make a positive contribution to the City's tourism and cultural role and function;
  - encourage investment to improve the quality of the infrastructure and venues for the arts, theatres, sport and play, parks and green spaces, museums, libraries and other related leisure uses and activities;
  - improve the supporting infrastructure for visitors, including those related to business tourism;
  - support and deliver proposals that help to maintain and develop the City's outdoor cultural offer, including providing spaces and locations for festivals, events and markets;
  - support and deliver proposals that take advantage of the tourism benefits of the River Derwent, the Derwent Valley Mills World Heritage Site and Derby's industrial heritage; and
  - support and deliver proposals that will assist in the promotion of the City.
- 3.31 Policy CP15 seeks to encourage food, drink and other evening and night time economy uses that contribute to the vitality of Derby's defined centres and support the creation of a safe, balanced and socially inclusive economy. The proposal seeks to help improve and diversify the City's evening and night time economy, whilst resisting concentrations of bars, hot food takeaways or other similar uses

which could have a detrimental effect on community safety and/or on the character, role and function of a centre.

- 3.32 In addition, Policy CP23 indicates that the Council will ensure that people living, working and travelling within Derby will have viable travel choices and effective, efficient and sustainable transport networks that meet needs and support sustainable growth. The location of future development will be actively managed to ensure that new development, *inter alia*, is located in accessible locations and is able to connect residents to jobs, shopping, leisure, open space, health and educational opportunities.

#### Areas of Change

- 3.33 Policy AC1 sets out a City Centre Strategy. This sets out a commitment to delivering a renaissance for the city centre, reinforcing its economic, cultural and social role by supporting growth and regeneration, improving the quality of the built environment, creating new residential neighbourhoods and enhancing its standing as a regionally important business, shopping, leisure, tourism and cultural destination.

- 3.34 Policy AC1 indicates that the Council will, *inter alia*:

- promote the 'Core Area'<sup>37</sup> as the preferred location for new retail development and support proposals which serve to protect and enhance the city centre's overall vitality and viability;
- identify policies and priorities that will reinforce the specific character of distinctive city centre character areas, including the Cathedral Quarter, St Peters Quarter, the Intu Derby shopping centre, the Riverside and Eastern Fringes;
- support the delivery of a minimum of 2,200 new homes across the city centre through the delivery of key regeneration sites, including Castleward, the former Derbyshire Royal Infirmary, the former Friar Gate Good Yard, Becketwell/Duckworth Square, Full Street, and North Riverside;
- maximise the potential of the Riverside; and
- make the city centre the focus of sustainable transport nodes and improve accessibility by all modes of transport.

- 3.35 Policy AC2 divides the city centre up into the following sub-areas:

- the Central Business District, which provides the main focus and concentration of economic and leisure activities across the city centre;

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<sup>37</sup> The 'core area' represents the 'primary shopping area' for retail planning policy purposes

- the Core Area, which is the focal point for non-food retailing in the city centre and is identified as being the key to the vibrancy of its economy;
- Cathedral Quarter, which represents the historic core of the city centre, and is considered suitable to accommodate niche high quality shopping, leisure and evening economy uses;
- St Peters Quarter, which represents a diverse range of shopping and other complementary uses, with future uses and activities being managed to ensure that they continue to contribute to the overall vitality and viability of the city centre;
- Intu Derby shopping centre, the principal focus of shopping and leisure activity, which incorporates Bradshaw Way Retail Park;
- Riverside, which consists of a diverse range of residential, commercial and civic uses and provides opportunities for further development which relates to the river as a key connecting route;
- the Eastern Fringes, which are to become a new neighbourhood which will complement the city centre economy, regenerate a currently underutilised area, and result in improved links between the railway station and city centre; and
- the Friar Gate Goods Yard site, which provides an opportunity to deliver a vibrant mix of residential, retail, leisure and business uses that respond to the railway heritage assets at the site.

3.36 Policy AC3 relates to frontages. In brief summary, the policy indicates that primary frontages will remain predominantly in retail use, but that within the Cathedral Quarter and St Peters Quarter there will be more scope to accommodate uses such as banks and buildings societies, health and beauty operators, and cafes and restaurants within such frontages.

3.37 Policy AC4 relates to city centre transport and accessibility. It states that, *inter alia*.

- developers should make the most of, and strengthen, opportunities provided by existing walking and cycling networks;
- the Council will support proposals for the improvement of the public realm, particularly where it would improve access and legibility across the city centre; and
- seek to ensure a sufficient level of car parking which reflects the realistic requirements of users and the highly accessible nature of the city centre.

3.38 In relation to the city centre environment, Policy AC5 indicates that, *inter alia*, the Council will:

- deliver public realm improvements across the city centre, including Castleward Boulevard, St Peters Cross, The Spot and the Riverside;



- expect development along the Riverside, key arterial and connecting routes and important gateways to exhibit 'active frontages' which respond to the main streets;
- support proposals which improve the connectivity, safety and legibility of access to the Riverside area, the Cathedral Quarter, St Peters Quarter and the Derwent Valley Mills World Heritage Site; and
- support the construction of 'tall buildings' in appropriate gateway locations.

3.39 Policy AC6 relates to the Castleward and former Derbyshire Royal Infirmary opportunity site, which is located directly to the south east of the city centre. Policy AC6 indicates that the redevelopment of Castleward will deliver: a minimum of 800 new high quality, mixed tenure homes; new office and commercial uses; new primary and secondary schools and community facilities; and, improved pedestrian and cycle links. The regeneration of the former Derbyshire Royal Infirmary site will deliver: a minimum of 400 new high quality mixed-tenure homes; the effective protection of heritage assets; and, a positive contribution of the townscape of London Road.

3.40 Other identified Areas of Change which have the potential to impact on the need form and location of, future retail and leisure uses include:

- Policy AC14, which provides for the delivery of at least 600 new dwellings through the redevelopment of a number of brownfield sites in Osmaston, and improved local amenities and facilities;
- Policy AC17, which provides for the redevelopment of existing employment land between Sinfin Lane, Goodsmoor Road and the Derby to Birmingham railway line for new residential dwellings or new employment development;
- Policy AC18, which provides for the development of land south of Wragley Way for a new sustainable urban extension to Derby, which will incorporate a minimum of 180 new dwellings in the Derby authority area (and a further 2,000 new dwellings within the adjacent South Derbyshire authority area), together with new on-site local shopping and community facilities;
- Policy AC19, which provides for the redevelopment of land at the former Manor and Kingsway Hospitals to accommodate a minimum of 700 new dwellings, a high quality business park, and a new neighbourhood centre;
- Policy AC20, which provides for the development of land on both sides of Rykneld Road to accommodate 900 high quality new dwellings within the Derby authority area (and a further 1,200 new homes within the adjacent South Derbyshire authority area), the expansion of Heatherton

neighbourhood centre and employment uses adjacent to the enlarged centre;

- Policy AC21, which provides for the development of land at Hackwood Farm to provide a minimum of 400 new dwellings in the Derby authority area (and a minimum of 690 additional dwellings in total, some of which will be delivered in the adjacent South Derbyshire authority area), together with a new neighbourhood centre;
- Policy AC22, which provides for an urban extension at Mickleover (to accommodate up to 200 new dwellings) and a further urban extension at Mackworth (to accommodate up to 221 new homes and to provide new development at the former Mackworth College site, including a new health centre);
- Policy AC23, which provides for approximately 1,000 high quality, mixed-tenure homes at Boulton Moor (800 of these will form part of an extension to Alvaston/Boulton, where a further 1,950 new dwellings will be delivered within the South Derbyshire authority area, and 200 will form part of an extension to Chellaston), together with community facilities;
- Policy AC24, which provides for the development of land south of Chellaston as a new urban extension, with around 100 new dwellings being accommodated in the Derby authority area (and a further 750 new homes on land in South Derbyshire);
- Policy AC25, which provides for the development of land to the north of Oregon Way and Tennessee Road at Brook Farm for up to 275 new dwellings as part of a sustainable urban extension to the north of Chaddesden; and
- Policy AC26, which provides for the development of land to the north-west of Chaddesden Wood for up to 200 new high quality dwellings.

### **Emerging Derby City Local Plan Part 2 Core Strategy**

3.41 The emerging Derby City Local Plan Part 2 is at a relatively early stage, with Issues and Options consultation taking place in early 2018. The Part 2 Plan will complement the Part 1 Local Plan by:

- allocating additional sites to meet residual housing and other development needs;
- setting out more detailed policy requirement to guide development management decisions; and
- reviewing the remaining saved policies of the City of Derby Local Plan Review 2006.

3.42 The Issues and Options document sets out that it is the Council's preferred approach to allocate a range of city centre regeneration opportunity sites, which may include: the former Friar Gate Station; Becketwell and Duckworth Square; remaining land at Riverlights; 1 Cathedral Green; the Assembly Rooms; the Silk Mill; and, Derby Market Hall. The Issues and Options document indicates that new Part

2 policies relating to these sites could provide an opportunity to set out design principles to help guide future development, and also provide these sites with the appropriate profile to attract funding and other support.

### **Derby City Centre Masterplan 2030**

3.43 In addition, to the development plan, the City Council has worked together with the local business community to produce a City Centre Masterplan to provide a context for investment opportunities in the city in the period to 2030. The City Centre Masterplan seeks to deliver 4,000 new jobs, support £3.5 billion of investment, and create 1,900 homes.

3.44 The Masterplan's Vision is to create a vibrant city centre which is:

- a city of choice, as a leisure cultural and retail destination;
- a business city, with a successful central business district;
- a living city, with a lifestyle and housing choice; and
- a connected city, in terms of being a 'smart' city.

3.45 In addition, the Masterplan sets out a series of objectives to be secured as part of its Delivery Plan. These include:

- the creation of a new performance venue in the heart of Derby city centre;
- the renovation of the Silk Mill as a 'museum of making';
- the reinvention of the Market Place;
- the delivery of the Becketwell regeneration project;
- the creation of new homes throughout the city centre;
- the delivery of additional phases of the Castleward regeneration project; and
- the creation of specific Masterplan for Derby Riverside what will widen the city centre offer with new leisure, living and work opportunities; and
- the creation of high quality public spaces, with improved links between Normanton Gateway and Cornmarket, and between Intu Derby shopping centre and the Market Hall.

## 4.0 Market Research: In Street Surveys

- 4.1 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.
- 4.2 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.
- 4.3 The tabulated results of the in street survey are provided as Appendix 4. We provide a plan identifying the location of the in street surveys as Appendix 5. The surveys were scheduled in order to secure a variety of users; 100 surveys were undertaken on Monday, Tuesday, Wednesday and Thursday, 50 surveys were undertaken on Friday, and 50 surveys were undertaken on Saturday. Of the 200 respondents, 36.5% were men and 63.5% were women.
- 4.4 We set out an overview of the key findings of the survey below, focusing on customer satisfaction ratings, customer behaviour, and suggestions for improvement.

### Mode of Travel

- 4.5 As set out below at Table 4.1, the most popular mode of travel to Derby city centre is the motor car, with almost half of respondents (49.0%) either driving to the centre or travelling as a passenger in a car. The second most popular mode of travel is a bus or coach, which was favoured by 36.0% of respondents. The proportion of respondents travelling by bus or coach has decreased relatively significantly from the 45.7% recorded in 2008, with there being an associated increase in car usage. The reduction in bus usage generally reflects national trends and may be a consequence of a reduction in the number of services across Derby in recent years. Clearly, the lesser proportion of visitors travelling to the city centre by public transport is contrary to national and local transport policy

aspirations and there will likely be a need to persuade visitors to the centre to forego the motor car in the future in order to provide for more sustainable travel.`

**Table 4.1: Most Popular Mode of Travel to Derby City Centre**

Date	1st	2nd	3rd	4th
2018	Private car (49.0%)	Bus or coach (36.0%)	On foot (13.0%)	Taxi (1.0%)
2008	Bus or coach (45.7%)	Private car (31.6%)	On foot (18.9%)	Train (1.7%)

Source: 2018 NEMS In Street Survey, Question 1; 2008 NEMS In Street Survey, Question 1

## Car Parking

- 4.6 Respondents travelling by car were asked which car park they had used on the day of their visit. As no equivalent question was asked in the 2008 in street survey, we are unable to provide a comparison in terms of how respondents' parking habits have changed over time.
- 4.7 As Table 4.2 demonstrates, the data from the 2018 survey indicates that two options are by far the most popular for respondents. The most popular place to park is at Intu Derby, which was the destination favoured by 30.6% of those travelling by car or van. The next most popular option was to use on-street car parking, which was favoured by 26.5% of those travelling by private vehicle.

**Table 4.2: Car Parks Used by Respondents at 2018**

1st	2nd	3rd	4th	5th	6th
Intu Derby car parks (35.7%)	On-street (26.5%)	Dropped off (13.3%)	Assembly Rooms multi-storey car park (5.1%)	Abbey Street surface car park (4.1%)	Darwin Place surface car park <i>and</i> Matalan car park (both 3.1%)

Source: 2018 NEMS In Street Survey, Question 2

- 4.8 Those respondents who used a car park or parked on-street were asked whether they had any difficulties finding a space on the day of their visit. The vast majority – equating to 91.8% of respondents – found a parking space without an issue.

## Frequency of Visit

- 4.9 A series of questions were asked about the frequency of respondents' visits to Derby city centre, with reference to particular types of activity. As demonstrated by the below Table 4.3, respondents typically undertake food shopping less frequently in the city centre compared with ten years ago. The survey indicates that 19.5% of respondents undertake food shopping in the city centre once a week or more, which compares to 35.8% of respondents in 2008. This reduction may be attributable to an

improvement in provision elsewhere in Derby, which means that residents are able to pick up shopping closer to home, rather than doing significant amounts of food shopping in the centre itself.

**Table 4.3: Frequency of Respondents' Visits to Derby City Centre for Food Shopping**

Date	Daily	4 to 6 days a week	2 to 3 days a week	Once a week	Once every 2 weeks	Once every month	Once a quarter	Less than once a quarter	First time today	Never	Don't know
2018	0.5%	0.0%	3.0%	16.0%	12.0%	16.5%	6.5%	6.0%	0.5%	39.0%	0.0%
2008	2.7%	1.7%	13.7%	17.7%	6.9%	9.0%	2.5%	4.8%	0.2%	40.4%	0.6%

Source: 2018 NEMS In Street Survey, Question 4; 2008 NEMS In Street Survey, Question 2

- 4.10 In respect of the frequency of visit to undertake non-food shopping, the 2008 in street survey results indicated that a large proportion of respondents (equating to 43.3%) visited the centre once a week or more to undertake non-food shopping. Table 4.4 identifies that respondents are now less inclined to undertake non-food shopping quite so frequently (with 28.0% visiting for this reason once a week or more), but also indicates that there is now a lesser number of respondents who never undertake non-food shopping in Derby city centre or visit for this reason only very occasionally. As such, 94.5% of respondents now visit the centre to undertake non-food shopping at least once a month, which compares favourably to the figure of 78.4% recorded a decade ago.

**Table 4.4: Frequency of Respondents' Visits to Derby City Centre for Non-Food Shopping**

Date	Daily	4 to 6 days a week	2 to 3 days a week	Once a week	Once every 2 weeks	Once every month	Once a quarter	Less than once a quarter	First time today	Never	Don't know
2018	1.0%	0.0%	4.0%	23.0%	37.0%	29.5%	3.0%	2.5%	0.0%	0.0%	0.0%
2008	2.9%	2.5%	11.4%	26.5%	13.0%	22.1%	7.8%	7.6%	0.4%	5.3%	0.6%

Source: 2018 NEMS In Street Survey, Question 4; 2008 NEMS In Street Survey, Question 2

- 4.11 A similar position is evident when considering the frequency of respondents' visits to the city centre to eat out or to drink. As Table 4.5 indicates, fewer respondents eat or drink in the centre once a week or more compared to a decade ago (the recorded figure of 27.5% in 2018 compares to 33.7% in 2008). This may be attributable, in part, to the growth in 'gastro pub' dining in the villages which surround Derby across the past decade. Notwithstanding this, there is a very substantial change in respect of the proportion of people who never visit the city centre to eat and drink, with just 11.5% of respondents indicating that this is the case, compared to 32.0% in 2008. This suggests that more users view the city centre as an appropriate location to eat or drink, which is indicative of the centre's offer becoming broader over the past decade.

**Table 4.5: Frequency of Respondents' Visits to Derby City Centre for Drinking/Eating Out**

Date	Daily	4 to 6 days a week	2 to 3 days a week	Once a week	Once every 2 weeks	Once every month	Once a quarter	Less than once a quarter	First time today	Never	Don't know
2018	1.0%	1.5%	6.5%	18.5%	16.5%	25.0%	8.0%	11.5%	0.0%	11.5%	0.0%
2008	1.9%	3.0%	10.9%	17.9%	9.5%	14.3%	5.0%	5.0%	0.2%	32.0%	0.4%

Source: 2018 NEMS In Street Survey, Question 4; 2008 NEMS In Street Survey, Question 2

- 4.12 Patterns of use to visit service providers also mirror the above trends. Table 4.6 identifies that fewer users now visit on a weekly to access services (26.5% in 2018, compared to 35.5%), but that almost all respondents have some need to visit the city centre for this reason. Just 2.5% of respondents never visit service uses whilst in Derby, compared to 27.8% of respondents ten years ago. The fact that almost all respondents have reason to access services in Derby city centre, but less do so on a very frequent basis, may be attributable to two factors. Improved online services (particularly in respect of banking) mean that some straightforward tasks can be undertaken in front of a computer or smart phone. In addition, many local bank and building society branches have closed as a consequence of changes in technology, which may necessitate a visit to the city centre to access certain services. Such changes are clearly not unique to Derby, but do affect how the city centre (and other centres) are used in practice.

**Table 4.6: Frequency of Respondents' Visits to Derby City Centre to Access Services**

Date	Daily	4 to 6 days a week	2 to 3 days a week	Once a week	Once every 2 weeks	Once every month	Once a quarter	Less than once a quarter	First time today	Never	Don't know
2018	0.0%	0.0%	3.5%	23.0%	15.5%	37.0%	12.5%	6.0%	0.0%	2.5%	0.0%
2008	1.7%	1.3%	9.3%	23.2%	9.0%	17.0%	5.1%	4.4%	0.8%	27.8%	0.4%

Source: 2018 NEMS In Street Survey, Question 4; 2008 NEMS In Street Survey, Question 2

- 4.13 Table 4.7 indicates that three-quarters of respondents never visit commercial leisure facilities in Derby city centre, which is broadly similar to the figure of 77.1% recorded in 2008. However, the results suggest that fewer respondents visit commercial leisure facilities on a very frequent basis. The current in street survey indicates that no respondents visit commercial leisure facilities at least once a fortnight, which compares to 14.0% of respondents in 2008.

**Table 4.7: Frequency of Respondents' Visits to Derby City Centre to Visit Commercial Leisure Facilities**

Date	Daily	4 to 6 days a week	2 to 3 days a week	Once a week	Once every 2 weeks	Once every month	Once a quarter	Less than once a quarter	First time today	Never	Don't know
2018	0.0%	0.0%	0.0%	0.0%	0.0%	1.5%	2.0%	20.0%	1.5%	75.0%	0.0%
2008	1.5%	1.3%	3.8%	6.3%	1.1%	4.0%	1.9%	2.3%	0.6%	77.1%	0.6%

Source: 2018 NEMS In Street Survey, Question 4; 2008 NEMS In Street Survey, Question 2

### Main Purpose of Visit

4.14 Respondents were asked to identify the principal purpose of their visit. Given that Derby fulfils a regional shopping role and provides the greatest concentration of comparison goods retailers in the area, it is unsurprising that the principal reason to visit is to purchase non-food goods. As Table 4.8 identifies, the proportion of respondents identifying non-food shopping as the principal reason for their visit increased slightly from 32.6% at 2008 to 36.5% at 2018. The next most popular reason given in 2018 was to access personal services and to meet someone, both of which were identified by 17.5% of respondents. Interestingly, visiting the market appears to have assumed greater importance in recent years, with 9.5% of respondents now identifying that this is the principal purpose of their visit, which compares to just 0.8% of respondents in 2008.

**Table 4.8: Main Reason for Respondents' Visits**

Date	1st	2nd	3rd	4th
2018	Purchase non-food goods (36.5%)	Personal services (including bank, hairdresser, solicitor, etc.) <i>and</i> To meet someone (both 17.5%)	-	Visit the market (9.5%)
2008	Purchase non-food goods (32.6%)	Personal services (including bank, hairdresser, solicitor, etc.) (15.6%)	Purchase food and grocery goods (13.0%)	To meet someone <i>and</i> Work (both 6.7%)

Source: 2018 NEMS In Street Survey, Question 5; 2008 NEMS In Street Survey, Question 3

### Duration of Visit

4.15 The below Table 4.9 suggests that visitors to Derby city centre are spending an increasing amount of time within the centre. In 2018, the majority of respondents – equating to 56.0% of those surveyed – anticipated spending less than two hours in the city centre on the day of their visit. By way of contrast, just 42.0% of respondents to the 2018 survey indicated that they would spend less than two hours in the city centre. There is a particular increase in the number of spending between two and three hours in Derby city centre (with this increasing from 19.8% of respondents at 2008 to 32.5% of respondents



at 2018). Around a quarter of respondents at 2018 plan to spend more than three hours in the centre.

**Table 4.9: Duration of Respondent's Visit**

Date	Less than an hour	Between 1 and 2 hours	Between 2 and 3 hours	Over 3 hours	Don't know
2018	14.5%	27.5%	32.5%	25.5%	0.0%
2008	17.3%	38.7%	19.8%	23.0%	1.1%

Source: 2018 NEMS In Street Survey, Question 7; 2008 NEMS In Street Survey, Question 4

### Areas Respondent Intends to Visit

- 4.16 Respondents to the 2018 survey were asked which of the various parts of the city centre they intended to visit whilst in the city centre on that day. The survey results set out below at Table 4.10 indicate that the large majority of respondents (75.5% of those surveyed) intended to visit St Peters Quarter on the day of their visit. This is perhaps unsurprising given the size and location of this part of the city centre (and its proximity to the locations where the survey was undertaken).
- 4.17 All of the other identified locations – namely the Cathedral Quarter, Eagle Market and the Market Hall – were visited by between 36.0% and 40.5% of respondents on the day of the survey. This is considered to be a particularly encouraging result in respect of Eagle Market (visited by 37.5% of respondents) and the Market Hall (visited by 40.5% of respondents), and is indicative of the markets remaining a key element of Derby's overall offer.

**Table 4.10: Areas Respondent Intends to Visit**

Intu	St Peters Quarter	Cathedral Quarter	Eagle Market	Market Hall	None of these	Don't know/ Haven't decided yet
48.5%	75.5%	36.0%	37.5%	40.5%	1.0%	5.0%

Source: 2018 NEMS In Street Survey, Question 8

- 4.18 No comparable question was asked as part of the 2008 survey and we are therefore unable to identify whether shoppers' intentions have changed

### Spending Intentions

- 4.19 The below Table 4.11 provides the average intended spend on different types of goods in Derby city centre. Once again, no comparable question was asked in the 2008 survey and we are therefore unable to comment on whether the amount of expenditure dedicated to particular types of goods

- 4.20 The results emphasise Derby city centre's principal role as a destination for comparison goods shopping. Each respondent anticipated spending an average of £26.71 on comparison goods on the day of their visit, which contrasts to the average spend of £2.13 on food shopping and the average spend of £4.20 on food and drink in cafes and restaurants.
- 4.21 The average expenditure per person on food goods is considered to be exceptionally low and perhaps suggests that there is an opportunity for an improved food shopping offer which may encourage shoppers to spend more on this sector.

**Table 4.11: Intended Expenditure on Sectoral Basis**

Clothing and footwear	Other non-food goods	Food shopping	Restaurants and cafes
£17.52	£9.19	£2.13	£4.20

Source: 2018 NEMS In Street Survey, Question 7; 2008 NEMS In Street Survey, Question 4

### Likes and Dislikes

- 4.22 Respondents were asked to identify what they liked and disliked most about the city centre. As Table 4.12 indicates, the current most popular attribute of the city centre is that it is near to home and convenient to access, which was identified by 30.0% of respondents (this was previously the joint most popular response provided in 2008, when it was identified by 17.7% of respondents). Encouragingly, 26.0% of respondents indicated that the best thing about the city centre is the quality of the shops and 15.0% indicated they liked everything about the centre (both of which represent a considerable improvement on the respective figures of 14.3% and 2.7% recorded in 2008).

**Table 4.12: Aspect Most Liked About the City Centre**

Date	1st	2nd	3rd	4th
2018	Near to home/convenient (30.0%)	Quality of shops (26.0%)	Compact centre (23.0%)	Like everything about the centre (15.0%)
2008	Near to home/convenient <i>and</i> Nothing in particular (both 17.7%)	-	Selection of independent/specialist shops (16.8%)	Quality of shops (14.3%)

Source: 2018 NEMS In Street Survey, Question 11; 2008 NEMS In Street Survey, Question 5

- 4.23 As Table 4.13 identifies, the factor which respondents most frequently identified as being the least liked attribute of the city centre is the presence of 'undesirables', which was identified by 27.0% of those interviewed. In addition, 18.5% of respondents identified that individuals being intoxicated or displaying anti-social behaviour was the matter they liked least about the centre. The 2008 in street

survey results indicate that only 5.1% of respondents identified the presence of ‘undesirables’ as being the most disliked aspect of the city centre, and only 5.3% of respondents identified intoxication and anti-social behaviour. It is also notable that the proportion of respondents identifying an issue with run down premises has increased from 13.9% of respondents at 2008 to 27.0% of respondents at 2018. Taken collectively, the results suggest that there is increasing concern in respect of the city centre environment, both in respect of its appearance and in respect of the prospect of encountering anti-social behaviour.

**Table 4.13: Aspect Least Liked About the City Centre**

Date	1st	2nd	3rd	4th
2018	Presence of ‘undesirables’ (27.0%)	Run down appearance of premises (27.0%) <i>and</i> Nothing in particular (both 27.0%)	-	Intoxicated or anti-social behaviour (18.5%)
2008	Nothing in particular (30.7%)	Run down appearance of premises (13.9%)	Dislike the Westfield Centre (9.0%)	Dirty shopping streets/litter (8.2%)

Source: 2018 NEMS In Street Survey, Question 12; 2008 NEMS In Street Survey, Question 6

4.24 Respondents were then asked about their satisfaction with the range and quality of shops in the city centre (with responses being recorded on a sliding scale from ‘very satisfied’ to ‘very dissatisfied’). As the below Table 4.14 identifies, an increasing amount of users of the centre are at least satisfied in terms of the overall quality and range of shops in the city centre. Previously, in 2008, a total of 72.2% of respondents indicated that they were either satisfied or very satisfied in respect of the city centre retail offer, with this increasing to 82.5% at 2018. In addition, hardly any respondents are currently either dissatisfied or very dissatisfied with the range of quality of shops in the city centre. The strong response to this question is perhaps a consequence of the offer available at Intu shopping centre, which accommodates the vast majority of large national multiple comparison goods retailers in the centre.

**Table 4.14: Respondent’s Satisfaction with the Overall Range and Quality of Shops in the City Centre**

Date	Very satisfied	Satisfied	Neutral	Dissatisfied	Very dissatisfied	No opinion	Don’t know
2018	10.5%	72.0%	16.5%	0.5%	0.0%	0.5%	0.0%
2008	21.9%	50.3%	15.4%	8.0%	3.0%	0.6%	0.8%

Source: 2018 NEMS In Street Survey, Question 13; 2008 NEMS In Street Survey, Question 7

### Assessment of Leisure Provision

4.25 Respondents were also asked to identify the principal reason for their visits to Derby city centre in the evening. Whilst visiting bars and clubs was by some distance the most popular activity (mentioned by 56.1% of respondents in 2018 and 56.9% of respondents in 2008), the results suggest that eating out

in the centre has increasingly become a reason to visit the centre in the evening. As Table 4.11 identifies, in 2018, 28.6% of respondents said that the principal reason to visit the city centre in the evening was to eat out, which compares to 19.4% at 2008. This is consistent with the responses to Question 4 of the household survey (summarised in the above Table 4.5), which identified that very few respondents never visit the centre to eat out or to drink.

**Table 4.15: Main Purpose of Evening Visits**

Date	1st	2nd	3rd	4th
2018	Bars and pubs (56.1%)	Eating out (28.6%)	No main purpose (5.1%)	Meeting friends (4.1%)
2008	Bars and pubs (56.9%)	Eating out (19.4%)	Meeting friends (8.5%)	Shopping (5.2%)

Source: 2018 NEMS In Street Survey, Question 15; 2008 NEMS In Street Survey, Question 9

- 4.26 A similar overall theme is evident when considering respondents satisfaction with the city centre as a location for evening entertainment. In this regard, Table 4.16 identifies that 80.7% of respondents indicated that they are either 'satisfied' or 'very satisfied' with the city centre, which represents an increase from the figure of 66.4% recorded at 2008 (albeit the proportion of those who are very satisfied has actually fallen over the same time period). In addition, no respondents in 2018 identified that they are either 'dissatisfied' or 'very dissatisfied' with the city centre's evening offer.

**Table 4.16: Respondents' Satisfaction with the City Centre as a Venue for Evening Entertainment**

Date	Very satisfied	Satisfied	Neutral	Dissatisfied	Very dissatisfied	No opinion	Don't know
2018	3.1%	77.6%	11.2%	0.0%	0.0%	7.1%	1.0%
2008	19.0%	47.4%	16.6%	4.3%	1.4%	0.0%	11.4%

Source: 2018 NEMS In Street Survey, Question 16; 2008 NEMS In Street Survey, Question 10

- 4.27 The below Table 4.17 suggests that respondents believe there has been an improvement in the centre's cultural offer in recent years. In 2008, 47.3% of respondents indicated that they were either 'satisfied' or 'very satisfied' with the city centre's cultural offer, with this increasing to 58.0% at 2018. In this regard, the city centre's offer was boosted by the opening of the Quad cinema and arts centre in September 2008, subsequent to the undertaking of the previous in street survey in March of the same year. In addition, the Derby Playhouse has evolved into Derby Theatre since the previous survey, offering a comprehensive programme of drama, comedy and music. Whilst the Assembly Rooms have been closed since March 2014 (as a consequence of the fire which broke out in a plant room and spread to the venue's roof and car park), the survey results suggest that the centre's overall cultural offer has improved in the past decade.

**Table 4.17: Respondents' Satisfaction with the City Centre's Overall Cultural Offer**

Date	Very satisfied	Satisfied	Neutral	Dissatisfied	Very dissatisfied	No opinion	Don't know
2018	7.0%	51.0%	37.0%	0.5%	0.0%	2.0%	2.5%
2008	8.6%	38.7%	21.7%	11.8%	5.7%	8.2%	5.3%

Source: 2018 NEMS In Street Survey, Question 17; 2008 NEMS In Street Survey, Question 11

- 4.28 The survey results also indicate that users are generally more satisfied with the city centre's family entertainment offer than they were a decade ago. The proportion of users who are either 'satisfied' or 'very satisfied' with the family entertainment provision has increased from 28.0% at 2008 to 32.5% at 2018, and the proportion who are 'dissatisfied' or 'very dissatisfied' has decreased significantly from 20.6% at 2008 to 5.0% at 2018. This improvement in respondents' perceptions of the family entertainment offer likely arises as a consequence of Hollywood Bowl and Paradise Island Adventure Golf opening in the Intu shopping centre in April 2017.

**Table 4.18: Respondents' Satisfaction with the City Centre's Overall Family Entertainment Offer**

Date	Very satisfied	Satisfied	Neutral	Dissatisfied	Very dissatisfied	No opinion	Don't know
2018	1.0%	31.5%	39.5%	4.5%	0.5%	5.0%	18.0%
2008	4.8%	23.2%	17.0%	15.5%	5.1%	18.3%	17.1%

Source: 2018 NEMS In Street Survey, Question 18; 2008 NEMS In Street Survey, Question 12

## Environmental Quality

- 4.29 Respondents were asked a series of questions relating to the environmental quality of the centre, with responses recorded on a sliding scale from 'very good' to 'very poor'. In order to present the results in a concise manner, we have attributed a mean average score to each criteria, based on the responses received. In each case, a respondent providing a 'very good' response results in a score of five, going down to a score of one for a 'very poor' response<sup>38</sup>. This is identical to the approach adopted in reporting the 2008 in street survey results in the 2009 Retail and Leisure Study.
- 4.30 In general, the environmental attributes of the centre scored relatively well and in a manner that is broadly consistent with the scores received in 2008. For each criteria, significantly more responses were received suggesting that the centre had a 'good' or 'very good' performance than a 'poor' or 'very poor' performance. As Table 4.19 identifies, the environmental factor securing the highest score is the quality of the buildings and townscape (which had an average score of 3.7), with the lowest score

<sup>38</sup> For the avoidance of doubt, the mean average score is based on the following system: five marks awarded for 'very good'; four marks for 'good'; three marks for 'satisfactory'; two marks for 'poor'; and, one mark for 'very poor'

awarded to centre's ability to provide shelter from the weather (which had an average score of 3.3).

**Table 4.19: Respondents' Satisfaction with Environmental Factors**

Date	Cleanliness of streets	Personal safety, lighting and policing	Quality of buildings and townscape	Shelter from weather	Pedestrian/vehicular safety
2018	3.2	3.5	3.7	3.3	3.5
2008	3.2	3.3	3.3	3.0	3.4

Source: 2018 NEMS In Street Survey, Question 19; 2008 NEMS In Street Survey, Question 13

## Accessibility

- 4.31 We have adopted the same scoring system in considering a series of accessibility factors. Once more, the attributes of the centre that relate to its accessibility have scored relatively strongly, with more respondents identifying that each factor is 'good' or 'very good' than 'poor' or 'very poor'.
- 4.32 As summarised below in Table 4.20, the highest score of 3.6 was awarded both in respect of the security of the car parks and the ease of movement on foot, and the lowest score of 3.3 was awarded to the location of the Tourist Information Centre and the ease of cycling access. It is notable that 27.5% responded that they 'didn't know', when asked about the location of the Tourist Information Centre, which compares to 40.8% at the time of the previous survey. The most significant change in score relates to the quality and security of the bus stops and interchange, with the 2018 average score of 3.4 comparing to a 2008 score of 2.9. This reflects the fact that the previous bus station had been demolished at the time of the previous in street survey<sup>39</sup>, but the new bus station did not open until March 2010.

**Table 4.20a: Respondents' Satisfaction with Accessibility Factors**

Date	Location of car parks	Security of car parks	Location of bus stops/interchange	Location of railway station	Quality and security of bus stops/interchange
2018	3.5	3.6	3.5	3.4	3.4
2008	3.5	3.5	3.2	3.1	2.9

Source: 2018 NEMS In Street Survey, Question 20; 2008 NEMS In Street Survey, Question 14

<sup>39</sup> The old bus station closed in October 2005 and was demolished in July 2006

**Table 4.20b: Respondents' Satisfaction with Accessibility Factors**

Date	Quality and security of railway station	Location of Tourist Information Centre	Ease of cycling access	Ease of movement around the centre on foot	Access for people with mobility/hearing/sighting difficulties
2018	3.4	3.3	3.3	3.6	3.5
2008	3.4	3.3	3.2	3.7	3.3

Source: 2018 NEMS In Street Survey, Question 20; 2008 NEMS In Street Survey, Question 14

### Suggested Improvements to the City Centre

- 4.33 Respondents' suggestions in respect of how the city centre could be improved reflect some of the concerns summarised above. The most popular suggestion relates to the need for there to be greater control in respect of anti-social behaviour, such as begging and drunkenness (identified by 23.0% of respondents). This was then followed by a requirement for cleaner streets (identified by 21.0% of respondents). Encouragingly, one in five respondents did not identify any required improvements to the centre, which represents a significant improvement in the figure of 8.6% recorded at 2008.

**Table 4.21: Most Popular Suggestions to Improve Derby City Centre**

Date	1st	2nd	3rd	4th
2018	More control on anti-social behaviour, such as begging and drunkenness (23.0%)	Cleaner streets/removal of litter (21.0%)	None mentioned (20.0%)	Improve appearance/environment of centre (17.5%)
2008	Cleaner streets/removal of litter (12.6%)	Better choice of shops (9.1%)	Cheaper parking (8.8%)	Improve appearance/environment of centre <i>and</i> None mentioned (both 8.6%)

Source: 2018 NEMS In Street Survey, Question 21

- 4.34 In addition, the 2018 in street survey asked a series of questions that did not form part of the 2008 survey, relating to potential improvements to particular parts of the centre.
- 4.35 Respondents generally struggled to identify any potential improvements to the Intu Derby shopping centre, which may reflect the fact that it successfully accommodates a large number of national multiple retailers and service operators. The most popular suggested improvement was for cheaper car parking (which was identified by 8.5% of respondents and is a relatively common response in surveys of this nature), followed then by a requirement for more independent shops (identified by 7.5% of respondents).

**Table 4.22: Most Popular Suggestions to Improve Intu Shopping Centre**

Date	1st	2nd	3rd	4th
2018	None mentioned (42.0%)	Don't know (35.5%)	Cheaper parking (8.5%)	More independent shops (7.5%)

Source: 2018 NEMS In Street Survey, Question 22

- 4.36 A lesser, but still significant, proportion of respondents failed to identify any required improvements within the St Peters Quarter (a total of 43.0% of respondents did not identify any improvement, comprised of 23.5% who did not mention anything and 19.5% who suggested that they didn't know of any required improvements). The most popular practical responses were to exert more control on anti-social behaviour, such as begging and drunkenness (which was identified by 23.0% of respondents), followed then by a need for cleaner streets (identified by 18.5% of respondents). In this regard, the responses for St Peters Quarter reflect concerns expressed in relation to the city centre as a whole.

**Table 4.23: Most Popular Suggestions to Improve St Peters Quarter**

Date	1st	2nd	3rd	4th
2018	More control on anti-social behaviour, such as begging and drunkenness <i>and</i> None mentioned (both 23.5%)	-	Don't know (19.5%)	Cleaner streets/removal of litter (18.5%)

Source: 2018 NEMS In Street Survey, Question 23

- 4.37 Once more, a large proportion of respondents – equating to 57.0% – failed to identify any proposed improvements to the Cathedral Quarter. This comprises 33.0% who did not mention anything and 24.0% who suggested that they didn't know of any required improvements. The most popular responses provided related to the need to exert more control on anti-social behaviour, such as begging and drunkenness (which was identified by 16.5% of respondents), followed then by a need to improve the Cathedral Quarter's appearance and environment (identified by 12.0% of respondents). However, it should be noted that a greater proportion of respondents (17.0%) indicated that the appearance and environment at St Peters Quarter was in need of improvement.

**Table 4.24: Most Popular Suggestions to Improve Cathedral Quarter**

Date	1st	2nd	3rd	4th
2018	None mentioned (33.0%)	Don't know (24.0%)	More control on anti-social behaviour, such as begging and drunkenness (16.5%)	Improve appearance/environment (12.0%)

Source: 2018 NEMS In Street Survey, Question 24

- 4.38 The Council has commenced a programme of improvements to the historic Derby Market Hall. In order



to assist in providing a market that appropriately meets modern needs, respondents were asked to identify the priority for an improved market. As the below Table 4.25 demonstrates, the most popular answer was to incorporate more specialist retailers (identified by 20.5% of respondents), followed by improved heating or ventilation (14.0%). The third most popular response was that respondents didn't know of any required improvements (identified by 12.5%), followed by a requirement for more stalls (12.0%). In considering the future direction of the market, it is notable that only 7.5% of respondents specifically identified a need for an improved food and drink offer for consumption on site, whilst 5.0% identified a need for an improved food and drink offer for consumption off site. However, it may be that some of the 20.5% of respondents who requested more speciality retailers for the market include some who would like to see an improvement to the food and drink offer.

**Table 4.25: Identified Priorities for an Improved Market Hall**

Date	1st	2nd	3rd	4th
2018	More speciality retailers (20.5%)	Improved heating/ventilation (14.0%)	Don't know (12.5%)	More stalls (12.0%)

Source: 2018 NEMS In Street Survey, Question 25

### Summary

4.39 The in street survey has gleaned a large amount of information relating to respondents' views, which can be fully understood through a review of the full results provided at Appendix 4. 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.

4.40 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 Riverside 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.

## 5.0 Healthcheck Assessments

- 5.1 Paragraph 85 of the NPPF indicates that planning policies should promote the long term vitality and viability of town centres by allowing them to grow and diversify in a way that can respond to rapid changes in the retail and leisure industries. The same paragraph also states that town centres should accommodate a suitable mix of uses (including housing) and provide for development that reflects a centre's distinctive character.
- 5.2 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:
- 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.
- 5.3 Detailed healthcheck assessments have been undertaken for Derby city centre, the 13 district centres within the City<sup>40</sup>, and a limited number of neighbourhood centres<sup>41</sup>. 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).
- 5.4 These assessments comprise Appendices 6 (Derby city centre), 7 (district centres) and 8 (neighbourhood centres) of this neighbourhood centres.
- 5.5 We provide an overview of relevant centres' position in the wider regional retail hierarchy below, before

<sup>40</sup> These being Allenton, Allestree, Alvaston, Cavendish, Chaddesden, Chellaston, Littleover, Mackworth, Mickleover, Normanton, Oakwood, Sinfen and Spondon

<sup>41</sup> These being Blagreaves Lane/Stenson Road, Blenheim Drive, Crayford Road, Drayton Avenue, Heatherton, Holbrook Road and Humbleton Drive

summarising the key conclusions from our healthcheck assessments.

### Regional Retail Hierarchy

- 5.6 Table 5.1 sets out the retail hierarchy on a sub-regional basis with reference to Venuescore's UK Shopping Venue Rankings 2015/16. Venuescore's index ranks nearly 3,500 retail venues in the UK (including town centres, standalone malls, retail warehousing and factory outlet centres) based on the strength of their current provision. Each retail venue is ranked with reference to the provision of multiple retailers, including anchor stores, fashion operators, and non-fashion multiples. The score attached to each operator is weighted to reflect its overall impact on shopping patterns. For example, anchor stores such as John Lewis, Marks & Spencer and Selfridges receive higher weightings.
- 5.7 Based on its score and the strength of its offer, Venuescore categorises each centre in order to identify its role. The eight categories comprise: 'Major City', 'Major Regional', 'Regional', 'Sub-Regional', 'Major District', 'District', 'Minor District' and 'Local'. The position of retail destinations in the table is derived from the 2015/16 Rankings; some larger competing centres within the sub-region are included by way of context. The Market Position Classification and Index, as set out in the below Table 5.1, provide an indication as to the market that the venue serves; the higher the index score, the more upmarket the venue is.
- 5.8 Derby is categorised as a Major Regional centre and had a Venuescore of 302 at 2016/17. It ranked 32<sup>nd</sup> of all UK shopping venues surveyed in 2016/17, which represents a fall of one place from its 28<sup>th</sup> position at 2015. Whilst Derby city centre is the only centre in the authority area able to draw trade from across a substantial catchment, higher order centres at Nottingham and Leicester (both of which are identified as Major City centres by Venuescore) are sufficiently close as to be reasonably accessible to much of the population of Derby. Nottingham is ranked in eighth position nationally and is located around 24 kilometres to the east of Derby<sup>42</sup>, and Leicester is ranked in 15<sup>th</sup> position nationally and is located around 50 kilometres to the south east of Derby.
- 5.9 Venuescore identifies Chaddesden (ranked 1,481<sup>st</sup> nationally) as the best performing district centre in the Derby authority area, followed then by Alvaston (1,775<sup>th</sup>), Sinfyn and Spondon (joint 2,171<sup>st</sup>), Littleover (2,577<sup>th</sup>), and then Mickleover (2,815<sup>st</sup>).
- 5.10 Chaddesden is the only district centre to be ranked as high as a Minor District centre in terms of the

<sup>42</sup> Based on the most direct route by road

Venuescore classifications (with the others having a Local centre designation).

- 5.11 In considering Derby's overall offer, it is notable that some of the more significant venues in the City are retail parks, with Kingsway Retail Park being ranked 666<sup>th</sup> of all UK shopping venues, and Wyvern Retail Park being ranked 819<sup>th</sup>. The two retail parks, together with Chaddesden, are the three shopping venues in Derby that have been the subject of substantial improvements in their ranking in recent years. Kingsway Retail Park's ranking has increased 220 places between 2010 and 2016/17; Wyvern Retail Park's has improved by 105 places over the same period; and, Chaddesden's has improved by 392 places. All other shopping destinations in Derby appear to have performed broadly similarly since 2010 or have been the subject of a lower ranking.

**Table 5.1: Venuescore's Sub-Regional Shopping Hierarchy**

Retail Venue	Score 2016/17	Location Grade	Rank 2016	Rank 2015	Rank 2013	Rank 2010	Market Position Classification	Market Position Index (Average 100)
Nottingham	500	Major City	8	6	7	7	Upper Middle	110
Leicester	394	Major City	15	17	17	14	Middle	109
<b>Derby</b>	<b>302</b>	<b>Major Regional</b>	<b>32</b>	<b>28</b>	<b>27</b>	<b>21</b>	<b>Middle</b>	<b>106</b>
Burton-upon-Trent	171	Regional	121	115	116	95	Middle	97
Mansfield	160	Regional	137	126	134	132	Middle	100
Loughborough	137	Regional	174	184	192	203	Lower Middle	90
Lichfield	100	Sub-Regional	255	259	309	284	Middle	98
Tamworth	92	Sub-Regional	289	278	271	245	Lower Middle	85
<b>Kingsway Retail Park</b>	<b>46</b>	<b>District</b>	<b>666</b>	<b>688</b>	<b>752</b>	<b>886</b>	<b>Middle</b>	<b>104</b>
<b>Wyvern Retail Park</b>	<b>38</b>	<b>District</b>	<b>819</b>	<b>803</b>	<b>901</b>	<b>924</b>	<b>Middle</b>	<b>98</b>
<b>Chaddesden</b>	<b>21</b>	<b>Minor District</b>	<b>1,481</b>	<b>1,486</b>	<b>1,684</b>	<b>1,873</b>	<b>Middle</b>	<b>96</b>
<b>Alvaston</b>	<b>17</b>	<b>Local</b>	<b>1,775</b>	<b>1,789</b>	<b>1,684</b>	<b>1,558</b>	<b>Middle</b>	<b>93</b>
<b>Allenton</b>	<b>16</b>	<b>Local</b>	<b>1,888</b>	<b>2,034</b>	<b>1,605</b>	<b>1,765</b>	<b>Lower Middle</b>	<b>77</b>
<b>Park Farm Shopping Centre</b>	<b>15</b>	<b>Local</b>	<b>2,021</b>	<b>2,394</b>	<b>2,216</b>	<b>2,416</b>	<b>Lower Middle</b>	<b>77</b>
<b>Sinfin</b>	<b>14</b>	<b>Local</b>	<b>2,171</b>	<b>2,193</b>	<b>2,428</b>	<b>2,128</b>	<b>Lower Middle</b>	<b>88</b>
<b>Spondon</b>	<b>14</b>	<b>Local</b>	<b>2,171</b>	<b>2,193</b>	<b>2,428</b>	<b>2,196</b>	<b>Lower Middle</b>	<b>77</b>
<b>Osmaston</b>	<b>14</b>	<b>Local</b>	<b>2,171</b>	<b>2,577</b>	<b>2,428</b>	<b>2,428</b>	<b>Middle</b>	<b>100</b>
<b>Littleover</b>	<b>11</b>	<b>Local</b>	<b>2,815</b>	<b>2,577</b>	<b>2,428</b>	<b>2,428</b>	<b>Lower Middle</b>	<b>85</b>
<b>Mickleover</b>	<b>11</b>	<b>Local</b>	<b>2,815</b>	<b>2,827</b>	<b>2,428</b>	<b>2,196</b>	<b>Middle</b>	<b>92</b>
<b>Ascot Drive Industrial Estate</b>	<b>11</b>	<b>Local</b>	<b>2,815</b>	<b>3,152</b>	-	-	<b>Lower Middle</b>	<b>85</b>
<b>Ashbourne Road</b>	<b>11</b>	<b>Local</b>	<b>2,815</b>	<b>3,152</b>	-	-	<b>Middle</b>	<b>102</b>

Source: Venuescore UK Shopping Venue Rankings 2016/17, 2015/16 and 2013/14

- 5.12 It is also notable that all shopping venues within the authority area are pitched at the 'middle' or 'lower middle' markets. Whilst this is not unusual across the Midlands and the North of England, we note that

Derby has a market position index of 101, which compares unfavourably with Leicester's market position index of 105 and Nottingham's of 112. This suggests that both Leicester and Nottingham have better representation from premium retailers than Derby city centre.

### Derby City Centre Healthcheck

- 5.13 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. Intu shopping centre is located within the south-eastern boundary of the city centre as defined by the Council's Policies Map (and is within the city centre boundary as defined by Experian Goad). It is also located inside the defined Core Area, which acts as the 'primary shopping area' for planning policy purposes. 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.
- 5.14 Experian Goad data indicates that Derby city centre accommodates 214,370 sq.m of gross floorspace across 818 units. We updated Experian Goad data through a survey of the centre undertaken in February 2018. Derby city centre is dominated by convenience and comparison goods floorspace, with 53.4% of the total stock of commercial floorspace (equating to 114,000 sq.m gross) occupied by retail uses.
- 5.15 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.
- 5.16 Notwithstanding this, our survey recorded that 270 units in the city centre are in comparison goods use, which represents a significant decline in provision in recent years (given that 367 units were in comparison goods use at the time of the previous survey in 2009). It is therefore evident that the comparison goods offer has diminished significantly in recent years (with many units becoming vacant). Comparison goods retailers are concentrated inside and immediately around the Intu Derby shopping centre, and along Sadler Gate. Sadler Gate typically attracts niche and higher end independent retailers, whereas Intu accommodates a wide range of big name national multiple retailers.
- 5.17 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. The principal convenience goods offer within the city centre comprises the Sainsbury's and Tesco Metro convenience stores (together with frozen food specialists, tobacconists, fishmongers, bakers, grocers, health food stores and so on), there are no superstores (floorspace greater than 2,500 sq.m) within the city centre. However, the convenience goods offer in the city centre is strengthened by the presence of two large market halls within the city centre, these being Derby Market Hall and Eagle Market. Both of these markets contains a range of operators, with Derby Market Hall having a greater variety of food traders, including butchers and fishmongers.

- 5.18 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). The floorspace occupied by comparison and convenience operators is broadly in line with national average level. 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.
- 5.19 Service uses (retail (e.g. hairdressers, dry cleaners), leisure (e.g. restaurants, bars) and financial and business (e.g. banks and estate agents)) comprise a total of 44.5% of units, and 32.2% of all floorspace in the city centre. These figures are somewhat less than the national average figure in respect of units and floorspace in service use, which respectively equate to 48.3% and 39.4%.
- 5.20 There are 197 individual leisure service units within the city centre, which account for approximately 47,160 sq.m of floorspace or 22.1% of total retail floorspace in the centre. This figure is slightly lower than the national average of leisure service floorspace of 24.7%.
- 5.21 The leisure service offer within the city centre is diverse and reflects Derby's role as a regional centre. It includes a range of restaurants and food outlets, including national operators such as Nando's, TGI Fridays and Subway, and a good number of public houses, bars, nightclubs and cafés. Furthermore, the city centre includes two theatres, namely Derby Theatre and the Guildhall, and two cinemas, these being the Showcase within Intu Derby and Quad. Leisure service operators are primarily concentrated around Friargate, Sadler Gate, the Marketplace and around the Cathedral, and are considered to be varied enough to support the function of Derby city centre.
- 5.22 The number of retail service operators are less abundant, but the offer is considered appropriate to serve the needs of Derby city centre. There are a total of 98 individual retail service units within the

centre, accounting for approximately 9,520 sq.m of floorspace or 4.5% of total floorspace in the centre. This figure is approximately half the national average figure of retail service floorspace, which is 6.8%. There are number of hairdressers and beauty salons, including regional operators like Kieran Mullin, alongside travel agents such as Thomas Cook. Retail service operators are found throughout the city centre, but are particularly concentrated along St Peters Street and Sadler Gate. There are also a number of smaller kiosks operating in Intu Derby which provide retail services. Financial and business services account for approximately 11,890 sq.m of floorspace or 5.6% of the total stock of commercial floorspace in the centre

- 5.23 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%.
- 5.24 At the time of the previous study in 2009, there were 88 vacant units noted within Derby city centre, a figure which represented 12.5% of all units in the city centre. During our visit we recorded 135 vacant units, representing 16.4% of all units in the city centre. This figure is higher than the respective national average figure of 11.2%. As such, the vacancy rate in respect of both units and floorspace is well above national average level.
- 5.25 The vacancy rate represents some cause for concern and, at the time of our survey, particular concentrations of vacant units were evident in three broad areas, namely:
- Wardwick, Victoria Street, Green Lane and St James Street;
  - St Marys Gate (not part of the Core Area); and
  - around the periphery of the Intu Derby shopping centre.
- 5.26 The vacant units are relatively varied in terms of their size. The unit most recently occupied by Silly Sids furniture, at the corner of Victoria Street and Green Lane, represents the largest single vacant unit, measuring approximately 3,840 sq.m, and occupying a prime frontage. Clearly, the reoccupation of vacant commercial units is a critical issue in providing for the centre's future vitality and viability. However, plans are being developed that will result in the comprehensive redevelopment of this area.
- 5.27 In addition, there is cause for concern in respect of the concentration of derelict and vacant sites around Macklin Street, Colyear Street and Becketwell Lane. These derelict sites are at the core of an area where a high number of vacant buildings were noted. Accordingly, a long term strategy should be sought for this area to combat the localised vacancy rate and, as a consequence, help drive footfall around this



area.

- 5.28 It is encouraging to note that, at the time of our visit, a number of units were under alteration or in the process of being refurbished. As such, it is clear that the centre continues to attract investment and that new operators are keen to seek representation in Derby.
- 5.29 Pedestrian activity was strongest in the Intu Derby shopping centre, with a consistently high level of footfall throughout the centre. The Intu centre contains a wide range of retail and service operators, providing more of an 'experience' than other areas of the city centre. This activity also had positive effects on routes leading to the centre, particularly Exchange Street/Albion Street. It should be noted that despite the high levels of activity noted in Intu, this does not translate into comparable levels of activity in Eagle Market and along Theatre Walk.
- 5.30 Reduced pedestrian flows were noted along Babington Lane, Osmaston Road and around St Peters Quarter. The lower order retail operators and higher number of vacant units which are apparent along these routes result in a relatively modest level of footfall. Activity was quietest in the areas to the rear of Wardwick-Victoria Street where there are a high number of vacant units and sites.
- 5.31 Public transport in Derby is dominated by buses, and the network is designed in such a way that is radiates throughout the city from the centre. Derby bus station is located adjacent to the Riverlights development on Morledge. Buses terminating at this interchange provide quick pedestrian access into Intu Derby and the central pedestrianised retail areas. Buses link all major residential suburbs and areas of Derby and thus allow the centre to have a high degree of accessibility. Derby railway station is located approximately 600 metres to the south-east of the city centre and can be accessed on Liversage Road-Park Street. In general, Derby city centre is accessible to pedestrians, with significant provision of pedestrianised areas throughout the centre.
- 5.32 The environmental quality of Derby city centre is varied, but is generally good and the overall appearance of the city centre is positive. The results of the in-street survey show that respondents scored the quality of buildings and townscape the highest, with the lowest score being awarded to the city centre's ability to provide shelter from the weather.
- 5.33 The areas around the Cathedral Quarter and Sadler Gate are well maintained and have the strongest environmental quality. The units are well maintained, with few vacancies noted along the primary frontages. The area around the Cathedral is a Conservation Area and, as such, benefits from a strong architectural character making this location distinct to other parts of the city centre, with a number of

well-preserved period buildings and features. This area has also benefitted from the success of Historic England's Partnership Schemes in Conservation Areas, which saw a nine year collaboration between Historic England, Derby City Council and local retailers which worked to transform the city centre's historic conservation area.

- 5.34 The area to the south-west of Victoria Street suffers from severely poor environmental quality. The area at the centre of Colyear Street and Becketwell Lane has been derelict for a number of years, and given that it is also surrounded by some relatively poor quality buildings, creates a poor impression of the area. Whilst the area is somewhat 'tucked away' from the primary retail areas, the regeneration of the Becketwell area would transform the immediate environment and bring back into active use one of the most central opportunities in the city centre.
- 5.35 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.

### **District Centre Healthcheck Summaries**

#### Allenton

- 5.36 Allenton is a large, linear district centre running along Osmaston Road. It is located approximately 3 kilometres to the south west of Derby city centre and is adjacent to the Osmaston regeneration area. The offer in Allenton District Centre is diverse, with a variety of retailers providing a good range of convenience, comparison and service uses. Allenton benefits from good public transport links and free car parking, however the quality of some of the units is poor with vacant units reducing the overall quality and attractiveness of the centre. However, Allenton is a busy centre that functions as a hub for the suburb in which it is located.
- 5.37 There are 60 retail and services units within Allenton which account for a total of 12,745 sq.m of commercial floorspace. Allenton lacks an anchor convenience goods retailer of the type that would typically be expected in a district centre. Notwithstanding this, the convenience goods provision is considered suitable to meet most top up shopping needs. In addition, an Aldi is located approximately 500 metres to the east of Allenton on Harvey Road.

- 5.38 Allenton Market, located in the north of district centre, is open on Fridays and Saturdays with a flea market on Tuesdays. Whilst the market is in a relatively poor state of repair and requires investment, Allenton is the sole district centre in the Derby authority area with a market.
- 5.39 As one of the larger district centres, Allenton has a strong service offer. The number of leisure, retail and financial and business services is commensurate with national average levels, and comprises a strong offer in relation to comparable district centres.
- 5.40 Three vacant units were recorded in the centre at the time of our visit in January 2018. This equates to a vacancy rate of 5.0% of total units, which is significantly below the national average of 11.2%. However, the vacant units are located at key points in the centre and therefore have some negative impact on the centre's environmental quality.
- 5.41 The pedestrianised areas fronting the retail units along Osmaston Road ensure that pedestrian activity is found throughout the district centre, particularly on the southern side of the Ring Road. Allenton is located at the junction of two primary routes through Derby; the A5111 and the A514. Accordingly, it is well connected to locations throughout Derby and the wider national highway network. Bus services provide direct access to Derby city centre (approximately a 20 minute ride away) from stops along A5414 Osmaston Road and the A5111. The district centre is therefore accessible to a wide catchment area throughout Derby and beyond, with good provision of car parking and access to public transport.
- 5.42 The primary issue impacting upon the environmental quality of Allenton is the lack of consistency in shop frontages and façades, some of which look out of place and are of poor quality. This situation is exacerbated by vacant or poor quality uses to the immediate north of the Ring Road, and by the visual appearance of Allenton Market.
- 5.43 In summary, Allenton has a good and diverse mix of uses, and benefits from a purpose built market. The centre is also accessible to areas throughout the south of Derby and to pedestrians from the surrounding residential areas. Whilst the centre performs an important role, it would benefit from improvements to the public realm and shopfronts.

#### Allestree

- 5.44 Allestree district centre is dominated by Park Farm Shopping Centre and is located approximately 2 kilometres to the north east of Derby city centre. Park Farm is a purpose built 1960s shopping mall, which is well managed and has a relatively good standard of environmental quality in its public areas.

It also benefits from good accessibility and high levels of car parking.

- 5.45 There are a total of 51 retail and service units within the defined boundary of the district centre, which collectively provide 8,551 sq.m of commercial floorspace. Convenience and comparison goods operators dominate the district centre. Allestree is anchored by a Co-op foodstore and by Wilko. Convenience goods floorspace equates to 33.6% of the stock of floorspace, which is higher than the national average figure, but is reflective of the role of the centre, meeting day-to-day needs of the surrounding community. There are 15 comparison goods units in Allestree, which account for 2,617 sq.m of floorspace (or 30.6% of the total stock).
- 5.46 The 25 leisure, retail and financial and business service operators located in the district centre account collectively for 2,631 sq.m of floorspace, which equates to 30.7% of all floorspace. This is lower than the national average figure and is, in part, reflective of the type of accommodation provided in Allestree, which often lends itself better to the sale of goods.
- 5.47 At the time of our visit in January 2018, there were just four vacant units in the district centre, accounting for 435 sq.m of floorspace, or 5.1% of the overall stock of floorspace. The four units are dispersed throughout Park Farm Shopping Centre. The 5.1% vacancy rate compares favourably to the national average vacancy rate of 9.3%.
- 5.48 The public realm is well maintained and clean, with all units kept to a high standard. The district centre is readily and easily accessible to a large catchment, and is adequately served by public transport and a large, free-to-use, surface car park.
- 5.49 In summary, Allestree performs a strong retail function in respect of both convenience goods and comparison goods shopping, but has a less comprehensive range of service uses. The centre is well maintained centre and well used, and is considered to be vital and viable (which is evidenced by the low number of vacancies recorded at the time of our visit). Opportunities exist around the centre, including on the surface level car park to the north, for possible development that would further enhance the centre's retail offer.

#### Alvaston

- 5.50 Located approximately 3.5 kilometres to the south east of Derby city centre, Alvaston is one of the largest district centres in terms of floorspace. It is located in a residential area immediately adjacent to two main junctions, which ensures a high level of accessibility but reduces the perception of pedestrian

safety. There are a total of 63 units within the district centre, accounting for a total of 8,651 sq.m of floorspace.

- 5.51 Unlike some district centres in Derby, Alvaston is not dominated by convenience goods floorspace and contains a diverse range of operators and uses. Convenience goods uses account for 22.4% of overall floorspace, which is significantly less than the 29.9% of floorspace that is occupied by comparison goods uses (comparison goods retailers collectively occupy 2,589 sq.m of floorspace). Whilst Alvaston accommodates moderately-sized Co-op, Iceland and Tesco convenience stores, it would benefit from the provision of a convenience goods retailer of sufficient scale to support main food shopping trips. Although the wider area is densely developed, there are potential locations within the centre for redevelopment. These include the vacant or poor quality units along London Road.
- 5.52 The service offer in the centre is relatively diverse, with a total of 30 service operators collectively providing 3,806 sq.m of floorspace (equating to 44.1% of the total stock). However, our assessment has identified a relatively large number of hot-food takeaways, and it may be necessary to manage the future growth of this sector in order to provide for a balanced offer in the future.
- 5.53 At the time of our visit there were four vacant units in the centre. These units account for 316 sq.m of floorspace, which equates to 3.6% of the overall level of commercial floorspace. As such, the vacancy rate is significantly below national average level.
- 5.54 A consistently strong level of pedestrian activity was apparent on the day of our visit. Activity was concentrated around the two parallel parades of shops along Shardlow Road and around Alvaston Library. Although there are pedestrian crossings through the centre, Raynesway, London Road and Shardlow Road to some degree impede accessibility through the centre. However, this is a consequence of the character of the surrounding area and, overall, Alvaston is accessible.
- 5.55 Overall, Alvaston district has a reasonably strong mix of operators and uses, but may benefit from an improved convenience goods offer and attempts to restrict future growth in respect of the number of hot food takeaways. Alvaston is considered to be a generally healthy centre, which is reflected in its very low vacancy rate and the improvements that have been made to the public realm on Shardlow Road.

#### Cavendish

- 5.56 Cavendish district centre is located to the south of Derby city centre and is somewhat dominated by

the traffic island, which is located adjacent to the former Cavendish public house. Cavendish acts as a community centre for the surrounding residential community, and accordingly provides a range of services, some of which are specialist.

- 5.57 Cavendish district centre is anchored by the B&M store (which was previously occupied by Somerfield) on Stenson Road, with a relatively modest range of convenience and comparison goods retailers completing its retail offer. The district centre also contains a range of leisure, retail, and financial and business services. There are a total of just 28 units in the centre, comprising 5,005 sq.m of floorspace. However, a number of additional retail uses are located beyond the district centre boundary along Upper Dale Road, indicating that the existing district centre boundary may no longer be appropriate.
- 5.58 Cavendish is unique amongst Derby's district centres in being dominated by comparison goods uses, which provide a total of 2,241 sq.m of floorspace, which equates to 44.8% of the total stock of floorspace. There are six comparison goods retail uses, including B&M, Specsavers, two 'pound stores' and a dispensing pharmacy.
- 5.59 The proportion of floorspace which is dedicated to convenience goods retailers (713 sq.m, equating to 14.2% of the total stock of floorspace) is the lowest of any district centre in Derby and is significantly lower than national average<sup>43</sup>. Cavendish lacks the diversity of uses for a district centre and, despite some convenience goods provision, performs a more limited role than would generally be expected of a district centre. Notwithstanding this, no vacant units were recorded at the time of our visit in January 2018.
- 5.60 Cavendish is well connected to the local and national highway network. The district centre is located immediately off the A5111 Warwick Avenue. However, there is little surface or on-road car parking available within the district centre, and it appears that the centre is heavily reliant on walk-in custom. In this regard, Cavendish is located adjacent to the junction of Stenson Road and Walbrook Road, which ensures that the centre is easily accessible to the surrounding residential areas. The district centre is also located on a primary bus route into Derby city centre, with services 4 and 7 providing at least four direct services per hour from a stop on Upper Dale Road. From here, the city centre can be accessed in approximately 20 minutes.
- 5.61 The district centre is integrated into the surrounding residential areas and is situated at the roundabout junction of Stenson and Walbrook Road. This ensures a high level of natural and passive surveillance

<sup>43</sup> In addition, some convenience goods floorspace is also provided at the B&M store on Stenson Road

throughout the district centre at all times. However, the façades of the individual units are varied, with some being poorly maintained and unattractive. In addition, a number of retailers sell products on the pavement fronting the units. This, together with the moderate level of litter noted during our visit, acts to further reduce the quality of the frontages.

- 5.62 Whilst Cavendish would benefit from some investment and through the improvement of shopfronts, it appears a generally well used centre, with no vacant units. However, whilst the centre appears to be performing relatively well, it currently falls short of the level of provision typically expected in a district centre. However, there is scope to expand the centre boundary to account for additional uses along Upper Dale Road. Although the centre does not appear to perform the role of a district centre in practice. In particular, the centre's convenience goods offer is limited and it provides few community facilities.

#### Chaddesden

- 5.63 Chaddesden is located along Nottingham Road, approximately 2.5 kilometres to the east of Derby city centre. The district centre accommodates an Aldi and a Co-op foodstore, with a Lidl located just beyond the defined boundary. It is one of the larger district centres in Derby and is located in a principally residential area.
- 5.64 The district centre predominantly comprises a linear parade of shops fronting Nottingham Road. There is a strong convenience and comparison goods offer, complemented by varied leisure and retail service uses. Consequently, Chaddesden is considered to be a vibrant district centre.
- 5.65 There are a total of 43 commercial units within the defined district centre boundary. Convenience goods uses anchor the district centre and account for 37.4% of total floorspace. Given the proximity of the Lidl store on Nottingham Road, we recommend that consideration be given to redrafting the centre boundary to provide for its inclusion. Comparison goods uses occupy 11 units and 1,234 sq.m of floorspace.
- 5.66 There are a range of services in Chaddesden providing for local needs. There are 14 leisure units, which amount to approximately 29% of the total stock of floorspace. Leisure service operators include seven hot-food takeaways, two bookmakers, two restaurants, a café, and a Subway sandwich shop. Amongst the operators are six hairdressers or beauty salons, a Thomas Cook travel agent, a tattoo parlour and a petrol station.

- 5.67 The 2009 Chaddesden healthcheck assessment noted concern at the vacancy level at that time, with three vacant units recorded along Nottingham Road and three vacant units at St Mary's Retail Park. At the time of our visit no vacant units were noted. This suggests a strengthening in the vitality of Chaddesden district centre in recent years.
- 5.68 Chaddesden is a well-maintained district centre, with a high level of environmental quality. The majority of units are of a high standard, with frontages sympathetic to their surroundings. The environmental quality of the district centre benefits from its setting in a residential area and adjacent to Chaddesden Park and Nottingham Road Cemetery.
- 5.69 Chaddesden is a strongly performing district centre, which provides a particularly strong convenience goods offer and is anchored by an Aldi foodstore. Its attraction is complemented by the adjacent Lidl and St. Mary's Retail Park. We recommend that consideration is given to revising the boundary to include the Lidl on Nottingham Road. In general, the centre is well maintained and safe.

#### Chellaston

- 5.70 Chellaston is a residential suburb located 6 kilometres to the south of Derby city centre. Chellaston district centre is two parts – the bulk of floorspace is centred around the High Street Swarkestone Road junction with the remainder being a single parade, around 200 metres to the east on High Street opposite the Parish Church.
- 5.71 There are currently 21 units within the existing district centre boundary, comprising a total gross floorspace of approximately 2,883 sq.m. The district centre lacks an anchor use. There is however a variety of comparison (comprising 11.5% of floorspace) and convenience (24.5% of floorspace) retailers. An application for a Lidl store (reference: 9/2016/1208) was refused in 2017 at the former Rose and Crown public house. An amended scheme (reference: 02/18/00176) was subsequently approved in April 2018. Furthermore, there has been some growth in uses beyond the boundaries of the district centre, notably the Tesco Express along Derby Road resulting from a change of use from A4 to A1. As such, we recommend that the Council gives consideration to expanding the centre boundary.
- 5.72 Chellaston has a good retail and leisure service offer which, although representing a lesser proportion of all floorspace than national average, is of a similar composition to comparable district centres in south Derby and is more varied than its size might suggest.
- 5.73 There were two vacant units noted at the time of our visit; one on High Street and the former Corner



Pin public house. These vacancies impact the appearance of the centre from Derby Road, however they appear to have little overall impact on the vitality and viability of the rest of the district centre. The 2009 study noted no vacant units at that time.

- 5.74 Pedestrian activity is concentrated along Derby Road and, in particular in proximity to the Co-op foodstore. The centre is accessible by bus with services running directly into Derby city centre. The centre also benefits from free car parking. The environmental quality of the centre is a little mixed but the overall appearance is positive, with no obvious graffiti, litter, vandalism or anti-social behaviour.
- 5.75 Chellaston is a small district centre, which lacks a foodstore of a scale sufficient to anchor the centre. It does however meet basic day-to-day retail and service needs, and also accommodates a library and community centre. However the offer is relatively limited for a district centre. Chellaston is a compact centre split into two distinct parts, and the defined district centre boundary encompasses the key district centre uses. Consideration should be given to re-designating the High Street area of the district centre as a neighbourhood centre.

#### Littleover

- 5.76 Littleover is a linear district centre along Burton Road, located in a residential area approximately 2.5 kilometres to the south of Derby city centre. The district centre is well integrated to the residential areas surrounding it.
- 5.77 The centre is anchored by two small supermarkets at either end of the centre, a Co-op and Iceland respectively, a dispensing pharmacy and a number of leisure service uses. The Grange Banqueting Suite is located to the rear of the Co-op foodstore. Littleover district centre currently contains a total of 44 retail uses within the defined boundary, accounting for 4,910 sq.m of retail floorspace. Approximately 38.4% of total retail floorspace is comprised of convenience uses. In total, comparison goods uses account for 391 sq.m of floorspace or 8.0% of the total floorspace stock. This represents a significant under-representation in respect of the comparison goods sector.
- 5.78 Leisure and retail services comprise a large share of retail floorspace in Littleover, a total of 24.3% and 27.8% of floorspace respectively. However there is an over-concentration of hot-food takeaways. At the time of our visit no vacancies were apparent. This is a slight improvement in performance since the 2009 study, which found one vacant unit.
- 5.79 There has been investment in the streetscape since the 2009 study, improving the environmental

quality of Littleover. However the environmental quality of the centre is compromised by its location on the heavily trafficked Burton Road.

- 5.80 The district centre is well-used, with a constant flow of pedestrians noted at the time of our visit. The centre benefits from public transport links and free-car parking, however the traffic on Burton Road has the effect of reducing pedestrian safety. There is considerable scope for development within the existing district centre boundary. There is a substantial vacant site at the corner of Burton Road/Middleton Avenue where development opportunities should be explored, and at the surface car park to the rear of Jet petrol station.

#### Mackworth

- 5.81 Mackworth is the smallest district centre in Derby and as such has a limited function, primarily serving a very localised catchment. It consists of a purpose built shopping parade which dates from the late 1950s set back from Prince Charles Avenue and opposite a large area of public open space. There are a small number of uses within the district centre. Mackworth's role is centred around meeting the 'top up' shopping needs of the local community.
- 5.82 There are currently 13 units within the existing district centre boundary, comprising a total gross floor space of 1,444 sq.m. Convenience uses dominate the floorspace uses, accounting for 55.3% of the total. Convenience floorspace is dominated by the Co-op foodstore anchoring the centre. The comparison, retail service and leisure service offer is lower than the national average and the diversity of the offer that there is very limited.
- 5.83 There were no vacancies in the district centre at the time of our visit. The centre appears to be generally performing well. Mackworth is ideally placed to serve the increasing needs of the catchment with significant growth planned to the west of the city, however with the exception of the public open space opposite few opportunities exist within or around the centre to benefit from this expansion.

#### Mickleover

- 5.84 Mickleover district centre is located to the south-west of Derby, approximately 5 kilometres from the city centre. It is a former village, dominated by a linear centre running along Uttoxeter Road at the junctions of Station Road/Kipling Drive. The district centre functions as the centre of the suburb of Mickleover.

- 5.85 There are 34 units within the existing district centre boundary, accounting for 8,832 sq.m of floorspace. The district centre is anchored by a Tesco superstore. Whilst the Tesco does not dominate the setting of the centre, it does ensure that convenience goods uses dominate the retail offer, comprising 60.1% of total retail floorspace in Mickleover. Comparison operators account for a total of 12.2% of floorspace, and the variety of uses is considered to be limited. There is a greater comparison goods offer than in some district centres. Eight comparison goods retail units account for 1,078 sq.m of floorspace. Mickleover also has one of the most diverse retail, leisure and financial and business services offers in any of Derby's district centres.
- 5.86 The 2009 study identified two vacant units within Mickleover. At the time of our visit, there were three vacant units. This figure represents 5.9% of the total stock of floorspace within the district centre, which is slightly lower than the national figure. In addition to this, there are a number of community facilities either within or in close proximity to the district centre boundary.
- 5.87 Pedestrian activity is most concentrated around the Tesco superstore and its parking area. However, there were steady pedestrian flows across the rest of Mickleover. Mickleover is located along a bus route providing direct and regular access into Derby city centre, which can be accessed within 25 minutes.
- 5.88 The shop façades and frontages are generally of a high standard, and the streetscape has been well designed through the provision of seasonal planters, street furniture and litter bins. Trees line Uttoxeter Road around the parade and the footpaths are kept separate from the road. However, at the time of our visit the parking facilities along Uttoxeter Road were full, causing traffic congestion along the main road.
- 5.89 The centre has a pleasant environment though this could be further improved through redevelopment of vacant sites at the junction of Uttoxeter Road and Limes Avenue. The centre is considered to be generally vital and viable.

#### Normanton Road

- 5.90 Normanton Road is a busy, diverse linear centre running approximately 1.5 kilometres north to south. It is located immediately to the south of Derby city centre and serves a diverse community. The district centre contains a range of operators, facilities and services that serve both the immediate and wider communities.

- 5.91 Normanton Road is (by some distance) the largest district centre in Derby. There are 246 units within the defined boundaries of the centre, accounting for 29,889 sq.m of floorspace. Comparison goods retailer account for 38.5% of total floorspace within the district centre, with convenience uses accounting for 18.7%. The Mill Hill Corner, a large comparison operator, and Southgate Retail Park (which accommodates a Lidl) anchor the district centre. The convenience and comparison goods floorspace figures at Normanton Road are broadly reflective of national average levels.
- 5.92 The number and variety of service operators within the district centre is greater than other centres in Derby. There is a total of 120 service operators within the defined boundaries of the district centre. At the time of our visit 18 vacant units were noted, amounting to a vacancy rate of 5.5% of floorspace. This represents a reduction in the vacancy rate as 24 units were noted at the time of the previous study.
- 5.93 Normanton Road functions as a focal point for the surrounding community. The range of community facilities is diverse, and includes five places of worship, two medical centres, two dentists, two childcare centres and Pear Tree Library. The range and diversity of community facilities ensures that Normanton Road fulfils a key role. It also has the potential to increase the number of linked visits in the district centre.
- 5.94 Normanton Road district centre is well integrated into the Derby public transport network. Bus stops are found throughout the district centre, with services 240, 4 and 7 amongst others taking up to approximately 25 minutes to reach the city centre bus station.
- 5.95 Environmental quality is varied throughout Normanton Road. The units vary in quality, which is partly a consequence of the stock being dated and generally comprising conversions of terraced residential properties. There is a noted lack of available car parking, leading to congestion. The location of the centre means that it is accessible both from the city centre and areas throughout south Derby.
- 5.96 There is a good level of activity apparent and few vacancies, however the environment is affected by the centre's location adjacent to the busy routes of Normanton Road and Pear Tree Road. The centre shows is vital and viable, but the commercial property stock is in need of investment.

#### Oakwood

- 5.97 Oakwood is a purpose built district centre serving a large 1980s housing development located to the north east of Derby. As a centre, it primarily serves the local community, with a modest range of convenience and comparison goods.

- 5.98 It is anchored by a Co-op foodstore, but also contains various community functions including two medical centres, an opticians, dentist, public house, church and a nursery. There are currently 14 units within the existing district centre boundary accounting for 4,242 sq.m of floorspace. Approximately 55% of retail floorspace is comprised of convenience uses, the largest unit being the Co-op foodstore. In terms of comparison goods uses, the centre contains a dispensing pharmacy and a charity shop making the comparison offer very limited. There were no vacant units at the time of our visit.
- 5.99 The centre is well integrated with the surrounding residential estate and pedestrian footfall was consistent and strong during our visit. The centre is accessible by public transport, with bus services running directly into Derby city centre. Additionally, there is a moderate amount of free parking available.
- 5.100 The centre feels safe, and the shop frontages and streetscape are well kept. The modern, purpose built nature of the district centre ensures a high standard of quality throughout Oakwood.
- 5.101 At the time of our visit there were no vacant units recorded. Oakwood is well maintained and benefits from a pleasant environment. The centre is vital and viable.

#### Sinfin

- 5.102 Sinfin district centre is a purpose built precinct centre located to the south of the city centre. It is surrounded by the Sinfin estate which was built in the 1970s. It is dominated and anchored by an Asda superstore, with a number of smaller units surrounding it which serve local needs. Its significant non-retail offer, which includes a pub, medical centre, library and church, adds to its role. The Asda superstore dominated the centre, accounting for approximately 75% of total retail floorspace. There are currently 17 units within the existing district centre boundary, comprising a total gross floor space of approximately 11,759 sq.m.
- 5.103 There has been a significant decrease in vacant units since 2009 from six to two.
- 5.104 There is a large amount of surface level parking which dominates the frontage of the district centre. The centre is also accessible by bus, with services running directly into Derby city centre from Grampian Way. The façades of the units in the district centre may benefit from improvement work to increase overall attractiveness and desirability of the centre as a place to shop.

5.105 The centre accommodates a good range of general facilities, including a church, health centre, community room social club and library. The general environment would benefit from some improvement and investment. Notwithstanding this, the vacancy rate has decreased in recent years and the centre appears to be performing relatively well. The existing district centre boundary is considered to be appropriate, however there is significant scope for development within the existing district centre boundary. The poor quality units that front the car park immediately adjacent to Asda represent the most obvious potential location. Areas directly adjacent to the existing development centre, such as land adjacent to Arleston Lane, could easily accommodate expansion of Sinfen.

#### Spondon

5.106 Spondon district centre is located approximately 4.5 kilometres to the east of Derby city centre and is to the immediate east of the Spondon Conservation Area.

5.107 Primarily located along narrow Sitwell and Chapel Streets, Spondon district centre abuts a roundabout and suffers from some congestion. Spondon's offer, particularly in respect of convenience goods uses is considered appropriate to support the centre's role. Spondon also has a good level of environmental quality, with the village having previously won a 'Britain in Bloom' award.

5.108 There are a total of 59 convenience, comparison and service units within Spondon. These account for 6,400 sq.m of floorspace. Spondon has a relatively strong comparison goods offer for a district centre, with 25.8% of total floor space in comparison goods use. In addition, 21.6% of floorspace is in convenience goods use. Spondon has a vacancy rate lower than the national average at 5.9%, and the number of vacant units has decreased since the previous study. The diversity of service operators in the centre is considered to be appropriate to support the district centre. However, since the previous study reported in 2009 Spondon, has lost its three banks.

5.109 At the time of our visit strong pedestrian flows were noted throughout Spondon. However, the majority of pedestrian activity was found along Sitwell Street rather than around the parade on Chapel Street. Spondon is well served by public transport, with bus stops located along Sitwell Street providing up to 13 service per hour direct into Derby city centre. Services take approximately 10 minutes to reach the city centre on the Ilkeston Flyer route.

5.110 Spondon is a traditional centre focused around retail but benefits from a range of complementary facilities and services, including a particularly strong variety of community facilities. The centre has a high standard of environmental quality. It is therefore considered to be a generally healthy centre.

## Neighbourhood Centre Healthcheck Summaries

### Blagreaves Lane/Stenson Road

- 5.111 The neighbourhood centre is located approximately 3.5 kilometres to the south of Derby city centre at the junction of Blagreaves Lane and Stenson Road. The centre is surrounded by residential areas and the facilities within the centre serve the immediate day-to-day needs of the local population.
- 5.112 There are a total of 15 units within the defined neighbourhood centre boundary. These units account for 1,334 sq.m of floorspace. The neighbourhood centre is anchored by a Co-op foodstore located at the junction of Blagreaves Lane and Stenson Road. The convenience and comparison offer is considered to be good, with a diverse number of retailers able to meet local needs. Retail and leisure services are also diverse, with the offer considered appropriate to meet the needs of the surrounding area.
- 5.113 The centre is well-maintained, however it is dominated by roads and off street parking areas. Notwithstanding this, the centre was considered to be vital and viable due to there only being one vacancy at the time of our visit. However, the centre has limited scope to expand if demand increases as a result of development to the south of Derby.

### Blenheim Drive

- 5.114 Blenheim Drive neighbourhood centre is located in the suburb of Allestree, approximately 3 kilometres to the north-west of Derby city centre. The centre primarily consists of a 1960/70s purpose built, linear parade of units.
- 5.115 The neighbourhood centre contains a range of convenience and service retailers sufficient to support its function as a centre for the community, meeting the top up shopping needs of local residents. It is a busy neighbourhood centre, with a moderate level of car parking, located on public transport routes.
- 5.116 There are 15 units within the neighbourhood centre, comprising 1,943 sq.m of floorspace. Blenheim Road is anchored by two convenience retailers, Tesco Express and Co-op foodstore. There are a total of four convenience retail units, comprising 650 sq.m of floorspace or 33.4% of the total stock. There are three comparison goods units (equating to 9.1% of total floorspace). There are a total of eight service units within the neighbourhood centre, comprising 53% of all units. This figure includes four

retail service units, comprising 558 sq.m of retail floorspace, or 28.7% of the total. No vacant units were noted within Blenheim Drive neighbourhood centre at the time of our visit.

5.117 Although the centre may benefit from environmental improvements around the car garage, it is generally safe, secure and attractive with no vacancies noted at the time of our visit.

#### Crayford Road

5.118 Crayford Road neighbourhood centre is located in the suburbs of Alvaston and Boulton and in close proximity to identified growth areas in the Derby Urban Area. It is located approximately 4 kilometres to the south-west of Derby city centre. It is dominated by a 1960s purpose built parade of shops and is anchored by a moderately-sized Co-op foodstore.

5.119 The centre is located adjacent to an area of green space between Crayford Road and Boulton Lane and is surrounded by residential areas. Within the defined boundaries of the neighbourhood centre is the Boulton Lane Baptist Church and a small apartment complex.

5.120 There are a total of four units within the defined boundary of Crayford Road. These units account for 616 sq.m of floorspace. Crayford Road centre is anchored by a Co-op foodstore. The convenience offering is considered suitable to serve the day to day shopping needs of the immediate community. The comparison goods retail offer consists of a dispensing pharmacy, including a specialist mobility retailer. The service offer within the neighbourhood centre is relatively limited, consisting of one retail service unit, Bijou Hair Beauty, a hair and beauty salon. This unit comprises 58 sq.m floorspace, or 9.5% of total commercial stock.

5.121 The environmental quality of Crayford Road is mixed. It benefits from the open space located opposite the centre, which is lined by trees but the quality is compromised by litter throughout the centre.

5.122 Crayford Road is a very small neighbourhood centre focused around a Co-op foodstore. There were no vacancies recorded at the time of our visit, which suggests that the centre is performing well in meeting local needs, however the environment would benefit from some improvements. The presence of just one service unit in the neighbourhood centre exemplifies the limited nature of the offer.

#### Drayton Avenue

5.123 Drayton Avenue is a purpose built centre on the Mackworth housing estate, located approximately 3 kilometres to the west of Derby city centre. It is dominated by a traffic island at the junction of Drayton



Avenue and Edgware Road. Drayton Avenue is located approximately 600 metres to the west of Mackworth district centre and 700 metres to the north-west of Humbleton Drive neighbourhood centre. These centres offer a broader range of retail and services than Drayton Avenue.

5.124 The neighbourhood centre consists of five units, covering approximately 687 sq.m of floorspace. The centre is dominated by comparison retailers, and lacks a convenience retailer offering top up shopping. Comparison goods floorspace accounts for 78.3% of the total floorspace in the centre. The lack of a convenience shop providing top up food shopping adversely affect the function of Drayton Avenue as a neighbourhood centre. There are a total of two service units at Drayton Avenue comprising one retail service operator and one leisure service operator. The service offer is therefore less than that found at other neighbourhood centres. However, the Bull and Bush public house is located just beyond the defined centre boundary. There were no vacancies at Drayton Avenue neighbourhood centre at the time of our visit.

5.125 Despite being located in a predominantly residential area, there were no pedestrians noted in the neighbourhood centre at the time of our visit. This indicates that, despite its accessibility, Drayton Avenue may not be that well used. This may be influenced by the lack of a convenience goods operator and the proximity of two other centres.

5.126 The environmental quality and the perception of safety at the centre are compromised by shutters and metal bars covering windows. Drayton Avenue appears in need of investment and the introduction new uses to better serve local needs.

#### Elton Road

5.127 Elton Road is a small neighbourhood centre in the residential area of Osmaston and is located immediately adjacent to the Osmaston regeneration area. The centre itself is formed by a small row of terraced units fronted by an area of newly resurfaced car parking and associated landscaping. The Rolls-Royce Elton Road works is located immediately to the south of the centre. Elton Road is the smallest neighbourhood centre considered in this study.

5.128 There are four units within the defined centre boundary, comprising 302 sq.m of floorspace. Convenience goods uses dominate the total floor space within the neighbourhood centre, with a total of 70.5% floorspace in the centre.

5.129 The function of the neighbourhood centre is limited to serving the immediate surrounding areas as

Elton Road centre is located approximately 600 metres from Osmaston Park, which contains a large Sainsbury's supermarket and leisure service operators, including Pizza Hut and KFC. However, there were no vacancies noted within the neighbourhood centre at the time of our visit.

- 5.130 The recent improvements to the environmental quality of Elton Road have proven beneficial, with the centre considered to have a well-maintained public realm. However, there were some issues noted relating to bin provision and littering, which could be solved through the provision of more bins or improved screening of the bin holding area.

#### Heatherton

- 5.131 Heatherton is a small neighbourhood centre built as part of the surrounding Heatherton village development. It consists of a small parade of shops, anchored by a convenience store and a number of community facilities, including a medical centre and a nursery. The centre is located 4.5 kilometres to the south-west of Derby city centre along a primary route linking to the A38. It is located immediately to the south of Nuffield Health Derby Hospital and Derby Heights Care Home.

- 5.132 There are a total of six units within Heatherton neighbourhood centre. The main parade of retail units account for 1,178 sq.m of floorspace. The convenience and comparison goods offer is less than other centres, possibly due to the proximity of two large district centres, Mickleover and Littleover. In comparison to most other neighbourhood centres, the convenience and comparison goods offer is more limited in Heatherton. The centre is anchored by a Co-op foodstore accounting for 228 sq.m of floorspace, or 19.3% of the total commercial stock. The service offer is diverse, and considered suitable to serve the neighbouring Heatherton village but also a wider area. There were no vacant units noted in Heatherton at the time of our visit.

- 5.133 Bus stops on Hollybrook Way provide direct public transport access into Derby city centre, with the Harlequin bus route providing around three services per hour. The city centre can be reached in around 25 minutes via public transport. Pedestrian crossings line Hollybrook Way and at the junction of Rykneld Road.

- 5.134 Heatherton neighbourhood centre generally feels safe and secure as a purpose-built centre, linked to the Heatherton Village development. The environmental quality is consequently high, with little litter and no graffiti noted at the time of our visit. Opportunities to expand the centre, in order to accommodate planned growth to the south in South Derbyshire, could be accommodated in areas

surrounding the centre but there are few opportunities within the existing boundaries which tightly bound the centre.

#### Holbrook Road

5.135 Holbrook Road is located in the Alvaston area of Derby, a residential suburb approximately 4.5 kilometres from the city centre. It is dominated by a 1960s parade of shops and is anchored by a small convenience store and a public house. The neighbourhood centre is located approximately 900 metres to the south of Alvaston district centre, and benefits from a small amount of car parking and good public transport links.

5.136 There are a total of six units within the neighbourhood centre, accounting for 910 sq.m of floorspace. Holbrook Road is anchored by a moderately sized Co-op foodstore providing 373 sq.m of floorspace, and along with two other convenience retailers, these uses account for 57.8% of floorspace in the centre. This is a greater percentage than the average for neighbourhood centres across Derby and the national average. Although there is not a wide diversity of operators in the centre, the provision is considered appropriate given the location of the centre.

5.137 Holbrook Road neighbourhood centre has an acceptable standard of environmental quality. On the opposite side of Holbrook Road is an area of tree-lined greenspace and the surrounding residential areas are broadly tidy and well-maintained. The neighbourhood centre lacks the level of maintenance noted at similar sized centres, however it appeared well used at the time of our visit and benefits from easy accessibility and a good perception of safety.

5.138 At the time of our visit no vacancies and a reasonable range of facilities to meet local needs were recorded. Whilst the centre may benefit from environmental improvements, it appears to appropriately meet local needs.

#### Humbleton Drive

5.139 Humbleton Drive neighbourhood centre is located approximately 2.5 kilometres to the west of Derby city centre in the suburb of Mackworth. The centre consists of a 1950s parade of shops fronting Humbleton Drive and is located adjacent to Knightsbridge Recreational Ground. The neighbourhood centre is located around 400 metres to the south of Mackworth district centre and 700 metres to the east of Drayton Avenue neighbourhood centre.

5.140 There are a total of 15 units within Humbleton Drive neighbourhood centre, comprising a total floorspace area of 1,729 sq.m. Comparison and convenience retailers dominate the uses at Humbleton Drive neighbourhood centre and account for approximately 58% of the stock of commercial floorspace. Comparison goods uses account for a greater proportion of floorspace at Humbleton Drive than the average for Derby neighbourhood centres or nationally. The wider Mackworth estate has a number of convenience goods stores, and the offer at Humbleton Drive is considered relatively substantial and capable of meeting many of the day to day shopping needs of the immediate community.

5.141 At the time of our visit there were no vacancies recorded, with Humbleton Drive generally appearing to be trading well, though the centre would benefit from improvements to the quality of the public realm.

#### Ladybank Road

5.142 Ladybank Road neighbourhood centre is located in the suburb of Mickleover in the far west of Derby. It is located on bus route into the city centre, located approximately 4.7 kilometres to the west of Ladybank Road. The centre is dominated by two linear parades of shops, one dating from the 1970s and the other of more recent construction.

5.143 There are a total of nine units within the defined neighbourhood centre boundary. These units account for 624 sq.m of floorspace. The retail and leisure service uses are diverse, and the offer is considered to be appropriate for the surrounding area. Service uses account for 85.8% of total floorspace within the centre. The convenience and comparison goods offer is considered to be poor, and is significantly below both the national average and the average amongst neighbourhood centres.

5.144 Ladybank Road neighbourhood centre is located in the north-west of the Mickleover suburb in a mid-20<sup>th</sup> century housing estate. It is easily accessible to the surrounding residential areas, with footpaths providing safe pedestrian access. There is a large car park within the centre, however the surface is poorly maintained. The surrounding residential areas are well-maintained and presented, ensuring a high environmental quality.

5.145 As Ladybank Road is dominated by service uses, the role and function of the centre is compromised by lack of convenience goods provision. In addition, the environmental quality of the centre would benefit from improvement.

### St Thomas' Road-Balaclava Road

- 5.146 The neighbourhood centre is located approximately 2 kilometres to the south of Derby city centre just within the outer ring road. It is located in the suburb of Cavendish, an area dominated by terraced housing. The centre is located 500 metres to the east of Cavendish and 500 metres to the south of Normanton Road district centres. The centre is dispersed along St Thomas' Road and Balaclava Road. It suffers from a number of vacant and poor quality units, which impact on the visual appearance of the centre.
- 5.147 There are 17 units within the St Thomas' Road-Balaclava Road neighbourhood centre, accounting for 1,361 sq.m of floorspace. There are a total of five vacant units within the centre, leading to a vacancy rate of 8.2%. This is a vacancy rate higher than the average for Derby neighbourhood centres. The centre is dominated by comparison goods uses, with the largest units occupied by furniture and motor accessories stores. There are four convenience goods operators within the centre, including two convenience stores, a butcher and a newsagent and off licence. These units account for 249 sq.m of floorspace, or 18.3% of the total stock of floorspace.
- 5.148 Environmental quality is considered to be poor in the centre, this is a consequence of the vacancy rate and poor quality of unit frontages. The centre is generally poorly maintained and relatively unattractive with no national operators recorded at the time of our visit. It is therefore felt that the centre would benefit from investment.
- 5.149 The disperse nature of the centre, and the close proximity of two district centres results in the centre not having an important function for the surrounding area.

### Uttoxeter Road-Friargate

- 5.150 Uttoxeter New Road-Friargate neighbourhood centre is located within close proximity of Derby city centre, being only 400 metres to the west of the city centre boundary. It is located in an area with a number of student Halls of Residence around the University of Derby campuses and consequently provides a centre for student activity. There are a total of 26 units within the neighbourhood centre, together comprising a total of 3,260 sq.m of floorspace.
- 5.151 Leisure services account for 44.1% of total floorspace in the centre, with the centre anchored by three public houses. This might be a reflection of the centre's proximity to areas of student accommodation and the University. Convenience and comparison goods operators account for a lower provision of

floorspace in Uttoxeter New Road-Friargate than in other neighbourhood centres. Comparison units account for 265 sq.m of floorspace, or 8.1% of the total stock and convenience uses account for 602 sq.m of floorspace, or 18.5 % of the total retail floorspace in the centre.

5.152 At the time of our visit one vacant unit was noted.

5.153 The centre is located on a major route into Derby at the junction of the A52 and Uttoxeter Old Road. Despite being located on a busy route into Derby, the environmental quality of Uttoxeter New Road-Friargate is considered to be good. The public realm is well maintained, with some street trees in the centre and litter bins throughout.

5.154 A relatively large neighbourhood centre, Uttoxeter New Road-Friargate benefits from a varied offer with Sainsbury's Local underpinning the centre. Overall, it is visually attractive, with a single (very small) vacant unit, and is considered to be vital and viable and generally performing well.

#### West Chellaston

5.155 West Chellaston is a purpose built centre, located 5.7 kilometres to the south-east of Derby city centre on a modern residential estate. West Chellaston neighbourhood centre serves as a key community facility for the Chellaston development. There are seven units within West Chellaston neighbourhood centre, accounting for 893 sq.m of floorspace. One unit is currently vacant.

5.156 The service offer is considered suitable to serve the needs of the immediate community, and the convenience goods offer is appropriate to provide top up shopping to the Chellaston estate. The comparison goods retail offer is less diverse and weaker than similarly sized, purpose-built neighbourhood centres. West Chellaston neighbourhood centre is dominated by convenience and comparisons goods retailers, which comprise just under 60% of total floorspace in the centre.

5.157 Service uses account for 26.2% of total floorspace at West Chellaston. This includes three units, a hot-food takeaway, a hairdresser and an estate agent. The service used offer within the neighbourhood centre is considered to be suitable to serve the immediate residential community. Also within the neighbourhood centre is a Medical Centre and a number of retail and service operators. Immediately adjacent to West Chellaston centre is the Bluebell Park Care Home.

5.158 The centre benefits for adequate parking and public transport links and a high standard of environmental quality. There is a considerable amount of planting in the centre, and little or no litter

and graffiti was noted at the time of our visit. The quality of the shop façades and frontages is also high.

5.159 A modern and purpose built centre, West Chellaston is focused around retail uses. It is complimented by a range of service and community centres, and currently only has one vacancy despite which the centre generally appears to be a successful and vital.

#### Wiltshire Road

5.160 Located to the north of Derby city centre in the Chaddesden suburb, Wiltshire Road neighbourhood centre is formed by two parades abutting the junction of Wiltshire Road and Roe Farm Lane. The surrounding area is identified in the Local Plan under Policy CP5 as a 'Community Regeneration' area.

5.161 There are 18 units within the Wiltshire Road neighbourhood centre, accounting for 2,344 sq.m of floorspace. Convenience goods operators dominate the retail floorspace within the neighbourhood centre, representing 63.3% of total floorspace. This figure is greater than the average for neighbourhood centres in Derby and the national average.

5.162 Evidence of recent investment in the public realm and some of the units is apparent, however the overall environmental quality of the centre is varied. Wiltshire Road benefits from a high level of accessibility. Wiltshire Road benefits from good accessibility to the surrounding areas and is clean and generally well-maintained, but would benefit from some environmental improvements.

#### Wordsworth Avenue

5.163 Located at the junction of Wordsworth Avenue and Sinfin Lane in the suburb of Sinfin approximately 3.5 kilometres to the south of Derby city centre. It is surrounded by residential areas, but lies immediately to the south of a number of industrial and warehouse units. The centre contains a number of retail and service units and includes some community facilities such as a church.

5.164 There are total of 11 units within the defined centre boundary, amounting to 1,354 sq.m of floorspace. The centre is anchored by convenience and comparison stores, One Stop convenience and Around for a Pound. The convenience use accounts for 21.1% of total retail floorspace in the centre, in comparison to 15.2% nationally.

5.165 There was one vacancy recorded in the centre; the former County Public House. Overall, the centre appears to be trading generally well.

## 6.0 Population and Expenditure

### Household Survey, Study Area and Approach

- 6.1 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. As set out in the introductory Section 1 of this report, the Study Area is derived from that that utilised in the previous 2009 Derby Retail and Leisure Study, and is purposely drawn so as to incorporate parts of the neighbouring authorities of Amber Valley, Ashfield, Bolsover, Broxtowe, Charnwood, Derbyshire Dales, East Derbyshire, Erewash, North West Leicestershire and South Derbyshire. The Study Area is extensive and considered reflective of Derby city centre's regional role and its catchment area in practice<sup>44</sup>. A plan of the Study Area is provided as Appendix 1.
- 6.2 We use the household survey results to inform our assessment of shopping patterns (with relation to the market share of expenditure claimed by various destinations), which is set out at the following Section 7. The survey results also underpin the quantitative retail need assessment provided at Section 8 of this report. However, in order to consider the flow of expenditure to retail destinations, it is first necessary to quantify the level of convenience and comparison goods expenditure generated within the Study Area and each of the zones.
- 6.3 The defined Study Area has been broken down into 20 different survey zones in accordance with postcode sectors in order to gain a comprehensive understanding of respondents' behaviour. The zones are considered to be representative of geographic areas that may accommodate broadly similar patterns of shopping behaviour. The below Table 6.1 sets out the postcode sectors which define each of the zones. The zones were used as the basis for the NEMS household survey and, as such, inform our quantitative retail need assessment. The City of Derby authority area comprises Zones 1, 2 and 6, and parts of Zones 3, 4, 5, 7, 8 and 9.

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<sup>44</sup> As we set out in greater detail at Section 8, the in street surveys undertaken in Derby city centre as part of this commission indicate that the vast majority of visitors originate from within the Study Area, thereby confirming the Study Area's appropriateness



**Table 6.1: Derby Study Area Zones by Postcode Sector**

Survey Zone	Area	Postcode Sectors
Zone 1	Derby City Centre	DE1 1, DE1 2, DE1 3
Zone 2	West of City Centre	DE22 3, DE23 6
Zone 3	South West Derby	DE23 8, DE23 1, DE23 2
Zone 4	West Derby	DE3 9, DE3 0, DE23 3, DE23 4
Zone 5	South Derby	DE24 9, DE24 3, DE73 5, DE73 6
Zone 6	East of City Centre	DE21 6, DE24 1, DE24 8
Zone 7	East Derby	DE21 7, DE24 0
Zone 8	North East Derby	DE21 4, DE21 2
Zone 9	North West Derby	DE22 2, DE22 4, DE22 1
Zone 10	Ashbourne	DE6 1, DE6 2, DE6 3, DE6 4
Zone 11	Matlock	DE56 2, DE4 4, DE4 3, DE4 2, DE4 5
Zone 12	Belper	DE22 5, DE56 4, DE56 0, DE56 1, DE21 5, DE5 8, DE5 3, DE5 9
Zone 13	Alfreton	DE55 7, DE55 1, DE55 2, DE55 3, DE55 4, NG16 6, NG16 5
Zone 14	Ilkeston	NG16 4, DE7 4, DE7 5, DE7 6, DE7 8, DE7 9, DE75 7
Zone 15	West of Nottingham	NG16 3, NG16 1, NG16 2, NG9 3, NG9 4, NG9 5, NG9 6, NG9 7, NG9 8, NG10 5
Zone 16	Long Eaton	DE72 3, NG10 1, NG10 2, NG10 3, NG10 4
Zone 17	South Derbyshire	DE73 8, DE72 2, DE74 2, LE12 9, LE67 8, DE73 7
Zone 18	Swadlincote	DE12 6, DE11 9, DE11 0, DE11 7, DE11 8, LE65 1, LE65 2
Zone 19	Burton upon Trent	DE65 6, DE13 0, DE14 1, DE14 2, DE14 3, DE15 0, DE15 9
Zone 20	Uttoxeter	ST14 5, ST14 7, ST14 8, DE6 5, DE65 5, DE13 8, DE13 9

### Study Area Population

- 6.4 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.
- 6.5 Population growth (and available expenditure) has been considered to 2028 (i.e. across the Local Plan period), to 2029 (to take account of the NPPF guidance to plan for 'at least ten years ahead') and then beyond to 2043 in order to provide an indication as to potential requirements over the longer term. Experian only provides data to 2037 and we have assumed that the annual forecast growth rate apparent at 2037 will also apply subsequent reporting years. As such, the long term forecasts provided at Section 8 should be taken as a general indication of future needs. We set out the assumed population projections for each of the zones at Table 6.2.

- 6.6 Table 6.2 indicates that the Study Area population is forecast to increase from 963,177 persons at 2019 to 1,080,362 persons at 2043, equating to an increase in population of 117,185 persons. The use of Experian population forecasts is commonplace in studies of this nature, which estimate retail needs across a wide area that does not correspond to local authority boundaries. Notwithstanding this, we have reviewed Experian's population forecasts within the City of Derby authority area with reference to the Review of Objectively Assessed Housing Need in Light of 2012-Based Subnational Population Projections<sup>45</sup> report, which acted as the evidence base in respect of population growth for the Local Plan Part 1 Core Strategy.

**Table 6.2: Study Area Population by Survey Zone**

Survey Zone	2018	2023	2028	2029	2033	2038	2043
Zone 1	18,318	18,905	19,494	19,576	19,976	20,317	20,652
Zone 2	38,123	39,373	40,770	41,016	42,112	43,279	44,522
Zone 3	34,156	35,055	36,183	36,407	37,309	38,508	39,729
Zone 4	27,163	27,653	28,372	28,537	29,107	29,899	30,748
Zone 5	35,568	36,602	37,819	38,049	39,021	40,249	41,594
Zone 6	37,400	38,413	39,627	39,845	40,654	41,706	42,736
Zone 7	29,442	29,921	30,653	30,800	31,270	31,753	32,132
Zone 8	24,367	24,956	25,652	25,786	26,313	26,954	27,622
Zone 9	29,735	30,125	30,718	30,859	31,353	31,809	32,229
<b>Sub-Total</b>	<b>274,272</b>	<b>281,003</b>	<b>289,288</b>	<b>290,875</b>	<b>297,115</b>	<b>304,475</b>	<b>311,962</b>
Zone 10	22,019	22,310	22,701	22,764	23,054	23,371	23,659
Zone 11	43,683	44,201	44,838	44,973	45,448	45,902	46,244
Zone 12	60,529	61,713	63,117	63,405	64,465	65,647	66,782
Zone 13	59,840	61,076	62,456	62,701	63,522	64,479	65,507
Zone 14	78,116	79,959	82,175	82,558	84,100	85,925	87,560
Zone 15	100,935	103,225	105,872	106,357	108,163	110,295	112,427
Zone 16	57,101	58,501	60,031	60,333	61,495	62,833	64,290
Zone 17	47,457	48,944	50,620	50,943	52,005	53,010	53,937
Zone 18	72,676	75,139	77,789	78,292	80,172	82,379	84,580
Zone 19	88,930	91,145	93,512	93,923	95,599	97,628	99,656
Zone 20	57,619	58,893	60,334	60,637	61,614	62,694	63,758
<b>Total</b>	<b>963,177</b>	<b>986,109</b>	<b>1,012,733</b>	<b>1,017,761</b>	<b>1,036,752</b>	<b>1,058,637</b>	<b>1,080,362</b>

Source: Table 1 of Appendix 9

- 6.7 Table 15 of the Review of Objectively Assessed Housing Need report summarises the ONS 2012 subnational population projections for the City of Derby. Table 15 sets out an anticipated increase in the City of Derby population from 251,423 persons at 2013 to 276,302 persons at 2028; this equates to

<sup>45</sup> Which was undertaken by GL Hearn and which reported in November 2014

an increase of 24,879 persons over the 15-year period or an increase of around 1,659 persons a year.

- 6.8 By way of comparison, Experian Micromarketer G3 data identifies that the City of Derby population will increase from around 265,260 persons at 2019 to around 281,142 persons at 2028; this equates to an increase of around 1,587 persons a year.
- 6.9 As such, the disparity between Experian's population projections and the forecast level of population growth that has informed the Local Plan Part 1 Core Strategy equates to just over 70 persons per annum in the period to 2018. Such a limited difference is not of material consequence to the findings of a strategic study of this nature, and the use of Experian data is therefore considered robust and appropriate.

### **Retail Expenditure**

- 6.10 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.
- 6.11 The base year for the Experian expenditure data is 2017. Our methodology takes account of the fact that special forms of trading expenditure<sup>46</sup> may not be available to support retail floorspace and then allows for increases in per capita expenditure growth on an annual basis.
- 6.12 Figure 5 of Appendix 3 of ERPBN16 provides forecasts in respect of the proportion of convenience and comparison goods expenditure that will be committed through special forms of trading both now and in the future. We have 'stripped out' any survey responses which relate to expenditure committed via special forms of trading and have instead made an allowance derived from Experian's recommendation (which we consider to be the most appropriate means by which to account for such expenditure).
- 6.13 In considering special forms of trading, it should be noted that many products which are ordered online are actually sourced from a store's shelves or stockroom (particularly in the case of convenience goods). As such, expenditure committed in this manner acts to sustain shops and can generally be considered 'available' to support floorspace, both nationwide and across the Study Area.
- 6.14 Accordingly, in order not to overstate the influence of special forms of trading on retailers, our

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<sup>46</sup> Identified as comprising sales via the internet, mail order, stalls and markets, door-to-door and telephone sales (i.e. all expenditure not available to traditional retail floorspace)

methodology utilises Experian's 'adjusted' allowance for special forms of trading (which is provided at Figure 5 of ERPBN16). This allowance indicates that 3.4% of convenience goods expenditure and 15.5% of comparison goods expenditure is 'lost' to shops at base year 2017 through special forms of trading purchases.

- 6.15 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 ERPBN16. Experian provides overall growth rates and 'adjusted' rates, which account for any additional year-on-year increases in expenditure lost to special forms of trading. We set out Experian's expenditure growth estimates below as our Table 6.3.
- 6.16 The latest growth rates suggest that Brexit will likely influence per capita expenditure growth in the short term, but that growth in comparison goods expenditure should pick up post-2020 as confidence in the economy returns. The outlook is less optimistic in respect of convenience goods growth, which is a consequence of the general trend of shoppers embracing discount retailers and looking to secure value from the food shopping.
- 6.17 For convenience goods, Experian forecasts negative or very limited per capita expenditure growth across the entire period to 2036 (in the range 0.1% to 0.4% per annum). The position is even more pessimistic when account is taken of future growth in special forms of trading. Overall, it is evident that per capita convenience goods expenditure is forecast to rise only slightly to 2037.
- 6.18 The position in respect of comparison goods expenditure is more positive. Whilst Experian's forecast suggests that per capita comparison goods expenditure growth will fall from 5.4% at 2017 to 2.8% at 2018, growth rates recover somewhat in the medium to long term. Per capita comparison goods expenditure growth is forecast to increase to 2.6% at 2019, to 2.8% at 2020, and then to 3.2% at 2021. Experian then forecasts that the annual comparison goods per capita growth rate will remain at or above 3.1% across the remainder of the period to 2036; its forecast therefore suggests that there will be relatively healthy growth in comparison goods even after accounting for expenditure lost to special forms of trading.

**Table 6.3: Experian Retail Planner Briefing Note 15 Convenience and Comparison Goods Annual Growth Rates**

Year	Convenience Goods	Convenience Goods 'Adjusted SFT'	Comparison Goods	Comparison Goods 'Adjusted SFT'
2018	1.1	0.7	2.8	1.0
2019	0.4	0.1	2.6	1.5
2020	0.1	-0.1	2.8	1.8
2021	0.3	0.1	3.2	2.4
2022	0.0	-0.2	3.2	2.6
2023	0.2	0.0	3.5	2.9
2024	0.1	0.0	3.3	3.0
2025	0.1	0.0	3.2	2.9
2026	0.1	0.0	3.3	3.0
2027	0.1	0.0	3.2	3.0
2028	0.2	0.1	3.1	2.9
2029	0.1	0.0	3.2	3.0
2030	0.1	0.0	3.2	3.1
2031	0.2	0.1	3.3	3.2
2032	0.1	0.0	3.2	3.1
2033	0.2	0.1	3.3	3.2
2034	0.0	-0.1	3.1	3.1
2035	0.2	0.1	3.3	3.2
2036	0.1	0.1	3.3	3.2
2037	0.1	0.1	3.2	3.2

Source: Figure 6 of Appendix 3, Experian Retail Planner Briefing Note 16 (December 2018)

- 6.19 Experian only provides expenditure growth forecasts to 2037. In order to provide indicative expenditure growth estimates beyond this date (i.e. to 2043, as the Council requires), we have assumed that the forecast annual expenditure growth rate at 2037 will apply across the subsequent seven years to 2043.
- 6.20 Whilst this is considered the most appropriate means by which to undertake an assessment across this longer timeframe, it is important to recognise that growth in expenditure forecasts in the longer term (beyond the next ten years) should be treated with caution given the inherent uncertainties associated with predicting the performance of the economy over time (particularly in the current economic and political climate).
- 6.21 As such, assessments of this nature should be reviewed in a regular basis in order to ensure that forecasts over the medium and longer term reflect changing circumstances. In this regard, we also note that paragraph 85 of the newly published NPPF requires local planning authorities to allocate sites to meet likely needs '**...looking at least ten years ahead**', which differs from the previous requirement to

meet needs across the entire plan period. We believe that this change directly reflects current economic conditions and the volatility of the retail sector in recent years.

- 6.22 By applying Experian's recommendations in respect of special forms of trading and expenditure growth, we are able to produce expenditure estimates<sup>47</sup> for each survey zone and the Study Area as a whole at 2018, 2023, 2028, 2029, 2033, 2038 and 2043.

### Convenience Goods Expenditure

- 6.23 Taking into account the Study Area resident population and the available per capita convenience goods expenditure, we estimate that £2,138.1m<sup>48</sup> of convenience goods expenditure originates within the Study Area at 2019<sup>49</sup>. The below Table 6.4 indicates that available Study Area convenience goods expenditure is forecast to then increase to £2,416.8m at 2043.
- 6.24 Table 6.5 indicates that this represents an increase of £278.7m (or 13.0%) across the Study Area between 2019 and 2043. Given the relatively static growth in per capita expenditure, this increase can be attributed to the forecast growth in the Study Area's population.

**Table 6.4: Total Available Study Area Convenience Goods Expenditure**

2019 (£m)	2023 (£m)	2028 (£m)	2029 (£m)	2033 (£m)	2038 (£m)	2043 (£m)
2138.1	2184.1	2244.8	2255.8	2302.1	2357.1	2416.8

Source: Table 2a of Appendix 9  
In 2017 prices

**Table 6.5: Growth in Available Study Area Convenience Goods Expenditure**

Growth 2019-23 (£m)	Growth 2019-28 (£m)	Growth 2019-29 (£m)	Growth 2019-33 (£m)	Growth 2019-38 (£m)	Growth 2019-43 (£m)
46.0	106.6	117.7	164.0	219.0	278.7

Source: Table 2a of Appendix 9  
In 2017 prices

- 6.25 We have assumed that around 75% of available convenience goods expenditure would take the form of main food shopping purchases and that around 25% would take the form of top up shopping (which relates to smaller purchases, often including staple items such as milk and bread)<sup>50</sup>. By applying this ratio, we estimate that main food shopping trips account for £1,603.6m of Study Area convenience

<sup>47</sup> As Experian Retail Planner Briefing Note only provides annual expenditure growth forecasts to 2037, we have assumed that the identified growth rate for 2037 provides an approximation of the annual increase in growth to 2043

<sup>48</sup> In 2017 prices, as is every subsequent monetary reference

<sup>49</sup> Tables providing full details of our calculations are provided at Appendix 9

<sup>50</sup> This is a fairly typical split which is applied in undertaking this exercise

goods expenditure at 2019, and top up shopping trips account for £534.5m.

### Comparison Goods Expenditure

- 6.26 For comparison goods, Table 6.6 sets out our 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 significantly to £7,049.8m at 2043. As identified by Table 6.7, this represents a very substantial increase of £3,953.2m between 2019 and 2043. The large majority of this growth is forecast to occur in the longer term (i.e. between 2028 and 2043).
- 6.27 The identified increase in comparison goods expenditure growth is substantial, but it represents a level of annual growth that is more circumspect than that which has been achieved in the past. This is due both to a reduction in the overall level of growth when compared to that achieved in the early part of this millennium and as a consequence of further forecast increases in expenditure committed via special forms of trading (most obviously, internet shopping).

**Table 6.6: Total Available Study Area Comparison Goods Expenditure**

2019 (£m)	2023 (£m)	2028 (£m)	2029 (£m)	2033 (£m)	2038 (£m)	2043 (£m)
3,096.7	3,488.1	4,143.6	4,289.0	4,945.1	5,903.3	7,049.8

Source: Table 8 of Appendix 9  
In 2017 prices

**Table 6.7: Growth in Available Study Area Comparison Goods Expenditure**

Growth 2019-23 (£m)	Growth 2019-28 (£m)	Growth 2019-29 (£m)	Growth 2019-33 (£m)	Growth 2019-38 (£m)	Growth 2019-43 (£m)
391.5	1,046.9	1,192.3	1,848.4	2,806.6	3,953.2

Source: Table 8 of Appendix 9  
In 2017 prices

- 6.28 Our assessment sub-divides comparison goods expenditure into eight categories, these being: 'DIY', 'Electrical' and 'Furniture' (collectively referred to as bulky goods), and 'Clothing and Footwear', 'CDs, DVDs and Books', 'Health, Beauty and Chemist Goods', 'Small Household Goods' and 'Toys, Games, Bicycles and Recreational Goods' (collectively referred to as non-bulky goods). The proportion of expenditure directed to each sub-category is estimated by Experian on a zonal basis.
- 6.29 Experian's estimates are reflected in the detail expenditure tables set out at Table 7b of Appendix 9.
- 6.30 In considering expenditure growth, it should be noted that not all growth arising within the Study Area will be available to support additional floorspace. Instead, account needs to be taken of: the market

share of expenditure secured by retailers within the City of Derby authority area; the claim made by existing retailers on expenditure growth (the future efficiency of retail floorspace); and, the expenditure that will be claimed by committed retail developments. We consider the matter of expenditure growth and future floorspace requirements at Section 8 of our report, which follows the review of shopping patterns and market shares provided below at Section 7.



## 7.0 Market Research: Household Survey

### Household Survey Results

- 7.1 The NEMS household survey identifies where residents travel to undertake a range of shopping and leisure activities. The summary of results provided in this section focuses on the market share secured by retail venues for various types of shopping.
- 7.2 The household survey is reproduced as part of Appendix 2 of this Study. 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<sup>51</sup>; 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.
- 7.3 The analysis that follows 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 (as established at

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<sup>51</sup> Both of the responses are recorded whether they are the same or different in order to gain a greater appreciation of shopping habits in the current marketplace, where it is not uncommon for shoppers to visit more than one large grocer in undertaking their main food shopping

Section 6) 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.

- 7.4 In terms of comparison goods, Experian Micromarketer G3 data is provided on a sectoral basis. Across the Study Area as a whole, Experian data indicates that residents' comparison goods expenditure is composed in the manner set out at Table 7.1.

**Table 7.1: Experian Micromarketer Expenditure by Comparison Goods Sub-Sector**

Sector	Proportion of Overall Comparison Goods Expenditure
Clothing and footwear	25.1%
Books, CDs, DVDs and stationery	5.7%
Small household goods	14.1%
Toys, games, bicycles and recreational goods	12.9%
Chemist goods (including health and beauty)	13.4%
Electrical goods	12.8%
DIY and gardening goods	6.1%
Furniture, carpets and floor coverings	9.8%
<b>Total</b>	<b>100.0%</b>

Source: Derived from Table 8 of Appendix 9

- 7.5 The assessment of market shares set out below is based on the *expenditure* that flows to particular retail destinations. As such, in each case the identified turnover claimed by a particular destination is divided by the overall expenditure generated within the zone or overall Study Area in order to establish its market share. We have tried to ensure that our approach in considering market share is as consistent as possible with that adopted in undertaking the previous 2009 Retail and Leisure Study. On this basis, we are able to undertake an assessment of how the market share of retail facilities in Derby has changed over time.
- 7.6 Whilst this is a useful exercise, it is important to recognise that a different consultant – Roger Tym & Partners – undertook the previous 2009 Study, and that good practice has evolved in the intervening years. In terms of the household survey, our approach does differ with the methodology previously employed in 2009 in terms of:
- the convenience goods questions ask respondents' where they *last* shopped rather than where they *usually* shop;
  - the convenience goods questions also ask respondents where they shopped *the time before last*, and

- the comparison goods questions relate to eight sub-sectors, rather than the five<sup>52</sup> relied on by Roger Tym & Partners.

7.7 Any direct comparison between the two sets of survey results therefore needs to be qualified in the above context. As such, the below analysis identifies where both where there are difficulties in trying to monitor changes in market share over time, and where the appropriate information is simply not available.

7.8 As identified at Section 6 of this report, the Study Area's 20 zones cover a wide geographic area and encompass a number of other authority areas. The City of Derby authority area is located entirely within Zones 1 to 9, and this area is therefore of particular interest in considering market share. In this regard, we expect Derby's convenience goods provision to secure almost all of the convenience goods turnover which originates within these nine central zones (as convenience goods shopping is generally undertaken as close to home as possible). In respect of comparison goods, the role of Derby city centre is such that it should also attract the large majority of such expenditure arising within Zones 1 to 9, but a significantly lesser proportion of comparison goods expenditure from more peripheral zones, such as Zones 11, 13, 15 and 18.

### Convenience Goods Analysis

7.9 Our assessment of convenience goods market share is presented in four sections, as follows:

- we first consider the market share of main food and top up shopping expenditure claimed by all convenience goods facilities within the City of Derby authority area;
- we then consider the convenience goods catchment of both the City of Derby authority area and Derby city centre;
- the third part of our analysis considers the localised convenience goods retention rate within the nine central zones; and
- our convenience goods market share analysis then concludes by identifying the dominant foodstores within particular zones.

### Convenience Goods Market Share Secured by the City of Derby Authority Area

7.10 Table 7.2 identifies the market share of main food and top up food expenditure claimed by foodstores

<sup>52</sup> Roger Tym & Partners categories comprise: clothing and footwear; furniture, carpets and soft furnishings; DIY and decorating goods; domestic appliances; and, specialist/other goods

located within the City of Derby. The table indicates that facilities in the Derby authority claim 94.2% of main food shopping expenditure and 95.3% of top up shopping expenditure that originates within the central Zones 1 to 9. Overall, Derby's retailers claim 94.5% of convenience goods expenditure that originates within the central zones. Whilst this performance suggests that the vast majority of food shopping needs can be met within the Derby authority area, it is evident that the overall convenience goods market share has decreased very slightly from that recorded by the previous Study (at which point the overall market share for the central zones was 96.5%)<sup>53</sup>. Similarly, the market share of all Study Area convenience goods expenditure claimed by facilities within the City of Derby has decreased slightly in recent years, from 33.6% at 2008 to 31.6% at 2019.

- 7.11 However, it is important to note that the reduction is relatively limited and that the market share of expenditure claimed by facilities in Derby is still indicative of a strong performance and an ability to appropriately meet food shopping needs within the authority area. There will always be some 'leakage' of expenditure, not least from those who undertake food shopping as part of a linked trip that takes them outside of the City of Derby for work or to visit family and friends. As such, the 4.5% of convenience goods shopping expenditure arising in the central zones that is spent outside Derby is not considered symptomatic of any particular problem in respect of the strength of the offer and customer choice.

**Table 7.2: Market Share of Convenience Goods Expenditure Secured by Facilities in the City of Derby**

Year	Type of Convenience Goods Shopping	City of Derby Zones	Outer Zones	Overall Study Area
2019	Main food shop	94.2%	10.1%	32.5%
	Top up food shop	95.3%	4.5%	28.7%
	Overall convenience goods	94.5%	8.7%	31.6%
2008	Overall convenience goods	96.5%	10.2%	33.6%

Source: Table 4 of Appendix 9 and Sheet 6a of Volume 2 of the Derby Retail and Leisure Study of 2009

#### Convenience Goods Catchment of Derby Authority Area and Derby City Centre

- 7.12 We set out below the market share claimed by convenience goods facilities in both the authority area and Derby city centre on a zonal basis. Consideration of the zonal market share provides an indication of the areas which look to the wider authority area and to facilities within the city centre to meet their

<sup>53</sup> The foodstore located outside of the Derby authority area which attracts the greatest expenditure from inside the authority area is the Aldi at Hilton (within South Derbyshire), which claims 15.3% of main food expenditure which originates within Zone 4

needs.

**Table 7.3: Zonal Derby Market Shares**

Zone	City of Derby Authority Area	Derby City Centre
1	98.1%	21.8%
2	98.7%	5.1%
3	95.0%	4.0%
4	86.9%	1.7%
5	94.6%	2.5%
6	93.6%	3.8%
7	95.6%	8.3%
8	97.7%	3.3%
9	92.0%	4.0%
<b>Sub-Total</b>	<b>94.5%</b>	<b>4.9%</b>
10	7.8%	0.0%
11	0.5%	0.0%
12	9.2%	0.0%
13	1.7%	0.4%
14	11.1%	1.5%
15	3.5%	0.0%
16	14.7%	0.3%
17	22.2%	0.3%
18	2.6%	0.0%
19	14.5%	0.0%
20	10.1%	0.1%
<b>Total</b>	<b>31.6%</b>	<b>1.6%</b>

Source: Table 4 of Appendix 9

7.13 The above Table 7.3 demonstrates that the Derby authority area claims the vast majority of convenience goods expenditure that originates within the central Zones 1 to 9. In these zones, the convenience goods market share claimed by facilities within the authority ranges from 86.9% (in Zone 4) to 98.7% (in Zone 2). The vast majority of Zone 4 convenience goods expenditure which is spent outside Derby authority area is directed to the Aldi at Hilton, which is a short distance down the A516 from Zone 4 (and therefore is appropriately located to help meet Zone 4's needs).

7.14 Convenience goods floorspace in Derby benefits from relatively little expenditure from zones which are located outside the authority area, which is unsurprising given the local nature of convenience goods retailing. Derby's convenience goods retailers claim a market share of more than 20% of convenience goods expenditure from a single outer zone, namely Zone 17 (for which Derby's retailers benefit from a market share of 22.2%). A large proportion of the expenditure Derby claims from Zone 17 is directed

to the Sainsbury's superstore at Chaddesden, which is accessible to residents of the zone via the A6 Derby Spur. Overall, facilities within the Derby authority area claim 31.6% of Study Area convenience goods expenditure.

- 7.15 The market share of convenience goods expenditure claimed by retailers in Derby city centre is very limited. Even in the central Zone 1, the city centre has a market share of just 21.8%. This indicates that city centre residents are travelling outside of the area – most notably to Morrisons at Wheatcroft Way in Zone 8 – in order to undertake main food shopping. Whilst the city centre claims some convenience goods expenditure from almost all Study Area zones (generally reflecting that fact that a limited amount of food shopping is undertaken whilst visiting the centre for other purposes), the centre's overall market share is low and indicative of a limited offer.
- 7.16 The plan provided as Appendix 10 illustrates the extent of the city centre's limited convenience goods catchment.
- 7.17 We have not been able to undertake a zonal market share comparison with the 2008 survey results, as the previous 2009 Retail and Leisure Study tables fail to precisely identify all of the destinations which claimed convenience goods expenditure within each zone.

#### Localised Convenience Goods Retention Levels within Central Study Area Zones

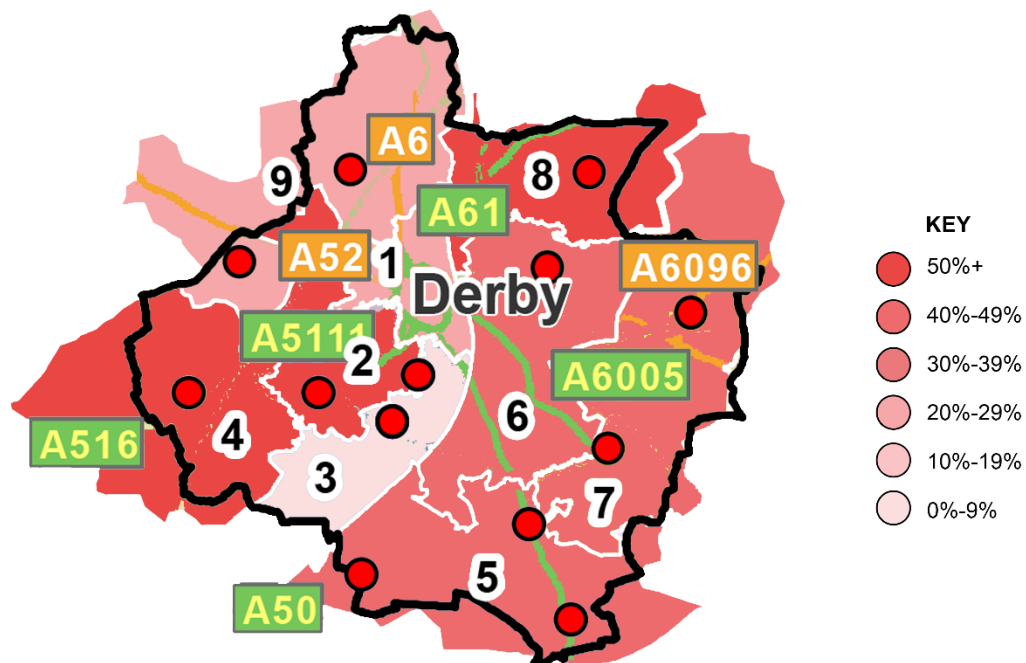
- 7.18 Table 7.4 identifies the convenience goods retention rate within each zone. Such retention rates should only be viewed as a broad barometer of how local needs are being met, given that identified 'leakage' will typically be to an adjacent zone.
- 7.19 Notwithstanding this, it is evident that the three zones that secure a retention rate in excess of 50% of all convenience goods expenditure – these being Zones 2, 4 and 8 – all benefit from a large food superstore. In this regard, we note that:
- Zone 2 has a convenience goods retention rate of 52.1% and accommodates a Sainsbury's superstore at Kingsway Retail Park, an Aldi at Uttoxeter Road, and a Lidl at Southgate Retail Park;
  - Zone 4 has a convenience goods retention rate of 54.2% and accommodates a Tesco superstore at Kipling Drive in Mickleover; and
  - Zone 8 has convenience goods retention rate of 58.9% and accommodates a Morrisons superstore at Wheatcroft Way and an Aldi at Meteor Retail Park.

**Table 7.4: Localised Convenience Goods Retention Levels**

Zone	Area	Localised Retention Rate 2019	Localised Retention Rate 2008
1	Derby City Centre	21.8%	37.0%
2	West of City Centre	52.1%	42.1%
3	South West Derby	6.0%	6.0%
4	West Derby	54.2%	58.6%
5	South Derby	40.1%	55.6%
6	East of City Centre	46.4%	32.1%
7	East Derby	40.2%	59.8%
8	North East Derby	58.9%	42.1%
9	North West Derby	28.4%	21.1%

Source: Table 4 of Appendix 9 and Table 4.12 of the Derby Retail and Leisure Study of 2009

7.20 We provide a plan illustrating the localised convenience goods retention rates within Zones 1 to 9 below at Figure 7.1.

**Figure 7.1: Plan Illustrating Proportion of Zonal Convenience Goods Expenditure Retained in Zone**

7.21 A number of zones have substantially different convenience goods retention rates to those recorded at the time of the previous Study.

7.22 In particular, we note that:

- in Zone 1, the retention rate has decreased from 37.0% at 2008 to 21.8% at 2018. Analysis of the respective household surveys indicates that this can be attributed, in part, to a reduction in popularity of the Sainsbury's foodstore at Copecastle Square in the Intu shopping centre, and an increase in the number of discount foodstores in surrounding zones;
- in Zone 5, the retention rate has decreased from 55.6% at 2008 to 40.1% at 2018, which appears to be principally a consequence of trade diverting to the Aldi at Coleman Street in Alvaston (within Zone 6) that opened in 2015;
- the abovementioned Aldi store at Coleman Street in Alvaston has assisted in the convenience goods retention rate in Zone 6 increasing from 32.1% at 2008 to 46.4% at 2018;
- in Zone 7, the retention rate has decreased from 59.8% at 2008 to 40.2% at 2018, which appears to result from the new Aldi at Coleman Street in Alvaston and the improved trading performance of the Aldi store at Nottingham Road in Chaddesden (Zone 6); and
- in Zone 8, the retention rate has improved significantly from 42.1% at 2008 to 58.9% at 2018, which can be attributed to improved facilities in the form of the Aldi that opened at Meteor Retail Park in 2013 and the Co-op foodstore that took on the former Somerfield at Oakwood district centre some years ago.

7.23 Zone 3 has by far the lowest convenience goods retention rate of the central Study Area zones. Despite having an estimated population of 34,156 persons at 2019, the most popular food retail provision in the zone is the small-scale Tesco Express at Stenson Road in Sunnyhill. Whilst there may be the potential to improve the local provision in this area, it is relevant to note that the Sainsbury's superstore at Osmaston Park and the Asda superstore at Sinfin are located a relatively short distance to the south and to the east of Zone 3.

#### Dominant Foodstores within Central Study Area Zones

7.24 Table 7.5 compares the most popular destinations for convenience goods shopping at 2018, with those identified in the previous Study. The table indicates that, whilst the single most popular foodstore in each zone at 2008 almost always remains the most popular destination, the market shares secured by particular stores has changed significantly over time.

7.25 In this regard, we note that whilst the Asda at Sinfin district centre remains the most popular foodstore in Zone 5, its market share of convenience goods expenditure in that zone reduced from 45.6% at 2008



to 23.8% at 2019. Similarly, the Asda at Spondon remains the most popular foodstore in Zones 6 and 7. However, its market share in Zone 6 reduced from 36.3% at 2008 to 18.5% at 2019, and its market share in Zone 7 reduced from 46.6% to 25.0% over the same period.

7.26 It is notable that Zones 5, 6 and 7 provide easy access to discount foodstores that have opened since the previous Study reported in 2009 (most notably, the Aldi at Coleman Street in Alvaston and the Lidl at Nottingham Road). In addition, the discount foods sector has generally become a much more attractive proposition to customers in recent years, and the performance of the Aldi at Nottingham Road in Chaddesden is significantly stronger than it was a decade ago.

**Table 7.5: Market Share of Key Convenience Goods Shopping Venues by Zone**

Zone	2019			2008		
	Highest Market Share	Second Highest Market Share	Third Highest Market Share	Highest Market Share	Second Highest Market Share	Third Highest Market Share
1	Morrisons, Wheatcroft Way (33.9%)	Sainsbury's Wyvern Retail Park (8.1%)	Tesco Metro, St Peters Street (6.6%)	Sainsbury's Westfield (27.0%)	Morrisons, Wheatcroft Way (13.4%)	Sainsbury's, Kingsway (11.9%)
2	Sainsbury's, Kingsway (17.0%)	Asda, Sinfon District Centre (11.2%)	Aldi, Uttoxeter New Road (10.2%)	Sainsbury's, Kingsway (27.6%)	Asda, Sinfon District Centre (10.5%)	Sainsbury's Westfield (10.2%)
3	Asda, Sinfon District Centre (33.8%)	Sainsbury's, Osmaston Park (14.5%)	Lidl, Normanton Road District Centre (5.0%)	Asda, Sinfon District Centre (30.1%)	Sainsbury's, Osmaston Park (14.5%)	Pak Foods, Normanton (7.4%)
4	Tesco, Mickleover (44.9%)	Aldi, Uttoxeter New Road (9.3%)	Sainsbury's, Kingsway (7.9%)	Tesco, Mickleover (51.9%)	Sainsbury's, Kingsway (16.5%)	Mickleover District Centre (3.9%)
5	Asda, Sinfon District Centre (23.8%)	Sainsbury's, Osmaston Park (16.5%)	Aldi, Coleman Street, Alvaston (10.4%)	Asda, Sinfon District Centre (45.6%)	Asda, Spondon (11.8%)	Sainsbury's, Osmaston Park (7.1%)
6	Asda, Spondon (18.5%)	Aldi, Coleman Street, Alvaston (13.7%)	Aldi, Nottingham Road, Chaddesden (7.1%)	Asda, Spondon (36.3%)	Morrisons, Wheatcroft Way (11.0%)	Sainsbury's, Osmaston Park (7.1%)
7	Asda, Spondon (25.0%)	Sainsbury's Wyvern Retail Park (9.0%)	Aldi, Coleman Street, Alvaston (8.2%)	Asda, Spondon (46.6%)	Sainsbury's Wyvern Retail Park (11.0%)	Aldi, Chaddesden / Iceland, Alvaston (3.3%)
8	Morrisons, Wheatcroft Way (26.7%)	Asda, Spondon (12.7%)	Sainsbury's Wyvern Retail Park (7.1%)	Morrisons, Wheatcroft Way (30.9%)	Asda, Spondon (29.1%)	Sainsbury's Wyvern Retail Park (14.0%)
9	Morrisons, Wheatcroft Way (16.2%)	Co-op, Park Farm, Allestree (12.8%)	Sainsbury's, Kingsway (11.5%)	Morrisons, Wheatcroft Way (21.0%)	Sainsbury's, Kingsway (20.8%)	Tesco, Mickleover (9.4%)

Source: Table 4 of Appendix 9 and Table 4.13 of the Derby Retail and Leisure Study of 2009

7.27 These stores (and other discounters, including the Aldi at Uttoxeter New Road, the Lidl at Southgate Retail Park and the Aldi at Meteor Retail Park) generally appear to trade very well. As a consequence, discount foodstores are amongst the top three performing foodstores in six of the central zones (Zones 2, 3, 4, 5, 6 and 7). By way of comparison, in 2008, a discounter was one of the top three performing

foodstores in just one of the zones (Zone 7).

- 7.28 The consideration of zonal market shares generally indicates the food shopping journeys are generally undertaken in a sustainable manner and that most trips are undertaken to proximate destinations.
- 7.29 Exceptions to this are apparent in Zone 1, where a higher than anticipated proportion of shopping trips are directed to the Morrisons at Wheatcroft Way (in Zone 3), and in Zones 2 and 3, where a relatively substantial proportion of food shopping trips are directed to the Asda at Sinfin district centre (in Zone 5). Some of these trips could possibly be averted should additional food retail provision come forward in a central location within Derby.

### Comparison Goods Analysis

- 7.30 Our approach in respect of comparison goods is relatively similar to the above assessment of convenience goods shopping patterns. As such, we:
- first consider the market share of comparison goods expenditure (by sub-sector) claimed by all facilities within the City of Derby authority area;
  - then consider the comparison goods catchment of both the City of Derby authority area and Derby city centre;
  - identify the most popular comparison goods shopping destinations for residents of the Study Area; and
  - then consider market share on a sectoral basis (for the critical clothing and footwear sector, and then for non-bulky and bulky goods).

### Comparison Goods Market Share Secured by the City of Derby Authority Area

- 7.31 As Table 7.6 identifies, the Derby authority area secures a market share of 90.9% of comparison goods expenditure that arises within the central Zones 1 to 9, and 24.1% of such expenditure that originates within the outer Zones 10 to 20. As such, comparison goods retailers within the authority area claim 41.2% of all such Study area expenditure. The overall identified market shares represent an improvement on the figures recorded in the 2008 household survey, which indicated that Derby facilities claimed a market share of 37.8% of all Study Area comparison goods expenditure. An improvement of 3.4 percentage points over the past decade is clearly a positive development.

**Table 7.6: Market Share of Comparison Goods Expenditure Secured by Facilities in the City of Derby**

Year	Type of Comparison Goods Shopping	City of Derby Zones	Outer Zones	Overall Study Area
2019	Clothing and footwear	87.5%	29.2%	45.5%
	Books, CDs, DVDs and stationery	94.9%	27.2%	45.0%
	Small household goods	80.1%	18.4%	34.7%
	Toys, games, bicycles and recreational goods	95.2%	33.4%	48.7%
	Chemist goods (including health and beauty)	97.3%	12.2%	34.4%
	Electrical goods	96.4%	25.7%	44.1%
	DIY and gardening goods	95.6%	21.4%	39.4%
	Furniture, carpets and floor coverings	83.3%	17.6%	34.7%
	Overall comparison goods	90.3%	23.7%	41.2%
2008	Overall comparison goods	84.9%	20.7%	37.8%

Source: Table 25 of Appendix 9 and Sheet 4a of Volume 2 of the Derby Retail and Leisure Study of 2009

7.32 There are three comparison goods sub-sectors which have a central zones market share of less than 90.0%, these being: clothing and footwear (which has a market share of 87.5%); small household goods (80.1%); and, furniture, carpets and floor coverings (83.3%).

7.33 In the outer zones (Zones 10 to 20), the largest sub-sector market shares are apparent for toys, games, bicycles and recreation goods (which has a market share of 33.4%), clothing and footwear (29.2%) and books, CDs, DVDs and stationery (27.2%). This is not unexpected given that clothing purchases are often undertaken where this is substantial choice (i.e. in higher order centres) and the other two sectors are often purchased in specialist shops, which have a greater likelihood of being provided in larger centres. In contrast, Derby only secures a market share of 12.2% of health and beauty expenditure that originates within the outer zones, which reflect the fact that many such goods are purchased in a similar manner to convenience goods (i.e. as close to home as possible).

#### Comparison Goods Catchment of Derby Authority Area and Derby City Centre

7.34 We provide below the market share claimed by comparison goods retailers in both the authority area and Derby city centre on a zonal basis. Once again, the zonal market share clearly identifies those areas which look to the authority area and the city centre to meet their needs.

7.35 The below Table 7.7 once again indicates that the vast majority of residents within central zones are able to meet their comparison goods shopping needs within the City of Derby. Within all of the central Zones 1 to 9, facilities within the Derby authority area are able to claim about nine out of every ten comparison goods pounds spent. In addition, the Derby authority area benefits from a comparison

goods market share of 50.6% in Zone 10 and 45.8% in Zone 12 (these two zones being close to Derby and distant from the regional centre of Nottingham).

7.36 Table 7.7 indicates that Derby city centre secures a near identical market share (equating to between 50.8% and 51.9% of all comparison goods expenditure) in Zones 1, 2 and 3. These areas accommodate a residential population which benefits from particular good access to the city centre. The city centre then benefits from a market share of over a third in a further seven zones, including Zone 10, which is outside the Study Area but offers very good access to the city centre via the A52. Once more, the location of Zone 10 is such that the Derby is the most conveniently located higher order comparison goods centre for residents of this zone.

**Table 7.7: Zonal Derby Market Shares**

Zone	City of Derby Authority Area	Derby City Centre
1	87.3%	50.8%
2	93.5%	51.8%
3	92.6%	51.9%
4	87.0%	34.4%
5	90.2%	33.9%
6	94.1%	34.2%
7	88.4%	37.6%
8	91.8%	34.9%
9	87.5%	38.6%
<b>Sub-Total</b>	<b>90.3%</b>	<b>40.4%</b>
10	50.6%	37.5%
11	14.7%	7.6%
12	45.8%	27.0%
13	18.9%	9.6%
14	30.2%	20.1%
15	6.2%	4.5%
16	34.5%	19.5%
17	37.9%	20.1%
18	2.2%	2.1%
19	13.7%	7.3%
20	36.2%	23.7%
<b>Total</b>	<b>41.2%</b>	<b>21.3%</b>

Source: Table 25 of Appendix 9

7.37 The zones where both the authority area and city centre market shares are weak are either relatively distant from Derby or benefit from good access to a competing centre. By way of example, the Derby authority area secures:

- just 2.2% of comparison goods expenditure that originates within Zone 18, which is reflective of this zone accommodating Swadlincote town centre (which secures a Zone 18 market share of 37.2%) and offering good access to Burton-upon-Trent town centre (19.9%);
- 6.2% of comparison goods expenditure that originates within Zone 15, which is partly reflective of the accessibility of this zone to Nottingham city centre (which secures a Zone 15 market share of 32.3%); and
- 14.7% of comparison goods expenditure that originates within Zone 11, which is reflective of this zone accommodating Matlock town centre (which secures a Zone 11 market share of 19.9%) and being relatively close to Chesterfield (21.9%).

7.38 Overall, the Derby authority area attracts just over four out of every ten pounds spent on comparison goods that originates within the Study Area, and Derby city centre attracts just over two out of every ten pounds spent on comparison goods. The plan provided as Appendix 11 illustrates the extensive nature of the city centre's comparison goods catchment.

#### Dominant Comparison Goods Retail Destinations Across the Study Area

7.39 As established by the above Table 7.6, the overall market share of the City of Derby authority area has increased from 37.8% at 2008 to 41.2% at 2019. Notwithstanding this, it appears that there has been a decrease in the overall market share claimed by comparison goods facilities within Derby city centre. This is attributable to the increased comparison goods market share claimed by out of centre destinations, most notably Kingsway Retail Park.

7.40 However, in considering changes in market share, we note that the previous 2009 Retail and Leisure Study identified some patterns of shopping behaviour which appear somewhat implausible. For example, the turnover for Burton upon Trent town centre as identified by the 2009 Study is very significantly in excess of the turnover identified for the same centre by the most recent East Staffordshire Retail and Leisure Study<sup>54</sup>. By contrast, the identified 2008 turnover of Swadlincote town centre is very substantially below its trading performance as identified by the most recent Swadlincote

<sup>54</sup> East Staffordshire Retail and Leisure Study, Peter Brett Associates, October 2013

Town Centre Retail and Leisure Study<sup>55</sup>. In this regard, all surveys have a margin of error and should be treated as broad indications of shopping behaviour.

- 7.41 Even in this context, the identified increase in popularity of Kingsway Retail Park is a cause for concern, as its claimed market share of Study Area comparison goods expenditure has increased from 3.3% at 2008 to 6.6% at 2019. Kingsway Retail Park has a strong tenant line up (including Argos, Boots, Next and TK Maxx) and any further proposals to materially increase its offer should be considered carefully. Kingsway Retail Park is a highly accessible location across much of the surrounding area as a consequence of its proximity to the A38 and, as such, it is capable of attracting trade from across the Study Area which may otherwise have been claimed by Derby city centre.

**Table 7.8: Most Popular Comparison Goods Destinations within Study Area**

Study Area Destination	Comparison Goods Expenditure from Study Area Residents at 2019	Market Share of Study Area Expenditure at 2019	Comparison Goods Expenditure from Study Area Residents at 2008	Market Share of Study Area Expenditure at 2008
Derby city centre	£659.1m	21.3%	£637.4m	24.9%
Burton upon Trent town centre	£221.0m	7.1%	£364.1m	14.3%
Kingsway Retail Park	£204.5m	6.6%	£85.5m	3.3%
Giltbrook Retail Park (inc. Ikea)	£133.0m	4.3%	£47.1m	1.8%
Swadlincote town centre	£97.3m	3.1%	£28.0m	1.1%
Wyvern Retail Park	£89.9m	2.9%	£75.4m	3.0%
Long Eaton town centre	£80.6m	2.6%	£82.8m	3.2%
Ilkeston town centre	£74.3m	2.4%	£70.1m	2.7%
Meteor Centre Retail Park	£56.6m	1.8%	£28.3m	1.1%
Alfreton town centre	£48.7m	1.6%	£47.0m	1.8%
Uttoxeter town centre	£47.0m	1.5%	£34.5m	1.4%

Source: Table 25 of Appendix 9 and Table 4.2 and Sheet 4a of Volume 2 of the Derby Retail and Leisure Study of 2009

Note: The 2008 figures are an unknown price base and therefore have not been converted; 2019 figures are in 2017 prices; includes all destinations securing a comparison goods market share of 1.5% or greater

- 7.42 Accepting this, it is still of concern that the comparison goods market share of the city centre has apparently decreased whilst the market share of the Derby authority area has increased. In contrast, Table 7.8 identifies that most of the principal out of centre retail parks in the Study Area have very substantially increased their comparison goods market share over the past decade. In this regard, the market share of Kingsway Retail Park has increased from 3.3% to 6.6%; the market share of Giltbrook Retail Park has increased from 1.8% to 4.3%; and, the market share of the Meteor Centre has increased

<sup>55</sup> Swadlincote Town Centre Retail and Leisure Study, WYG, October 2015

from 1.1% to 1.8%. As such, the collective increase in the comparison goods performance of the retail parks more than accounts for the reduction in market share of Derby city centre.

#### Dominant Comparison Goods Retail Destinations by Sector and Zone

- 7.43 It is not possible to undertake a detailed comparison of changes in shopping behaviour by comparison goods sub-sector as the previous household survey consider only five comparison goods sub-sectors, as opposed to the eight considered by the survey that underpins this Study.
- 7.44 As such, our analysis considers zonal market shares for: the clothing and footwear sub-sector (for which the 2008 and 2018 surveys had a comparable approach); non-bulky goods (which clothing and footwear is one component of); and, bulky goods.
- 7.45 As Table 7.9 identifies, Derby city centre is the dominant destination for clothing and footwear shopping, with it being the most popular destination for such shopping in 16 out of 20 zones. Within central Zones 1 to 9, at least six out of every ten pounds spent on clothing and footwear is directed towards the city centre. In each of these zones, there is no single competing destination which is able to attract a market share of anywhere near the same level. Even in the more peripheral Zones 10 to 20, Derby city centre secures a market share of more than one third of all clothing and footwear expenditure that originates within Zones 10, 12, 14, 16, 17 and 20. In these peripheral zones, Derby appears to have become a more popular destination for clothing and footwear shopping over the past decade, which may be a consequence of the Intu Derby shopping centre becoming better established (after opening a very significant extension in 2007 whilst trading as Westfield Derby).
- 7.46 Across the Study Area as a whole, we note that Derby city centre has a reduced market share in five zones since 2008 (Zones 1, 4, 11, 18 and 19), with the other 15 zones benefitting from the same or an improved market share. As a consequence of this, Derby city centre has a clothing and footwear market share across the Study Area of 39.7%, which compares to 33.0% at 2008.

Burton upon Trent town centre remains the second most popular destination for clothing and footwear shopping across the Study Area (albeit with a market share that reduced from 14.3% at 2008 to 9.4% at 2018). Nottingham city centre also remains the third most popular venue across the Study Area for clothing and footwear shopping (also with a reduced market share, which has declined from 11.4% at 2008 to 9.7% at 2018).

**Table 7.9: Market Share of Clothing and Footwear by Zone**

Zone	2018			2008		
	Highest Market Share	Second Highest Market Share	Third Highest Market Share	Highest Market Share	Second Highest Market Share	Third Highest Market Share
1	Derby CC (68.3%)	Meadowhall (17.9%)	Spondon DC (6.9%)	Derby CC (74.7%)	Burton upon Trent TC (6.0%)	Spondon DC (6.0%)
2	Derby CC (76.5%)	Kingsway Retail Park (10.1%)	McArthurGlen, S. Normanton (4.0%)	Derby CC (68.9%)	Nottingham CC (5.3%)	Burton upon Trent TC (5.2%)
3	Derby CC (78.8%)	Kingsway Retail Park (3.7%)	Nottingham CC (3.5%)	Derby CC (77.0%)	Burton upon Trent TC (3.7%)	Other, Outside SA (2.8%)
4	Derby CC (59.6%)	Kingsway Retail Park (8.2%)	Burton upon Trent (4.5%)	Derby CC (64.6%)	Kingsway Retail Park (5.6%)	Other, Outside SA (4.9%)
5	Derby CC (66.6%)	Kingsway Retail Park (6.1%)	Asda, Spondon (3.2%)	Derby CC (66.6%)	Sinfin DC (8.1%)	Nottingham CC (4.1%)
6	Derby CC (77.4%)	Asda, Spondon (5.5%)	Asda, Sinfin / McArthurGlen S. Normanton (2.6%)	Derby CC (73.6%)	Spondon DC (7.0%)	Nottingham CC (3.3%)
7	Derby CC (67.5%)	Wyvern Centre (10.0%)	Asda, Spondon (4.1%)	Derby CC (56.4%)	Spondon DC (15.6%)	Nottingham CC (4.0%)
8	Derby CC (67.1%)	Asda, Spondon (9.7%)	Wyvern Centre (4.0%)	Derby CC (60.0%)	Spondon DC (7.3%)	Nottingham CC (5.6%)
9	Derby CC (66.3%)	Kingsway Retail Park (11.3%)	McArthurGlen, S. Normanton (4.5%)	Derby CC (64.4%)	Nottingham CC (3.8%)	Burton upon Trent TC (3.5%)
10	Derby CC (47.5%)	Ashbourne TC (22.9%)	Burton upon Trent TC (9.2%)	Derby CC (44.4%)	Ashbourne TC (36.3%)	Other, Outside SA (9.8%)
11	Chesterfield TC (38.9%)	Derby CC (16.1%)	Meadowhall (13.1%)	Derby CC (27.2%)	Chesterfield TC (24.0%)	Matlock TC (8.2%)
12	Derby CC (59.6%)	McArthurGlen, S. Normanton (9.6%)	Sutton-in-Ashfield TC (6.2%)	Derby CC (47.1%)	Belper TC (9.3%)	Ripley TC (9.3%)
13	Derby CC (23.7%)	Nottingham CC (13.3%)	Alfreton TC (12.0%)	Alfreton TC (24.2%)	Mansfield TC (15.4%)	Nottingham CC (15.1%)
14	Derby CC (35.5%)	Nottingham CC (13.3%)	Ilkeston TC (12.6%)	Ilkeston TC (25.7%)	Nottingham CC (22.2%)	Derby CC (21.9%)
15	Nottingham CC (48.3%)	Chilwell Retail Park, Beeston (12.1%)	Derby CC (7.1%)	Nottingham CC (43.2%)	Ilkeston TC (6.8%)	Beeston TC (6.7%)
16	Derby CC (46.8%)	Long Eaton TC (21.0%)	Nottingham CC (12.0%)	Long Eaton TC (28.6%)	Nottingham CC (26.3%)	Derby CC (25.8%)
17	Derby CC (40.8%)	Nottingham CC (16.4%)	Leicester CC (9.8%)	Derby CC (19.0%)	Loughborough TC (18.4%)	Fosse Park (12.3%)
18	Burton upon Trent TC (36.3%)	Swadlincote TC (25.9%)	Ashby-de-la-Zouch TC (8.5%)	Burton upon Trent TC (54.2%)	Swadlincote TC (11.8%)	Derby CC (8.2%)
19	Burton upon Trent TC (55.6%)	Derby CC (12.2%)	Asda, Sinfin (6.4%)	Burton upon Trent TC (68.0%)	Derby CC (16.4%)	Nottingham CC (2.7%)
20	Derby CC (44.6%)	Burton upon Trent TC (26.2%)	Uttoxeter TC (17.2%)	Burton upon Trent TC (40.8%)	Derby CC (23.8%)	Uttoxeter TC (13.3%)
<b>Total</b>	<b>Derby CC (39.3%)</b>	<b>Burton upon Trent TC (10.0%)</b>	<b>Nottingham CC (9.4%)</b>	<b>Derby CC (33.0%)</b>	<b>Burton upon Trent TC (14.3%)</b>	<b>Nottingham CC (11.4%)</b>

Source: Table 10 of Appendix 9 and Table 4.5 of the Derby Retail and Leisure Study of 2009

7.47 As we would expect, Derby secures the greatest market share of non-bulky goods shopping expenditure in all of the central Zones 1 to 10 (across all of these zones the city centre secures a market



share in excess of 40%). In addition, as the below Table 7.10 demonstrates, Derby city centre is the most popular non-bulky goods retail destination in Zones 10, 12, 14, 17 and 20 (where it attracts a market share of between 25.4% and 48.1% of non-bulky expenditure originating within each zone).

**Table 7.10: Market Share of Non-Bulky Goods Expenditure by Zone**

Zone	Highest Market Share	Second Highest Market Share	Third Highest Market Share
1	Derby CC (67.2%)	Meadowhall (6.9%)	Kingsway Retail Park (4.7%)
2	Derby CC (64.1%)	Kingsway Retail Park (17.1%)	McArthurGlen, S. Normanton (2.6%)
3	Derby CC (59.7%)	Kingsway Retail Park (7.5%)	Sinfin DC (7.0%)
4	Derby CC (43.7%)	Kingsway Retail Park (17.3%)	Mickleover DC (10.7%)
5	Derby CC (42.3%)	Kingsway Retail Park (10.3%)	Wyvern Centre, Chaddesden (6.8%)
6	Derby CC (44.3%)	Asda, Spondon (11.7%)	Wyvern Centre, Chaddesden (9.6%)
7	Derby CC (45.3%)	Wyvern Centre (14.7%)	Asda, Spondon (8.6%)
8	Derby CC (46.2%)	Meteor Centre Retail Park (10.8%)	Asda, Spondon (8.7%)
9	Derby CC (48.9%)	Kingsway Retail Park (15.3%)	Allestree DC (10.3%)
10	Derby CC (48.1%)	Ashbourne TC (29.6%)	Burton upon Trent TC (3.4%)
11	Chesterfield TC (26.5%)	Matlock TC (17.5%)	Derby CC (10.5%)
12	Derby CC (32.4%)	Ripley TC (13.7%)	Nottingham CC (9.0%)
13	Alfreton TC (22.6%)	Derby CC (12.8%)	McArthurGlen, S. Normanton (8.1%)
14	Derby CC (25.0%)	Ilkeston TC (25.4%)	Nottingham CC (12.8%)
15	Nottingham CC (38.1%)	Giltbrook RP (9.2%)	Beeston TC (7.8%)
16	Long Eaton TC (33.0%)	Derby CC (26.7%)	Nottingham CC (8.5%)
17	Derby CC (25.4%)	Loughborough TC (19.0%)	Nottingham CC (11.6%)
18	Swadlincote TC (38.9%)	Burton upon Trent TC (24.8%)	Ashby-de-la-Zouch TC (11.6%)
19	Burton upon Trent TC (60.6%)	Derby CC (8.8%)	Sinfin DC (3.8%)
20	Derby CC (30.4%)	Utttoxeter TC (24.3%)	Burton upon Trent TC (18.6%)
<b>Total</b>	<b>Derby CC (26.8%)</b>	<b>Burton upon Trent TC (8.6%)</b>	<b>Nottingham CC (8.0%)</b>

Source: Tables 20, 22 and 24 of Appendix 9  
Giltbrook RP includes the IKEA

- 7.48 Table 7.10 indicates that Kingsway Retail Park is firmly established as an important destination for non-bulky (as well as bulky) shopping purchases. Kingsway Retail Park is a top three non-bulky shopping destination for five of the nine central zones (with the highest market share – of 17.3% – being secured within Zone 4). Other important destinations within the central Zones 1 to 9 are the Wyvern Centre and the Asda superstore at Spondon (the latter of which secures a relatively strong non-bulky

comparison goods market share from Zones 6, 7 and 8, and very limited expenditure from elsewhere).

- 7.49 Across the more peripheral Zones 10 to 20, the most popular destinations for non-bulky comparison goods retailing are Burton upon Trent town centre and Nottingham city centre. Taking into consideration the Study Area as a whole, Derby city centre has a non-bulky comparison goods market share of 26.8%, followed then by Burton upon Trent town centre (with a market share of 8.6%), and Nottingham city centre (8.0%).
- 7.50 In respect of bulky goods shopping patterns, out of centre destinations are typically dominant. In this regard, a retail park is the most popular bulky goods shopping venue in seven of the nine central zones. Kingsway Retail Park secures the largest bulky goods market share in Zones 1, 2, 4, 5 and 9, and the Meteor Centre secures the largest market share in Zones 6 and 8.
- 7.51 Given the very large Study Area (which accommodates numerous retail parks, electrical stores, furniture retailers and DIY operators), it is unsurprising that the most popular bulky goods shopping destinations secure a lower market share than their non-bulky equivalents. The most popular three bulky goods shopping destinations are Kingsway Retail Park (with a market share of 12.7%), Derby city centre (7.5%), and Nottingham city centre (5.3%). These three destinations have a collective market share of 25.5%, which compares to the market share of 43.4% claimed by the top three non-bulky comparison goods destinations.
- 7.52 The non-bulky results indicate that the catchment area for such facilities is effectively smaller than that for large non-bulky comparison goods retail venues, such as Derby and Nottingham city centre. This suggests that residents are prepared to travel relatively significant distances in order to source choice in respect of non-bulky goods purchases (particularly clothing and footwear).

**Table 7.11: Market Share of Bulky Goods Expenditure by Zone**

Zone	Highest Market Share	Second Highest Market Share	Third Highest Market Share
1	Kingsway Retail Park (30.0%)	Wyvern Centre (19.6%)	Meteor Centre (13.7%)
2	Kingsway Retail Park (42.8%)	Derby CC (17.6%)	B&Q Supercentre, Osmaston Park Road (14.7%)
3	Derby CC (27.8%)	Kingsway Retail Park (23.9%)	B&Q Supercentre, Osmaston Park Road (18.3%)
4	Kingsway Retail Park (43.4%)	Derby CC (12.3%)	B&Q Supercentre, Osmaston Park Road (10.4%)
5	Kingsway Retail Park (30.4%)	B&Q Supercentre, Osmaston Park Road (15.6%)	Derby CC (12.6%)
6	Meteor Centre Retail Park (17.7%)	Wyvern Centre, Chaddesden (17.6%)	Kingsway Retail Park (11.6%)
7	Derby CC (18.6%)	Kingsway Retail Park (17.5%)	Wyvern Centre, Chaddesden (17.1%)
8	Meteor Centre Retail Park (33.7%)	Kingsway Retail Park (12.5%)	Wyvern Centre, Chaddesden (11.3%)
9	Kingsway Retail Park (38.9%)	Derby CC (14.2%)	Wyvern Centre, Chaddesden (8.9%)
10	Ashbourne TC (24.0%)	Kingsway Retail Park (23.0%)	Derby CC (14.5%)
11	Matlock TC (27.7%)	Ravenside Retail Park (11.9%)	Kingsway Retail Park (10.1%)
12	Derby CC (14.5%)	Kingsway Retail Park (12.0%)	Meteor Centre Retail Park (9.2%)
13	Alfreton TC (17.7%)	Mansfield TC (12.6%)	Nottingham (12.1%)
14	Ilkeston TC (22.2%)	B&Q, Eastwood, Derbyshire (9.0%)	Heanor TC (8.5%)
15	Nottingham CC (16.4%)	Castle Marina Retail Park, Nottingham (11.7%)	B&Q, Eastwood, Derbyshire (10.6%)
16	Long Eaton TC (29.0%)	Nottingham CC (11.7%)	Cross Street Retail Park, Long Eaton (10.8%)
17	Loughborough TC (15.2%)	Wyvern Centre, Chaddesden (13.6%)	Nottingham CC (10.4%)
18	Swadlincote TC (29.7%)	Centrum East Retail Park, Burton upon Trent (18.3%)	Ashby-de-la-Zouch TC (11.9%)
19	Burton upon Trent TC (30.9%)	Centrum East Retail Park, Burton upon Trent (16.6%)	B&Q, Burton upon Trent (14.5%)
20	Kingsway Retail Park (18.4%)	Uttoxeter TC (14.6%)	B&Q, Uttoxeter Retail Park (9.8%)
<b>Total</b>	<b>Kingsway Retail Park (12.7%)</b>	<b>Derby CC (7.5%)</b>	<b>Nottingham CC (5.3%)</b>

Source: Tables 10, 12, 14, 16 and 18 of Appendix 9

## Summary

7.53 The household survey results are provided in full at Appendix 2. 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.

7.54 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.

## 8.0 Assessment of Retail Needs

- 8.1 Our retail capacity tables set out our step-by-step approach to estimating quantitative retail need and are provided at Appendix 9. A summary of our methodological approach, together with our findings, is provided below.

### General Approach to Estimating Need

- 8.2 Retail capacity modelling follows the basic principle that: *Available Expenditure* minus *Expected Turnover of Existing and Committed Floorspace* equals *Expenditure Surplus or Deficit*. We summarise the key considerations relating to each component of the equation below.

#### Available Expenditure

- 8.3 As we set out in Section 6 of this report, total expenditure within each zone is calculated by multiplying the population at a given reporting year by the estimated per capita expenditure. The available expenditure takes into consideration:

- estimated population growth;
- forecast increases in per capita expenditure; and
- forecast increases in special forms of trading.

#### Turnover

- 8.4 Total expenditure available to facilities within the Derby authority area is then calculated through reference to the market share of expenditure claimed within each zone.
- 8.5 The turnover relates to the expenditure required by existing retailers (and by retail commitments benefitting from an extant planning permission) in order to ensure that they trade viably. For convenience goods retailers, the expected 'benchmark' turnover of existing convenience goods facilities is calculated with reference to GlobalData Convenience and Comparison Goods Sales Densities of Major Grocers 2018 and Mintel Retail Rankings 2018 data<sup>56</sup>.

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<sup>56</sup> These datasets provide independent analysis of key grocery retailers' declared turnover and the overall floorspace in their portfolio in order to calculate national average sales densities

### The Identified Expenditure Surplus or Deficit

- 8.6 The expenditure surplus (or deficit) is calculated by subtracting the turnover of existing and committed floorspace from the available expenditure in the Derby authority area. A surplus figure effectively represents an under provision of retail facilities within the City (which may indicate that additional floorspace could be supported), whereas a deficit would suggest a quantitative overprovision of retail floorspace.
- 8.7 Although a surplus is presented as a monetary figure, it can be converted to a floorspace requirement through the application of an appropriate sales density. In this regard, the floorspace requirement will vary according to operator and the likely sales density they could achieve. For example, in the case of comparison goods, non-bulky goods retailers tend to achieve higher sales densities than bulky goods retailers. However, within the bulky goods sector itself there is significant variation, with electrical retailers typically having higher sales densities than DIY or furniture retailers.
- 8.8 Capacity requirements are generally considered with reference to net sales area and all of the following floorspace figures relate to net sales. Our quantitative assessment considers convenience and comparison goods needs on a City-wide basis.

### **Capacity for Future Convenience Goods Floorspace**

- 8.9 In order to identify the likely need for additional convenience goods floorspace in the Derby authority area, it is first necessary to consider the performance of the current provision. In this respect, the built up areas of Derby already accommodate a variety of foodstore operators. As such, we believe that many of the food shopping trips which originate within the Study Area, but are directed to facilities outside of the City of Derby, occur principally because the trip is convenient (i.e. close to home or work), rather than due to any significant deficiencies in Derby's offer. Consideration of convenience goods shopping patterns on a zone-by-zone basis does not suggest that there is a significant problem with shoppers driving significant distances outside the City to access convenience goods shopping facilities. Given this, we believe that the Derby's existing convenience goods market share of 31.6% of Study Area convenience goods expenditure is broadly appropriate and could be sustained in the future.
- 8.10 Based on the existing market share, we estimate that £675.0m of convenience goods expenditure that originates within the Study Area will be claimed by retailers in Derby at 2019. Given the very extensive Study Area, we have assumed that any inflow of expenditure from outside areas to foodstores in the authority area will be negligible in practice. As such, have not inflated the convenience goods turnover

of Derby's existing convenience goods provision to account for the 'inflow' of additional expenditure.

- 8.11 For each convenience goods retail destination, the identified survey derived turnover is compared its expected benchmark performance (which is estimated with reference to company average sales densities and the estimated net sales areas of individual shops). Our assessment assumes a 'goods based' approach, which disaggregates expenditure by sector, as it is important to recognise that major foodstore operators generally also sell some comparison goods, such as clothing, household goods, books and CDs. To account for this, the typical split between convenience and comparison goods provision for each operator has been identified<sup>57</sup> and this multiplier has been applied to the estimated net floorspace<sup>58</sup> of each foodstore. This provides an indication of the likely floorspace dedicated to the sale of convenience goods at each store and provides for an accurate estimation of convenience goods benchmark turnover.
- 8.12 The calculation of the estimated benchmark turnover of individual stores allows an assessment to be made in respect of individual retailers' trading performance and whether (on an aggregated basis) surplus expenditure exists to support additional floorspace. For some smaller shops we have been unable to secure accurate floorspace data, and we assume that such stores are trading 'in equilibrium' (i.e. the survey-derived turnover equates to the anticipated benchmark turnover).
- 8.13 Our assessment is summarised below at Table 6.1 and identifies that convenience goods floorspace in the Derby authority area has an expected benchmark turnover of £556.4m at 2019, which is below the estimated survey derived turnover of £675.0m. As such, taken collectively, convenience goods floorspace is overtrading by an estimated £118.6m.
- 8.14 In order to appraise the future need for additional convenience goods floorspace, it is necessary to consider how the performance of stores will be affected by forecast expenditure growth. Accordingly, Table 6.1 also sets out the anticipated increases in expenditure that will be available to Derby's existing convenience goods retailers, assuming its current market share is maintained. We have assumed that the benchmark turnover of floorspace will change going forward in accordance with the forecast changes in floorspace efficiency set out in ERPBN16.
- 8.15 Table 8.1 sets out our estimate that the convenience goods expenditure available to facilities in the

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<sup>57</sup> Generally sourced from GlobalData Convenience and Comparison Goods Sales Densities of Major Grocers 2018, except where we believe that this data is not likely representative of how a store trades in practice. Detailed notes in respect of our approach in calculating net convenience goods sales areas are provided at Table 5 of Appendix 9

<sup>58</sup> Net sales areas have generally been sourced from available published data, including Valuation Office Agency data

Derby authority area will increase to £689.5 at 2023, £708.7m at 2028, £726.8m at 2033 and to £763.0m at 2043. When the forecast increase in available convenience goods expenditure is compared to growth in the benchmark turnover of such floorspace, the identified estimated convenience goods surplus grows to £145.1m at 2029 (the ten year period noted as being of interest by paragraph 85 of the NPPF), and then increases further to £195.9m at 2043.

**Table 8.1: Quantitative Need for Convenience Goods Floorspace in the City of Derby**

Year	Benchmark Turnover (£m)	Available Expenditure (£m)	Surplus Expenditure (£m)
2019	556.4	675.0	118.6
2023	564.8	689.5	124.7
2028	567.1	708.7	141.6
2029	567.1	712.2	145.1
2033	567.1	726.8	159.7
2038	567.1	744.1	177.1
2043	567.1	763.0	195.9

Source: Table 6a of Appendix 9

Notes: Assumes constant market share (31.6%) of Study Area expenditure claimed by facilities in the Derby authority area; allows for changes in benchmark turnover sales efficiency in accordance with Table 4b of Experian Retail Planner Briefing Note 16; in 2017 prices

- 8.16 When considering the above assessment, it should be noted that the survey only takes account of retail venues that were trading at the time of the household survey in December 2017. As such, convenience goods floorspace implemented subsequent to the undertaking of the survey needs to be accounted for in a similar manner to retail commitments (i.e. the floorspace will have a claim on future convenience goods expenditure and, as such, will partly extinguish any identified capacity).
- 8.17 As set out below at Table 8.2, we estimate that extant retail planning permissions, allocated sites and floorspace implemented subsequent to December 2017 together provide an estimated 6,512 sq.m of convenience goods sales floorspace across the City. We estimate that this floorspace would have a turnover of around £59.6m at 2019 (if it was all operational). Notable convenience goods commitments include floorspace associated with the redevelopment of the Derby Royal Infirmary, Derby Triangle and Rose and Crown public house (in Chellaston) sites, and the now implemented Aldi foodstore at the former Mackworth College site. In addition, we note that an Aldi has opened at Chellaston Fields (immediately to the south of the Derby administrative area and within Retail Study Area Zone 5) subsequent to the household survey being undertaken.
- 8.18 Full details of the assumptions made in estimating the turnover of convenience goods commitments are provided in the notes that accompany Table 6c of Appendix 9.



**Table 8.2: Committed and Implemented Convenience Goods Floorspace in the City of Derby**

Zone	Location	Planning App. Reference	Proposal	Net Conv Sales (sq.m)	Conv Sales Density (£ per sq.m)	Estimate T'over at 2018 (£m)	Status
1.	Former Mackworth College	02/15/00194 and 09/16/01102	Aldi foodstore linked to wider redevelopment scheme	1,065	10,517	11.2	Implemented
	Former Derbyshire Royal Infirmary	01/17/00030	Mixed-use development, including 1,000 sq.m of net convenience goods floorspace	850	10,774	9.2	Approved
	Castleward	05/12/00563	Mixed-use application with provision for up to 1,742 sq.m of commercial uses	500	7,000	3.5	Part implemented
2.	Manor Kingsway	Allocation	New local centre	300	7,000	2.1	Allocated site
4.	Heatherton, Rykneld Road	Allocation	New local centre	1,000	7,000	7.0	Allocated site
	Hackwood Farm	Allocation	New local centre	560	7,000	3.9	Allocated site
5.	Rose and Crown PH, Chellaston	08/10/01063	Lidl foodstore	1,117	9,814	11.0	Approved
6.	Derby Triangle	11/14/01570	Resolution to grant permission for mixed-use scheme with up to 2,000 sq.m A1 floorspace	1,120	10,517	11.8	Resolution to grant planning permission
<b>Total</b>				<b>6,512</b>		<b>59.6</b>	

Source: Table 6c of Appendix 9

Notes: Net sales area and estimated sales density generally reflect operator where known or taken from planning application documents; in 2017 prices

8.19 As the below Table 8.3 demonstrates, the expenditure that is claimed by convenience goods commitments and implemented development acts to extinguish approximately half of the identified City-wide capacity to support additional convenience goods floorspace at 2019. At 2019, a residual surplus of £59.0m exists to support additional convenience goods floorspace and we forecast that this will increase to £135.2m at 2043. This equates to a requirement for between 4,900 sq.m and 8,400 sq.m<sup>59</sup> of net convenience goods sales floorspace at 2019, increasing to a requirement for between 6,900 sq.m and 11,800 sq.m at 2029, and then increasing further to a need for between 11,100 sq.m and 18,900 sq.m at 2043.

<sup>59</sup> The lesser figure is based on occupation by a 'big four' foodstore operator (and is the average sales density of Asda, Morrisons, Sainsbury's and Tesco) and the greater figure is based on occupation by a discount operator

**Table 8.3: Quantitative Need for Convenience Goods Floorspace in the City of Derby After Commitments**

Year	Surplus (£m)	Commitments (£m)	Residual (£m)	Floorspace Requirement	
				Minimum (sq.m)	Maximum (sq.m)
2019	118.6	59.6	59.0	4,900	8,400
2023	124.7	60.5	64.2	5,300	9,000
2028	141.6	60.8	80.8	6,600	11,300
2029	145.1	60.8	84.3	6,900	11,800
2033	159.7	60.8	98.9	8,100	13,900
2038	177.1	60.8	116.3	9,500	16,300
2043	195.9	60.8	135.2	11,100	18,900

Source: Table 6d of Appendix 9

Notes: Assumes constant market share (31.5%) of Study Area expenditure claimed by facilities in Derby; allows for changes in benchmark turnover sales efficiency in accordance with Table 4a of Experian Retail Planner Briefing Note 16; minimum floorspace requirement based on an assumed sales density of £11,952 per sq.m at 2019 (which equates to the average sales density of the 'big four' foodstore operators); maximum floorspace requirement based on an assumed sales density of £7,000 per sq.m at 2019 (which equates to lower end of typical discount operator performance); in 2017 prices

### Capacity for Future Comparison Goods Floorspace

- 8.20 Our methodology in calculating comparison goods capacity deviates from that employed in respect of convenience goods. This is because it is difficult to accurately estimate a benchmark turnover for comparison goods floorspace, both because of the number of units involved (which are occupied by a wide variety of retailers), and due to the variation in the trading performance of floorspace depending on its location, the character of the area and the nature of the catchment. As a consequence, we adopt the position for comparison goods floorspace that it is trading 'at equilibrium' at base year 2019 (i.e. our survey derived turnover estimate effectively acts as benchmark).
- 8.21 We assume that there is therefore a nil quantitative need for any additional comparison goods floorspace across the Borough at 2019. Going forward, we again assume that the performance of comparison goods facilities will be commensurate with the market share for the Derby authority area identified by the household survey.
- 8.22 We have made a modest allowance for comparison goods inflow based on the results of the Derby city centre in-street survey. The results indicate that just one respondent provided a postcode denoting residency outside of the defined Study Area. A further person declined the opportunity to provide their postcode. As such, just 0.5% of survey respondents live outside the Study Area.
- 8.23 On this basis, we have assumed an inflow allowance of 0.5% for the Intu shopping centre and the city centre as a whole. We do not believe that the remainder of Derby's comparison goods provision is likely to benefit from any material level of inflow and make no further provision for inflow for other

areas.

- 8.24 The inflow allowance has the effect of increasing the City of Derby's identified estimated comparison goods turnover from £1,227.4m to £1,280.7m (inflow therefore representing just 0.3% of total turnover). This very modest allowance is a consequence of the very large Study Area, which fully encompasses Derby's principal catchment area.
- 8.25 The £1,227.4m of comparison goods expenditure that originates the Study Area and is claimed by facilities within the City of Derby area equates to a market share of 41.2% of all such comparison goods expenditure. By making provision for inflow and 'rolling forward' this market share, our assessment finds that existing facilities in the authority area will attract £1442.6m at 2023, increasing to £1,773.8m at 2029, to £2,045.1m at 2033, to £2,441.4m at 2038, and to £2,915.6m at 2043.
- 8.26 Given forecast increases in comparison goods expenditure across the Study Area and allowing for annual forecast changes in the productivity of existing floorspace, we estimate that, at 2023, there will be an expenditure surplus of £16.5m to support additional comparison goods floorspace within the City of Derby. As set out by Table 8.4, this surplus is forecast to increase to £123.2m at 2029, to £278.0m at 2033, to £461.5m at 2038, and then to £697.3m at 2043.

**Table 8.4: Quantitative Need for Comparison Goods Floorspace in the City of Derby**

Year	Benchmark Turnover (£m)	Available Expenditure (£m)	Surplus Expenditure (£m)
2019	1,280.7	1,280.7	0.0
2023	1426.1	1,442.6	16.5
2028	1613.5	1,713.6	100.2
2029	1650.6	1,773.8	123.2
2033	1767.1	2,045.1	278.0
2038	1979.9	2,441.4	461.5
2043	2218.3	2,915.6	697.3

Source: Table 26a of Appendix 9

Notes: Assumes constant market share (41.2%) of Study Area expenditure claimed by facilities in Derby; allows for changes in benchmark turnover sales efficiency in accordance with Table 4b of Experian Retail Planner Briefing Note 16; in 2017 prices

- 8.27 Once more, the above assessment does not take into consideration existing commitments and the claims they have on capacity. Table 8.5 summarises current extant planning permissions that provide for additional comparison goods floorspace. As the below Table 8.5 demonstrates, we estimate that these commitments will have a total turnover of £13.0m at 2018. The principal comparison goods commitment relates to the planning permission to provide seven comparison goods units in proximity to the Aldi foodstore at the former Mackworth College site which has now commenced trading.

Additional comparison goods commitments relate to proposed mixed-use or foodstore schemes.

**Table 8.5: Committed Comparison Goods Floorspace in the City of Derby**

Zone	Location	Planning App. Reference	Proposal	Net Comp Sales (sq.m)	Comp Sales Density (£ per sq.m)	Estimate T'over at 2018 (£m)	Status
1.	Former Mackworth College	02/15/00194 and 09/16/01102	Outline planning permission for four units extended to seven units	1,700	5,000	8.5	Approved
	Former Mackworth College	02/15/00194 and 09/16/01102	Aldi floorspace linked to the above scheme	188	7,220	1.4	Implemented
	Former Derbyshire Royal Infirmary	01/17/00030	Mixed-use development, including 1,000 sq.m of net retail floorspace	150	5,000	0.8	Approved
5.	Rose and Crown PH, Chellaston	08/10/01063	Lidl foodstore	148	5,830	0.9	Approved
6.	Derby Triangle	11/14/01570	Resolution to grant planning permission for mixed use scheme including up to 2,000 sq.m of retail floorspace	280	5,000	1.4	Resolution to grant planning permission
<b>Total</b>				<b>2,466</b>		<b>12.9</b>	

Source: Table 26c of Appendix 9

Notes: Net sales area and estimated sales density generally reflect operator where known or taken from planning application documents; in 2017 prices

8.28 The turnover of identified extant comparison goods commitments is relatively modest, and there remains capacity to support some comparison goods floorspace even in the short term to 2023. At 2023, we estimate that there will be a comparison goods expenditure residual of £2.2m, increasing to £106.6m at 2029, to £260.3m at 2033, to £441.6m at 2038, and to £675.0m at 2043. The identified surplus could support between 300 sq.m and 600 sq.m of floorspace at 2023, increasing to between 13,800 sq.m and 23,600 sq.m at 2029, and then to between 64,900 sq.m and 111,300 sq.m at 2043. The minimum figure is based on the identified capacity being met through the delivery of high street retail floorspace and the maximum figure relates to capacity being met by bulky goods floorspace or in smaller centres (both of which typically accommodate retailers which achieve lesser sales densities).

8.29 The identified requirement in respect of additional comparison goods floorspace is set out at Table 8.6.

**Table 8.6: Quantitative Need for Comparison Goods Floorspace in the City of Derby After Commitments**

Year	Surplus (£m)	Commitments (£m)	Residual (£m)	Floorspace Requirement	
				Minimum (sq.m)	Maximum (sq.m)
2019	0.0	12.9	-12.9	-2,100	-3,700
2023	16.5	14.3	2.2	300	600
2028	100.2	16.2	84.0	11,100	19,000
2029	123.2	16.6	106.6	13,800	23,600
2033	278.0	17.8	260.3	31,400	53,900
2038	461.5	19.9	441.6	47,600	81,600
2043	697.3	22.3	675.0	64,900	111,300

Source: Table 26d of Appendix 9

Notes: Assumes constant market share (41.2%) of Study Area expenditure claimed by facilities in Derby; allows for changes in benchmark turnover sales efficiency in accordance with Table 4a of Experian Retail Planner Briefing Note 16; minimum floorspace requirement based on an assumed sales density of £6,000 per sq.m at 2019; maximum floorspace requirement based on an assumed sales density of £3,500 per sq.m

In 2017 prices

- 8.30 The floorspace requirements identified in this Study are of some relevance to the determination of future planning applications, as they reflect the additional floorspace that can be accommodated in the Derby authority area whilst allowing existing floorspace to benefit from turnover growth, such that the existing provision continues to trade in a viable manner. However, it is important that the below figures are not interpreted as a 'cap' on development as there is no test of 'need' set out in the NPPF. Instead, future development proposals should be assessed against the relevant policies of the NPPF and the development plan.
- 8.31 In considering the above figures, it is again necessary to note that they are indicative figures which are dependent (at least in respect of comparison goods) on future expenditure growth being delivered in practice. Given the inherent difficulties in predicting expenditure growth over time, the identified capacity requirements across the short to medium term (i.e. the ten years to 2029) should be considered to be more accurate than the long term forecast to 2043. In any event, the theoretical capacity identified by this exercise needs to be considered with reference to vitality and viability of centres, and how the existing stock of floorspace may be able to meet some needs (through the re-use, refurbishment or redevelopment of vacant units). As such, identified quantitative capacity does not necessarily result in a requirement to identify additional land to accommodate retail development. We consider how needs can be met further at Sections 10 and 11 of this report.

### Qualitative Need

- 8.32 As we set out at paragraph 8.15 of this section, convenience goods retail facilities in the Derby authority

area turn over £675.0m at 2019, which is in excess of their expected benchmark turnover of £556.4m. Taken collectively, convenience goods floorspace is therefore overtrading by £118.6m at 2019. However, in examining the performance of specific stores, it is evident that smaller, discount supermarkets (operated by the likes of Aldi and Lidl) are generally performing better than food superstores<sup>60</sup>, relative to their expected benchmark performance<sup>61</sup>.

- 8.33 The below Table 8.7 provides an overview of the current performance of existing larger foodstores (which provide an estimated net sales area of 785 sq.m or more<sup>62</sup>) in the Derby authority area with reference to their expected trading performance. There are a total of seven food superstores within Derby<sup>63</sup>, which collectively have a convenience goods turnover of £389.9m, which is greater than there anticipated benchmark turnover of £316.3m. As such, the food superstores collectively overtrade by £73.5m.
- 8.34 The majority of this overtrading is attributable to the performance of the Tesco at Kipling Drive in Mickleover and the performance of the Morrisons at Wheatcroft Way near Meteor Retail Park. The Tesco store has an estimated convenience goods benchmark turnover of £28.1m and an estimated survey derived turnover of £53.5m (we therefore estimated that it is effectively overtrading by around £25.4m). The Morrisons store has an estimated convenience goods benchmark turnover of £36.7m and an estimated survey derived turnover of £64.6m (which suggests that it overtrading by around £27.8m).
- 8.35 Only two superstores undertrade, namely the Sainsbury's at Osmaston Park Road and the Asda at Derby Road. The Sainsbury's turns over around £16.0m less convenience goods expenditure than its anticipated benchmark trading performance, and the Asda turns over around £1.4m less than its expected benchmark performance.
- 8.36 In addition, the identified performance of all of the principal foodstores within Derby city centre is below their anticipated benchmark performance. However, the accurate turnover of city centres can

<sup>60</sup> Defined as having a net sales area of more than 2,500 sq.m

<sup>61</sup> In this regard it should be noted that, whilst household survey respondents have in the past perhaps been slightly reluctant to acknowledge that they undertake their main food shop at a discounter, this no longer appears to be the case. In addition, our methodology apportions convenience goods expenditure to foodstore destinations according to their identified market share. The methodology does not take into consideration that similar items are generally cheaper in Aldi and Lidl than in one of the 'big four' operators' stores. As such, the performance of discount operators may be overstated by this Study and the performance of the 'big four' operators may be understated

<sup>62</sup> Which equates to the convenience goods net sales area of the smallest discount supermarket operated by either Aldi or Lidl, this being the Aldi at Nottingham Road on Zone 6

<sup>63</sup> Two Asda, one Morrisons, three Sainsbury's and one Tesco stores

be difficult to identify given that they can benefit from trips which do not always correlate with respondents' understanding of main and top up shopping. For example, the Marks & Spencer at Intu shopping centre will secure a relatively substantial proportion of its expenditure from lunchtime sandwich trade and will also likely benefit from basket shops of a relatively high value.

**Table 8.7: Performance of Convenience Goods Floorspace at Principal Foodstores within Derby at 2019**

Zone	Store	Net Floorspace (sq.m)	Estimated Net Conv. Floorspace (sq.m)	Sales Density (£ per sq.m)	Benchmark Turnover (£m)	Survey Derived Turnover (£m)	Over-trading (£m)
1	Marks & Spencer, Intu	1,494	1,288	10,176	13.1	4.9	-8.2
	Sainsbury's, Copecastle Sq	1,797	1,273	11,356	14.5	12.1	-2.3
	Tesco Metro, St Peters Street	1,846	1,661	13,401	22.3	5.2	-17.1
2	Aldi, Uttoxeter New Road	865	711	10,517	7.5	25.3	17.8
	Sainsbury's, Kingsway RP	3,921	2,778	11,356	31.5	39.9	8.3
	Lidl, Southgate Retail Park	1,280	996	9,814	9.8	13.0	3.3
	Pak Food, Normanton Road	1,005	954	4,500	4.3	4.2	-0.1
4	Tesco, Kipling Drive, Mickleover	3,058	2,096	13,401	28.1	53.5	25.4
5	Asda, Sinfin Shopping Centre	6,752	4,389	13,268	58.2	77.2	19.0
6	Sainsbury's, Osmaston Park Rd	7,531	4,895	11,356	55.6	39.5	-16.0
	Aldi, Coleman Street	1,044	858	10,517	9.0	33.0	24.0
	Aldi, Nottingham Road	785	645	10,517	6.8	16.4	9.6
	Lidl, Nottingham Road	975	759	9,814	7.4	7.7	0.2
	Sainsbury's, Wyvern Retail Park	4,863	3,161	11,356	35.9	46.3	10.4
7	Asda, Derby Road	8,153	5,299	13,268	70.3	68.9	-1.4
8	Aldi, Meteor Retail Park	868	714	10,517	7.5	22.5	15.0
	Morrisons, Wheatcroft Way	4,599	2,989	12,293	36.7	64.6	27.8
9	Co-op, Park Farm Centre	824	716	10,514	7.5	9.6	2.1

Source: Table 5 of Appendix 9

Notes: The above summary table provides details of the trading performance of foodstores with a net sales area of 785 sq.m or above, which correlates to the estimated net sales area of the smallest discount store in Derby, this being the Aldi at Nottingham Road in Zone 6; in 2017 prices

- 8.37 Discount foodstores across the City – most notably those that are operated by Aldi – perform very strongly. The four Aldi stores in the authority area have a collective convenience goods benchmark turnover of £32.7m and an estimated survey derived turnover of £97.2m; as such, their convenience goods floorspace overtrades by an estimated £66.4m. The performance of Lidl stores in the authority area is more modest. The two Lidl stores have a collective estimated convenience goods turnover of £17.2m and a survey derived turnover of £20.7m; their convenience goods floorspace therefore overtrades by £3.5m.
- 8.38 As set out at Section 2 of this report, both discount operators have substantially improved their share of the national grocery market in recent years. Notwithstanding this, the very strong performance of Aldi foodstores across the authority area suggests that this type of foodstore may currently be

underprovided for and we again note that the Aldi at the Mackworth College site has commenced trading since the household survey was undertaken, and that further discount foodstores are in the pipeline. Whilst the market for larger foodstores has been generally dormant over the past few years, there are signs that some such operators (notably Morrisons) are starting to look at building further stores. As such, given the relatively good performance of larger foodstores in Derby (in particular the Tesco at Kipling Drive and the Morrisons at Wheatcroft Way), there may perhaps be some potential to bring forward one further larger supermarket should this sector of the market improve in the future.

- 8.39 Planning applications for additional foodstores should be considered having regard to the qualitative benefits which may result from the delivery of additional convenience goods retail facilities, but also with regard to the magnitude of the impact arising at any defined centre.
- 8.40 In terms of the spatial distribution of convenience goods facilities, we note that existing facilities are relatively limited in the north-west of the City and to the south. Given the strong turnover of the most proximate foodstores to these locations, we believe that there may be the potential to introduce further provision to meet existing and future needs. We plot the distribution of the larger supermarkets and food superstores across the authority area at Appendix 13, and return to the matter of the distribution of future convenience goods retail growth at Section 11 of this report.
- 8.41 Turning to comparison goods, the importance and relative dominance of Derby city centre (and Kingsway Retail Park) means that other centres in the City have a more localised role and function than might otherwise be the case. Given the location and relative accessibility of Derby city centre, we do not think this, in itself, is particularly problematic in respect of meeting comparison goods needs.
- 8.42 As we identified as Section 7 of this report, the market share of comparison goods expenditure claimed by facilities in the authority area has increased in the past decade and is considered to be relatively strong (at 41.2%). Whilst this is encouraging, the household survey suggests that the market share of the city centre has actually declined in recent years, with retail parks being the principal beneficiaries.
- 8.43 Given this (and the issue with the amount of vacant retail stock in the city centre), we believe that there will be a qualitative benefit in directing further comparison goods expenditure growth towards the city centre in order to underpin its future vitality and viability, and ensure that it remains an attractive proposition when compared to competing destinations, such as Nottingham city centre and Kingsway Retail Park.
- 8.44 Such a strategy is in accordance with 'town centre first' principles and is explored further at Section 12



of this report.

## 9.0 Assessment of Leisure Needs

### Commercial Leisure: Bingo, Cinema and Ten Pin Bowling

- 9.1 Our approach to the assessment of commercial leisure needs necessarily departs from our retail methodology, at least in part because it is difficult to source some of the required information for the leisure market<sup>64</sup>. In addition, the commercial leisure sector is different to the retail sector; large-scale leisure uses are relatively limited in number and customers often expect to travel at least some distance in order to access them. As such, we believe it is sensible to consider the general appropriateness of provision on a Study Area basis, with reference to the typical number of persons required to support particular uses.
- 9.2 Our assessment considers the typical population required to support bingo halls, cinema screens and ten pin bowling alleys, and is based around three key stages.
- 9.3 We firstly calculate the expected Study Area<sup>65</sup> for the relevant reporting years (2019, 2023, 2028, 2029, 2033, 2038 and 2043).
- 9.4 We then calculate the number of persons required to support a bingo hall, cinema screen and bowling alleys nationally, across the UK. We have identified the current level of provision across the UK with reference to the following sources:
- Mintel's Casinos and Bingo UK report (March 2018), which identifies that there are 355 bingo halls across the UK;
  - the UK Cinema Association website<sup>66</sup>, which identifies that there are 4,309 cinema screens across the UK; and
  - Mintel's Ten Pin Bowling UK report (May 2017), which identifies that there are 5,242 bowling lanes across the UK.
- 9.5 We then apply the respective ratio to the Study Area population and to Derby's population in order to gauge the 'benchmark' level of provision. We supplement our assessment with an overview of current patterns of commercial leisure trips throughout the Study Area in order to identify any qualitative

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<sup>64</sup> Experian does not forecast improvements in sales efficiency for leisure operators, which is a critical element in translating a monetary surplus into a floorspace requirement

<sup>65</sup> Derived from Experian MMG3 data

<sup>66</sup> [www.cinema.uk.org.uk](http://www.cinema.uk.org.uk), consulted on 1 November 2018

deficiencies in provision.

### Bingo

- 9.6 The Derby authority area accommodates two bingo halls, these being the Buzz Bingo at Liversage Street at the south eastern edge of the city centre, and the Buzz Bingo at Sinfin Lane to the south of the authority area. Both bingo halls are modern, purpose-built facilities with adjacent surface car parking. The Buzz Bingo at Liversage Road is well located in respect of its proximity to the bus station and to the Derby Midland railway station, and the Sinfin Lane hall is located at Foresters Park, which is highly accessible to residents of Derby's southern suburbs and also accommodates a Showcase multiplex cinema and Tenpin bowling alley. The wider Study Area accommodate one further bingo hall, namely the Mecca Bingo at Burton upon Trent. The bingo offer in the area also includes a number of occasional games in community centres and social clubs.

**Table 9.1: Market Share Secured by Bingo Halls**

Zone	Bingo Facility	City of Derby Zones	Outer Zones	Overall Study Area
3	Buzz Bingo, Sinfin Lane, Sinfin	37.6%	1.5%	11.0%
	Buzz Bingo, Liversage Street, Derby	54.8%	39.6%	43.6%
6	Alvaston District Centre	2.9%	0.0%	0.8%
	Jubilee Club, Chaddesden Lane, Derby	1.9%	0.0%	0.5%
10	Ashbourne Town Hall, Ashbourne	0.0%	1.3%	1.0%
11	Matlock Town Centre	0.0%	1.5%	1.1%
13	Pinxton Village Centre, Bolsover	0.0%	1.6%	1.1%
19.	Mecca Bingo, Burton upon Trent	0.0%	18.6%	13.7%
Outside SA (Broxtowe)	Mecca Bingo, Queens Road, Beeston	0.0%	21.9%	16.1%
Outside SA (Tamworth)	Gala Bingo, Spinning School Lane, Tamworth	0.0%	5.1%	3.7%
Other Outside SA	Other Bingo Halls	2.8%	8.9%	7.4%
<b>Total</b>		<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Note: Market share derived from 2017 NEMS household survey 'weighted and filtered' results; City of Derby zones relate to Zones 1 to 9; Outer Zones relate to Zones 10 to 20; table includes all responses located within the Study Area and those outside that secure a market share of at least 5.0%

- 9.7 As Table 9.1 identifies, the two Buzz Bingo halls collectively secure the vast majority (92.4%) of trips to bingo halls that originate within the central Zones 1 to 9 (all of which are at located, at least in part, within the City of Derby boundary). Across the Study Area as a whole, the Buzz Bingo at Liversage Street, at the edge of Derby city centre, is by far the most popular destination to play bingo (securing 43.6% of all such trips that originate within the Study Area), followed then by the Mecca Bingo at

Beeston, and then by Buzz Bingo at Sinfin Lane. The popularity of the Buzz Bingo hall at Liversage Street is likely to result from its accessibility, central location and ability to form part of the wider city centre offer.

- 9.8 Mintel's Casinos and Bingo UK report identifies that there are 355 bingo halls across the UK, which equates to a bingo hall for every 186,029 persons or thereabouts<sup>67</sup>. Accordingly, as the below Table 9.2 demonstrates, we estimate that the Study Area could support approximately 5.2 bingo halls at 2019, increasing to around 5.8 bingo halls at 2043. Given that there are currently three bingo halls across the Study Area, we identify a theoretical capacity for a further 2.2 bingo halls at 2019.

**Table 9.2: Bingo Hall Requirement in Study Area**

Year	Study Area Population	Typical Population Required to Support Bingo Hall	Potential Number of Halls Supported by Study Area	Current Number of Bingo Halls	Capacity
2019	963,177	186,029	5.2	3.0	2.2
2023	986,109	186,029	5.3	3.0	2.3
2028	1,012,733	186,029	5.4	3.0	2.4
2029	1,017,761	186,029	5.5	3.0	2.5
2033	1,036,752	186,029	5.6	3.0	2.6
2038	1,058,637	186,029	5.7	3.0	2.7
2043	1,080,362	186,029	5.8	3.0	2.8

Note: Typical population to support bingo hall calculated with reference to the Mintel Casinos and Bingo UK 2018 report and to the ONS 2016 mid-year population estimates for the UK (population at 2017 has been used); bingo halls in Study Area are Gala at Liversage Street and Gala at Sinfin (both within the City of Derby) and Mecca at Burton upon Trent

- 9.9 In considering future need, it is important to note that both Buzz bingo halls are very large (and can accommodate a substantial number of patrons). Furthermore, in considering the potential need for additional bingo facilities, we recognise that the sector has been significantly affected by the ban on smoking in enclosed workplaces that came into force in 2007 as a consequence of the Health Act 2006. Subsequent to the Act being enforced, new bingo hall opening are a rare event and we consider it unlikely that there will be any interest in providing additional provision in the Derby authority area in the foreseeable future. As such, we do not believe that there is any requirement to plan for additional provision in the period to 2043, but instead recommend that, should any operator interest be apparent, proposals are judged on their own merits in accordance with relevant town centre planning policy.

<sup>67</sup> Based on the ONS 2016 mid-year population estimates for the UK, England and Wales, Scotland and Northern Ireland, which identifies a UK population of 66,040,229 persons at 2017

## Cinemas

- 9.10 There are four permanent cinemas within the Derby authority area, these being the Quad and Showcase within Derby city centre, the Showcase at Foresters Park, and the Odeon at Mansfield Road. Given that there is one cinema in the north of the authority area, one in the south, and two that are centrally located, we believe that Derby generally benefits from a strong and well-located cinema provision. Whilst the Quad cinema provides three screens and has a focus on independent film, the other three cinemas are purpose-built multiplexes, each providing between 10 and 12 screens.
- 9.11 Across the wider Study Area, there are further seven cinemas which range greatly in size, from the single screen Northern Light at Wirksworth to the Odeon multiples at Swadlincote that has 10 screens.

**Table 9.3: Market Share Secured by Cinemas**

Zone	Cinema	City of Derby Zones	Outer Zones	Overall Study Area
1	Quad Cinema, Market Place, Derby	10.9%	2.6%	4.6%
	Showcase Cinema, Intu Derby	47.1%	17.2%	24.2%
3	Showcase Cinema, Foresters Park, Derby	22.0%	2.9%	7.4%
8	Odeon Cinema, Mansfield Road, Derby	17.5%	13.5%	14.4%
11	Northern Light Cinema, Wirksworth	0.0%	0.4%	0.3%
12	Ritz Cinema, King Street, Belper	0.2%	2.8%	2.2%
14	Scala Cinema, Market Place, Ilkeston	0.0%	1.9%	1.4%
18	Odeon, The Pipeworks, Swadlincote	0.0%	10.8%	8.2%
19	Cineworld, Middle Park Way, Burton upon Trent	1.5%	13.4%	10.6%
20	Cinebowl, Town Meadows Way, Uttoxeter	0.0%	4.4%	3.4%
	Red Carpet Cinema, Barton Marina	0.3%	1.2%	1.0%
Outside SA (Nottingham)	Showcase Cinema de Lux, Redfield Way, Nottingham	0.3%	8.8%	6.8%
Other Outside SA	Other Cinemas	0.2%	20.1	15.5%
<b>Total</b>		<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Note: Market share derived from 2017 NEMS household survey 'weighted and filtered' results; City of Derby zones relate to Zones 1 to 9; Outer Zones relate to Zones 10 to 20; table includes all responses located within the Study Area and those outside that secure a market share of at least 5.0%

- 9.12 Table 9.3 demonstrates that the four cinemas within the Derby authority area are able to secure the vast majority of cinema trips that originate within the central Study Area Zones. The Showcase cinema at the Intu shopping centre secures approaching half (47.1%) of all cinema trips arising within the central zones, with the four cinemas collectively attracting 97.5% of all such trips. Whilst the Quad cinema secures the smallest market share of Derby's cinemas, its 10.9% share of cinema trips arising

from the central zones appears a respectable performance given its number of screens and the less mainstream nature of some of its programming.

9.13 Across the Study Area as a whole, Derby's four cinemas secure a market share of 50.6% of all cinema trips. The Showcase at the Intu shopping centre is the most popular cinema overall (attracting 24.2% of journeys across the Study Area), followed then by the Odeon at Mansfield Road (14.4%), the Cineworld at Burton upon Trent (10.6%), and the Odeon at Swadlincote (8.2%). The patterns of cinema use do not suggest any significant qualitative issue in respect of the spatial distribution of provision in the Study Area.

9.14 The UK Cinema Association website estimates that there were 4,309 cinema screens in the UK at 2017, which equates to one screen for every 15,326 persons or thereabouts. On this basis, we estimate that the Study Area population could support around 62.8 cinema screens at 2019, increasing to around 70.5 screens at 2043. This level of identified need is remarkably similar to the current level of provision, with our research<sup>68</sup> indicating that there are currently a total of 63 screens throughout the Study Area. As such, there is not considered to be any need in the immediate short term for additional facilities.

**Table 9.4: Cinema Screens Requirement in Study Area**

Year	Study Area Population	Typical Population Required to Support Cinema Screen	Potential Number of Cinema Screens Supported by Study Area	Current Number of Cinema Screens	Capacity
2019	963,177	15,326	62.8	63.0	-0.2
2023	986,109	15,326	64.3	63.0	1.3
2028	1,012,733	15,326	66.1	63.0	3.1
2029	1,017,761	15,326	66.4	63.0	3.4
2033	1,036,752	15,326	67.6	63.0	4.6
2038	1,058,637	15,326	69.1	63.0	6.1
2043	1,080,362	15,326	70.5	63.0	7.5

Note: Typical population to support a cinema screen calculated with reference to data provided by the UK Cinema Association website and to the ONS 2016 mid-year population estimates for the UK (population at 2017 has been used)

9.15 At 2023, we estimate that there will be a modest theoretical requirement for a further 1.3 screens, increasing to a requirement for 7.5 screens by 2043. We therefore believe that the level of provision in

<sup>68</sup> We understand that the cinema screens across the Study Area are as follows: Quad at Derby city centre (three screens), Showcase at Intu Derby (12 screens), Showcase at Foresters Park (11 screens), Odeon at Mansfield Road (10 screens), Northern Light at Wirksworth (one screen), Ritz at Belper (one screen), Reel/Scala at Ilkeston (one screen), Odeon at Swadlincote (10 screens), Cineworld at Burton-on-Trent (nine screens), Cinebowl at Uttoxeter (three screens) and Red Carpet at Barton-under-Needwood (two screens)

the Study Area is broadly appropriate and likely to remain so for the immediate future. As such, we do not believe that there is any pressing quantitative requirement to try to identify a site for an additional cinema. Notwithstanding this, we do note that a number of modern cinema operators, such as Everyman, Picturehouse and The Light, typically operate with a limited number of screens, and incorporate a strong food and drink as part of their operation. Cinemas of this type are present in cities of a comparable size to Derby and there may be some potential to consider whether such an operator could trade viably alongside the Quad cinema in order to ensure that the cinema offer could be genuinely improved by such a proposal.

#### Ten Pin Bowling

- 9.16 The Derby authority area accommodates two ten pin bowling alleys, namely Hollywood Bowl at Intu Derby (which has 18 lanes) and Tenpin at Forester's Park (26 lanes). Accordingly, the city centre and the southern suburbs are currently well served in respect of ten pin bowling facilities. As Table 9.5 sets out, within the central Study Area Zones, the Hollywood Bowl at the Intu centre secures a market share of 47.0% of trips to ten pin bowling alleys and Tenpin at Foresters Park secures 43.9% of trips. As such, less than one in ten such trips that originate within the central Study Area Zones are undertaken to facilities outside of the Derby authority area.
- 9.17 Across the Study Area as a whole, the Hollywood Bowl at the Intu centre is the single most popular facility (securing 33.7% of such trips), followed by the Tenpin at Foresters Park (24.1%), the MFA Bowl at Ilkeston (11.5%), and then the Cinebowl at Uttoxeter (10.1%). It is evident that, of the two bowling alleys located in Derby, the Hollywood Bowl at Intu Derby benefits from a substantially greater amount of custom that originates from the wider area, which is a consequence of its central location and accessibility through a range of transport modes.

**Table 9.5: Market Share Secured by Ten Pin Bowling Alleys**

Zone	Cinema	City of Derby Zones	Outer Zones	Overall Study Area
1	Hollywood Bowl, Intu Derby	47.0%	27.6%	33.7%
3	Tenpin, Foresters Park, Derby	43.9%	15.1%	24.1%
13	Genesis, King Street, Alfreton	4.0%	1.3%	2.2%
14	MFA Bowl, Derby Road, Ilkeston	5.1%	14.5%	11.5%
20	Cinebowl, Town Meadows Way, Uttoxeter	0.0%	14.7%	10.1%
Outside SA (Nottingham)	Tenpin, Clifton Boulevard, Nottingham	0.0%	7.3%	5.0%
Outside SA (Tamworth)	Namco Funscape, Castle Grounds, Tamworth	0.0%	7.3%	5.0%
Other Outside SA	Other Ten Pin Bowling Alleys	0.0%	12.3%	8.5%
<b>Total</b>		<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Note: Market share derived from 2017 NEMS household survey 'weighted and filtered' results; City of Derby zones relate to Zones 1 to 9; Outer Zones relate to Zones 10 to 20; table includes all responses located within the Study Area and those outside that secure a market share of at least 5.0%

- 9.18 Mintel's Ten Pin Bowling UK report identifies that there are 5,242 ten pin bowling lanes across the UK, which equates to a lane for every 12,598 persons or thereabouts. Accordingly, we estimate that the Study Area could support around 76.5 bowling lanes at 2019, increasing to around 85.8 lanes at 2043. Once again, the actual supply of facilities across the Study Area is very similar to the estimated level of need. In this regard, our research<sup>69</sup> indicates that there are 73 bowling lanes in the Study across five separate facilities. As such, there is a theoretical requirement for 3.5 bowling lanes at 2019, increasing to a requirement for 12.8 bowling lanes at 2043.
- 9.19 The additional requirement is considered to be relatively limited and, given that the bowling alleys are relatively proximate to all urbanised parts of the Study Area, we do not consider that there is any pressing need for additional facilities. However, the ten pin bowling sector has evolved in a similar manner to the cinema sector, in respect of modern operators locating within centres and incorporating a strong food and drink offer as part of their business model. Such operators include All Star Lanes and Lane7, and seek to cater for those on an evening out as much as the family market. Once again, there may be some potential to attract such an operator to Derby city centre in the future.

<sup>69</sup> We understand that the ten pin bowling lanes across the Study Area are as follows: Hollywood Bowl at Intu Derby (18 lanes), Tenpin at Sinfon (26 lanes), Genesis at Alfreton (five lanes), MFA Bowl at Ilkeston (16 lanes) and Cinebowl at Uttoxeter (eight lanes)



**Table 9.6: Ten Pin Bowling Lanes Requirement in Study Area**

Year	Study Area Population	Typical Population Required to Support One Bowling Lane	Potential Number of Bowling Lanes Supported by Study Area	Current Number of Bowling Lanes	Capacity
2019	963,177	12,598	76.5	73.0	3.5
2023	986,109	12,598	78.3	73.0	5.3
2028	1,012,733	12,598	80.4	73.0	7.4
2029	1,017,761	12,598	80.8	73.0	7.8
2033	1,036,752	12,598	82.3	73.0	9.3
2038	1,058,637	12,598	84.0	73.0	11.0
2043	1,080,362	12,598	85.8	73.0	12.8

Note: Typical population to support a bowling lane calculated with reference to the Mintel Ten Pin Bowling UK 2017 report and to the ONS 2016 mid-year population estimates for the UK (population at 2017 has been used)

## Food and Drink

- 9.20 Food and drink uses are not typically the subject of a quantitative capacity assessment due to the difficulties in forecasting future growth in the sector over time (and an absence of data relating to how existing operators may need to increase their trading efficiency in the future in order to remain profitable). In addition, many new food and drink uses are relatively small-scale and can often be readily accommodated within a centre (through the reoccupation or refurbishment of existing premises) without the need for any planning policy intervention or site assembly.
- 9.21 On this basis, our consideration of the strength of Derby's food and drink offer is a qualitative exercise, based on the strength of the current offer and the opportunities that may exist to attract further operators into Derby city centre. There are three key elements to our assessment: our review of household survey respondents' use of restaurants, pubs and bars (which we provide below); Aspinall Verdi's assessment of the current strength of the commercial market in Derby city centre (provided at Appendix 3); and, our detailed consideration of the future strategy for the city centre (provided at Section 10).
- 9.22 The household survey identifies that Derby city centre attracts a very significant proportion of trips to eat out. Table 9.7 indicates that the city centre secures 55.5% of all such trips that originate within the central Zones 1 to 9, and 26.1% of all such trips that originate across the Study Area as a whole. Within the central area, the second most popular destination for trips to restaurants is Birmingham city centre (which secured less than one tenth of the market share of Derby city centre). Across the Study Area as a whole, Derby city centre's market share was more than double that of the second most popular

destination (this being Nottingham city centre, which has a market share of 10.9%).

9.23 Derby city centre's market share is considered to be encouraging. However, we believe that it is reflective not just of the strength of the centre but also the limited scale of Derby's other centres (and the food and drink offer accommodated within). In particular, the city centre is the only centre within the authority area with significant choice in respect of national multiple operators (which are generally accommodated with the Intu shopping centre).

**Table 9.7: Market Share of Restaurant Trips**

Zone	Destination	City of Derby Zones	Outer Zones	Overall Study Area
1	Derby city centre	55.5%	16.6%	26.1%
10	Ashbourne town centre	0.3%	2.4%	1.9%
11	Matlock town centre	0.3%	1.7%	1.3%
12	Belper town centre	1.2%	2.7%	2.3%
	Ripley town centre	0.0%	1.8%	1.4%
14	Ilkeston town centre	0.0%	2.1%	1.6%
15	Toton district centre	0.0%	1.3%	1.0%
16	Long Eaton town centre	0.4%	2.4%	1.9%
18	Ashby-de-la-Zouch town centre	0.0%	2.8%	2.1%
	Swadlincote town centre	0.0%	4.9%	3.7%
19	Burton upon Trent town centre	0.7%	9.0%	7.0%
20	Uttoxeter town centre	0.5%	2.8%	2.2%
Outside SA (Birmingham)	Birmingham city centre	3.9%	2.6%	2.9%
Outside SA (Nottingham)	Nottingham city centre	1.9%	13.8%	10.9%

Note: Market share derived from 2017 NEMS household survey 'weighted and filtered' results; City of Derby zones relate to Zones 1 to 9; Outer Zones relate to Zones 10 to 20; table includes all responses located within the Study Area and those outside that secure a Study Area market share of at least 1.0%

9.24 Analysis of the survey results in respect of trips to visit pubs, bars and nightclubs indicates that respondents generally visit a wider range of venues in order to drink and socialise than they do to dine. As such, larger venues (such as Derby city centre and Nottingham city centre) secure a lower market of trips to pubs, bars and nightclubs compared to their market share of restaurant trips. The household survey identifies that licensed premises in Derby's district centre claim a significant proportion of trips to pubs, bars and restaurants that originate within the central Zones 1 to 9. The five district centres at Allestree, Chaddesden, Littleover, Mickleover and Spondon each secure a market share equivalent to between 4.1% and 6.4% of trips to licensed premises originating within Zones 1 to 9, and collectively secure a market share of 26.1% of such trips.

9.25 The identified patterns of travel to visit licensed premises are consistent with our experiences elsewhere and reflect the fact that drinking is often undertaken close to home (i.e. drinkers visit their 'local'). On this basis, we believe that the overall Study Area market share of bars, pubs and nightclub trips secured by Derby city centre is appropriate.

**Table 9.8: Market Share of Pubs, Bars and Nightclub Trips**

Zone	Destination	City of Derby Zones	Outer Zones	Overall Study Area
1	Derby city centre	37.4%	7.1%	14.0%
4	Mickleover district centre	4.1%	1.0%	1.7%
	Littleover district centre	5.1%	0.0%	1.2%
6	Chaddesden district centre	4.5%	0.0%	1.0%
7	Spondon district centre	6.0%	0.0%	1.4%
9	Allestree district centre	6.4%	0.1%	1.6%
10	Ashbourne town centre	0.0%	1.8%	1.4%
11	Matlock town centre	0.0%	4.3%	3.3%
12	Belper town centre	0.0%	3.7%	2.9%
	Ripley town centre	0.0%	3.7%	2.9%
13	Alfreton town centre	0.0%	1.9%	1.5%
14	Heanor town centre	0.0%	1.3%	1.0%
	Ilkeston town centre	0.0%	5.4%	4.1%
15	Chilwell district centre	0.0%	2.1%	1.6%
15	Stapleford district centre	0.0%	1.8%	1.4%
16	Long Eaton town centre	0.3%	6.2%	4.9%
17	Melbourne town centre	0.5%	1.1%	1.0%
18	Ashby-de-la-Zouch town centre	0.0%	3.7%	2.8%
	Swadlincote town centre	0.0%	4.0%	3.1%
19	Burton upon Trent town centre	0.0%	9.8%	7.6%
20	Uttoxeter town centre	0.0%	3.2%	2.5%
Outside SA (Broxtowe)	Beeston town centre	1.6%	2.0%	1.9%
Outside SA (Nottingham)	Nottingham city centre	1.0%	5.1%	4.2%

Note: Market share derived from 2017 NEMS household survey 'weighted and filtered' results; City of Derby zones relate to Zones 1 to 9; Outer Zones relate to Zones 10 to 20; table includes all responses located within the Study Area and those outside that secure a Study Area market share of at least 1.0%

9.26 In considering Derby city centre's food and drink offer, we note that Venuescore's UK Shopping Venue Rankings 2015/16 provides a 'food service orientation index', which is an indexed measure of the relative strength of a destination's food and drink offer. The below Table 9.9 provides an extract of the Venuescore Rankings with reference to key venues within the Derby authority area.

**Table 9.9: Venuescore Food Service Orientation Index of Key Venues in Derby Authority Area**

Destination	Venuescore Designation (Classification)	LPA Centre Designation	2016 Venuescore Rank	Venuescore Food Service Orientation Index
Derby city centre	Centre (Major Regional)	City Centre	32	115
Kingsway RP	Retail Park (District)	Undesignated retail park	666	53
Wyvern RP	Retail Park (District)	Undesignated retail park	819	80
Meteor Centre RP	Retail Park (District)	Undesignated retail park	937	36
Chaddesden	Centre (Minor District)	District Centre	1,481	145
Alvaston	Centre (Local)	District Centre	1,775	108
Allenton	Centre (Local)	District Centre	1,888	115
Sinfin	Centre (Local)	District Centre	2,171	87
Spondon	Centre	Undesignated	2,171	0
Osmaston	Centre (Local)	Undesignated retail park (Osmaston Park Road RP)	2,171	0
Park Farm Shopping Centre	Mall (Local)	District Centre (Allestree)	2,021	122
Littleover	Centre (Local)	District Centre	2,815	167
Mickleover	Centre (Local)	District Centre	2,815	56
Ascot Drive Industrial Estate	Industrial Estate (Local)	Undesignated industrial estate	2,815	56
Ashbourne Road	Centre (Local)	Neighbourhood Centre	3,133	122

Note: Based on the postcode provided, the centre that Venuescore identifies as Spondon actually relates to the Asda at Derby Road

- 9.27 Table 9.9 demonstrates that both the city centre and most of the identified district centres benefit from a food service index in excess of 100 (i.e. the identified food and drink offer is better than average). Venuescore identifies that Littleover, Chaddesden and Allestree district centres have relatively strong food and drink offers, which is consistent with the findings of the household survey.
- 9.28 Whilst Derby city centre food service orientation index of 115 is significantly better than average, it suggests a more modest offer than centres which provide a similar role and function. By way of comparison, Sheffield has a Venuescore food service orientation index of 134, Nottingham's index is 133, and Leicester's index is 133. Accordingly, as we go on to consider further below, we believe that there may be further scope to improve Derby's food and drink offer.

## 10.0 City Centre Review and Strategy

- 10.1 This section of the report 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. The short and longer term changing retail, economic and social context for the city centre are considered and potential responses discussed.
- 10.2 The context provided by the wider study creates the basis for this review. In summary, that work concludes that given the growth of online retailing and changing consumer patterns against a background of limited growth in retail expenditure in the short to medium term, the retail sector is undergoing a significant shift that will have long term impacts on the shape of Derby city centre.
- 10.3 More specifically, 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.
- 10.4 The challenges facing the city centre have been considered in the Centre for Cities 'City centres: past, present and future' report published in February 2019. This identified 4 types of city centres, with each group having a common set of characteristics. The report determined that Derby fell into 'Quadrant C', with common characteristics of these cities' including low investment from high-skilled business, and weak residential growth.
- 10.5 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 use, as set out elsewhere in this report.
- 10.6 This section of the report places these ongoing and forecast changes to the physical footprint of retailing in a broader context, but also with reference to the particular circumstances of Derby city centre. Based on this review, some recommendations on the longer term strategy to successfully navigate and manage potential changes are made.

10.7 In advising on longer term strategy, it is acknowledged that the 2030 Masterplan and the Core Strategy establishes a clear framework for the city centre and that these are and will remain central to development management and regeneration work in the short to medium term. However, this study is also intended to consider, as far as possible, strategy beyond the current plan period.

Therefore, this section focuses on how development plan policy may be refined through the emerging Local Plan Part 2 in the context of the adopted Core Strategy. In considering regeneration and development strategy, we propose to focus on how further initiatives can complement and develop on the existing, well-established and robust approach.

10.8 In addition to the retail, accessibility and market research and analysis undertaken directly as part of the commission, this section of the report draws on a brief review of city futures thinking from organisations involved in key city development themes. In so doing we have sought to place our assessment of retail capacity within a wider context of:

- the future of cities and city centres as a fundamental principle;
- economic prospects, both nationally and in the sub-region;
- the future of the retail sector and the need for city centres to be less reliant on retail as a land use;
- the potential futures for city centre transport and its potential implications for city centre strategy; and
- the future role of planning and the tools available to managed change.

10.9 We then move on to consider some factors specific to Derby city centre, namely an assessment of the townscape character of the city centre and, based on the work of Aspinall Verdi, consideration of current market conditions and the current constraints on opportunities for investment and growth. We also note the outcomes of a Stakeholder Workshop held to discuss the issues and opportunities at play in the city centre.

10.10 Throughout this review, some comparisons with other city centres are also made. Direct comparisons between cities and city centres in particular is difficult due to the multitude of local factors that feed into economic and other performance indicators. However, at a broad-brush level, comparisons can be helpful in illustrating key opportunities and challenges. To that end, we have compared Derby to Nottingham and Leicester in the East Midlands, but also Sheffield, Chester and York.

10.11 Nottingham and Leicester were chosen as comparisons with other higher order centres in the East Midlands. Both are significantly larger than Derby in terms of city centre floorspace. Chester (which has a Venuescore score rank of 35<sup>th</sup>), Sheffield (22<sup>nd</sup>) and York (27<sup>th</sup>) were also identified as useful comparators, having similar Venuescore rankings to Derby. Derby's Venuescore rank is 28<sup>th</sup>.

10.12 All the comparator cities are 'University' cities. Both Chester and particularly York are significant heritage tourism destinations.

10.13 In the light of this assessment of strategic trends and prospects and local circumstances, this section concludes by:

- confirming the core elements of a future strategy for the city centre;
- considering the role of key regeneration sites in responding to identified opportunities; and
- providing recommendations on planning policy approaches, city masterplanning and city centre management to support the established City Centre Vision.

10.14 Before considering the broader context, it is useful to rehearse the extant policy and regeneration context which provides the starting point for strategy development.

### **Existing Planning and Development Strategies**

#### Derby 2030 Masterplan

10.15 The Derby City Centre Masterplan provides the key, contextual framework in considering the continued development of the city centre. The City Centre Masterplan sets out a strategic context for investment opportunities in the city in the next 15 years (2015-2030), which is to create in the order of 4,000 new jobs and deliver 1,900 new homes. The Masterplan strategy has been prepared by the business community in partnership with Derby City Council. It is not the intention of this report to review or revise the Masterplan strategy, but rather add to the thinking on how its key principles can be delivered on through an up to date assessment of trading conditions and trends in the development and growth of our city centres. However, as part of the conclusions to this section, a number of recommendations are made as to how the masterplan can developed alongside planning policy and other strategies.

10.16 The masterplan aims to achieve ten key ambitions to ensure the continued regeneration of the city centre into a vibrant place as a City of Choice, a Business City, a Living City and a Connected City.

10.17 The Delivery Plan outlines the following priority projects by 2030:

- City of Choice: Performance venue, Becketwell Regeneration, Silk Mill, Derby Market Hall Transformation Programme, The Derby Story, The Market Place re-invented, Coordinated events programme, A Heritage Trust.
- Connected City: City & placemaking, traffic and transport linkages, sustainable transport infrastructure, including new technologies associated with electric vehicles.
- Business City: Interchange and car parking, quality city centre offices, ultra-fast digital connectivity.
- Living City: Derby City Living Initiative, Castleward Urban Village, Riverside Masterplan.

10.18 Within that context, the masterplan identifies a series of Delivery Plan priorities and Future Opportunities. Delivery plan priorities include:

- the Becket Well Development;
- Castleward;
- Riverlights;
- Derby Market Hall;
- the Assembly Rooms; and
- Derby Riverside.

10.19 Future opportunities are:

- Traffic Street (north Castleward);
- Friar Gate Goods Yard;
- Full Street (which is coming forward at the writing of this report); and
- Nightingale Quarter (former DRI).

#### [City Centre Planning Policy](#)

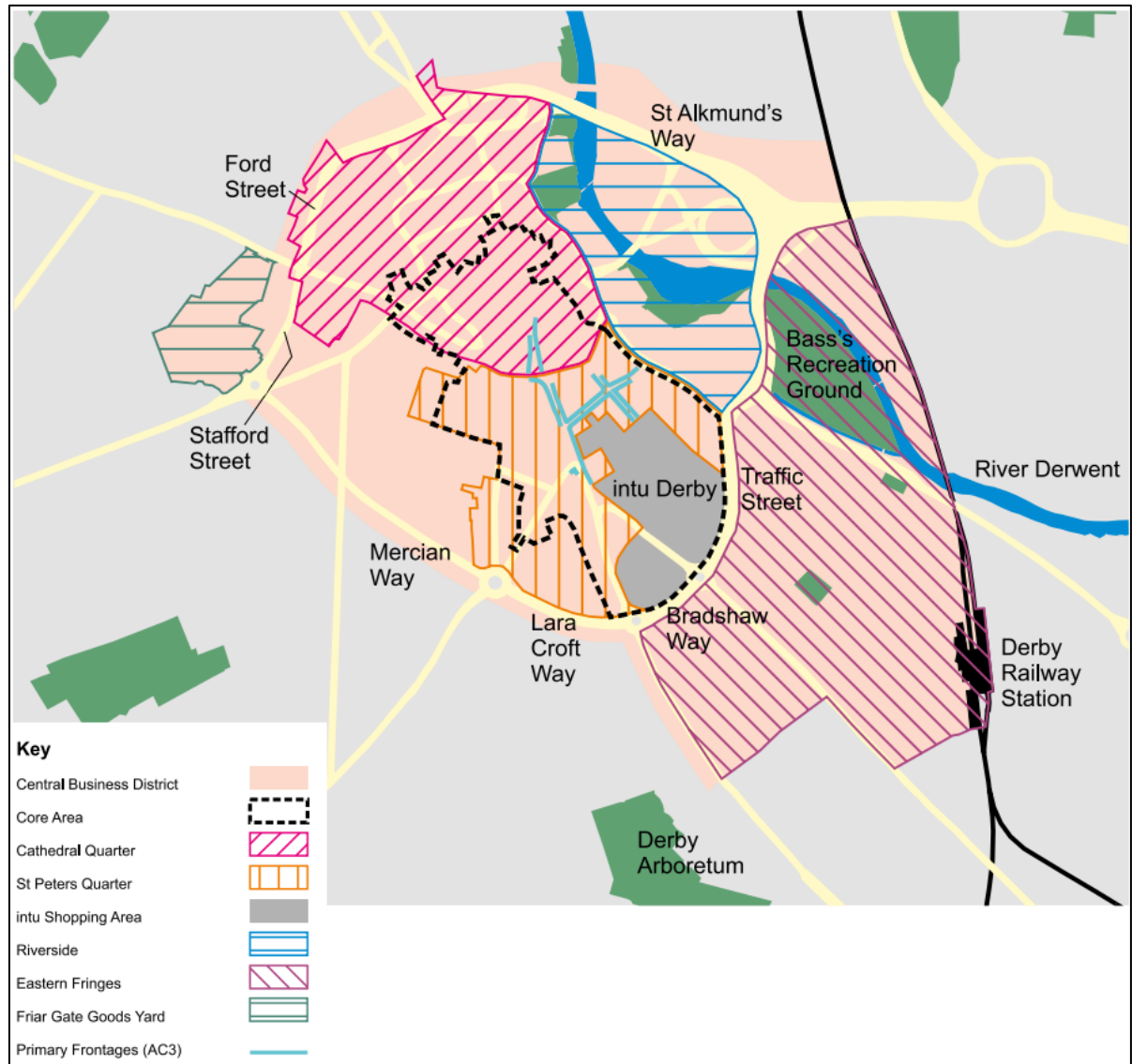
10.20 Development Plan policies have been reviewed earlier in this report. This section of the report considers how policy, over time, can be developed in the light of other findings and recommendations of this study.

10.21 Policy AC1 – City Centre Strategy provides the core thrust of policy in relation to the City Centre and is illustrated in the associated Figure 16 ‘City Centre Inset Map’ (extracted below as our Figure 10.1).



The Inset Map identifies a number of zones, which merit further consideration.

**Figure 10.1: City Centre Inset Map**



### *Central Business District*

10.22 The Central Business ('CBD') encompasses an extensive area, from the Railway Station in the south-east, through to Ford Street and the Friar Gate Goods Yard in the north-west, thereby encompassing the whole of the city centre within the 'ring road', as well as areas immediately outside and alongside it, including Castleward and the former DRI site.

10.23 The Central Business District provides **'the main focus and concentration of economic and leisure activity**

**across the city centre’.** The area is the **‘preferred location for the development of new office development in the City’.** City centre living will be promoted where it would not inhibit existing businesses or **‘undermine the vitality and viability of the Core Area’.**

10.24 The CBD is sub-divided into a number of sub-areas where development is to reflect the role and character of that sub-area (the mixed residential and commercial areas very broadly south and west of Macklin Street to the west of the heart of the City Centre is not included in any of these core areas).

10.25 Each defined sub area can be considered in turn.

#### *The Core Area*

10.26 The Core Area, as the term suggests, comprises the heart of the city centre, covering the area from Traffic Street and Bradshaw Way in the southeast northwards towards Market Place and Beckett Well and up to St Mary’s Gate. The area includes the Intu Derby shopping centre and Bradshaw Way Retail Park, as well as The Market Hall and Eagle Market.

10.27 The Core Area is defined as the focal point for non-food retailing in the city centre. The area will be sequentially preferable for new retail within the city. Proposals which seek to extend the Core Area beyond its existing boundaries will be resisted. The definition of primary frontages, via Policy AC3, considered again later in this section, is also noted.

#### *Cathedral Quarter*

10.28 The Cathedral Quarter comprises the area north of Victoria Street and Albert Street running broadly along Friargate in the west and Full Street in the east up to and in certain places slightly beyond the ring road at St Alkmunds Way.

10.29 The Quarter therefore overlaps with the Core Area south of St Mary’s Gate.

10.30 It is noted that the ‘Cathedral Quarter’ represents the historic core of the City Centre. In that area that overlaps with the Core Area **‘niche high quality shopping, leisure and evening economy role will be encouraged’.**

10.31 Priority will be given to the following opportunities:

- implementation of the Sadler Square mixed-use regeneration scheme, including the appropriate reuse of Middleton House;
- mixed-use regeneration of St James' Yard;
- implementation of regeneration schemes on Cathedral Road;
- the appropriate long-term regeneration or re-use of Queen's Leisure Centre; and
- redevelopment of the Assembly Rooms.

### *St Peters Quarter*

10.32 The St Peters Quarter comprises the area south of Victoria Street and Albert Street, broadly along Green Lane to the west and Morledge to the east, and up to the ring road. It therefore includes the key linking routes of St Peters Street and Exchange Street. It is noted that the area comprises a **'diverse range of shopping and other complementary uses within an equally diverse range of built environments'**. The area contains the bulk of the defined primary frontages (principally along St Peters Street, East Street and the lower part of Albion Street).

10.33 Within the St Peters Quarter, priority will be given to:

- mixed-use regeneration of Becket Well and Duckworth Square;
- revitalisation of the East Street/Albion Street/Exchange Street/Morledge area;
- Implementation of public realm improvements at The Spot and St Peters Cross; and
- Intu shopping area (comprising the Bradshaw Way Retail Park).

10.34 The Intu shopping area is acknowledged as a priority, but no additional policy approaches are suggested. There is however a reference to seeking opportunities to **'enhance the integration between this area and the rest of the CA (Core Area)'**.

10.35 The 'regeneration' of Bradshaw Way Retail Park will be supported, provided it includes a significant retail element and would not have a significant negative impact on the Cathedral Quarter or St Peters Quarter.

### *Riverside*

10.36 Riverside broadly comprises the area west of Morledge and Full Street and either side of Derwent Street as it crosses the river and leads to St Alkmunds Way. The area consists of a diverse range of residential,

commercial and civic uses, which the Council will seek to enhance.

### *The Eastern Fringes*

- 10.37 The Eastern Fringes, comprising land south of the ring road towards and including the railway station is seen as a **'vibrant new residential neighbourhood'**. It will also contain **'significant commercial uses'**. This area encompasses the Castleward and former DRI site.

### *Friar Gate Goods Yard*

- 10.38 Friar Gate Goods Yard is seen as an opportunity to deliver **'a vibrant mix of residential, retail, leisure and business uses including offices'**.

### *Policy AC3*

- 10.39 Policy AC3 deals with frontages, which is the other specific city centre policy area. Primary frontages in the Cathedral Quarter are either side of Corn Market, up to but not including the Market Place. Primary frontages in St Peters are along St Peters Street, either side of East Street, either side of Exchange Street/Albion Street, and south of Thorntree Lane. Both sides of St Peters Street are defined as primary frontages south of Victoria Street up to East Street. South of East Street, only the eastern side of St Peters Street is a primary frontage until it merges with London Road and the Intu shopping centre. The corner of London Road and Osmaston Road is also a primary frontage.
- 10.40 A subtly different approach is taken to primary frontages in St Peters Quarter over those on Cathedral Quarter, with leisure uses seen as potentially complementary in the former and effectively excluded in the latter.
- 10.41 There is a further subtlety in relation to the uses acceptable in principle outside of the primary frontage area. In St Peters 'secondary areas', financial services, residential and non-residential institutions takeaways, pubs and club, theatres and other complementary uses will be acceptable. In the Cathedral Quarter, acceptable uses in principle in secondary areas are limited to theatres, leisure uses and hotels. Pubs and clubs will be permitted where they would assist in diversifying the night-time economy and would not have an unacceptable impact on the character of the area. No mention is made of residential uses.

*Policy AC5*

10.42 This policy confirms the City Council's expectations for high quality development and the associated Figure 17 linked with the policy identifies a series of gateways, nodes and street enhancement opportunities. The majority of key routes (requiring improvement) and places are identified, with exceptions being London Road, towards the train station, the northern end of Albion Street (on the approach to Market Hall), and Market Place (as a route).

*Policy CP6*

10.43 Policy CP6 provides for the delivery of in the order of 2,200 new homes in the city centre, including Castleward and the former DRI site, in the period up to 2028.

Planning Context: Conclusion

10.44 How this regeneration and planning strategy can be developed in the longer term will be considered as part of the conclusions and recommendations to this section.

**Future Challenges and Opportunities**The Future of Cities

10.45 Before considering themes directly relevant to this study, it is useful to consider the wider context for the development of cities to place recent and ongoing changes to retail and other city centre uses in a broader historical and long-term context.

10.46 Cities and their development has been a focus of human civilisation for millennia and this will continue into the future. They reflect the needs and aspirations of the community that they serve. They are literally at the centre of the community and are a meeting point for key routes and transactions. Permanent settlement in the Derby area can be dated back to the Romans.

10.47 Since that time, Derby has gone through a series of development phases associated with technological and social change – the textile led industrial revolution, the development of an industrial manufacturing base and the arrival of the railway, in turn supporting further 'advanced' manufacturing and population growth. By the late 19th Century, the city centre would have been a diverse if environmentally challenging mix of civic, residential, commercial, manufacturing and industrial uses.

10.48 During the 20th Century, slum clearance and improved transport links led, as elsewhere, to the suburbanisation of the City (and a reduction in 'city centre' living – or terraced or 'back to back' houses as it was then). Post war clearance and development saw the introduction of the new phenomena of 'large format' retailing with the Eagle Centre opening in the mid-1970s (subsequently changing and increasing in size to the Intu centre of today) and an associated and significant expansion of retail space to become, by the early 21st Century, the predominant use in the city centre.

10.49 Derby, like all cities, has therefore adapted and changed overtime in response to the fundamental role of cities in human civilisation – as places of commerce, trade, invention, transport, culture and community. They will continue to be the focus of civic and cultural life and function as places of exchange (of ideas, goods and services). Change over time will remain constant. Retailing as a dominant use is a relatively recent phenomenon, and which is now itself going through a potentially radical shift. The fundamental and enduring role of cities and city centres will however not change going forward. But they are now certainly in a more competitive environment (due to transport improvements and the internet) and the new challenge will be to adapt to an increasing pace of change, certainly over the next 20 years or so, as the full effects of technology (those we can possibly envisage today) play out. In managing that change, city centres will need to remain relevant to the communities that they support and which in turn support them.

10.50 Change in cities and city centres is therefore inevitable and, as before, this will create new opportunities to be capitalised on.

10.51 Technology in the broadest sense will also influence the development of city centres as it already has done through the rise of online retailing. Some further, future changes can also be glimpsed now, whilst others will only become apparent in the years to come. This review therefore focussed on those changes that can be foreseen and will directly influence the structure of the city.

#### Future Economic Prospects

10.52 Cities and city centres are a function of the economies and communities that they serve and there prospects are similarly linked. As the economy develops and changes this will change the context for activity in city centres.

10.53 At a national level, and perhaps despite short term risks, and assuming a fairly benign outcome to Brexit (which at the time of writing can only be an assumption) Gross Domestic Product, employment

(along with population), average earnings and expenditure are expected to continue to grow, albeit slowly. The Office for Budget Responsibility Report ('OBR') (October 2018) forecast that GDP will be in the order of 9% higher in 2023 than 2017, whilst household 'consumption' will increase by over 1% per annum. The OBR also suggest that employment will increase by just over 800,000 between 2018 and 2023.

10.54 This picture of economic growth aligns with current population forecasts. The 2016 based ONS projects estimate growth in the UK population at around 0.6% annually up to 2041. Derby's population is forecast to grow by 26,000 to 2041, a growth of around 10% on the population in 2016. However, as the Local Plan strategy accommodates significant expansion of the Derby Urban Area outside of the City Council boundary (as part of a joint strategy of meeting the needs of a number of adjacent authorities and Derby's residual needs), then the population of the Derby Urban Area, as opposed to the City Council boundary, may well increase by significantly more than 10% over that same period. This growth is an opportunity for the city.

10.55 In 2016, prior to the EU Referendum, PWC (UK Economic Outlook March 2016, PWC), had a more optimistic view of jobs growth (3 million by 2025) than the OBR. However, they saw the most significant jobs growth coming forward in the sectors of education and health, business services and the distribution, hotels and restaurants sector. This forecast continued growth of services, including leisure, clearly provides an opportunity for city centre locations. Manufacturing employment was forecast to decline, in part due to automation. Having said that, manufacturing employment in Derby has proved more robust than the national picture suggests, in large part due to the market leading position of a number of major local businesses.

10.56 This steady, if not stellar, growth in the economy and jobs is forecasted to be reflected at the sub-regional level. A report on behalf of the D2N2 Local Economic Partnership (Draft Final Sectoral Analysis Report, September 2017, SQW) suggests that, whilst there is a general concern about productivity, jobs in the key sectors are forecast to grow as set out in Table 10.1 below.

**Table 10.1: Forecast Jobs Growth in the D2N2 Area**

Sector	Growth to 2030	Proportion of all jobs at 2030
Business Services Sector	20%	11%
Food and Beverage	13%	5%
Retail	10%	10%

Source: D2N2 Local Economic Partnership (Draft Final Sectoral Analysis Report, September 2017, SQW)

10.57 Again, Derby city centre clearly has an opportunity to attract some of this job growth, not least in the leisure and retail services sector. Future strategy will therefore need to consider how Derby can accommodate the changing face of retail whilst capitalising on the growth that there is.

#### Future Economic Prospects

10.58 How then are city and town centres expected to change as the retail sector changes? Given the current challenges, the future of the high street and our retail centres is understandably exercising a number of government, trade and representatives bodies.

10.59 The Housing, Communities and Local Government Committee launched at 'High Streets and Town Centres in 2030 Inquiry' (HSTC2030) in May 2018 and this is on-going at the time of writing. A number of submissions of evidence to the Inquiry address themes relevant to the challenges facing Derby and, whilst these point to an ongoing 'shift' to online, many commentators share the view that physical retail will still have a place; and whilst city and town centres will need to be less reliant on retail, there is room for optimism.

10.60 The British Retail Consortium (Ref HST 029, HSTC2030) considers that whilst online sales in non-food and food could reach 50% and 40% respectively of the market spend by 2030 treating online and physical stores as **'two separate channels will become increasingly irrelevant'**. In evidence, the BRC note that as evidence of the merging of retail channels, traditional retailers are investing in their digital business and whilst digital businesses are moving into physical space.

10.61 However, whilst physical stores will still have a role, radical change is taking place in the retail sector – the BRC have estimated that up to a third of existing retail jobs could be lost 2025, however based on current trends new jobs will also emerge, with today **'over 100,000 people working in retail in jobs that did not exist five years ago'** (Ref HST 029, HSTC2030).

10.62 The BRC conclude that centres will need to be **'less reliant on retail, and more reliant on services, leisure and experiences...'**

10.63 The view of the BRC is echoed in other evidence submitted to the Inquiry. Whilst online shopping will be increasingly important, Revo, a retail and place making representative body, point in evidence (Ref HST 065) to 58% of online transactions being influenced following visits to a physical stores, whilst



85% of comparison goods spend in the UK will **'touch'** a physical store. Revo are also of the view that physical stores will remain the dominant sales channel, but within an increasingly **'omichannel'** approach<sup>70</sup>. This changing role will be reflected in the layout and character of stores with an increasing emphasis being placed on experiential retail, including the incorporation of food and beverage into the experience; the showcasing, rather than simply the displaying; of goods, offering health and other 'add on' treatments. Opportunities for customisation, 3D printing and the use of virtual reality in the design or showcasing of products will also become an increasing feature.

10.64 Given this changing environment, physical stores and retail locations will need to increasingly provide a quality of experience as more mundane and regular consumption moves online. Those that can offer the quality of experience will benefit from increased spend. Similarly, those locations that can offer retailers the right environment for their experiential store will be where investments are made.

10.65 The CACI (Property Consulting Group) report 'Retail Landscape 2018' highlights the data that articulates this trend. Their analysis data underlines that **'destination'** trips are increasing at the expense of convenience trips. This is in part due to the increase in online shopping and lack of growth in convenience spend. However consumers are also seeking greater **'engagement'** on spending trips – with those centres offering greater engagement benefiting from greater spend (CACI suggest that a shopper who uses catering spends 51% more on retail than one who doesn't).

10.66 However again, and as noted earlier, CACI continue to see a significant role for physical stores: **'shops provide an essential role in connecting brands to customers. This is through showrooming, click & collect and growing brand awareness and value'**.

#### Importance of Branding and City Centre Management

10.67 The vibrancy of retailing in city centres will therefore be increasingly about the experience that can be offered and importantly the perception and 'brand awareness' of the offer. The exponential growth of social media has only increased the awareness of brand and the quality of experience amongst consumers. A number of research and other papers underline the importance of branding, events and city centre management in creating the environment which will continue to attract and retain mobile consumers.

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<sup>70</sup> Exemplified by Amazon's approach with its Clicks and Mortar concept stores

- 10.68 The report 'A brighter future for our towns and cities', from the Commission for Underperforming Towns and Cities (May 2015) underlines that **'the way in which places are perceived is critical'**.
- 10.69 The Commission were of the view that town and city centres need to become destinations that can accommodate events, markets and festivals, define the brand of the area, and provide a marketing platform which plays to particular local characteristics.
- 10.70 In a similar vein, the Institute of Place Management (HSTC2030, Ref HST 061) consider that **'Culture, events, pop-ups and markets have a vital role in bringing vibrancy back to high streets'**.
- 10.71 This view is echoed in evidence of the London Council (ref 071), which represents London Boroughs and the City of London. The Council's evidence to the HSTC2030 concludes that:
- 'Consumers are increasingly expecting high streets to be experiential rather than solely focused on buying specific goods. This is true not just for traditional shop-based high streets, but also other aspects of town centre provision, such as markets and the night-time economy. As a result town centres increasingly need to be curated and local plans need to consider how they will meet this need in the future.'**
- 10.72 Successful city centres are therefore in the future likely to place an emphasis on quality and diversity including, and critically, a strong leisure services infrastructure and 'cultural' offer in the broadest sense. This will necessitate increasing civic intervention to successfully 'curate' the city centre.

#### Diversifying the City Centre

- 10.73 A consistent theme then in the management of the changing retail landscape, is the need for centres is to diversify. The Centre for Cities report 'Building Blocks' (July 2018) confirms that diversity should be encouraged, with weaker centres having a more dominant retail sector than more successful ones. Those centres that can accommodate diversity will be more successful. The opportunities for diversity 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. A number of these opportunities are considered here in turn, as is the scope to diversify within the retail sector.

*Office and Workspace*

- 10.74 Whilst underlining the importance of diversification the Building Blocks report (Centre for Cities, 2018) also notes that successful city centres tend to have a strong primarily office based commercial sector and greater diversity and strength in the food and leisure services sector. The report also concludes that high skilled service exporting businesses favour city-centre locations.
- 10.75 Developing a strong office based commercial sector in Derby City Centre is already a key objective of policy, but economic conditions and alternative locations such as Pride Park will continue to make this a challenging area for the City. The work to be done in Derby is highlighted through comparisons with other centres. NOMIS data suggests that at 2017 there were approximately 16,000 employees working in Derby city centre (excluding the Pride Park area). This compares with 33,000 in York and 32,000 in Leicester.
- 10.76 However, notwithstanding the challenges of attracting large floorplate office users to the city centre changes in the character of workplace environments may provide a particular opportunity.
- 10.77 As noted by IPPR and others, the growth in self-employment is likely to continue, as is the growth in micro-businesses and collaborative working, taking advantage of the opportunities afforded by technology and the network economy. This is creating new structures in the economy and the workplace, resulting in the very significant growth in shared workspace models.
- 10.78 The potential for this growth is very much focussed on cities, which offer the opportunities to network, and the potential in Derby has already been established by Connect Derby.
- 10.79 The growth in workspace, potentially in conjunction with the University or potentially some of the sub-region's major employers who will be increasingly using collaborative models, offers an opportunity to add to the diversity of the city centre.

*Creative Industries*

- 10.80 Creative industries, covering art through to digital media, is both an opportunity for economic growth but also to contribute to the colour and diversity of the city experience.
- 10.81 The Independent Review of the Creative Industries report (the Bazalgette Review 2017) underlines the growing importance of creative industries sector. Based on current trends the review considers that

the sector could deliver close to £130bn GVA by 2025 and approximately one million new jobs could be created by 2030. Creative industries are therefore positive in themselves but also a driver of growth and regeneration in the wider economy. Creative industries build on local heritage, cultural capital and character and contribute to it, establishing a virtuous circle. Again as the report points out the **‘growth in Creative Industries is enhanced when an area has a strong cultural, heritage and sporting offer, enhancing the attractiveness of locations to live and work and acting as an accelerator for regeneration.’**

10.82 The D2N2 LEP has identified creative industries as one of the key growth area for the sub-region. There is already a creative industries presence within Derby upon which to build. Focal points for creative industries in the City currently include Banks Mill, Riverside Studios and Sadler Bridge.

10.83 The Nesta (National Endowment for Science, Technology and the Arts) Creative Nation resource (<http://data-viz.nesta.org.uk/creative-nation/>) charts the growth of creative sectors in key cities. In Derby this point both to growth to date and further potential. Nesta concludes that as at 2018 within the City Council area, there are 5,105 people in the creative industries (position 45 in the UK) and has 1,155 creative business (position 48 in the UK and the creative industries contribute £122.15 million to the local economy. Creative employment represents 3% of the local workforce.

10.84 The fastest growing creative sector in Derby in terms of jobs is Film, TV, video, radio and photography whilst in terms of number of businesses, the fastest growing sector is IT, software and computer services.

10.85 By comparison, Leicester and Nottingham are 17<sup>th</sup> and 22<sup>nd</sup> respectively in the Nesta ‘league table’ by number of employees in creative industries. Leicester has 12,550 employees in the creative sector whilst Nottingham has 9,350 creative industries. This represents 3% (Leicester) and 2% (Nottingham) of the local workforce in those cities, a similar proportion to Derby. York employs 4,725 people in the creative industries (position 47 in the UK) which is again around 3% of the local workforce.

10.86 Whilst the number of jobs in the creative industries in Derby compares favourably with other centres, the Nesta report does suggest that the supporting infrastructure is less apparent. The Nesta report identified only three research collaborations by UK Research Councils or Innovate UK involving collaboration between local universities and creative businesses in Derby. The scale of funding received placed Derby at position 88 in the UK. Similarly, Nesta identifies only one active ‘creative community’ in Derby according to Meetup, with 224 participants in events in 2017 (position 93 in the UK).

10.87 The comparable figures for Leicester are 109 research projects; £229 million in funding; 10 active communities and 791 participants. In York there were 92 research projects, capturing £99 million in funding, with 6 active communities and 669 participants (position 46 in the UK).

10.88 Whilst in some respects, notably the quantum of employment in creative industries, the picture in Derby is positive, the Creation Nation Report would suggest that Derby is potentially falling behind in key area such as networks, collaboration and funding, which should be a concern in this important growth area.

#### *Residential*

10.89 The development of a strong residential sector is clearly one area with which Derby city centre could diversify, and this is acknowledged, to a degree, in established policy. However Derby does appear to be significantly behind other comparable centres in capitalising on the established trend for city centre living.

10.90 Experian figures suggest that based on current forecasts by 2033 Derby city centre (as broadly defined by the ring road) will have a resident population of around 3,000 compared with 14,000 in York and 10,000 in Nottingham<sup>71</sup>.

10.91 The benefits of promoting a city centre population are noted in the Centre for Cities report 'Urban Demographics - Why people live where they do' (2015), as are the inter-relationships between other elements of a diverse and growing city and a growing resident population. The report notes that the weight of pull factors vary between cities and the age profile of residents, but common themes include proximity to workplace, proximity to restaurants, leisure and cultural facilities, housing costs and neighbourhood safety. Given these inter-relationships, the report concludes amongst other things that **'in fast-growing city centres, it has been access to jobs, as well as their recreational and cultural offer, the types of housing available, and the quality of the built environment, that have driven population growth'**.

10.92 So again, whilst residential is an opportunity for diversification in itself, this needs to run alongside other elements of a diverse city centre – employment, leisure, culture and the quality of the city centre experience.

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<sup>71</sup> It should be noted that the Derby figure is representative of a 'policy off' forecast, and that the Council will seek to deliver additional growth in practice

*Education and Student Retention*

10.93 As noted earlier, education is a key opportunity for cities to diversify. The establishment of Further and Higher Education Assets in the city centre is certainly one element of this approach creating employment, driving footfall, and fostering diversity. However, as important as education space is, the ability to attract and retain students post-graduation is critical to underpinning the city centre economy across the board, but notably in creative industries, IT and small business sectors.

10.94 HESA, the designated data body for Higher Education in England puts the students attending the University of Derby at around 17,000 (2016/17). This places Derby on a par with locations such as Chester and York in terms of student population (although significantly less than Sheffield, Nottingham and Leicester). However the Centre for Cities report 'The Great British Brain Drain' suggests that the retention rate of students in the city is also lower than our other comparable locations (figures not available for Chester) and therefore the city is missing out on what the Centre for Cities sees as an **increasingly critical for the success of city economies**.

10.95 How Derby can boost its graduate retention rate will require some consideration. At a basic level this will require access to the right kind of employment opportunities, the right kind of housing affordable to graduate entrants in the labour market, accessibility to other labour markets and a critical mass (or USP) in leisure, cultural and community assets that increasingly make staying in and around Derby an attractive options for graduates.

10.96 The report by Universities UK – Graduate Retention – Meeting Local Skills Needs notes the complexities of student retention, but emphasises the importance of partnership mechanisms to better integrate employee skills requirements with University study programmes, careers support and work experience programmes.

*Retail Diversification*

10.97 As noted earlier, city centre retailing is going through a radical change, with likely static or declining floorspace requirements. However, notwithstanding that, there will continue to be change and innovation within the sector, both driven by established players responding to market conditions and changing consumer demands as well as 'new entrants' into the sector. Established (and new brands) will increasingly seek to introduce experiential elements to the offer, such as add on treatments, customisation, food and drink and on site 'manufacture' (such as 3D printing). Stores are likely to be

increasingly showrooms, with the bulk of goods stored elsewhere (and ordered on line). More generally, retail services – health and well-being, personal grooming and beauty and so on will become an increasing element of the high street environment.

10.98 Alongside this will be the increasing trend for independent, pop-up and market-based and occasional traders, particularly around food and drink, leisure, creativity and the arts.

#### *Accessibility*

10.99 The city centre must strive to be inclusive, and make sure that it does all that is possible to ensure the needs of those who are most vulnerable are catered for.

10.100 A truly accessible environment, as set out in the 'Social Model', enables all users to move, function and communicate equally. The environment should therefore be design to the benefit of all through inclusion of ramps, lifts, wide doorways and corridors which provide benefit to all users. A more accessible city centre not only encourages visitors to spend more time in the centre, but also to visit more often, thereby boosting the vitality and viability of the centre.

#### **The Future of Transport in the City Centre**

10.101 One further 'future theme' to consider before addressing circumstances specific to Derby is the potential future of transport as it relates to city centres. Inclusivity and accessibility is the lifeblood of city centres and is a key driver of use patterns and footfall and thereby vitality and the economic performance of consumer facing, city centre activities. Changing patterns in transport will impact on how consumers and others will access the city in the future, influence on the future physical and economic shape of the city centre.

10.102 Technology and investment in transport is going to have a very significant impact on the function of cities in the decades to come. Autonomous vehicles ('AVs') are expected to become increasingly common place by the mid-2020s and a standard feature of travel by the 2040s. This will influence both personal travel and the way public transport and buses in particular are managed.

10.103 Curtins has advised as part of this study that key outcomes of the growth in autonomous 'private' vehicles are:

- a reduction in car ownership particularly in urban areas and the growth of 'pay as you go' forms

of car usage;

- the likely creation of fleets of slower moving autonomous 'hail and ride' vehicles serving urban areas replacing shorter and 'standard' urban journeys;
- the replacement of a large proportion of taxis by AVs; and
- the use of AVs for regular 'storage and distribution' functions.

10.104 These changes are likely to reduce the requirement for car parking and its replacement, where required, by AV storage and charging. It will also likely free-up road space, creating opportunities to improve the public realm.

10.105 Alongside this picture of reducing personal car ownership will be an increasing role for public transport, particularly rail, for intercity travel, a trend that is already apparent.

10.106 The establishment of the East Midlands HS2 Station at Toton, currently planned for 2032/2033 will change the relationship of the city centre, to a degree, with Derby Station. However, the station will remain a key regional link and will benefit from increased capacity for commuter traffic on the 'classic' network. It will also likely form part of, or be close to, any future mass rapid transit system serving the Toton HS2 station.

10.107 In the shorter term further consideration needs to be given to the parking strategy. The 2017 WYG Derby Parking Study points to an on-going underutilisation (at least to 2028) of a number of car parks in the city and notably, in the context of this Study, Chapel Street, Bold Lane and Abbey Street West. Whilst clearly the on-going regeneration of the City has the objective to increase visitors to the city centre, the emphasis should be increasingly on sustainable modes of transport. The report references that redevelopment of 'central' car parks, including Chapel Street and Bold Lane, may be viable given their identified underutilisation. However, the loss of these well-used car parks would reduce parking capacity in the central area and may have resultant impacts to the overall vitality and viability of the city centre.

10.108 Similarly, technology and automated vehicles are likely to change the nature and quantum of parking required. Planning for the future of car parking therefore provides a significant challenge and the public sector should be cautious about significant investment in additional or replacement multi-storey car park provision without a clear emphasis on future proofing. However notwithstanding that, there remains the need to consider the provision of car parking across the city centre, not least to offer some



balance to the dominance of the Intu parking. Also overtime parking should be increasingly located toward the edge of the core of the city centre, and the focus of pedestrian footfall, so as to avoid bringing traffic unnecessarily into the heart of the city.

- 10.109 The parking strategy should be updated and more closely aligned with the wider strategy for the city centre. However, in advance of that it is suggested that the Council consider the redevelopment of the Chapel Street Car Park and in due course consideration given to the creation of a new, high quality MSCP to the north of the city centre. This would need to be considered alongside the future strategy for Bold Lane and the Assembly Rooms car parks.

### **Challenges and Opportunities for the Future**

- 10.110 In the light of the above review, it is clear that the future of a successful city and city centre is around diversity and less reliance on physical retail – although that will remain an important feature. The quality and accessibility of the city centre experience will be critical in attracting and retaining spend. Maximising the city experience will require curation and city centre management tools. Employees and residents are an important part of the mix, which in turn support the retail, cultural and leisure offer.
- 10.111 Before considering local circumstances and prior to making recommendations on future strategy it is useful at this point to draw together some of the themes from the review thus far. These combined with urban structure, townscape characteristics and market conditions will form the basis of recommendations around future strategies. Future medium to longer-term trends point to the following as a reasonably sound set of assumption on which to develop future strategy:
- Solid, if not stellar economic growth in terms of employment, incomes and expenditure.
  - Some growth in comparison expenditure.
  - An increasingly dynamic and perhaps volatile retail and leisure property market and the pace of change prompted by new technology, social media and changing consumer preferences (and the formats responding to them).
  - The static and likely declining scale retail floorspace as a component of town and city centres but its continued importance as part of the 'omichannel'.
  - The increasing mobility of consumers, including improving public transport links and allied to that an increasing concentration by national retailers of their physical footprint and the scope for centres to compete for retail leisure spend on a sub-regional and even regional basis.

- The on-going pressure on real incomes, particularly for middle and lower income households.
- The increasing segmentation and 'polarisation' of consumer markets around price and 'experience', and how consumers engage with them.
- The increase in city centre living and renting and the consequential influence that has on patterns of household expenditure.
- An increasing emphasis on the consumption of experiences (leisure, personal grooming, dining out, take-aways and so on), rather than goods.
- The increasing influence of the internet and social media on how, where, and on what consumers spend and the largely untapped power of 'big data' in understanding and influencing consumer behaviour.
- The changing consumer preferences for leisure spend, including growth of urban leisure and a decline in the consumption of alcohol amongst younger adults.

10.112 These trends can perhaps be best summed up as ongoing move towards an emphasis on the one hand on value, simplicity and convenience in day to day spending – discount retailers, top-up shopping and the use of the internet; and on the other hand for discretionary spending with a focus on choice, quality (be that brands or bespoke and independents) and the experience. Accessibility remains important, but this is increasingly less about location and more about quality, value for money, travel times, public transport and the accessibility of a quality 'whole day' (leisure and retail) experience. Inclusivity, as derived by the 'Social Model' will also be a key theme and an economic opportunity for the city centre.

10.113 More encouragingly, the high street appears to have become a focus for entrepreneurial spirit, with a number of centres beginning to benefit from a greater focus on independent retailers and modern markets, which are frequently focused around food and drink operators.

### **Derby City Centre – Current Conditions**

10.114 Within the broad picture of the changing landscape for retail and how city centres might respond, the condition and characteristics local to Derby city centre can be reviewed. Relevant considerations are townscape character and urban structure, market conditions and the outcome of the city centre healthcheck. These combined present a useful snapshot of current conditions.

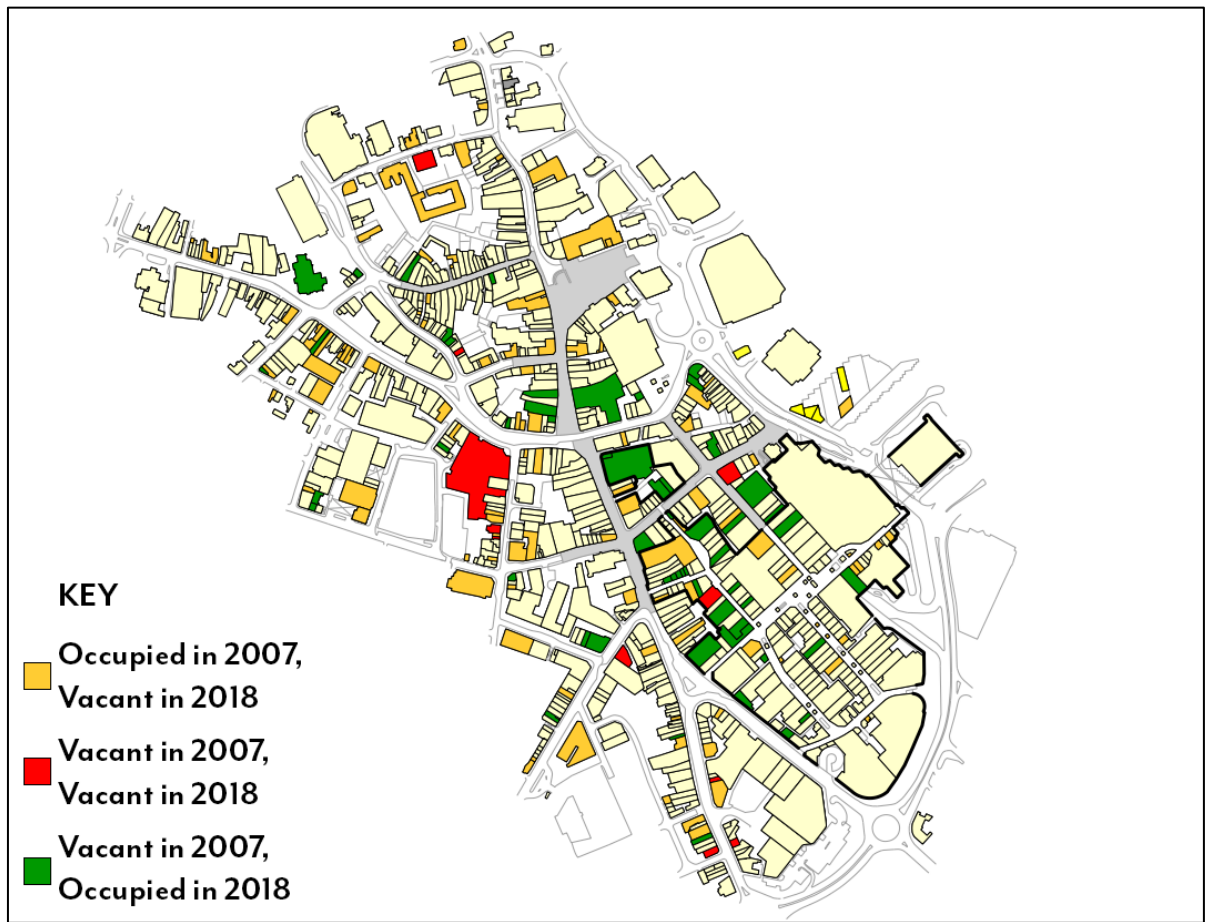
#### Land Use, Townscape and Urban Structure

10.115 As noted earlier, the townscape and urban structure of the city centre will be a key influence on how it

develops and changes in response to new circumstances. Some relevant themes are considered here.

- 10.116 Derby is a Major Regional Centre that draws customers and visitors from an extensive catchment area although it is in a competitive environment at a regional level and has lost ground against other comparable centres since 2010.
- 10.117 Retail is the dominant retail use, at circa 51% of the 214,540 sq.m of gross floorspace across 821 units. Comparison is the principal retail use, with convenience retailing a lower proportion of retail floorspace that found in comparable centres. 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 Macklin Street, Colyear Street and Becketwell Lane.
- 10.118 The principal transport nodes, the Bus Station, the Railway Station and the most popular and large car park, at the Intu, are located to the south of the city centre. The strongest footfall flows appears to be around and within the Intu, with significantly lower levels of footfall in the Cathedral Quarter. The environmental quality of Derby city centre is varied, but is generally good and the overall appearance of the city centre is positive. This view is borne out by the in-street survey results considered earlier in Section 4. In that survey, the environmental attributes of the centre scored relatively well and in a manner that is generally consistent with a comparable survey in 2008 (albeit with a marginal increase on some indicators). The quality of the buildings and townscape was the most positively considered city centre characteristics. Having said that, the in-street survey also pointed to one of the major and increasing 'dislikes' as being the run down appearance of premises. Concern over 'intoxicated or anti-social behaviour' also now appeared as a top 4 'dislike' in 2018, but did not feature in 2008 responses.
- 10.119 Derby 'city centre' is relatively extensive. The ring road, a standard feature of most comparable UK cities is, in Derby's case, quite generously 'drawn', certainly to the north of the city and when compared to the retail core. This brings with it both opportunities and challenges. It certainly affords the scope to foster a diversity and critical mass of uses and activity within the core area before the 'barrier' effect of the ring road becomes a factor, both real and perceived, as to how the city functions, economically and physically. However, in Derby's case this also creates the challenge of focussing activity, footfall and investment 'in the city centre' as experienced by shoppers, visitors and investors. It is for this reason that the Local Plan Part 1 Core Strategy identifies a more tightly drawn Core Area (within the wider city centre boundary) as the preferred location for new retail development.

- 10.120 Notwithstanding the physical scale of the city centre, important city centre functions lie outside the heart of the City – notably the railway station, the University Campus and the ‘office’ and employment Quarter of Pride Park. Banks Mill Studios, the University supported innovation space for creative and digital industries is located outside of the heart of the city centre. Therefore, it remains important to seek to integrate uses and activities both within and outside of the heart of the city (as defined by the ring road) to maximise the accessibility, diversity and vitality of the city centre.
- 10.121 Whilst the ring road does not overly constrain the physical capacity of the city centre, it does still create a barrier to movement, and shapes and influences the form of the city and how it functions in key locations. This is particularly the case to south of the city centre towards Castleward, London Road and the Station and to the north-west, towards the University Campus.
- 10.122 Within the city centre, within the ring road, substantial parts of the city centre, other than perhaps notably Riverside, are covered by heritage designations. Riverside is however within the World Heritage Site buffer zone. The Cathedral Quarter in particular is a high quality, characterful, historic environment on a par with places found in other city’s more synonymous with a heritage offer.
- 10.123 There is a marked south-north divide in the city in terms of character, land use, accessibility and to a degree vacancy and economic prospects. The southern part of the city centre is dominated by Intu and its immediate environs, this is the core of the comparison retail area and the national multiple leisure offer. It benefits from the highest footfall, the bus station and the bulk of the high quality car parking in the city. To the north, north of Albert Street, and into the Cathedral Quarter, there is a lack of a strong anchor use and there is lower footfall, but perhaps greater diversity and distinctiveness in the environment and townscape. The increasing dominance of the St Peters/Intu area of the city centre is evidenced by tracking the change in vacancies in the city centre between 2008 and 2018. This suggests that new vacancies tend to be to the north of the city centre, whilst properties re-occupied since 2008 tend to be in the St Peters/Intu area.

**Figure 10.2: Changes in City Centre Vacancies between 2008 and 2018**

- 10.124 This divide between south and north in the city centre is reinforced by the lack of a retail circuit linking St Peters/Intu to the Cathedral Quarter. St Peters Street is the primary link, but the quality and management of this route could be improved.
- 10.125 The Intu centre is of course the principal retail and leisure destination in the city but other than perhaps along St Peters Street, it relates poorly to the wider city centre. This is particularly the case along East Street and to the front of the Eagle Centre. An improved, less stark, relationship between the 'outdoor' and 'indoor' offer could potentially extend the benefits of the quality and experience of Intu into the surrounding streets, whilst better linking Intu to the character and distinctiveness of the wider city. The 're-imagining' of the Eagle Market may provide a particular opportunity in this respect.
- 10.126 The Market Place lies at the heart of a strong public realm network in the city and is central to the success of the City Centre Masterplan. It is a large, central space but lacks presence, amination and outside of special events, vibrancy. There is little cohesion and functional connectivity between

Irongate, Cornmarket and The Market Place and they perform as separate areas of public realm. The Waterfall and other infrastructure also serves to downplay the entrance to the Guildhall Theatre and a route through to Market Hall.

### Market Conditions

10.127 As part of this commission, Aspinall Verdi has undertaken a comprehensive market report, which considers trends of specific relevance to Derby city centre. This market report, to a large degree, reflects wider retail trends noted in earlier sections and the urban structure of the city centre considered above. In particular, the market report underlines:

- The dominance of the Intu shopping centre is reflected through its near monopoly of the comparison goods national multiple market, which manifests itself through long leaseholds and a stable tenant line up.
- There is limited demand for additional comparison goods floorspace, which has resulted in new or refurbished accommodation (such as Castleward Boulevard and Riverlights) struggling to attract tenants.
- Derby city centre's food and drink offer is principally split between Intu shopping centre (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).

10.128 In considering the scope for diversification, the market report considers that:

- Derby city centre lacks a vibrant office market. The evidence from the current availability of space indicates that there is a lack of quality office accommodation within the city-centre. In terms of quality of space and rental levels, Pride Park is the current location of choice.

- Whilst from both a sales value and rental value perspective the Derby residential market marginally underperforms 'on average' in comparison with Leicester and Nottingham, the city has experienced a sustained period of value growth over the past five years. This has been driven by a number of office to residential conversions and a number of new-build schemes including the Cathedral Green development which has achieved in excess of £250 psf and is situated within the popular Cathedral Quarter, which is an emerging residential city centre location.
- A number of residential schemes are in the pipeline across the city centre, including two private rented sector schemes north of the riverside. This is a growing sector nationwide, with a particular appetite for developments of scale in City Centre locations in the private rented sector.
- There may be potential for the 'urban leisure' sector to expand further to take currently vacant floorspace.
- There is currently a limited supply of higher quality hotel accommodation the City Centre. Interestingly Aspinall Verdi note that as such operators tend to focus on key cities with both a substantial tourist economy, but also a strong office market. Whilst Aspinall Verdi have identified some interest from potential operators, they note the relatively low room rate on Derby. To overcome this there may need to be involvement of the public sector, as has happened in Woking and Peterborough.

### Stakeholder Workshop

10.129 A Stakeholder Workshop was held on the 5<sup>th</sup> July 2018 to provide additional input into the emerging strategy. Attendees included Derby City Council officers, Intu, Cathedral Quarter BID, St James Securities, Marketing Derby, Trevor Raybould & Sons and Salloway Property Consultants. A wide ranging discussion was held. Themes raised were:

- The Vision for the city centre is clearly established - delivery and managing economic circumstances is the challenge.
- The city cannot rely on retail to be the driver of regeneration and development in the future.
- There is too much retail floorspace and a role needs to be found for much of the floorspace outside of the prime pitch.
- Footfall is not strong enough in the Cathedral Quarter.
- There is potential for further residential in the Cathedral Quarter.
- Conservation and planning policies add to the challenges for business and property owners,

however conservation led investment has also been a major driver of change in Cathedral Quarter. Conservation and heritage can add value and to the experience of the city.

- Balancing the late night drinking with retail, leisure and residential in the Cathedral Quarter is challenging.
- There is a lack of employees, office and workspace in the city centre this is reflected in footfall.
- There is a lack of a presence from the University, and students, in the city centre.
- The quality of experience is a key factor for all sectors of the city centre market.
- Connect Derby is a successful, there is scope to bring smaller offices in the city (rather than Pride Park).
- City Centre management is critical. The character of St Peters Street in particular is a concern.
- The regeneration of Becketwell is a key priority.
- There is a lack of green space.
- There is a limited cultural / creative offer.
- The independent sector is not as strong as it could be.
- Car parking pricing and management does not seems to serve regeneration objectives.

10.130 The views of stakeholders align to a significant degree with the themes explores earlier in this section.

### **A City Centre Strategy for the Longer Term**

10.131 In the light of the preceding review we can draw together some themes that can form part of a refinement of established planning and regeneration strategies beyond the current plan period. This section is structure as follows:

- Confirming the objectives for city centre strategy and the tools that can be adopted in delivering on those objectives.
- A brief consideration the role of key regeneration sites in responding to identified opportunities;
- Recommendation on potential planning policy, masterplanning and city centre management approaches to supporting the established city centre Vision.

### City Centre Objectives

10.132 The overarching objectives for city centre strategy should be one focussed around the interlinked and multi-faceted themes of diversification and quality of experience. The delivery of these objectives touch on planning and regeneration policy but will also require a proactive, city centre management



approach.

#### Diversification

- 10.133 The city centre is already moving away from retail as being the dominant use, as vacancy increases (hopefully with the support of this and other strategies to be taken up by other uses) and uses such as leisure services grow in importance. Diversification is of course taking place within the retail sector whilst the primary opportunities for diversification away from retail are considered to be residential, workspace and creative and cultural industries and, as noted earlier, leisure. Consideration should also be given to the scope to introduce other civic uses such as health along with Further and Higher Education functions. In seeking to diversify the city centre, a clear eye should be had on quality, promoting enterprise and fostering a creative culture.

#### **Residential**

- 10.134 Residential was previously a significant function of Derby city centre and there is scope to rediscover this. The presence of a University, the accessibility of the city, its environmental quality and access to jobs (not least at Pride Park) combine to create a solid platform for further development in this area. It is therefore considered that residential should be positively encouraged within the city centre (within the ring road specifically), whilst balancing important heritage assets and the mix of uses in key locations.

Significant progress has been made in developing the residential market in recent years, however substantial further growth should be explored and promoted, specifically in the heart of the City within the ring road. Residential development is likely to be one of the key strands of diversification – not least in terms of ‘volume’, but also as a key driver of footfall and activity. Much of the progress within the city centre has been around the development of student accommodation and PD conversions. This ‘pioneering’ development now needs to be capitalised on through the delivery of housing to meet in the needs of other market segments, not least young professionals. Locations such as Castleward and the DRI site are likely to cater for the demand from young and smaller families in the foreseeable future.

Figure 10.3: City Centre Residential Permissions

## Major (&gt;10) Residential Completions and Commitments (04/15-12/18) in the City Centre:



Ref.	Site Name	Decision Date	Completion	Type	Number of Units
1	Weavers Point	22/01/2015	Completed March 2017	Full	35
2	Cathedral Court	05/03/2015	Completed March 2017	Full	339 student (113 counted)
3	Willow House	11/12/2014	Completed March 2017	Prior Approval	12
4	Cathedral Road/Willow Row	06/11/2017	Under Construction	Full	319 student (127 counted)
5	Agard Court	08/06/2016	Completed March 2018	Full	244 student (81 counted)
6	Roman House	06/06/2015	Completed March 2017	Prior Approval	126
7	Celtic House	15/05/2017	Under Construction	Prior Approval	52
7	Celtic House	26/06/2017	Under Construction	Prior Approval	26
8	Norman House & Saxon House	05/04/2016	Completed March 2018	Prior Approval	135
9	Forester House	24/07/2018	Not yet started	Prior Approval	59
10	Burdett House	10/03/2016	Completed May 2018	Prior Approval	12
11	St Peter's Church Yard	01/07/2016	Completed March 2018	Change of Use	14
12	St Peter's House	15/06/2015	Completed March 2018	Prior Approval	155
13	Babington Lane	07/07/2017	Not yet started	Prior Approval	77
14	Former DRI	25/07/2012	Not yet started	Outline	500
14	Former DRI	Undetermined	Not yet started	Full	786
15	Castleward PH1	08/02/2013	Completed March 2017	Full	165
15	Castleward PH2	01/03/2018	Not yet started	Full	108
15	Castleward PH2	23/05/2018	Not yet started	Full	54
15	Castleward	08/03/2013	Not yet started	Outline	Circa 300 remain in Outline
16	Audley Centre	04/06/2018	Not yet started	Full	48
17	Riverlights	29/10/2004	Not yet started	Outline	Circa 300
18	Bio House	20/12/2018	Not yet started	Full	105
19	Cathedral Green	29/04/2014	Completed March 2017	Full	46
20	The Landmark	Awaiting S106	Not yet started	Full	202
21	St James's Chambers	10/11/2015	Completed March 2018	Change of Use	22
22	Middleton House	Undetermined	Not yet started	Change of Use	77
23	Kings Crescent	24/09/2009	Under Construction	Full	48

- 10.135 In this vein, the city centre has also been designated as a Housing Zone and the Council is working with Homes England to promote and support the development of new homes. The Council has also established a City Living Initiative which offers loans for residential schemes in the city centre.
- 10.136 The Riverside area is a potentially key location for the development of residential of a scale of demanded by the key PRS and student accommodation development sectors. Amongst other things this may require a more nuanced approach to be taken to the appropriate height of development in this area, as part of a strategy for the city as a whole. The opening up of the canal network through the Derby and Sandiacre Canal provides further opportunities to add life and interest to this area.
- 10.137 Other opportunities for residential in the city centre may include Becket Well and redevelopment opportunities created in the medium term by the reorganisation of car parking provision in the Cathedral Quarter.
- 10.138 Residential developments with the city centre, perhaps aside from the Riverside area, should incorporate an element of ground floor mixed use or active frontage and benefit from noise and other environmental design standards, consistent with a vibrant, evolving city centre location. Student accommodation that is capable of 'conversion' to mainstream housing should be particularly favoured.
- 10.139 Residential should also be more positively encouraged within the Cathedral Quarter, either through sympathetic development of gap or redevelopment sites or conversion.
- 10.140 This should form part of a finer grain approach to the control of land use and frontages in the area, which reflects the different character of certain streets – Sadler Gate against St Mary's Gate for example, and place a greater emphasis on quality of design and the retention of active frontages by design, as well as, or instead of, use. This could be done in part through specific allocations in the Part 2 Local Plan, where specific redevelopment sites are available. The preparation of a development strategy which could be a Supplementary Planning Document based on detailed site and property assessments and engagement with owners would be beneficial in identifying and unlocking finer grain proposals as well as assisting in managing the relationship between residential and other uses. A good example from a regeneration perspective of how a SPD can assist in the management and development of a mixed, historic environment balancing residential development with city centre uses is the Liverpool Ropewalks SPD.

- 10.141 The City Council should review the capacity of the city centre and increase the target for housing within the ring road significantly. This would provide a focus for considering the policy and delivery tools needed to deliver on increased objectives, as well as informing infrastructure and investment requirements. A vibrant city centre residential community would complement other initiatives as well as work well alongside the more mixed Castleward and DRI residential communities.

### **Workspace**

- 10.142 The City Council, in conjunction with other partners, including the University of Derby should explore the potential to build on the success of Connect Derby to create additional opportunities for city centre workspace environments. Consideration would need to be given as to whether these should be focussed around a particular sector, such as digital media, or more broadly based.
- 10.143 A key objective of a workspace strategy should be to encourage greater participation in the life of the city centre by the University community as part of a wider approach to encourage student enterprise and critically retention. Student retention will be further encouraged by increasing the city centre residential stock as noted earlier as well as wider careers and work experience partnerships between the University and employers.

### **Creative and Cultural Industries**

- 10.144 Again, the scope to increase the profile (and impact) of creative and cultural industries in the life of the city should be explored. The creation of additional workspace and studio environments should be considered, and the emerging make and trade initiative supported.
- 10.145 Whilst physical space is important, the creative community is by definition creative and, if supported correctly, will create their own environment within which to thrive.
- 10.146 The City Council should seek to work closely with the existing creative community to establish a shared strategy to foster and support the sector. This may include greater flexibility around the use or temporary use of existing buildings.
- 10.147 Alongside developing the creative community, the City Council and partners should continue to support the cultural life of the city – reinforcing the city centre as the heart of the community. The refurbishment of the Assembly Rooms is clearly a key part of this strategy. The Assembly Rooms role

a major events venue should be rediscovered, but it is hoped that design and management approaches may lead to a greater sense of vibrancy, creativity and community interaction than is found in many older 'civic' venues. A key objective of any future redesign should be to better engage with Market Place, breaking down the barriers between the internal and external public realm and reinforcing the role of Market Place as the civic heart of the community.

- 10.148 In turn, much more should be made of Market Place as a venue for cultural and other events and the creative community should play a role in setting the agenda for this. It is a substantial space which does create a challenge of how it is used on a day-to-day basis. However its scale should be seen as an advantage and matched by the ambition for its uses. This ambition should be reflected in approaches to the public realm and how it links in to the wider city. Making greater use of the space ties firmly into the growth of the experiential economy noted earlier and would create a 'destination' not readily matched in other East Midland cities.
- 10.149 A notable example of where similar efforts have been made to enable a large space to combine both major and smaller scale, more regular events, as well as have year round purpose ,is Centenary Square in Bradford. This large space with variously accommodates the Made Bradford Craft Market, Music Festivals, the Illuminate Bradford lightshow, Classic Car Shows and, in the summer months, fountains and a 'mirror' pool.
- 10.150 The refurbishment of the Assembly Rooms, Guildhall Theatre, Market Hall and 30/31 and Royal Oak overlooking the Market Place will also greatly assist in bring more animation and purpose to the Market Place.
- 10.151 In this day and age, security is an issue at major public spaces and this should be part of any design approaches to rediscovering the Market Place.

### Leisure

- 10.152 Leisure, particularly in the form of bars and restaurants, but also urban leisure activities such as escape rooms and urban golf are become an increasing feature of the city centre environment and in principle should be supported. As a predominantly private sector, entrepreneurial sector there is little direct support that public sector can provide – the key is to create the environment within which the sector can prosper, including planning and licensing regimes. Regulatory authorities should also acknowledge the increasing 'pop-up' nature of some leisure activities and the use that they can make

of unused building on a temporary basis.

- 10.153 Notwithstanding in principle support, the emphasis should remain on quality (which can of course include pop-up quality) and the mixed use environment of the city centre. This should feed into the quality of frontages in key locations, the management and security at larger venues and licensing. It is difficult for the planning system to control 'quality' as it is centred around use rather than operator, however a strong line on the quality of design of frontages and signage may well discourage the worst examples and encourage better practice. This approach will need to be supported through city centre management networks, including, potentially, a Landlords' Forum. It will be important for Council-led schemes to set the appropriate standard.

#### Retail

- 10.154 Diversification should also be encouraged within the retail sector. Whilst in most case it will be covered by permitted development rights, the local planning authority should look favourably on proposals to facilitate 'click and collect' and other mechanisms for merging on-line and physical retail channels. However, it is expected that city centre impacts of the move towards 'omnichannel' retailing are likely to be focussed around internal changes to layout and the customer experience – as well as potentially downsizing retail space and or introducing additional occupiers or concessions. The Derby Make and Trade initiative can also be part of this process of diversification. There should also be encouragement for pop-up retailers, for occasional markets, including potentially a teenage or young peoples' market and, of course, for independents.
- 10.155 More specifically the Council should consider the scope to add to the convenience offer in the city centre through the delivery in the medium term of a site or development to accommodate a discount retailer – a key growth area in the convenience sector and one where there are live requirements. This should ideally be within the ring road to contribute to footfall and diversity in the heart of the centre. It is acknowledged that this may be far from straightforward and the delivery of site that meets with operator requirements, whilst contributing to the necessary quality of environment and design in the city centre, would be challenging and would need the public sector to play a part in some way. The scale of the Becketwell redevelopment opportunity may however provide some scope to deliver additional convenience floorspace as part of a mixed-use scheme. Examples as to where this has been achieved include School Road, Sale town centre in Trafford, Greater Manchester. The scheme comprises an Aldi foodstore with two floors of residential above (see below Figure 10.4). Whilst in a



different market context, in Richmond, an Aldi store is due to open later this year as part of a mixed use development comprising the new Deer Park Primary School. Market interest in additional convenience retailing in the city centre would of course be enhanced by an increased residential and working community.

**Figure 10.4: Aldi Foodstore with Residential Apartments Above at School Road, Sale**



### Quality of Experience

- 10.156 Alongside facilitating diversity, the other key element of a sustainable future for Derby city centre is quality of experience – for the visitor, shopper, employee or resident.
- 10.157 Given the very distinctive and characterful city centre, quality is in principle an attribute upon which Derby can very ably compete with other locations. However, quality is a multi-faceted, strategy to detail issue, which needs to be fostered and curated through a city centre management approach.
- 10.158 The theme of quality is too broad a topic to cover in detail in this report. However, key aspects that can be considered here are:
- The quality of the 'shopping' experience;
  - The quality of the public realm and street environment; and

- Inclusivity and the quality of access and accessibility infrastructure.

- 10.159 The health check review set out earlier in this report confirms that the overall quality of the shopping experience in Derby city centre is a good one and that the perception of the quality of the centre has improved since 2008. It does however note that there is a somewhat stark divide between the character and mix of retail and other uses in the Cathedral Quarter when compared with St Peters and Intu. Other evidence also suggests an increasing concentration of retailing in and around Intu. This provides a challenge for the city. As noted earlier, competitive advantages for city centres will be gained from offering a whole day experience for consumers in a quality environment embracing both national brands and local independents across retail and leisure sectors.
- 10.160 For Derby city centre as a whole to thrive in this environment and to manage perhaps an inevitable concentration of national multiple retailing in and around the Intu centre, then quality of experience needs to be more consistent and critically better connected so that the centre can function better as the sum of its parts. The alternative is potentially an increasing polarisation between a brand orientated Intu and the 'independent' offer of the Cathedral Quarter, to the detriment of both.
- 10.161 Approaches to potentially addressing the risks of polarisation would include working with the Intu and other partners to 'extend' the high quality feel and character of the Intu centre into the surrounding streets and particularly East Street to create a more fluid, 'indoor' and 'outdoor' experience – an increasingly common feature of shopping mall design and refurbishment in the UK and internationally. In principle this would have the advantage of extending the anchor role of the Intu whilst better connecting it to the offer of the wider city – to its mutual benefit.
- 10.162 A key part of this approach would be the re-design or redevelopment of the Eagle Market, potentially to a more leisure-orientated offer but certainly with a much better frontage and connection to East Street. This approach should also influence the redevelopment of the Audley Centre.
- 10.163 Beyond East Street, the usability and quality, and perceived quality, of routes between St Peters and Intu and the Cathedral Quarter are critical. Currently, however, there is no 'retail circuit' between these two areas with St Peters Street being the principal 'up and down' route.
- 10.164 To address this, consideration should be given to the rediscovery of the route from Market Place, through the Guildhall, through Derby Market Hall to Exchange Street, Albion Street and on to East Street and the Intu. This, along with a revitalised Market Place and Assembly Rooms and a repurposed



Market Hall provides the opportunity to significantly improve north-south connectivity in the city centre and add a new dimension to the retail and leisure offer, and importantly the city centre experience.

- 10.165 Whilst the rediscovery of the Market Place – Exchange Street route will be beneficial, St Peters Street will remain the principal connecting route in the city centre. This route is currently a busy mix of retail and retail services uses and some concern has been raised over an increasingly lack of quality and the impact this is having on pedestrian movement between St Peters and Cathedral Quarter. The use of ground floor units on this key route is currently controlled under the primary frontages policy. However as noted elsewhere the ability to control changes of uses within Class A uses is likely to become further diluted over time. Notwithstanding that, an emphasis should be placed on maintaining and enhancing the quality of St Peters Street from a design but also a city centre management perspective with perhaps greater control being taken over street traders, chuggers and others, that in some instances are detracting significantly from the quality of experience in that area. Similarly, an emphasis should be placed on maintaining cleanliness and security. This will require a joined up approach between a number of partner organisations as part of a city centre management approach.

### City Centre Sites

- 10.166 In the light of the overarching strategy recommendations, the approach to particular sites, which have been identified by the client group, can be considered. This assessment also draws on the Site Assessments prepared by Aspinall Verdi<sup>72</sup>, which are provided as Appendix 12.
- 10.167 **North Riverside Masterplan Area** – The opportunity to deliver large-scale residential (PRS or Student accommodation) should be considered as part of a more ambitious target for city centre living. The delivery of residential should contribute to the creation of a mixed-use quarter, comprising elements of active ground floor uses and not detracting from established or potential office and other uses. The scale of development required to make such schemes attractive to the market is likely to require a significant uplift in the density of development in this area, potentially through the development of tall buildings, in the context of prevailing heights in the City Centre. The appropriateness of tall buildings in this area should be considered through the development of a tall buildings strategy for the City Centre. The sensitivity of the area will require a strong emphasis on design quality. The strategy for Riverside will also need to be considered in the context of the Our City Our River Masterplan.

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<sup>72</sup> The Site Assessments were drafted in August 2018 and their content represents the position at this date

- 10.168 **Remaining Land at Riverlights** – Bus services are a key part of the access infrastructure in to the city. The land at Riverlights had been identified as a potential extension to bus station as part of a programme of improving the customer experience. However, we understand that this extension will now not proceed and the site therefore offers an opportunity for additional new development which can take advantage of a highly accessible, central location.
- 10.169 **Castleward** – There should be a continued emphasis on residential in this area as part of the wider strategy if significantly increasing the residential community in the city centre as a whole (including within the ring road). As part of that strategy, consideration should be given to the scope for Castleward to provide the community infrastructure that is and will be required to support that community. Alongside the development of the former DRI site, London Road should be viewed as a key mixed-use corridor into the city and a functional link to the train station. Part of this strategy should, in the longer term, include the redesign of the London Road roundabout on the ring road to breakdown the barrier between the heart of the city centre and the emerging residential community. This would also complement the increasing use of London Road as a link between the city centre and the railway station.
- 10.170 This approach is not intended to compete directly with Castleward Boulevard which will continue to form part of the network of links between the Station and the City Centre. Importantly, the Boulevard will continue to be a key focus for the emerging community of Castleward.
- 10.171 However, the commercial space along the Boulevard has struggled to let and, given the limited scale of commercial development in this area, it may be appropriate to relax the current restrictions on the sale of some goods through a variation of condition on the relevant planning approvals. However its current status is considered to be appropriate.
- 10.172 **North Castleward** – This is a longer-term opportunity but should be seen as residential led and potentially suitable for development of significant scale. This may also be a location in which to deliver some of the support services required by the emerging residential community.
- 10.173 **Bradshaw Way Retail Park** – No change of use is expected in short to medium term. However should redevelopment occur the role of the site as a key 'land use' link between the heart of the City and Castleward/DRI should be acknowledge. Such as approach may include residential as part of a mixed used scheme. Other uses could include hotel or leisure.

- 10.174 **Audley Centre** – The Council should continue to work with partners to bring about the redevelopment of the Audley Centre for ground floor mixed use and residential and other uses on upper floors. The proposals should also take account of the aspiration to ‘extend’ the mall quality of Intu centre into East Street. This location is vital to the impact and reputation of the City offer. It could have potential as part of a ‘diversification’ approach.
- 10.175 **Eagle Market** – The Eagle Market is over-sized for its current, largely traditional, market use. Its relationship to East Street is poor. The Council should support the partial reconfiguration or redevelopment of the Eagle Market with a potential focus on ‘urban leisure’ uses and a significantly improved frontage on to East Street.
- 10.176 **Market Hall** – Market Hall is a significant part of the distinctive history of Derby and, along with the Guildhall, has the potential to form part of a re-discovered route between Market Place and Exchange Street and the Intu Centre. Consideration should be given to developing and diversify in the offer Market Hall, overtime, to include additional food and beverage and other uses in a high quality, spacious environment. This may include use of the Guildhall portico for ‘spill out’ stalls and stalls on to Market Place at certain times. The strategy for Market Hall should take account of the likely changes at Eagle Market.
- 10.177 **Becket Well** – This is one of the key development opportunities in the city centre. A comprehensive view should be taken of the potential of the area. This could potentially comprise discount convenience retail, leisure, residential, retail and A3 uses. St James Securities has been identified as the preferred developed for the former Debenhams building.
- 10.178 **Assembly Rooms** – The Assembly Rooms should be rediscovered as a key cultural / events venue, integrating independent creatives and making better use of its position on Market Place.
- 10.179 **Queen Street Baths** – Subject to its longer-term future, this may be suitable for mixed leisure and workspace development, as part of a comprehensive approach to the whole Queens Street/Chapel Street/Cathedral Road Quarter.
- 10.180 **Chapel Street Car Park** – The future of considered as part of a strategy of delivering high quality, future proofed car parking in the Cathedral Quarter. It offers the potential for redevelopment for residential.

- 10.181 **Central Library** – This a listed building in a historic part of the city centre. Reuse options will be in large part dictated by the ability to work within the existing structure and heritage value of the building. However, consideration could be given to workspace, office or potentially a boutique hotel.

### Overview, Key Action and Recommendations

- 10.182 As now and going forward 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.
- 10.183 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.
- 10.184 As part of realising this agenda, a number of key actions and recommendations are set out below under the broad and inter-related headings of planning, masterplanning and city centre management.

### Planning

- 10.185 In developing planning policy, the City Council should consider the following:
1. Working towards significantly increasing the target for jobs and homes in the city centre (within the ring road). These should be additional to those at Pride Park (jobs) and Castlward (homes). The residential target for the city centre is established in the Local Plan Part 1, but it should be noted that this is set as a minimum target.
  2. Bringing greater focus to the preferred location for office and workspace. Consideration should be given to focusing the preferred locations for 'large floorplate' office space around the Railway Station, within the Ring Road and at Riverside. Tools should be explored to encourage multi and small business workspace within the ring road. This will require a refocussing of the 'Central Business District' plan allocation. This approach could include identifying specific preferred

locations for office development in addition, in accordance with the NPPF, the Core Area which would remain the sequentially preferable location. However, other accessible, well connected sites should be identified namely the Railway Station and surrounds, and Riverside. Being clear on the preferred locations for office has the potential to address the caution in Policy AC2 around promoting residential development which may '*inhibit existing business activity*'.

3. The Core Area should be retained as the focus for all retail development. Options should be explored to bring forward a deliverable site for a discount convenience retailer as part of a mixed scheme within the Core Area. The Becketwell development would appear to offer the best opportunity for such a project. Public ownership of the key development site will also assist. The Council should explore this opportunity with its development partner. Becketwell, including areas along Macklin Street between Green Lane and Beckett Street should be identified a comprehensive regeneration opportunity in the Local Plan Part 2.
4. There is no need for further comparison retail allocations in or around the city centre. Residential should be more positively encouraged in all areas, subject to appropriate considerations, including the retention of active frontages. Such development should be particularly encouraged in Cathedral Quarter and Riverside.
5. Eagle Market should be identified as a regeneration opportunity based around town centre uses in the Local Plan Part 2. This should be linked to improvements to the public realm along East Street.
6. Other major 'edge of centre' sites, such as North Riverside and Friar Gate should be subject to allocations in the Local Plan Part 2, with an emphasis on residential development.
7. The planning authority should review whether retail is an appropriate part of the land use mix at Friar Gate.
8. The planning authority will need to consider the implications of the steady move away from restrictions on changes of use between town centre uses.
9. The orientation of inactive, blank facades should be avoided throughout the Core Area and a particular emphasis should be placed on the protection of the existing primary frontages. However a move away from controlling the use toward controlling the quality of design is likely. The approach to active frontages should overtime be simplified providing clearer support to leisure type uses that are appropriate to a mixed city centre environment, as well as, in certain locations, housing. Consideration should also be given to the extension of the shop front improvement scheme to areas beyond the Conservation Areas.

10. The Council should prepare a Supplementary Planning Document for the Cathedral Quarter.

#### Masterplanning Strategy

10.186 As the Derby City Centre Masterplan continues to be delivered, consideration should be given to a review and refresh to consider some of the themes highlight in this report. Key issues to consider will include:

1. The scope to foster a clearer identity and distinctiveness for the Vision of regeneration in Derby city centre to galvanise key stakeholders and networks. This clearer 'USP' will need to be developed through discussion, but should continue to be around Derby as a place of choice and quality. Industrial heritage and the objective of capitalising on future advances in technology, drawing on the skills of the city can form part of the story, as can the creation of a sustainable, civic place accessible and relevant to all sections of the community.
2. The strategy should more fully integrate a considered approach to the public realm and the key links between regeneration areas, perhaps drawing on the experiences of 'Connecting Leicester' as an example. An emphasis should be placed on The Market Place as the focal point of the city. It should also unlock the route between Market Place, Market Hall and Exchange Street.
3. It should place an emphasis on a reinvented Assembly Rooms at the heart of the creative and cultural community.
4. It should take account of the transport strategy for the city, which itself may need to develop. It should integrate objectives for the city centre transport environment, including clean air, accessibility, the potential rationalisation of city centre car parking, and an emphasis on cycling and walking and public transport.
5. The strategy should also commit to more ambitious targets for city centre living.

#### City Centre Management

10.187 A recent report by the Institute of Place Management 'High Street 2030: Achieving Change' (December 2018) underlines the importance city centre management in the broadest sense and the role of partnership working across all key stakeholders. The report emphasises that **'places need leadership and partnership'**; a network of **'place leaders'** planning and acting together in a manner that is bespoke to place and the specific to the challenges faced – rather than applying 'off the shelf' solutions. There needs to be strong communicating network for sharing information, prompting debate and the

identification of issues and challenges. High Street partners need to engage with young people and in places such as Derby, the student community, establishing the city centre as location relevant to young people beyond retail and leisure – as a place for enterprise and creativity. Places also need to be served by expert '**place professionals**' facilitating debate, balancing demands and driving partnerships forward.

10.188 In this context the City Council should review its city centre partnership networks and its approach to town centre management. Whilst the Council has a 'Vibrant City Partnership', we understand that this operates at a strategic level with no forum or network to consider operational, city centre management issues. Consideration should be given to how such a forum or network is established bringing together the private sector, planning, licensing, community safety, police, regeneration, transport services, Marketing Derby, BID Companies and others. In a similar vein and as part of a 'network' approach, consideration should be given to how to support and engage with the creative community and young people. A landlords and occupiers forum would also be of benefit in driving forward the quality environment agenda. The City Council is likely to need to take on this responsibility of driving forward this partnership agenda in the short term under a renewed focus on City Centre Management.

10.189 Within this context consideration should be given to:

1. The management of St Peters Street and its use by street vendors, charity collectors and others. The Council could seek to adopt a Street Trading Policy to enable this.
2. The greater use of The Market Place for events, including markets, open air cinema or live screenings and music events.
3. The relationship, physical and functional, between intu and the wider City Centre, notably East Street.

## 11.0 Potential Growth in District and Neighbourhood Centres

- 11.1 As the above Section 10 makes clear, there will be a need to direct further substantial non-bulky comparison goods expenditure to Derby city centre in an attempt to reverse the identified deterioration in its market share over the past decade and to reduce the relatively high city centre vacancy rate. As a consequence, we believe that the retail role of lower order centres should instead be principally focused around meeting convenience goods retail needs and day to day comparison goods requirements (which generally relate to items such as pharmaceutical and personal care products, and some household goods). Additional needs arise both as a consequence of future expenditure growth and due to population growth (both through the development of brownfield sites in urbanised areas and as a consequence of planned urban extensions).
- 11.2 At the outset, it is important to recognise that needs may be able to be appropriately met in different ways and – given the fluid nature of the retail market – it will be necessary for the Council’s strategy to be flexible in order to respond to ‘changes on the ground’. This requirement relates both to the opportunities which may arise from sites that are, at the time of our reporting, occupied by non-retail uses, and also in respect of changes in the requirements of the market.
- 11.3 Notwithstanding this, in order to determine the district and larger neighbourhood centres<sup>73</sup> that could potentially accommodate further growth, we believe that it is instructive to consider:
- the distribution of key foodstores and whether there are any ‘food deserts’ in the authority area where residents are poorly served in respect of main food shopping destinations;
  - the planned distribution of future residential growth and those areas that are likely to benefit from a material improvement in their catchment population; and
  - the accessibility of lower order centres and which may be better placed to accommodate additional growth.
- 11.4 We address each of these matter in turn below.

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<sup>73</sup> This Study has considered the 13 District Centres (these being Allenton, Allestree, Alvaston, Cavendish, Chaddesden, Chellaston, Littleover, Mackworth, Mickleover, Normanton, Oakwood, Sinfen and Spondon), and seven of the Neighbourhood Centres (these being Blagreaves Lane/Stenson Road, Blenheim Drive, Crayford Road, Drayton Avenue, Heatherton, Holbrook Road and Humbleton Drive)



## The Distribution of Key Foodstores: Which Areas Are Currently Poorly Served by Convenience Goods Facilities?

- 11.5 In order to consider the spatial distribution of foodstores across the authority area, we identify below the existing main food shopping destinations within each zone. We also consider the population of each zone in order to assist in identifying those areas which may be underprovided for. Clearly, shopping patterns are not restricted by zonal boundaries and the below assessment is intended to provide a broad indication of where there may be a shortfall in provision. In addition, it is important to note that more central zones are typically able to draw on a more urbanised catchment, whereas peripheral zones may have areas that are not densely populated within their catchment area. As such, we would generally expect there to be a greater level of provision within the more central zones.
- 11.6 In this context, it is evident from the below Table 11.1 that the three areas which benefit from the greatest incidence of main food shopping destinations per capita are Zones 1, 2 and 8. By way of contrast, Zones 3, 5, 7 and 9 accommodate a much lesser level of provision.

**Table 11.1: Zonal Performance of Convenience Goods Floorspace Within Derby at 2018**

Zone	Population at 2019	Main food destinations: superstores and supermarkets	Persons per main food shopping destination
1	18,318	Marks & Spencer, Intu; Sainsbury's, Copecastle Square; Tesco Metro, St Peters Street	6,106
2	38,123	Aldi, Uttoxeter New Road; Lidl, Southgate Retail Park; Pak Food, Normanton Road; Sainsbury's, Kingsway Retail Park	9,531
3	34,156	-	-
4	27,163	Tesco, Kipling Drive, Mickleover	27,163
5	35,568	Asda, Sinfin Shopping Centre	35,568
6	37,400	Aldi, Coleman Street; Aldi, Nottingham Road; Lidl, Nottingham Road; Sainsbury's, Osmaston Park Road; Sainsbury's, Wyvern Retail Park	7,480
7	29,442	Asda, Derby Road	29,442
8	24,367	Aldi, Meteor Retail Park; Morrisons, Wheatcroft Way	12,184
9	29,735	Co-op, Park Farm Centre	29,735
<b>Central Zones Total</b>	<b>274,272</b>	<b>18 food superstores and supermarkets</b>	<b>15,237</b>

Source: Table 5 of Appendix 9

Note: Identified supermarkets are those that provide a sales area of 785 sq.m or above, which correlates to the estimated net sales area of the smallest discount store in Derby, this being the Aldi at Nottingham Road on Zone 6

- 11.7 A plan illustrating the distribution of main food shopping destinations across the Study Area is provided

as Appendix 13. The plan suggests that there is a lesser level of foodstore provision in the following parts of the City of Derby: the north-west (within Zone 9); the east (within Zone 7); and, to the south (within Zone 3 and the eastern part of Zone 5). In considering the distribution of facilities, we note that Zone 3 has no main food shopping provision whatsoever, and Zone 9 only has a Co-op of a relatively modest scale (at Park Farm Centre).

11.8 Based on the above, we set out below at Table 11.4 those areas which currently have limited access to foodstore provision, and also identify the key centres within those zones. However, as we consider in greater detail later in this section of the report, there are very few sites indeed within or in proximity to these centres which offer genuine potential to accommodate a foodstore of any scale.

**Table 11.2: Identified Zones That Secure a Convenience Goods Expenditure Surplus**

Zone	Key Centres Where Convenience Goods Growth May Potentially be Supported
3	Cavendish district centre
5	Allenton, Chellaston and Sinfon district centres, and West Chellaston and Wordsworth Avenue neighbourhood centre
7	Spondon district centre and Holbrook Road neighbourhood centre
9	Allestree district centre and Blenheim Drive neighbourhood centre

11.9 In considering the above, we note that the household survey indicates that food shoppers in:

- Zone 3 often travel to Zone 2 (which secures 24.4% of Zone 3 convenience goods expenditure) and Zone 5 (34.1%) to undertake food shopping;
- Zone 5 often travel to Zone 6 (which secures 30.9% of Zone 5 convenience goods expenditure) to undertake food shopping;
- Zone 7 often travel to Zone 6 (which secures 38.1% of Zone 5 convenience goods expenditure) to undertake food shopping; and
- Zone 9 often travel to Zone 2 (which secures 21.1% of Zone 9 convenience goods expenditure) and Zone 8 (25.6%) to undertake food shopping;

11.10 It is therefore evident that facilities in Zones 2, 5, 6 and 8 benefit from a substantial level of expenditure that originates within other zones. In this regard, it is relevant to note: that Zone 2 overtrades by an estimated £37.1m at 2019; Zone 5 overtrades by an estimated £19.6m at 2019; Zone 6 overtrades by an estimated £28.1m; and, Zone 8 overtrades by an estimated £50.4m. The four zones therefore collectively overtrade by £135.2m, which suggest that there is the potential to 'clawback' some expenditure which leaks to these zones without impacting significantly upon the overall viability of

existing provision within these zones.

11.11 As such, we believe that appropriate opportunities to improve the convenience goods provision in Zones 3, 5, 7 and 9, and within (or adjacent to) the centres set out at Table 11.2 should be supported where it can be demonstrated that no significant impacts would arise as a result of a proposal.

11.12 None of the convenience goods commitments accounted for at Section 8 of this report would be delivered in these four zones. However, as set out at Section 2 of this report, Aldi has requirements for additional stores throughout the Derby area<sup>74</sup> and Lidl has seven separate store requirements in the area. These requirements are identified by Lidl as being: Alvaston (within Zone 6); Hilton (outside of the authority area); Ilkeston (outside of the authority area); Mickleover (Zone 4)/Littleover (Zone 2); North (Zones 8 and 9); Sinfen (Zone 5); and West (Zones 2, 5 and 9).

11.13 As such, some (and perhaps all) of the areas where we have identified a qualitative deficiency in provision are on the radar of the two most acquisitional foodstore operators in the market.

#### **The Distribution of Future Residential Growth: Where Might Additional Population Growth Support Additional Convenience Goods Floorspace?**

11.14 Policy CP6 of the Derby City Local Plan Part 1 Core Strategy identifies 15 strategic housing sites across the authority area, which will collectively provide an estimated 6,975 dwellings in the period to 2028.

11.15 We summarise these strategic housing allocations below at Table 11.3 (identifying the Study Area zone of each), and also summarise the level of housing provision that will be provided for through associated allocations in the neighbouring authority areas of Amber Valley and South Derbyshire<sup>75</sup>. Our understanding of future housing growth in the neighbouring authority areas is informed by the Council's Derby Urban Area Strategic Growth summary map, which reflects emerging development plans, and is provided on the following page as our Figure 11.1.

<sup>74</sup> Which, in Lidl's assessment, includes the City of Derby and some neighbouring authority area

<sup>75</sup> As identified by the Council's Derby Urban Area Strategic Growth summary map, which reflects emerging development plans

**Table 11.3: Derby City Local Plan Part 1 Core Strategy Strategic Housing Allocations**

Zone	Local Plan Site Ref	Site	Number of Dwellings	Associated DUA Site Ref	Number of Dwellings in Neighbouring Authority
1	1	City Centre	1,000	-	-
	3	Former Derbyshire Royal Infirmary	400	-	-
	Zone 1 Sub-total		1,400	-	-
2	6	Manor/Kingsway Hospital	700	-	-
	Zone 2 Sub-total		700	-	-
4	7	Ryknelnd Road, Littleover	900	21	1,040
	8	Hackwood Farm, Mickleover	400	20	290
	9	Onslow Road, Mickleover	200	-	-
	Zone 4 Sub-total		1,500	-	-
5	5	Wragley Way, Sinfen	180	24	1,950
	12	Boulton Moor West (Fellow Lands Way)	200	-	-
	13	South Chellaston Sites	100	-	-
	Zone 5 Sub-total		480	-	-
6	2	Castleward	800	-	-
	4	Osmaston Regeneration Area	600	-	-
	14	Brook Farm, Chaddesden	275	-	-
	Zone 6 Sub-total		1,675		
7	11	Boulton Moor East	800	26	1,948
	Zone 7 Sub-total		800	-	-
8	15	South of Mansfield Road	200	-	-
	Zone 8 Sub-total		200		
9	10	Former Mackworth College	220	-	-
	Zone 9 Sub-total		220	-	-
Total			6,975	-	5,228

Source: Derived from Table 2 of Policy CP6 of the Derby City Local Plan Part 1 Core Strategy

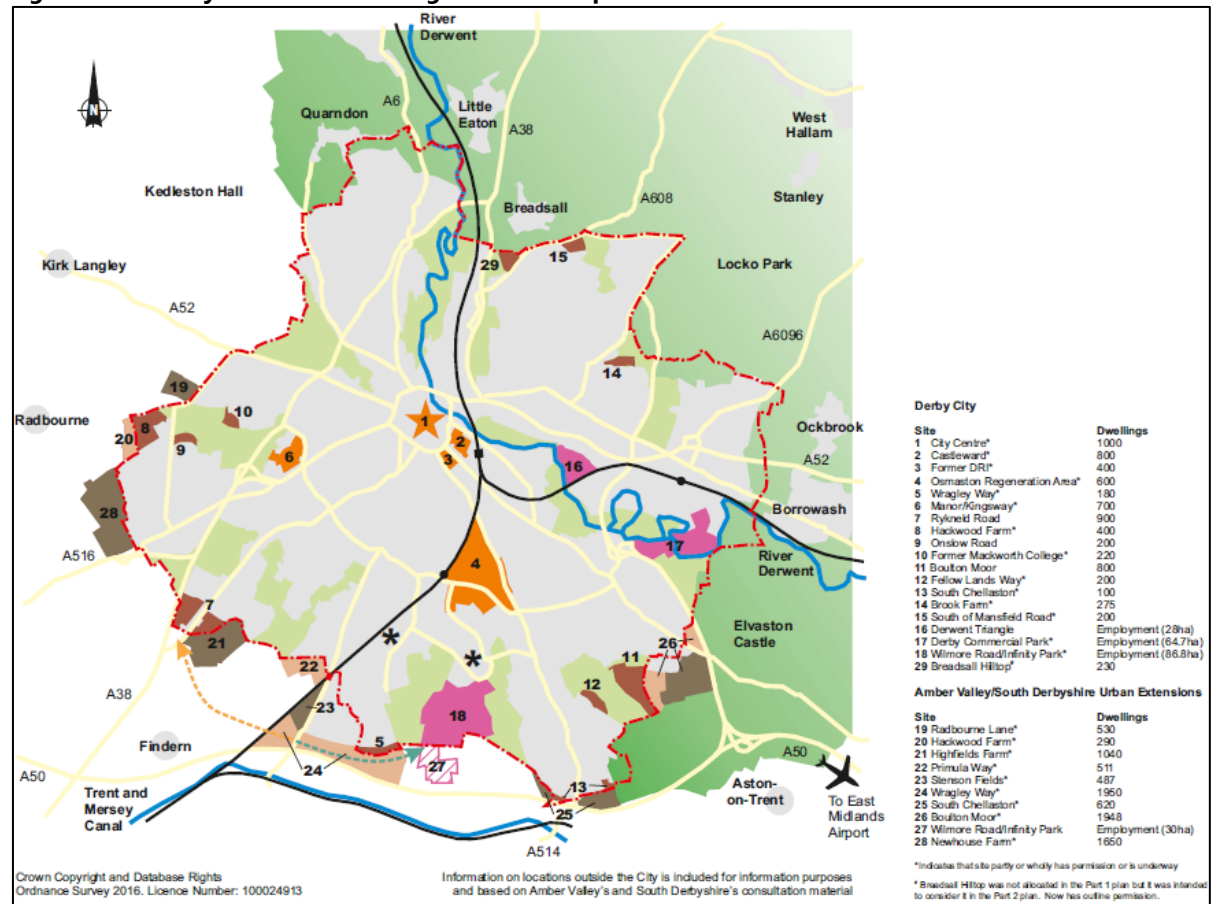
11.16 The strategic housing allocations are principally distributed to the south and to the west of the City, with particularly significant allocations in Zones 4 and 6, which together account for approaching half of the strategic site housing supply. Whilst Zone 6 currently accommodates a good range of convenience goods retailers<sup>76</sup>, Zone 4's offer is limited. The single main food shopping destination in Zone 4 is the Tesco superstore at Mickleover district centre, which overtrades very significantly.

11.17 As such, we believe that the proposed additional residential dwellings in Zone 4 will increase the potential for additional main food shopping provision to be delivered in this zone.

<sup>76</sup> Including the Sainsbury's superstores at Osmaston Park Road Retail Park and Wyvern Retail Park, and the Aldi at Alverston

11.18 In addition to the above strategic residential growth areas which span authority areas, there are also a series of additional residential urban extensions which are adjacent to the City of Derby boundary. These comprise: Radbourne Lane (site reference 19 on the below plan, which is to deliver 530 dwellings); Primula Way (site reference 22, 511 dwellings); Stenson Fields (site reference 23, 487 dwellings); South Chellaston (site reference 25, 620 dwellings); and, Newhouse Farm (site reference 28, 1,650 dwellings).

**Figure 11.1: Derby Urban Area Strategic Growth Map**



11.19 In considering the above, we note that:

- Core Strategy Policy AC19 provides for a new neighbourhood centre at Manor Kingsway in Zone 2;
- Policy AC20 provides for the expansion of Heatherton neighbourhood centre, in Zone 4, to provide extended shopping facilities and community uses, including a small supermarket (the centre would be upgraded to a neighbourhood centre as a consequence);
- Policy AC21 provides for a new neighbourhood centre at Hackwood Farm in Zone 4; and

- Policy AC23 provides for a new district centre, which will actually be delivered in South Derbyshire, as part of the Boulton Moor development.

11.20 We believe that the proposed provision at Manor Kingsway and Hackwood Farm will likely be of a scale that generally meets day to day shopping needs (rather than catering for main food shopping trips). In addition, these proposals will principally be of benefit to residents within Zones 2 and 4. The expansion of Heatherton neighbourhood centre will principally provide better access to facilities for residents of Zone 4. Whilst the Boulton Moor district centre will be located within South Derbyshire District, it will be of some benefit to residents in Zones 5 and 7.

11.21 However, given the location and likely scale of this proposed development, we do not believe that it will address the identified shortfall in provision in respect of large format convenience goods shopping provision in Zones 3, 5, 7 and 9. As such, we recommend that further consideration is given to the opportunities which exist to improve convenience goods provision in (or adjacent to) these zones in order to provide for improved customer choice.

11.22 It should also be noted that the Highfields Farm, Wragley Way and Newhouse Farm allocations are particularly substantial<sup>77</sup> and will need to be served by appropriate day to day retail facilities. As we go on to identify below, there are limited opportunities to accommodate additional convenience goods retail development of any real scale within existing centres, and we envisage that part of the convenience goods need generated by the urban extensions will need to be met within the development itself (in many cases this will likely be delivered outside the Derby administrative area). As such, we recommend that the Council liaises with neighbouring authorities to clarify the scale of retail development that will be required in order to ensure that the urban extensions are able to meet the needs that they generate. In this regard, we envisage that urban extensions that extend into neighbouring authority areas may have the potential to meet some of the convenience goods needs arising within Zones 3, 5 and 7. On this basis, some of the urban extensions are likely to be able to accommodate a medium-sized supermarket (possibly of a format that could accommodate Aldi or Lidl<sup>78</sup>).

11.23 However, in considering the potential to accommodate additional convenience goods retail, it should be noted that the capacity identified across the Derby administrative area is relatively limited (likely

<sup>77</sup> They will likely collectively accommodate more than 10,000 persons based on a typical dwelling occupancy rate

<sup>78</sup> Given that these are the most acquisitional retailers in the current market

equating to a handful of additional supermarkets even over the long terms) and it will not likely be appropriate to deliver new convenience goods floorspace in all of the centres identified at Table 11.2.

### **Infrastructure and Accessibility: Which Centres Can Best Accommodate Further Growth?**

11.24 As part of this commission, Curtins has undertaken an assessment of transport, accessibility, infrastructure and parking attributes of 13 centres<sup>79</sup> 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. Curtins has also undertaken a series of zonal assessments, which are provided at Appendix 15.

11.25 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.

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

11.27 The Retail Transport Study also identifies a series of potential infrastructure interventions which respond to identified issues. These interventions range from the diversion of road to create pedestrian zones, through to improved transport links to emerging areas that would likely improve the vitality and viability of retail and leisure provision.

11.28 Paragraph 4.2 of the Retail Transport Study identifies the indicators that have been assessed at each defined centre, which can be categorised into the following themes and sub-themes.

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<sup>79</sup> Derby city centre and the district centres of Allenton, Allestree, Alvaston, Chaddesden, Chellaston, Littleover, Mackworth, Mickleover, Normanton Road, Oakwood, Sinfyn and Spondon

**Table 11.4: Indicator Themes and Sub-Themes for Assessment of Transport Infrastructure**

Theme	Sub-Theme
Infrastructure	Speed; Design; Vehicular flows; Congestion; Facilities: Pedestrianised streets; Crossing facilities; Accessibility; Pedestrian/cycle flow; Conflict areas; Footways/cycleways; Condition
Public transport	Bus stops; Rail services; Bus services; Accessibility; Taxi ranks; Quality
Parking	On street; Off street; Accessible spaces; Condition; Surveillance; Charges
General transport	Aesthetics; Security; Facilities; Quality; Street furniture; Disabled provision; Accessibility; Condition;

Source: Tables 4.1 to 4.4 of Section 4 of Derby Retail Transport Study

11.29 Based on the above indicators, Curtins has allocated each of the centres a score out of 30. The total score for all of the centres is set out below at Table 11.5.

**Table 11.5: Score and Rank of Each Centre in Respect of its Transport Infrastructure**

Overall Score	Centre
30	Derby city centre
25	Sinfin
23	Alvaston
22	Allenton
20	Mickleover
19	Oakwood
19	Chaddesden
18	Littleover
17	Mackworth
17	Normanton Road
15	Spondon
14	Chellaston

Source: Table 4.5 of Section 4 of Derby Retail Transport Study

11.30 Whilst the identification of Derby city centre as the most accessible centre within the authority area is unsurprising, it further confirms that it is the appropriate location to accommodate the majority of future additional comparison goods floorspace.

11.31 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. As such, we briefly summarise transport issues associated with the three worst performing centres<sup>80</sup> below.

<sup>80</sup> Normanton Road, Spondon and Chellaston



11.32 At **Normanton Road**, Curtins identifies at Section 6.5 of its report that:

- traffic flow is moderate due to some congestion being apparent on the A5250 Normanton Road, mainly due to traffic stopping at the signalised pedestrian crossings. Congestion is also evident at mini roundabout at the junction of Normanton Road, Pear Tree Road and Lower Dale Road;
- the uncontrolled pedestrian crossing poses a potential risk for pedestrian and those mobility impairments when the road is busy, as there is no priority for pedestrians; and
- the street furniture is poorly maintained and would benefit from improvement.

11.33 Section 6.4 of Curtins' report identifies that, at **Spondon**:

- narrow footways are in poor condition, with uncontrolled crossing points and potential conflict areas. At the south east of Chapel Street, footways are only provided on the southern side of the carriageway, forcing pedestrians into the carriageway on occasion;
- in order to provide links for pedestrians on Chapel Street, Curtins suggests removing the mini roundabout at this location in order to introduce a signalised junction accommodating a wider footway;
- bus stops on Chapel Street are of poor quality; and
- there is an issue with the quality and links associated with accessible parking bays throughout the centre.

11.34 Section 6.3 of Curtins' report identifies that, at **Chellaston**:

- Moderate traffic flows and light congestion was observed at the time of the site survey;
- bus stops have limited facilities and are of poor quality. Bus stops should be upgraded to include lighting, shelter and seating to provide adequate facilities to encourage sustainable retail trips to the district centre;
- disabled car parking spaces at the Co-op foodstore would benefit from dropped kerbs to improve accessibility; and
- some street furniture is positioned so as to cause potential obstruction to pedestrians and is now well maintained.

11.35 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.

### Future Growth Opportunities

11.36 Following our surveys of district and neighbourhood centres, and discussions with the Council, we are aware of a number of opportunities to provide additional facilities within (or in close proximity to) existing centres.

11.37 These opportunities include:

- **Allenton District Centre (Zone 6): Site North of Harvey Road**

The wider site at Harvey Road (incorporating the Mitre public house, Allenton Market and the Osmaston Road car park) still benefits from an extant planning permission (reference 08/10/01063) which provides for a Tesco superstore. However, we are aware that Tesco has indicated that this scheme will not proceed and that subsequent interest from Lidl will not be taken forward. We are aware that a subsequent scheme for a Starbucks drive thru (planning application reference 18/01748/FUL) on the site of the Mitre public house was refused in May 2019. Whilst the proposed drive thru use would benefit from the location of the site (at the junction of Osmaston Road and Harvey Road), it would not assist in improving convenience goods retail provision in the area. The Allenton Market site continues to offer some potential for redevelopment, but remains in use as an open air market.

- **Chellaston District Centre (Zone 5): Rose and Crown Public House, Swarkestone Road**

Whilst a proposed Lidl foodstore on the site of the Rose and Crown pub was refused in July 2017 (planning application reference 12/15/01570), a further planning application (reference 02/18/00176) which provides for a smaller scheme was approved in June 2018. The planning permission provides for a Lidl foodstore with 1,950 sq.m gross floorspace and a net sales area of 1,265 sq.m. Whilst this is somewhat smaller than Lidl's typical preferred format, it will be able to meet many main food shopping needs and therefore be of benefit in improving the convenience goods retail offer in Zone 5. The recently opened Aldi at Riber Drive in Chellaston Fields (marginally beyond the Derby administrative boundary) also helps meets which arise within Chellaston and the wider Zone 5 area.

11.38 In addition, we note that there is a vacant site at Burton Road, within the western part of the Littleover district centre boundary, which is of an irregular shape and comprises 0.4 hectares. The site is therefore relatively small and, we believe, has limited potential for retail purposes. Furthermore, we note that planning permission (reference 04/17/00519) was granted in September 2017 for the site's

redevelopment for retirement dwellings. Accordingly, we do not believe that this site is available to improve the commercial offer of Littleover district centre.

11.39 Similarly, whilst we note that the very strong performance of the Tesco superstore at Mickleover suggests that the centre could accommodate additional convenience goods retail floorspace, we are unaware of any available site which offers realistic potential for such a use. In this regard, we note that the Nag's Head public house remains operational and that we have no knowledge of the brewery (Greene King) wishing to dispose of its asset. In addition, the Nag's Head site is smaller than Lidl's typical site requirement (at around 0.4 hectares). Given the lack of any available site, we believe that it will likely be appropriate for some of the identified capacity in Zone 4 to support additional convenience goods floorspace at the Newhouse Farm urban extension. Whilst the exact nature of future provision will need to be carefully considered with reference to the ability of a foodstore to attract trade from surrounding villages, such as Hilton and Etwall, we believe that the Newhouse Farm allocation may have the potential to accommodate a discount supermarket (subject to an appropriate site being available).

11.40 There may also be some potential to assemble a site in Alvaston to accommodate a food supermarket, albeit the most obvious potential sites (including the shopping precinct to the south of London Road, and The Blue Peter public house at the junction of Harvey Road and Sharlow Road) are generally occupied with no indication that they are to become available for development. In addition, both of these two areas may be too constrained (in terms of the adjacent residential uses) to accommodate a medium-sized food supermarket, even if adjacent commercial landholdings could be assembled into a single site.

11.41 The opportunities at Allenton and Chellaston have the potential to improve the level of provision in the southern part of the City, which is one of the areas identified at paragraph 11.7 of this section as having a current shortfall in convenience goods provision. Sites within or close to Sinfin district centre may also be able to support additional provision which can cater for the growing population in the south of Derby.

11.42 In addition, we believe that there would still be benefit in securing further improvements in the day to day shopping provision in the north-west and east of the City, and recommend that the Council may wish to give further consideration to sequentially preferable sites which are both available and suitable to accommodate any such development.

## 12.0 Out of Centre Retail

- 12.1 We set out below a review of the role, function and current performance of the five principal out of centre retail destinations in the Derby authority area, these being: Kingsway Retail Park; Manor Park Way Retail Park; Meteor Centre Retail Park; Osmaston Park Road Retail Park; and, Wyvern Retail Park. We have reviewed the boundaries of all of the retail parks (as defined by the Local Plan Part 1 Policies Map), and recommend a single revision in respect of the Wyvern Retail Park boundary. We recommend that Wyvern Retail Park's boundary is extended to west to incorporate Costco, Burger King, Pizza Hut, KFC and the former Fireplace Workshop site next to the slip road<sup>81</sup>.
- 12.2 We first revisit the household survey results in order to consider the both the performance of each out of centre venue (in terms of its turnover) and whether the facility meets convenience, non-bulky comparison or bulky comparison goods needs.
- 12.3 Table 12.1 indicates that Kingsway Retail Park has by far the greatest overall turnover (£244.7m at 2019, including the turnover of the Sainsbury's supermarket), followed then by Wyvern Retail Park (£134.5m, including the Sainsbury's superstore) and the Meteor Centre (£119.0m, including the Morrisons superstore). Wyvern Retail Park has the second greatest comparison goods turnover, behind Kingsway Retail Park.

**Table 12.1: Turnover of Retail Park Destinations**

Retail Park	Convenience Goods Turnover (£m)	Non-Bulky Comparison Goods Turnover (£m)	Bulky Comparison Goods Turnover (£m)	Total Comparison Goods Turnover (£m)	Total Turnover (£m)
Kingsway RP	39.9	92.1	112.7	204.8	244.7
Wyvern RP	44.3	53.4	36.8	90.2	134.5
Meteor Centre	62.0	18.4	38.6	57.0	119.0
Osmaston Park Road RP	35.7	13.7	49.1	62.8	98.5
Manor Park Way RP	22.4	0.0	0.0	0.0	22.4
<b>Total</b>	<b>204.3</b>	<b>177.6</b>	<b>237.2</b>	<b>414.8</b>	<b>619.1</b>

Note: Convenience goods turnover derived from Table 5 of Appendix 9; comparison goods turnovers derived from Tables 10, 12, 14, 16, 18, 20, 22 and 28 of Appendix 9; 2016 prices

- 12.4 Osmaston Park Road Retail Park and Manor Park Way Retail Park both have a limited retail offer (focused around a Sainsbury's superstore and B&Q DIY store in the case of the former, and an Aldi

<sup>81</sup> Which was the subject of a refused planning application (reference 12/17/01643) for the erection of Class A1 retail units and a drive thru in November 2018

foodstore in the case of the latter), and this is reflected in their performance. Both of these destinations have a very limited non-bulky comparison goods turnover<sup>82</sup>. Indeed, we note that, at each of the retail parks, the bulky goods turnover is greater than the non-bulky turnover.

12.5 Table 12.2 considers the comparison goods market share of the five retail parks, and demonstrates that they collectively claim 8.0% of non-bulky comparison goods Study Area expenditure, and 26.0% of bulky comparison goods expenditure. As such, the five retail parks collectively have a significantly smaller comparison goods market share (12.3%) than that claimed by Derby city centre (21.3%). It is evident that the role of the retail parks is principally to meet bulky comparison and convenience goods needs, and that they generally have a lesser role in respect of non-bulky goods provision. The Council's general strategy to limit the role of retail parks through the application of restrictive conditions is therefore generally successful in helping to differentiate between the comparison goods offer in out of centre locations and that which is available within Derby city centre. The principal exception to this is Kingsway Retail Park, which has very clearly gained market share at the expense of the city centre.

12.6 As we identified in Section 7 of this report, the increasing popularity of Kingsway, allied with the precarious health of Derby city centre, means that the Council should exercise caution when considering further proposals that provide for a material increase in the retail park's offer. This is also the case of other out of centre destinations which offer the potential to trade against (rather than complement) the city centre retail offer. As such, we recommend the continued use of restrictive conditions where they can be justified<sup>83</sup>, in order to provide for the future vitality and viability of the city centre.

**Table 12.2: Comparison Goods Market Share of Retail Park Destinations**

Retail Park	Non-Bulky Comparison Goods	Bulky Comparison Goods	Total Comparison Goods
Kingsway RP	4.2%	12.7%	6.6%
Wyvern Centre	2.4%	4.1%	2.1%
Osmaston Park Road RP	0.6%	4.9%	1.8%
Meteor Centre	0.8%	4.3%	1.8%
Manor Park Way RP	0.0%	0.0%	0.0%
<b>Total</b>	<b>8.0%</b>	<b>26.0%</b>	<b>12.3%</b>

Source: Tables 10, 12, 14, 16, 18, 20, 22 and 24 of Appendix 9

Notes: Derived from Market share derived from 2017 NEMS household survey 'weighted and filtered' results

<sup>82</sup> The household survey actually records a nil non-bulky comparison goods turnover for Manor Park Way Retail Park

<sup>83</sup> In accordance with the key retail and impact tests

- 12.7 In considering out of centre destinations, it is relevant to again note that two 'saved' policies in the City of Derby Local Plan Review are of relevance to particular types of development.
- 12.8 Local Plan Review Policy S10 relates to trade and showroom sales. It sets out a presumption that planning permission will be granted for garden centres, car and caravan showrooms, petrol filling stations, tyre and exhaust centres, and trade only wholesalers, such as builders' and plumbers' merchants, where the surrounding area is commercial and the site is accessible by a choice of means of transport. The policy indicates that appropriate conditions are to be attached to planning permissions to restrict the goods sold from such premises.
- 12.9 Local Plan Review Policy S11 is concerned with factory shops and indicates that such development should be included within the curtilage of the manufacturing unit which produces the goods, and that visiting customers should be able to be accommodated with generating traffic issues. Once again, the policy states that appropriate conditions should be attached to control how such operations trade in practice.

### **Composition and Role of Kingsway Retail Park**

- 12.10 Kingsway Retail Park is located around 1.5 kilometres to the west of Derby city centre<sup>84</sup>, just off the A38. As such, the retail park is highly accessible to car-borne shoppers.
- 12.11 The retail park is anchored by Sainsbury's, Homebase, Next, Halfords, Currys PC World, ScS and Harveys. Accordingly, there is a wide range of retailers, spanning both convenience goods and bulky and non-bulky comparison goods. We provide below at Table 12.3 a summary of Kingsway Retail Park's composition, with reference to the sector categorisation used by Experian Goad.
- 12.12 As Table 12.3 demonstrates, the number and range of operators at Kingsway Retail Park suggests that it is able to meet different needs and, as such, is likely to accommodate linked trips to purchase multiple items. As such, it is not just a destination which is capable of meeting specialist shopping needs, it also provides a convenient venue to browse and make substantial purchases. This is also evident through reference to its overall Study Area comparison goods market share of 6.6% (which represents a significant improvement on its identified performance at the time of the 2008 household survey).
- 12.13 Kingsway Retail Park competes directly against Derby city centre in respect of certain types of purchases

<sup>84</sup> 'As the crow flies'

and is at least partly responsible for the city centre's decline in market share in recent years.

12.14 We are aware that the offer of the retail park has evolved over the years and that some restrictive goods conditions have been relaxed. Whilst numerous retail parks across the country have evolved in a similar manner, we once more reiterate that careful consideration should be given before granting planning permission for any additional proposals which could substantially improve the non-bulky comparison goods offer at or adjacent to Kingsway Retail Park. The Council may also wish to consider whether any further food and drink uses in this location may impact on the retail park's ability to trade against the city centre.

**Table 12.3: Composition of Kingsway Retail Park**

Category	Number of Units	Proportion of Units
Comparison: Furniture	2	10.5%
Comparison: Department and variety store	2	10.5%
Comparison: Toys, games and hobbies	2	10.5%
Convenience: Supermarkets	2	10.5%
Comparison: Catalogue showroom	1	5.3%
Comparison: Chemist and drugstore	1	5.3%
Comparison: Electrical and other durable goods	1	5.3%
Comparison: Gardens and equipment	1	5.3%
Comparison: Hardware and household goods	1	5.3%
Comparison: Other comparison goods	1	5.3%
Comparison: Vehicle accessories	1	5.3%
Convenience: Bakers and confectioners	1	5.3%
Leisure service: Cafes	1	5.3%
Leisure service: Fast food and take away	1	5.3%
Retail Service: Petrol filling station	1	5.3%
<b>Total</b>	<b>19</b>	<b>100.0%</b>

Note: Derived from Nexus Planning site visit of January 2018

12.15 Whilst the retail park most recently expanded through the grant of planning permission reference 01/12/00102<sup>85</sup>, which allowed for the erection of Unit 5a (currently occupied by Halfords), the site is now relatively constrained in respect of its potential for future expansion. In this regard, we note that Next has recently proposed its largest store in Derby at Manor Kingsway (the former Kingsway Hospital site), which would result in the closure of its existing clothing and home stores, located respectively at Kingsway and Wyvern Retail Parks. This scheme clearly has the potential to impact on the trading

<sup>85</sup> Which provided for the extension of the expiration date of planning permission 10/07/01916

performance of Kingsway Retail Park, the city centre and the wider area.

### **Composition and Role of Wyvern Centre**

- 12.16 Wyvern Centre Retail Park is located approximately 2 kilometres to the east of Derby city centre, just off the A52. The Wyvern Centre is located immediately to the south of the Chaddesden suburb (and is connected to the area via a pedestrian footbridge). The centre is therefore generally well connected.
- 12.17 The retail park is anchored by Sainsbury's, Homebase, Next Home and Costco, with a diverse range of additional retailers providing a range of different comparison goods (both bulky and non-bulky), supplemented by a limited leisure provision. The below Table 12.4 provides a summary of the composition of Wyvern Centre Retail Park, with reference to the sector categorisation used by Experian Goad. It should be noted that since the time of the survey Toys R Us and Maplin have vacated their respective units.
- 12.18 The diverse range of operators with a presence at the Wyvern Centre suggests that the centre is capable of meeting different needs. The relatively large scale of the retail park is reflected in its overall Study Area comparison goods market share of 2.1% (which represents a similar market share to that identified by the 2008 household survey). As such, Wyvern Retail Park is a stable retail destination and, as a consequence of accommodating no fashion operators, its offer is somewhat differentiated from that of Derby city centre. Notwithstanding this, due to the Wyvern Retail Park's proximity to the city centre, any planning applications for proposals resulting in a substantially improved fashion offer at the retail park could impact on the city centre's role and should therefore be the subject of appropriate scrutiny.
- 12.19 The retail park is currently going through a period of evolution, partly as a result of the closure of Toys R Us and Maplin. A planning application (reference 06/18/00918) to subdivide the former Toys R Us unit into two separate A1 retail units was granted planning permission in September 2018, and a further application (reference 05/18/00743) to change of use of the unit formerly occupied by Maplin from Class A1 to flexible Class A1/D2 was approved in the same month. A further planning application (reference 12/17/01643) for the erection of a Class A1 retail unit and Class A3/A5 restaurant/drive thru was refused in November 2018 due to highways concerns.



**Table 12.4: Composition of Wyvern Centre Retail Park**

Category	Number of Units	Proportion of Units
Leisure service: Fast food and take away	4	22.2%
Comparison: Carpets and flooring	2	11.1%
Comparison: Chemist and drugstore	1	5.6%
Comparison: Children's and infants Wear	1	5.6%
Comparison: Electrical and other durable goods	1	5.6%
Comparison: Furniture general	1	5.6%
Comparison: Gardens and equipment	1	5.6%
Comparison: Other retail outlets	1	5.6%
Comparison: Toys, games and hobbies	1	5.6%
Comparison: Vehicle accessories	1	5.6%
Convenience: Supermarkets	1	5.6%
Leisure service: Cafés	1	5.6%
Retail service: Filling stations	1	5.6%
Vacant	1	5.6%
<b>Total</b>	<b>18</b>	<b>100.0%</b>

Note: Derived from Nexus Planning site visit of January 2018

12.20 It is again of some relevance to note that Next is currently proposing its largest store in Derby at Manor Kingsway (the former Kingsway Hospital site), which would result in the closure of its existing clothing and home stores, located respectively at Kingsway and Wyvern Retail Parks. The Next scheme therefore has the potential to impact on the trading performance of Wyvern Retail Park (and the city centre and the wider area).

### **Composition and Role of Osmaston Park Retail Park**

12.21 Osmaston Park Retail Park is located approximately 3 kilometres to the south of Derby city centre adjacent to the main train line. Much of the area to the north, east and west surrounding the retail park is of a residential nature (it includes areas such as Allenton and Cavendish), and the retail park is therefore well positioned for the south Derby catchment.

12.22 The retail park is anchored by Sainsbury's and B&Q, and is relatively small compared to Kingsway or Meteor Retail Parks. The composition of Osmaston Park Retail Park is summarised at Table 12.7 below, with reference to the sector categorisation used by Experian Goad.

12.23 Table 12.5 identifies a limited range of operators, with the comparison goods element of the retail park comprising a DIY operator (B&Q), a building supplies merchant (Tile Giant) and the non-food

floorspace associated with the Sainsbury's superstore (which accommodates an Argos concession). As such, there is only a limited crossover with the city centre in respect of the comparison goods market. The retail park's limited comparison goods offer is evident through reference to its market share, which is less than that secured at Kingsway, Meteor and Wyvern Retail Parks. The nature of the Osmaston Park's comparison goods offer (which is controlled by restrictive goods conditions) is such that it is most directly competes against other out of centre retail venues.

**Table 12.5: Composition of Osmaston Park Retail Park**

Category	Number of Units	Proportion of Units
Comparison: DIY and home improvement	1	25.0
Convenience: Supermarkets	1	25.0
Retail service: Filling stations	1	25.0
Financial and Business service: Building supplies and services	1	25.0
<b>Total</b>	<b>4</b>	<b>100.0%</b>

Note: Derived from Nexus Planning site visit of January 2018

### Composition and Role of Meteor Centre

- 12.24 The Meteor Centre Retail Park is located approximately 2 kilometres to the north of Derby city centre. It is immediately adjacent to the A61 and, as such, it is highly accessible to the surrounding catchment.
- 12.25 The retail park is anchored by Morrisons, The Range, B&M Bargains, DFS, Dreams, Currys PC World and the Odeon cinema. As such, there is a general bias towards convenience goods and bulky comparison goods retailers. We set out below at Table 12.6 a summary of the composition of the retail park, with reference to the sector categorisation used by Experian Goad.
- 12.26 Many of the retailers present at the retail park sell household goods, from day to day cleaning products and utensils (B&M Bargains), to furniture (DFS and Dreams), to kitchen and bathroom tiles (Topps Tiles). As such, part of the offer at the Meteor Centre is relatively specialised and is reflective of the type of goods that are often purchased in out of centre locations. In particular, we note that the Meteor Centre does not accommodate any clothing and footwear retailers, and therefore doesn't compete with the city centre in respect of this sub-sector. Once more, this can be attributed to the imposition of restrictive goods conditions.
- 12.27 The Odeon cinema is a significant attraction and the retail park has expanded through planning permission reference 07/17/00914, which provided for the erection of a café/retail pod (Classes A1 and

A3). This unit is now occupied by Costa (but was vacant at the time of our survey of the retail park).

**Table 12.6: Composition of the Meteor Centre**

Category	Number of Units	Proportion of Units
Comparison: Furniture	4	21.1%
Comparison: Department and variety stores	2	10.5%
Leisure Services: Fast food and take away	2	10.5%
Convenience: Supermarkets	2	10.5%
Vacant	2	10.5%
Comparison: Carpets and flooring	1	5.3%
Comparison: Electrical and other durable goods	1	5.3%
Comparison: Office supplies	1	5.3%
Comparison: Other comparison goods	1	5.3%
Comparison: Sports, leisure and camping goods	1	5.3%
Comparison: Textiles and soft furnishings	1	5.3%
Leisure Services: Cinemas, theatres and concert halls	1	5.3%
<b>Total</b>	<b>19</b>	<b>100.0%</b>

Note: Derived from Nexus Planning site visit of January 2018

### Composition and Role of Manor Park Retail Park

12.28 Manor Park Retail Park is located approximately 3 kilometres to the south-west of Derby city centre, adjacent to the Royal Derby Hospital and the A38. The Manor Kingsway (former Kingsway Hospital) strategic housing site is located to the north of the centre. The centre is therefore proximate to areas of substantial growth.

12.29 The retail park is relatively small, and is anchored by an Aldi food store, alongside a Premier Inn and a restaurant/public house. We provide below at Table 12.7 a summary of Manor Park's composition, with reference to the sector categorisation used by Experian Goad.

12.30 Due to the limited offer at Manor Park, it is considered highly unlikely that the retail park would directly compete with Derby city centre and is far more likely to rival similar out of centre destinations with a limited offer, or an offer focused around a foodstore. It is also considered unlikely that the centre could expand significantly beyond its current boundaries due to the dense development surrounding Manor Park.

**Table 12.7: Composition of Manor Park Retail Park**

Category	Number of Units	Proportion of Units
Convenience: Supermarkets	1	33.3%
Leisure services: Hotels and guest houses	1	33.3%
Leisure services: Public houses	1	33.3%
<b>Total</b>	<b>3</b>	<b>100.0%</b>

Note: Derived from Nexus Planning site visit of January 2018

## 13.0 Summary and Recommendations

### Key Findings: Retail Capacity

- 13.1 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.
- 13.2 As identified at Section 8 of this report, 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 11,100 sq.m and 18,900 sq.m of floorspace at 2043. The identified capacity would therefore support the delivery of multiple food supermarkets.

**Table 13.1: Quantitative Need for Convenience Goods Floorspace Across Derby Authority Area**

	2019 (sq.m)	2023 (sq.m)	2028 (sq.m)	2029 (sq.m)	2033 (sq.m)	2038 (sq.m)	2043 (sq.m)
Minimum Convenience Goods Requirement	4,900	5,300	6,600	6,900	8,100	9,500	11,100
Maximum Convenience Goods Requirement	8,400	9,000	11,300	11,800	13,900	16,300	18,900

Source: Table 6d of Appendix 9

- 13.3 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<sup>86</sup>.
- 13.4 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.

<sup>86</sup> 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

- 13.5 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 sites, which have qualitative benefits in improving local consumer choice and addressing shortfalls in provision.
- 13.6 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 64,900 sq.m and 111,300 sq.m at 2043. Our assessment covers a timeframe significantly in excess of that which is usually the subject of such an exercise (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 some caution.

**Table 13.2: Quantitative Need for Comparison Goods Floorspace Across Derby Authority Area**

	2019 (sq.m)	2023 (sq.m)	2028 (sq.m)	2029 (sq.m)	2033 (sq.m)	2038 (sq.m)	2043 (sq.m)
Minimum Comparison Goods Requirement	-2,100	300	11,100	13,800	31,400	47,600	64,900
Maximum Comparison Goods Requirement	-3,700	600	19,000	23,600	53,900	81,600	111,300

Source: Table 26d of Appendix 9

- 13.7 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 next ten years or so.
- 13.8 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.
- 13.9 Should 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).

### **Key Findings: Commercial Leisure Capacity**

- 13.10 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.
- 13.11 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<sup>87</sup> 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.
- 13.12 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.

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<sup>87</sup> Of which 36 are within the City of Derby authority area

### Key Findings: City Centre

- 13.13 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.
- 13.14 Notwithstanding that, the city centre's convenience and comparison goods offer is generally diverse and comprehensive, and the floorspace occupied by convenience and comparison operators is broadly in line with national average levels. Notwithstanding this, the most recent available research suggests that Derby city centre accommodates a lesser comparison goods offer than centres fulfilling a broadly comparable role, such as Nottingham and Leicester<sup>88</sup>.
- 13.15 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.
- 13.16 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.
- 13.17 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.

### Recommendation: City Centre Strategy

- 13.18 The strategy for Derby City Centre should be focused around fostering quality, and encouraging diversity of land use and economic activity. This should include encouraging diversification in the retail

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<sup>88</sup> The 2015 Leicester and Blaby Town Centre and Retail Study identified that Leicester city centre has 381 units in comparison goods use, and the 2015 Broxtowe, Gedling, Nottingham and Rushcliffe Retail Study identified that Nottingham city centre has 421 units in comparison goods use; this compares to the 270 units in comparison goods use in Derby city centre identified by this Study



sector.

13.19 In terms of planning policy and management, the Council should increase the target for new jobs and homes in the city centre. In addition, consideration should be given to securing new convenience goods shopping floorspace as part of a mixed-use development in the city centre. Becketwell could provide an excellent opportunity to do this.

13.20 There is no need for further comparison goods retail allocations in or around the city centre in the foreseeable future (given the number of vacant properties that need to be brought back into active use). Residential uses should be more positively encouraged in all regeneration areas subject to appropriate considerations.

13.21 The regeneration of key sites, including Becketwell, Eagle Market, North Riverside and Friar Gate should be encouraged further through allocations in the Local Plan Part 2. The Council should review whether retail is an appropriate part of the land use mix at Friar Gate.

13.22 We recommend that the Council prepares a Supplementary Planning Document for the Cathedral Quarter to facilitate housing and other development as part of a mixed use, historic environment. The improvement of shopfronts, including outside of the City Centre Conservation Area should continue to be encouraged.

13.23 As the Derby City Centre Masterplan continues to be delivered, consideration should be given to a review and refresh in order to reconsider some of the key themes, and to adding an action plan in order to assist implementation. In our view, any such review should establish a clearer, more distinctive Vision for the city centre to galvanise key stakeholders and networks. The strategy should more fully integrate a considered approach to the public realm and the key links between regeneration areas. It should place an emphasis on the Market Place as the focal point of the centre. The strategy should also commit to more ambitious targets for city centre living.

13.24 The Council should review its city centre partnership networks and its approach to city centre management. Much greater use should be made of the Market Place as a location for major events.

### **Key Findings: District and Neighbourhood Centres**

13.25 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.

13.26 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.

13.27 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).

13.28 Curtins' Derby Retail Transport Study identifies potential measures in order to bring about improvements in the accessibility of some district centres (including Chellaston, Normanton Road and Spondon). However, most of the identified areas of improvement should be relatively straightforward to address and should not generally preclude further appropriate development which meets local needs (subject to applicants addressing such issues in their application submissions, as appropriate).

#### **Recommendation: District and Neighbourhood Centres Boundaries**

13.29 Paragraph 85 of the newly published revised NPPF required 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.

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

13.31 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.'**

13.32 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.

13.33 In reviewing the performance of the centres, we have given consideration to the appropriate centre boundaries.

13.34 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).

13.35 The proposed boundary revisions are clarified by the plans provided at Appendix 16.

### **Recommendation: Centres Hierarchy**

13.36 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'.

13.37 In the absence of any definition to rely on in either the NPPF or the associated Town Centres PPG, the definition of different tiers of the retail hierarchy provided by the now superseded Planning Policy Statement 4: Planning for Sustainable Economic Growth (PPS4) (published 2009) is of some relevance as a point of reference. In respect of the definition of town centres, district centres and local centres, PPS4 states the following:

**'Town centres will usually be the second level of centres after city centres and, in many cases, they will be the principal centre or centres in a local authority's area. In rural areas they are likely to be market towns and other centres of similar size and role which function as important service centres, providing a range of facilities and services for extensive rural catchment areas. In planning the future of town centres, local planning authorities should consider the function of different parts of the centre and how these contribute to its overall vitality and viability. In London the 'major' and many of the 'district' centres identified in the Mayor's Spatial Development Strategy typically perform the role of town 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.**

**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 and a pharmacy. Other facilities could include a hot-food takeaway and launderette. In rural areas, large villages may perform the role of a local centre.**

**Small parades of shops of purely neighbourhood significance are not regarded as centres for the purposes**

**of this policy statement.'**

13.38 In reading the above, we believe that whilst Derby's district centres generally accord with the PPS4 definition, there are a number which display some of the characteristics of a large local centre. In addition, we believe that Derby's neighbourhood centres are generally consistent with the PPS4 definition of a local centre, but that there are some instances where the provision is at the lower end of what we would expect from a designated centre.

13.39 However, 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 there is a clear disparity between the role of a centre and its ascribed position in the hierarchy.

13.40 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.

13.41 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, Sinfen, and Spondon; and
- Tier 3: Neighbourhood centres.

#### **Key Findings: Out of Centre Retail Facilities**

13.42 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. 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.

13.43 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.

13.44 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.

#### **Recommendation: Out of Centre Retail Facilities**

13.45 Given the identified need to direct future comparison goods retail requirements towards the city centre, the Council will need to exercise caution when considering proposals for additional out of centre development.

13.46 We again note that two 'saved' policies in the City of Derby Local Plan Review relate to particular types

of out of centre development; Local Plan Review Policy S10 relates to trade and showroom sales and Local Plan Review Policy S11 is concerned with factory shops. Both policies indicate that appropriate conditions should be attached to control how such operations trade in practice.

13.47 In considering whether the above policies remain 'fit for purpose', it is important to note that some of the uses provided for by Policies S10 and S11 fall within Use Class A1<sup>89</sup>. It is also important to note that Annex 2 of the NPPF indicates that main town centre uses comprise:

**'Retail development (including warehouse clubs and factory outlet centres); 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); offices; and arts, culture and tourism development (including theatres, museums, galleries and concert halls, hotels and conference facilities).'**' (Our emphasis.)

13.48 Whilst we believe that Policies S10 and S11 provide an appropriate mechanism to control quasi-retail uses (falling outside Use Class A1), operations such as garden centres and factory shops frequently sell a wide range of goods which may otherwise be sourced from town centres. As such, we believe that such proposals should be the subject of the impact test given their potential to divert trade from defined centres. We therefore recommend that the Council's future policy should more precisely differentiate between Class A1 retail uses, and genuine trade counter and vehicle sales uses. The provisions of Local Plan Review Policy S10 remain of general relevance to the latter uses, subject to there again being a requirement to condition such uses appropriately to ensure that the goods sold remain distinct from those sold by conventional retailers within defined centres.

13.49 More generally, we again reiterate that the comparison goods market share of Kingsway Retail Park has increased substantially over the past decade, whilst the market share of Derby city centre has contracted. In addition, the amount of vacant retail stock in key areas of Derby city centre is of concern and needs to be addressed as a priority.

13.50 The starting point in terms of the Council's future position in respect of out of centre retail development is paragraph 89 of the NPPF which indicates that the impact test requires consideration of:

- the impact of the proposal on existing, committed and planned public and private investment in a centre; and

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<sup>89</sup> Namely garden centres, retail kiosks associated with petrol filling stations, and factory shops

- the impact of the proposal on town centre vitality and viability, including local consumer choice and trade in the town centre and wider retail catchment.

13.51 Paragraph 90 indicates that it is development that will likely have a significant adverse impact in relation to the above two criteria that will be refused,.

13.52 There is a need for development plan policy to be consistent with the provisions of the NPPF and, in this context, the Council's future strategy will be to safeguard against in appropriately sited retail and leisure development which will likely result in significant adverse impacts arising at defined centres. However, it is evident from this Study that, whilst the Intu Derby shopping centre benefits from a low vacancy rate and accommodate a good range of national multiple operators, the vacancy rate and demand for new retail accommodation across the city centre as a whole is an issue. The function of key streets within Derby's primary shopping area is impacted by the incidence of vacant properties, and it is important that future comparison goods development is encouraged to locate within the city centre. Appropriate consideration should be given to the imposition of restrictive conditions for additional comparison goods development that is located outside of defined centres to ensure that no acceptable impacts arise at any centres.

13.53 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. The

#### **Recommendation: Local Impact Threshold**

13.54 In accordance with the requirements of paragraph 89 of the NPPF, it is appropriate to identify thresholds for the scale of our 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<sup>90</sup>).

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<sup>90</sup> With the exception of small scale rural development



- 13.55 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.
- 13.56 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 a range of proportionate thresholds, relating to the type of centre the proposed development is proximate to.
- 13.57 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.

## Appendix 1: Plan of Study Area and Zones

## Appendix 2: Household Survey Results

## Appendix 3: Aspinall Verdi Market Report

# Appendix 4: In Street Survey Results

## Appendix 5: In Street Survey Location Plan

# Appendix 6: Derby City Centre Healthcheck

## Appendix 7: District Centres Healthcheck Assessments



## Appendix 8: Neighbourhood Centres Healthcheck Assessments

## Appendix 9: Quantitative Retail Capacity Assessment

## Appendix 10: Convenience Goods Catchment for City Centre

# Appendix 11: Comparison Goods Catchment for City Centre

# Appendix 12: Site Assessment Pro Forms

## Appendix 13: Distribution of Principal Foodstores

## **Appendix 14: Derby Retail Transport Study – Transport and Accessibility Investigation**

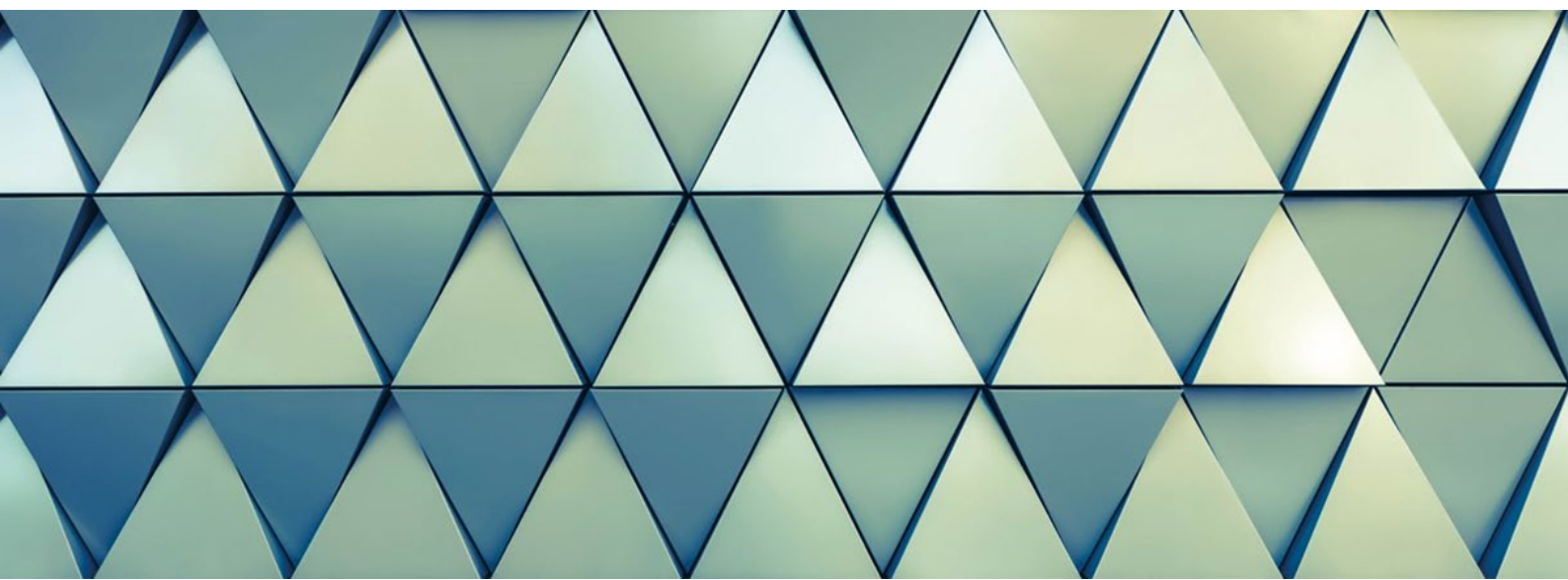
## **Appendix 15: Derby Retail Transport Study – Zonal Accessibility & Infrastructure Appraisals**



## Appendix 16: Proposed Boundary Revisions

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