

Derby City Council DERBY RETAIL AND LEISURE STUDY Volume 1 - Main Report



TYM & PARTNERS
Planners and Development Economists

Final Report
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Appendix 2 - List of Stakeholder Consultees

Appendix 3 - Health Checks Data

Appendix 4 - National Trends in the Retail and Leisure Sectors

Appendix 5 - Summary Note - Commission on Retail Conservation (2007) and Case Studies (Retail Distinctiveness & Promotion of Independent Retail in Town Centres

VOLUME 4 - RETAIL SURVEY, BY NEMS

VOLUME 5 - HOUSEHOLD SHOPPING SURVEY, BY NEMS

1 INSTRUCTIONS, CONTEXT AND OUTLINE OF REPORT STRUCTURE

Instructions

1.1 Derby City Council commissioned Roger Tym & Partners (RTP) to undertake this Retail Study following a competitive tender process. The brief, which is reproduced as Appendix 1, explains that the study is to form part of the evidence base for the retail and town centre policies and proposals in the emerging Local Development Framework. Thus, the study has to reflect the Government's requirements, as set out in PPS6 and in the new PPS12 (which are discussed in Section 2 of our report). The study has a forward horizon to 2026.

1.2 Section 4 of the Study Brief sets out key requirements of the study, summarised as follows:

- Review National, Regional and Local Retail policies including the locally based strategies.
- Forecast quantitative and qualitative need for additional comparison and convenience floorspace within the City Council up to 2026 and indicate where this should be accommodated.
- Consider how any quantitative or qualitative need identified can be accommodated within Derby.
- Undertake 'healthchecks' of the city centre and the district centres, review their role and function and make recommendations on how their health can be improved.
- Consult with all the main stakeholders.
- Explore the role of the city's out-of-centre and quasi- retail shopping locations and assess and advise on current policy regarding these.
- Consider whether the extent of the primary and secondary shopping areas of the main centres is appropriate and review the policies in the Local Plan Review.
- Produce a Retail Strategy based on the above findings.

Context

1.3 Section 2 of the brief identifies some of the context to our study which includes the need to cover both city wide and localised retail issues; to look beyond the City

boundary to establish the catchment area; and to look at potential impacts from nearby centres.

1.4 The study is being undertaken in the context of the recent opening of the Westfield Centre which, as a major city centre expansion, is likely to have a range of effects on the city centre and its catchment area.

1.5 The study also has regard to the report prepared by CACI for Derby Cityscape on the Derby City Retail Circuit.

Structure of the Remainder of the Report

1.6 The remainder of our report is structured as follows:

- Section 2 provides a résumé of the requirements of national and regional policies in so far as they relate to town centres, the location of retail and leisure development and the test of soundness in the new PPS12.
- Section 3 provides our qualitative analysis of the current performance of the fourteen higher order centres in Derby as identified in the City of Derby Local Plan Review (Appendix D). These centres are Derby City Centre, Normanton/Pearl Road Linear Centre and the 12 District Centres.
- Section 4 provides our analysis of the current patterns of retail and leisure spending, drawing on the telephone survey of households.
- Section 5 provides our analysis of quantitative and qualitative needs in the retail sector in the period up to 2026.
- Section 6 identifies the scope for future leisure provision.
- Section 7 identifies alternative strategies for meeting the retail needs which we have identified - as required by paragraph 4.38 of PPS12 - and our initial evaluation of these alternatives.
- Section 8 makes specific recommendations for policy and the retail hierarchy

1.7 The main report is accompanied by four separate volumes which comprise:

- i) Figures and Spreadsheets, which relate to our assessments of quantitative need in the retail and leisure sectors;
- ii) Appendices, as follows:
 - Appendix 1 - Brief to Consultant
 - Appendix 2 - List of Stakeholder Consultees
 - Appendix 3 - Health Checks Data
 - Appendix 4 - National Trends in the Retail and Leisure Sectors

- Appendix 5 - Summary Note - Commission on Retail Conservation (2007) and Case Studies (Retail Distinctiveness & Promotion of Independent Retail in Town Centres)
- iii) Reports by NEMS Market Research, entitled:
- Derby City Centre Retail and Leisure Visitors Survey
 - Derby Household Shopping Survey

2 THE REQUIREMENTS OF NATIONAL AND REGIONAL POLICY

PPS6

2.1 The current national policy context, in so far as it relates to town centres and the location of new retail, office and leisure developments, is set, in the main, by PPS6, which is structured under four sections that deal with:

- the Government's objectives;
- the plan-led approach to positive planning for town centres;
- the assessment of proposed developments; and
- measuring and monitoring the vitality and viability of town centres.

2.2 In this section of our report, we focus on the Government's objectives and on the plan-led approach to positive planning for town centres.

The Government's Objectives

2.3 The very first paragraph of PPS6 makes it clear that '*sustainable development is the core principle underpinning planning*' and that '*the planning system has a key role in facilitating and promoting sustainable and inclusive patterns of development, including the creation of vital and viable town centres*'. The Government's key objective for town centres, therefore, is to promote their vitality and viability (paragraph 1.3).

2.4 The Government's second tier objectives are set out in paragraph 1.4 of PPS6; these can be summarised as:

- enhancing consumer choice;
- supporting efficient, competitive and innovative retail and leisure sectors and improving their productivity; and
- improving accessibility to existing and new development by a choice of means of transport.

2.5 Paragraph 1.5 of PPS6 then sets out the Government's wider objectives; these can be summarised as:

- the promotion of social inclusion by ensuring access to a range of town centre uses and rectifying deficiencies;
- the regeneration of deprived areas;
- the promotion of economic growth;

- the delivery of more sustainable patterns of development; and
- the promotion of high quality and inclusive design, enhanced public realm and an accessible and safe environment.

2.6 Regional planning bodies (RPBs) and local authorities (LPAs) are therefore required to implement these Government objectives by planning positively for the growth and development of town centres, whilst not restricting competition or innovation (paragraphs 1.6 and 1.7). The main town centre uses to which PPS6 applies are: retail; leisure; offices; and arts, cultural and tourism facilities (paragraph 1.8), with housing said to be *‘...an important element in most mixed-use, multi-storey developments’* (paragraph 1.9).

Positive Planning for Town Centres: A Plan-led Approach

2.7 The introduction to Section 2 of PPS6 states that *‘in order to deliver the Government’s objective of promoting vital and viable town centres, development should be focused in existing centres in order to strengthen and where appropriate, regenerate them’*. Thus, RPBs and LPAs are called upon to:

- i) actively promote growth and manage change in town centres;
- ii) define a network and hierarchy of centres, each performing their appropriate role to meet the needs of their catchments; and
- iii) adopt a proactive and plan-led approach to planning for town centres through regional and local planning.

2.8 We consider it appropriate to summarise these requirements in a different and more logical order to that which is set out in PPS6 itself, starting with the role of regional plans.

The Role of Regional Plans

2.9 Paragraphs 2.12 to 2.14 of PPS6 set out the requirements placed on RPBs in developing their Regional Spatial Strategies (RSSs). The over-riding requirement is for RPBs to set out a vision and strategy for the region’s growth, particularly for higher level centres, and provide a strategic framework for planning at the local level. In particular, RPBs must:

- i) develop a strategic framework for the development of a network of centres, taking into account the need to avoid an over concentration of growth in the higher level centres;
- ii) make strategic choices about those centres of regional and sub-regional significance where major growth should be encouraged;

- iii) identify the need for new centres to be developed in areas of planned major growth;
- iv) assess the need for additional floorspace in the comparison retail, leisure and office sectors over the lifetime of the RSS (and for five-yearly periods within it) and, having regard to capacity and accessibility considerations, they must identify where the identified needs would best be met;
- v) monitor and regularly review the implementation of the strategy; and
- vi) identify the need for major town centre development of regional or sub-regional significance.

2.10 However, PPS6 is clear that new or expanded regional or sub-regional shopping centres located in out-of-centre locations are unlikely to meet the requirements of national policy (paragraph 2.14).

Networks and Hierarchies

2.11 Paragraphs 2.9 to 2.11 of PPS6 provide further advice in relation to the development of the network and hierarchy of centres, but - in this part of the policy statement - the advice is in relation to both the regional and local levels. Thus, authorities must plan carefully how to distribute any identified growth at both regional and local levels. In defining their spatial objectives, RPBs and LPAs:

‘...should consider whether there is a need to rebalance the network of centres to ensure that it is not overly dominated by the largest centres, that there is a more even distribution of town centre uses, and that people’s everyday needs are met at the local level’ (paragraph 2.9).

2.12 Thus, in developing the network and hierarchy, RPBs and LPAs are required to consider:

- i) whether there is a need to avoid over concentration of growth in the higher level centres;
- ii) the need for investment in those centres requiring to be regenerated; and
- iii) the need to address deficiencies in the network (paragraph 2.9)

2.13 Of crucial importance is the PPS6 requirement that *‘...any significant change in the role and function of centres, upward or downward, should come through the development plan process, rather than through planning applications’*, with higher order centres dealt with in the RSS and with lower order centres dealt with through the development plan documents (paragraph 2.10).

Promoting Growth and Managing Change

- 2.14 Paragraphs 2.3 to 2.8 of PPS6 turn to the role of LPAs in promoting growth and managing change in town centres. Paragraph 2.3 states that LPAs should - within the regional planning context - actively plan for growth and the management of change in town centres over the period of their development plan documents by:
- i) selecting appropriate existing centres to accommodate growth, making the best use of existing land and buildings, but extending the centres where appropriate;
 - ii) managing the role of existing centres through the promotion of specialist activities, or specific types of uses; and
 - iii) planning for new centres of an appropriate scale in areas of significant growth, or where there are deficiencies in the existing network.
- 2.15 Paragraph 2.4 urges that growth should be accommodated, wherever possible, through '*...more efficient use of land and buildings within existing centres*'. Where growth cannot be accommodated within existing centres, paragraph 2.5 advises LPAs to plan for:
- i) the extension of the primary shopping area, if there is a need for additional retail provision; and
 - ii) the extension of the town centre, to accommodate other main town centre uses.
- 2.16 Where existing centres are in decline, PPS6 advises LPAs to '*...assess the scope for consolidating and strengthening these centres by seeking to focus a wider range of uses there, promote the diversification of uses and improve the environment*' (paragraph 2.8). However, where a reversal of decline is not possible, LPAs are advised to consider a reclassification of the centre, so as to reflect its revised status in the hierarchy.

The Role of Plans at the Local Level

- 2.17 Paragraphs 2.15 to 2.18 of PPS6, deal with the role of the forward planning system at the local level. We note, in particular, the provisions of paragraph 2.15 which require LPAs to adopt a positive and proactive approach to planning for the future of all types of centres within their areas. Thus, in line with the RSS and their community strategies, LPAs should prepare a core strategy development plan document which sets out '*...a spatial vision and strategy for the network and hierarchy of centres, including local centres, within their area, setting out how the role of different centres will contribute to the overall spatial vision for their area*'.
- 2.18 Paragraph 2.16 urges LPAs to work with stakeholders and the community so as to:

- i) assess the need for new floorspace for retail, leisure and other town centre uses, taking account of both quantitative and qualitative considerations;
- ii) identify deficiencies in existing provision, assess the capacity of existing centres to accommodate new development and identify centres in decline where change needs to be managed;
- iii) identify the centres where development will be focused, as well as the need for any new centres of local importance;
- iv) define the extent of the primary shopping area and the town centre on their Proposals Map;
- v) identify and allocate sites in accordance with the considerations set out in paragraphs 2.28 to 2.51;
- vi) review existing land use allocations;
- vii) promote investment in deprived areas by identifying opportunities for growth and improved access;
- viii) set out criteria based policies for assessing proposals on sites not allocated in development plan documents; and
- ix) distinguish between primary and secondary frontages.

2.19 Paragraphs 2.19 to 2.22 of PPS6 then proceed to highlight the need for high quality and inclusive design, the importance of accessibility and safety and the need for efficient use of land through the promotion of higher-density mixed-use development. Paragraphs 2.23 and 2.26 deal with the management of the evening economy and the need for a range of leisure, cultural and tourism activities and paragraph 2.27 seeks to promote the retention and enhancement of existing markets and, where appropriate, the creation of new ones.

Site Selection and Land Assembly

2.20 Paragraphs 2.28 to 2.52 of PPS6 deal with site selection and land assembly in the forward planning process. Paragraph 2.28 sets out the five key considerations for local authorities when they are selecting sites for development; these are to:

- i) *'assess the need for development'*;
- ii) *'identify the appropriate scale of development'*;
- iii) *'apply the sequential approach to site selection'*;
- iv) *'assess the impact of development on existing centres'; and*

- v) *'ensure that locations are accessible and well serviced by a choice of means of transport'.*

2.21 These considerations match the development control tests set out in paragraph 3.4 of PPS6. In applying them in the development plan preparation process, LPAs are required to work closely with retailers, leisure operators, developers, other stakeholders and the wider community and paragraph 2.31 makes it clear that LPAs may need to make choices between competing development pressures in their town centres.

Need for Development

2.22 Paragraph 2.32 states that need assessments should be carried out as part of the plan preparation and review process, that they should be updated regularly and that LPAs should take account of the regional spatial strategy. Indeed, the LPAs' assessments of need *'...should inform and be informed by the regional needs assessments and form part of the evidence base for development plan documents'.*

2.23 LPAs should place greater weight on quantitative need for specific types of retail and leisure developments taking into account population change, forecast change in expenditure for specific classes of goods and forecast improvements in productivity in the use of existing floorspace.

2.24 Nevertheless, an important qualitative consideration will be the need to improve the range of services and facilities in deprived areas (paragraph 2.35). Another consideration which may be taken into account in the assessment of qualitative need is the degree to which existing shops may be over-trading (paragraph 2.36). However, regeneration and employment impacts - whilst capable of being material considerations - are not indicators of retail need (paragraph 2.37).

Appropriate Scale

2.25 Paragraph 2.41 states that:

'In selecting suitable sites for development, local planning authorities should ensure that the scale of opportunities identified are directly related to the role and function of the centre and its catchment'.

2.26 As a consequence, paragraph 2.42 states that *'...local centres will generally be inappropriate locations for large scale new development...'* and that LPAs *'...should therefore consider setting an indicative upper limit for the scale of developments likely to be permissible in different types of centres...'* If a need is identified for larger format developments, paragraph 2.43 indicates that sites should be identified within or on the edge of *'city centres'* and *'town centres'*, as defined in Table 1 of Annex A to PPS6.

Sequential Approach to Site Selection

2.27 Paragraph 2.44 of PPS6 sets the order of preference in applying the sequential approach, as follows:

- first, locations within existing centres, but subject to caveats relating to suitability, availability and scale in relation to the function of the centre;
- second, edge-of-centre locations, with a preference given to sites that are, or will be, well connected to the centre; and then
- out-of-centre sites, with preference given to sites which are, or will be, well served by a choice of means of transport and those with a high likelihood of forming links with the centre.

2.28 It is important to note that the distance threshold for the purposes of the 'edge-of-centre' definition, varies from up to 300 metres from the primary shopping area for retail use, to within 300 metres of a town centre boundary for all other main town centre uses (as set out in Table 2 of Annex A of PPS6). It is also noteworthy that LPAs are required to give weight to those locations that best serve the needs of deprived areas when considering alternative sites at the same level in the sequential ranking (paragraph 2.44).

2.29 There is a requirement for flexibility and realism on the part of both LPAs and developers/operators when discussing the identification of sites for inclusion in development plan documents. Sites must be available, or likely to become available for development during the development plan document period, and capable of accommodating a range of business models, all parties having been flexible in relation to scale, format, car parking provision and the scope for disaggregation (paragraph 2.45).

2.30 A new requirement, however, is for development plan documents to include phasing policies so as to ensure that preferred locations are developed ahead of less central locations (paragraph 2.46).

Assess Impact

2.31 If LPAs are proposing to allocate sites in 'edge-of-centre' or 'out-of-centre' locations, they must assess the potential impact on centres within the catchment area of the potential development (paragraph 2.48). LPAs must also assess the potential impact on other centres of those allocations within a centre which would substantially increase its attraction vis-à-vis other centres (paragraph 2.48).

Ensure Locations are Accessible

- 2.32 Paragraph 2.49 of PPS6 confirms PPG13's aspiration to reduce the need to travel, to reduce reliance on the private car and to ensure that everyone has good access to a range of facilities. As a consequence, in selecting sites for allocation, LPAs are required to have regard to accessibility by a choice of means of transport and the potential impact of development on car use, traffic and congestion.

Other Relevant Matters

- 2.33 After assessing the sites against the five considerations set out in paragraph 2.28 of PPS6, LPAs are able to consider other matters such as physical regeneration, the likely net employment impact, the potential impact on economic growth and the potential impact on social inclusion (paragraph 2.51).

Assembling Sites

- 2.34 Paragraph 2.52 states that LPAs '...should allocate sufficient sites to meet the identified need for **at least the first five years from the adoption of their development plan documents...**' (our emphasis). LPAs are also required to consider the scope for site assembly using their CPO powers in order to ensure that suitable sites are brought forward for development.

Designation of New Centres

- 2.35 Paragraph 2.53 repeats the advice that '*new centres should be designated through the plan-making process where the need for them has been established, such as in areas of significant growth, or where there are deficiencies in the existing network of centres, with priority given to deprived areas.... Whether this is done at the regional or local level will depend on the size of the proposed centre and its proposed role in the hierarchy of existing centres...*' PPS6 is clear, however, that existing out-of-centre facilities must not be regarded as 'centres', unless they are identified as such in the RSS and/or in development plan documents (paragraph 2.54).

Providing for Local Shopping and Other Services

- 2.36 Paragraphs 2.55 to 2.59 are concerned with the provision for local shopping and other services. There is emphasis on the need for a network of local centres, so as to meet people's day-to-day needs and provide a focus for local services. LPAs are encouraged to seek to rectify any deficiencies in local provision, especially in deprived areas, through liaison with the local community, retail operators and other stakeholders.

Conclusions in Relation to PPS6

- 2.37 In our assessment, the provisions of PPS6 reflect the Government's wider emphasis on the need to plan, monitor and manage at both the regional and local

planning levels; indeed the key changes in national policy emphasis that arose as a result of the publication of PPS6, in March 2005, were:

- i) a requirement for a much more proactive plan-led approach to planning for town centres through regional and local planning;
- ii) much more emphasis on the need to develop a network and hierarchy of centres, at both the regional and local levels; and
- iii) a much greater involvement on the part of the public sector in the management and implementation of changes in town centres and in the monitoring of their vitality and viability.

2.38 Where growth cannot be accommodated within existing centres, LPAs are to plan for the extension of the primary shopping area, if there is a need for retail provision, and for the extension of the town centre as a whole to accommodate other main town centre uses.

2.39 The five key considerations to apply in selecting sites for development are similar, whether in forward planning or in development control. However, the publication of PPS6 has caused more emphasis to be given to the issue of scale, so that LPAs are to consider setting indicative upper limits for the scale of development likely to be permissible within or on the edge of different types of centres.

PPS12

2.40 This study will form part of the evidence base upon which the Council will draw in developing its Local Development Framework and, in particular, its Core Strategy Development Plan Document. PPS12 introduces a new test of 'soundness', as follows:

'To be "sound" a core strategy should be justified, effective and consistent with national policy.'

"Justified" means that the document must be:

- *founded on a robust and credible evidence base*
- *the most appropriate strategy when considered against the reasonable alternatives.*

"Effective" means that the document must be:

- *deliverable*
- *flexible*
- *able to be monitored'*

2.41 Thus, the PPS12 places more emphasis on the need for development plan documents to:

- i) *'...demonstrate that the plan is the most appropriate, when considered against reasonable alternatives'*. (Paragraph 4.38 of PPS12, our emphasis); and
- ii) *'...show how the vision, objectives and strategy for the area will be delivered and by whom, and when'*. (Paragraph 4.45 of PPS12, our emphasis).

Potential Changes to National Policy

White Paper - Planning for a Sustainable Future

- 2.42 Paragraph 7.55 of the May 2007 White Paper, Planning for a Sustainable Future, suggests that there will be a review of PPS6 so as to *'...replace the need and impact tests with a new test which will have a strong focus on our town centre first policy, and which promotes competition and improves consumer choice avoiding the unintended effects of the current need test'*. In our assessment, what is proposed in the White Paper is unclear and local planning authorities will have to await the actual wording of the revision to PPS6 to understand the consequence. In our opinion, therefore, little weight can be given to this aspect of the White Paper.
- 2.43 It is worth noting, however, that paragraph 7.56 of the White Paper envisages that any changes to PPS6 will also take account of the conclusions of the Competition Commission's investigation of the UK's grocery sector.

Competition Commission's Investigation of the UK Grocery Market

- 2.44 The Competition Commission published the findings of its investigation of the UK grocery market in April 2008. The Commission's key recommendations are that:
- i) The Department of Communities and Local Government (CLG) should take such steps as are necessary to make the Office of Fair Trading (OFT) a statutory consultee for all applications for grocery stores in excess of 1,000 sq.m sales area (including applications for extensions which would cause the post-implementation sales area to exceed 1,000 sq.m).
 - ii) The OFT should provide advice to the LPA on whether a particular retailer has passed or failed a 'competition test'. A grocery retailer would fail the test if:
 - a) it was not a new entrant to the local area (defined by a ten minute drive time); and
 - b) the total number of facias in the local area were three or fewer; and
 - c) the retailer would have 60 per cent or more of the groceries sales area in the local area.
 - iii) CLG should take such steps as are necessary to ensure that LPA's take account of the OFT's advice on the result of the competition test and that LPAs

may only determine planning applications in a manner inconsistent with that advice where they are satisfied that:

- a) *'the particular development would produce identified benefits for the local area that would clearly outweigh the detriment to local people from the area becoming or remaining highly concentrated in terms of grocery retailing; and*
- b) *the development, or any similar development, would not take place without the involvement of a large grocery retailer that had failed the competition test.'*

2.45 Nevertheless, the Competition Commission makes it clear that:

- i) it does not envisage the competition test being a replacement for the need test (paragraph 11.134 of the CC report);
- ii) its remedies are additional to the reforms mooted in the Planning White Paper and *'...do not preclude any of the reforms proposed in the Planning White Paper in any way'* (paragraph 11.135 of the CC Report); but that
- iii) LPAs should *'...take greater account of competition in their development plans'* (paragraph 11.135 of the CC report).

Proposed Changes to PPS6

2.46 The proposed changes to PPS6 were published for consultation on 10 July 2008. In the Ministerial Foreword, the Secretary of State makes it plain that the proposals are *'...not about revisiting the fundamentals of the policy. It is about improving the effectiveness of our policies, refining the framework so that it helps us achieve the aims of promoting vibrant, viable town centres more successfully.'*

2.47 Thus, Part 1 of the Proposed Changes document sets out the background to the proposed changes, through cross-reference to the Planning White Paper of May 2007. The latter had announced the Government's intention to *'...replace the need and impact tests with a new test which will have a strong focus on our town centre first policy, and which promotes competition and improves consumer choice avoiding the unintended effects of the current need test'*. As a consequence, the two objectives of the revisions, as foreshadowed in the White Paper, are to:

- iv) *'...support current and prospective town centre investment, which contributes to economic prosperity and to our social and environmental goals'*. and
- v) *'...to ensure that planning promotes competition and choice and does not unduly or disproportionately constrain the market'*.

- 2.48 The remainder of Part 1 sets out the form of the proposed changes and confirms that the Government's response to the Competition Commission's report will be published shortly. Part 2a sets out in detail the proposed changes to Chapters 1 and 2 of PPS6, Part 2b provides a proposed replacement Chapter 3 of PPS6, and Part 2c sets out consequential changes to the text of Chapter 4 of PPS6. We draw attention to the following matters.

Retention of All Five PPS6 Tests in the Development Plan Process

- 2.49 Part 1 confirms that there is no change to the requirement for local authorities to apply all five of the existing PPS6 tests in the development plan formulation process.

Removal of the Need Test in the Development Control Process

- 2.50 Part 1 also confirms the removal of the need test in the development control process, for which we provide further comment later in this section.

Retention of the Sequential Test

- 2.51 Paragraphs 3.13 to 3.19 of the Consultation document retain the sequential test in the development control process, with no material change to the wording of the considerations to be taken into account compared to those set out in the equivalent paragraphs of PPS6.

A New Three-part Impact Test

- 2.52 Paragraphs 3.19a to 3.19i of the Consultation document proposed the introduction of the new impact test, the key feature of which is its broader focus on economic, social and environmental impacts, as well as strategic planning impacts, in all instances taking account of both positive and negative effects. In our assessment, the new impact test comprises three parts, as described below.

First Part - Key Town Centre Impact Considerations

- 2.53 Paragraph 3.19e of the Proposed Changes sets out the **first part** of the new impact test by identifying five key town centre impact considerations that applicants must assess, as follows:

- i) how the proposal relates to the development plan;
- ii) impact on committed and planned in-centre investment;
- iii) whether the proposal is of an appropriate scale;
- iv) impacts on in-centre trade/turnover, taking account of current and future consumer expenditure capacity in the catchment area (our emphasis);

- v) the extent to which the proposal will promote or undermine town centre vitality and viability, including local consumer choice and retail diversity in terms of the range, type and quality of goods.

2.54 Paragraph 3.19f proceeds to state that:

'Where there is clear evidence that the proposal is likely to have a significant adverse impact on the town centre, taking into account the considerations in paragraph 3.19e, this will normally justify the refusal of planning permission.'

2.55 However, the next sentence of paragraph 3.19f goes on to state that:

'Where there are considered to be some adverse impacts, but these are likely to be outweighed by significant wider economic, social and environmental benefits...taking account of the considerations in Paragraph 3.19g...local authorities should consider such proposals favourably' (our emphasis).

Second Part - Wider Impacts

2.56 Thus, the considerations set out in paragraph 3.19g, represent the **second part** of the impact test and require consideration of seven wider impacts, as follows:

- i) impact on allocated sites located outside town centres;
- ii) the accessibility of the proposal by a choice of modes of transport, its impact on distance travelled by car and the scope for the proposal to promote linked trips with existing centres;
- iii) the extent to which a proposal benefits deprived areas and promotes social inclusion;
- iv) net employment impacts;
- v) clawback of expenditure leakage;
- vi) the extent to which a proposal will promote or undermine economic and physical regeneration; and
- vii) the extent to which the proposal makes efficient and effective use of land, including the re-use of previously developed land.

2.57 We note, at this stage, that the considerations set out in paragraphs 3.19e and 3.19g of the consultation document are also to be taken into account in the preparation of development plans, as per the provisions of paragraph 3.19h of the consultation document.

Third Part - Design and Climate Change

- 2.58 There is, however, a **third part** to the proposed impact test, which is set out in the second part of paragraph 3.19f of the consultation document; this states that:

'Proposals which fail to secure a high quality and inclusive design which does not take the opportunities available for improving the character and quality of the area and the way it functions, or which fail to deliver wider sustainable development objectives, in particular those on tackling climate change, are unlikely to be acceptable in impact terms, irrespective of any wider benefits which may arise from a proposal or its location' (our emphasis).

- 2.59 Thus, irrespective of the wider benefits of a proposal, it may fail at the third stage because of inadequate design or because of harm to wider sustainability objectives, such as tackling climate change. Indeed, it is arguable that this should be the first part of the test, because the current drafting of the Consultation document suggests that there is no prospect of success if the design is seriously inadequate, or the harm to the climate is too great, irrespective of other benefits (so why put the effort into assessing wider impacts, if there is a fundamental flaw in the proposal with respect to design or sustainability issues).

RTP Comment on the Need Test

- 2.60 In our assessment, we consider that there is confusion in relation to the widely reported proposed abandonment of the need test. We say this for three reasons:

- i) First, because Section 38(6) of the Planning and Compulsory Purchase Act 2004 provides that '...if regard is to be had to the Development Plan for the purpose of any determination to be made under the planning acts, the determination must be made in accordance with the plan unless material considerations indicate otherwise.' Thus, the Consultation document envisages that need will continue to have to be addressed as part of the development plan process; applications must be determined in accordance with the development plan (unless material considerations indicate otherwise); so how can applicants avoid consideration of need?
- ii) Secondly, because paragraph 3.19e (iv) requires applicants to take account of current and future consumer expenditure capacity in assessing impact on in-centre turnover, which again suggests that considerations of need and impact are inseparable.
- iii) Thirdly, because paragraph 3.19h requires that all of the considerations set out in paragraphs 3.19e and 3.19g should also be taken into account in the

preparation of development plans and, in our assessment, such considerations do incorporate an assessment of economic, or expenditure, capacity.

- 2.61 As a consequence, we consider that the draft PPS6 has only limited implications for the preparation of the Council's forthcoming core strategy. If the Government's proposals are approved, need would remain an important consideration for development plan preparation purposes. It is arguable that need must remain a development control issue, because of the provisions of Section 38(6) of the Act and the logic outlined in the previous paragraph, although the position here is less clear-cut and it does appear that the Government's intention is to limit the significance of need in the context of the development control process.

Competition

- 2.62 The final aspect of the Consultation document that we wish to draw attention to relates to the issues of competition and consumer choice. As stated earlier, the Government's formal response to the Competition Commission's recommendations has been delayed, as a result of a legal challenge to these recommendations. Nevertheless, the proposed changes to paragraph 1.4 of PPS6 give more emphasis, not only to enhancement of consumer choice and improved productivity, but also to the concept of promotion of competition between retailers. Furthermore, paragraphs 2.18a to 2.18c of the Consultation document, suggests that:
- i) successful town centres need a good mix of shops and broad range of retailer representation;
 - ii) local authorities can help to support the diversification of uses in the town centre as a whole and to ensure that tourism, leisure and cultural activities are dispersed throughout the centre; and that
 - iii) there is a need to promote competitive town centre environments.

Conclusion in Relation to Potential Changes to National Policy

- 2.63 It will be prudent for the Council to take greater account of competition in the formulation of the retail policy aspects of its LDF, but we find the changes mooted in the White Paper to be vague and unclear. As a consequence, we recommend that the Council awaits the revised PPS6 which is likely to be published in the autumn, after the period for potential legal challenges to the Competition Commission's findings has lapsed.

The Requirements of the Current and Emerging RSS

Regional Planning Policy

Regional Spatial Strategy for the East Midlands (RSS8)

- 2.64 Regional Spatial Strategy 8 (RSS8) was published in March 2005 and provides a broad development strategy for the East Midlands region up to 2021. The RSS presents a vision for the Region, which is then translated into ten 'Regional Core Objectives' which will guide spatial development in the region. These include the tackling of social exclusion through regeneration of disadvantaged areas and the reduction in regional inequalities of distribution of employment, housing, health and other community facilities; the promotion and improvement of economic prosperity, regional competitiveness, and employment opportunities; improving accessibility to jobs, homes and services through the development of integrated transport; and the promotion of prudent use of resources. The objectives are largely generalised in nature however and as such are of limited benefit to the local-level policy approach.
- 2.65 The RSS divides the East Midlands into a number of 'sub-areas'; Derby, along with Leicester and Nottingham, forms the basis of the 'Three Cities' sub-area. Policy 5 states that development should be predominantly concentrated within the urban areas, and establishes a hierarchy of locations for development. '*Significant levels of new development*' should take place within the five Principal Urban Areas (PUAs) in the East Midlands Region - including Derby, Leicester and Nottingham. The five PUAs are identified as '*settlement conurbations that can develop into sustainable urban communities where people will wish to live, work and invest*', and have the potential for '*vibrant city, town and local centres to serve communities with high quality local services*', alongside '*a significant number and variety of jobs to meet employment needs*'.
- 2.66 Policy 15, 'Development in the Three Cities Sub-Area', states that development plans should support the '*continued regeneration*' of Derby, Leicester and Nottingham, and '*maintain and strengthen the economic, commercial and cultural roles of all three cities*'. Provision will be made in the three cities for '*retailing, office, residential, entertainment and service uses within central areas, to provide for a mix of uses to support the vitality and viability of the city centres*'. RSS8 also recommends the further building upon existing inter-relationships between Derby, Leicester and Nottingham, and to '*further develop complementary roles and services that will promote a more sustainable pattern of development*'.
- 2.67 The retail and town centre development policies of the RSS were informed by the Regional Town Centres Study, published in 2003. RSS8 notes that there is '*no clear*

*retail hierarchy in the East Midlands*⁴; and instead promotes the development of more localised strategies based on the established sub-areas. No need for additional regional-scale out of centre retail development is envisaged. Policy 23 of the RSS states that local authorities should work together with EMDA and Sub-Regional Strategic Partnerships to promote the vitality and viability of existing town centres.

Regional Spatial Strategy for the East Midlands (RSS8)

- 2.68 The draft replacement Draft East Midlands Regional Plan, which will guide development in the region to 2026, was published in September 2006. It was subsequently placed on consultation until December 2006, and the subject of an independent Examination in Public in early summer 2007. The resulting Panel Report was published in November 2007. The proposed changes to the RSS were issued by the Secretary of State in July 2008, and were subject to a 12-week consultation period, ending in October 2008. The final replacement Regional Plan is expected to be published in early 2009. Whilst not yet approved, draft RSS8 is therefore at an advanced state of preparation and as such can be afforded a degree of weight as a planning policy consideration. The East Midlands Assembly has also issued a draft project plan, detailing a proposed further partial review of the approved Regional Spatial Strategy (RSS), to cover a number of issues, including inter-regional issues, sustainability, monitoring and implementation, and housing provision (including affordable housing). The project plan has been placed on consultation until December 2008.
- 2.69 As with the approved RSS, the Draft RSS promotes ten 'Regional Core Objectives' to assist in the delivery of sustainable development within the East Midlands region. In common with the approved RSS, the draft RSS splits the region into 'sub-areas' within Derby again classes within the Three Cities sub-area. Policy 4 of the Draft RSS, 'Concentrating Development in Urban Areas', outlines the hierarchy within the East Midlands' urban areas where development should be concentrated. The policy approach has not substantially changed from the adopted RSS, with 'significant' levels of new development directed towards the five PUAs
- 2.70 Policy 12 "Development in the Three Cities Sub-area" states that '*Development should support the continued growth and regeneration of Derby, Leicester and Nottingham, and maintain and strengthen the economic, commercial and cultural roles of all three cities*'. Policy 19 'Regional Priority Areas for Regeneration', reiterates the identification of the PUAs as Priority Areas for Urban Regeneration.
- 2.71 Annual provision by Housing Market Area (HMA) and City/District area over the Plan period to 2026 is set out in Regional Plan Policy 13. The Derby Housing

Market Area (HMA) is allocated a total of 44,750 dwellings, of which 24,760 should be within or adjoining the Derby PUA. Of this Derby City is allocated 17,700 dwellings (all of which are to be located within the PUA). Further to this, Amber Valley has been allocated 11,800 dwellings, of which 630 dwellings should be within or adjoining the Derby PUA, including sustainable urban extensions as necessary. Development in the remainder of the District will be located mainly at Alferton, Belper, Heanor and Ripley, including sustainable urban extensions as necessary and 605 to South Derbyshire District. Finally South Derbyshire has been allocated 15,250 dwellings, of which 6,430 dwellings should be within or adjoining the Derby PUA, including sustainable urban extensions as necessary. Development in the remainder of the District will be located mainly at Swadlincote, including sustainable urban extensions as necessary.

- 2.72 The proposed changes to RSS8 still conclude that there is *'no clear retail hierarchy in the East Midlands which could be used as a basis for regional policy'*. In this absence, it states that *the distribution of additional retail floorspace should be in accordance with Policy 3* which itself outlines that development should be concentrated within urban areas primarily in the five principal urban areas, including Derby. It is anticipated there will be potential for upwards of 440,000 sq.m (net) additional comparison retail floorspace across the region by 2016. For the Three Cities sub-area, it is recommended that Nottingham, Derby and Leicester should be encouraged to develop their roles, with potential for complementary growth in the Sub-Regional Centres.

Derbyshire County Council - Derby and Derbyshire Joint Structure Plan 1991-2011 (2001)

- 2.73 The current Structure Plan guidance covering Derby is the Derby and Derbyshire Joint Structure Plan 1991-2011 (DDJSP), which was adopted in January 2001 and runs to 2011. The DDJSP covers the City of Derby in its entirety, together with those parts of the country which fall outside the Peak District National Park¹. As part of the changes outlined in the Planning and Compulsory Purchase Act 2004, Structure Plans are to be replaced by the Regional Spatial Strategies as noted above. However as the draft RSS8 is yet to be formally adopted, and the existing RSS8 does not pay sufficient consideration to some land use policy areas, the Structure Plan remains a statutory policy document. Under the changes outlined in the Planning and Compulsory Purchase Act Structure Plans were to cease validity on

¹ The Peak District National Park Authority prepares separate Structure Plan guidance for this area

27th September 2007, however a small number of the policies in the DDJSP have been 'saved' beyond this date following a Secretary of State direction.

- 2.74 The DDJSP notes that shopping provision in the Plan area is dominated by the sub-regional centres of Derby and Chesterfield, with Derby offering 150,670 sq.m (1.6m sq.ft) of retail floorspace. The Plan area is home to over 70 non-food retail warehouses, together providing 118,000 sq.m (1.27m sq.ft) of floorspace.
- 2.75 Town Centre and Shopping (TCS) Policy, 'Sustaining and Enhancing Existing Centres', provides a retail hierarchy for development in the DDJSP area, with Derby and Chesterfield the highest-order (sub-regional) settlements, followed by a further 30 town centres and 15 District Centres, of which 13 District Centres are within Derby City². This retail hierarchy thus largely reflects that established in the City of Derby Local Plan Review.
- 2.76 Part two of the DDJSP discusses sub-area priorities. The sub-areas are defined through Travel-to-Work areas, with the Derby sub-area comprising the City of Derby as well as parts of four surrounding districts. The priority objectives for the sub-area include to '*assist in the regeneration of [Derby] City Centre*'. The main issues facing centres in the sub-area (chiefly Derby, as well as the small towns of Borrowash and Melbourne) are identified as '*the need for additional, better quality retail development, and the attraction of new employers to the City Centre*'; '*the need to support and improve the environment of Derby's district shopping centres*'; and '*the need to reduce the impact of traffic and increase the use of public transport*'. It is also noted that the 13 District centres had average of below average vacancy rates, and that environmental improvements have been made to the Allenton and Normanton Road District Centres.

Derby City Council - Local Planning Policy

- 2.77 Derby City Council adopted the City of Derby Local Plan Review (CDLPR) in January 2006. Policies in the CDLPR will be 'saved' for three years but will gradually be replaced by documents prepared for the Local Development Framework, under changes as prescribed in the Planning and Compulsory Purchase Act 2004. The Council have recently applied to the Secretary of State to 'save' the majority of the Local Plan policies for an additional period of time. A decision on this will be made before 24 January 2009.
- 2.78 The Plan details the regeneration opportunities in the city and the Council's aspirations for their redevelopment. Seven sites are identified in the city centre, and

² The identified District Centres in Derby are Allenton, Allestree, Alvaston, Cavendish, Chaddesden, Chellaston, Littleover, Mackworth, Mickleover, Oakwood, Normanton Road, Sinfen and Spondon.

these are covered more comprehensively in chapter 5 of the CDLPR. A further five sites are identified as 'mixed use regeneration opportunities': Friar Gate Station and environs (Policy R2), south of Slack Lane (Policy R3), former Manor and Kingsway Hospitals (R4); Baseball Ground (R5) and Darley Abbey Mills (R6). Aside from Friar Gate, none of these sites have significant components of retail floorspace. A further two 'regeneration areas' are identified at Markeaton Brook (R7), and Normanton Road/Peartree Road (R8). The latter of these is cited as an established linear centre. Policy R8 states that *'planning permission will be granted for shops (A1) and other uses which: (a) are compatible with the general scale, nature and function of the centre; and (b) contribute to the vitality, viability and regeneration of the centre'*. Development of classes C1, C2 and C3 uses is also permitted outside of defined primary frontages. The policy adds that *'redevelopment of the former Presto site will be permitted provided this includes a substantial element of retail development'*³.

- 2.79 Chapter 5 of the CDLPR specifically concerns development in Derby city centre, with the chapter designed to reflect *'the importance of the City Centre and the Council's commitment to its regeneration'*. A number of sites are identified for redevelopment, and the Plan also introduces a more tightly defined city centre core into which new retail development is guided. Policy CC2 defines the City Centre Shopping Area. The policy states that in the defined Shopping Area, planning permission will only be granted for shops (use class A1); financial and professional services (A2); food and drink uses (A3, A4 and A5)⁴.
- 2.80 The chapter subsequently progresses to discuss redevelopment opportunities in the city centre, at Becket Well (Policy CC4), which includes the (now vacant) Debenhams department store and a large site to the rear, Castlefields Main Centre (CC5) (which has subsequently been redeveloped to form the enlarged Westfield centre) and Riverlights (CC6), the bus station site, which is currently in the process of redevelopment. This site is only expected to accommodate a limited amount of retail floorspace. The more 'specialist' areas of the city centre are also covered by Plan, including the Northern Quarter (Policy CC9) and Saddler Gate (CC11).
- 2.81 Chapter 8 of the CDLPR considers policies for retail development. Policy S1 outlines the shopping hierarchy for the city; as would be expected, Derby City Centre is at the top of the retail hierarchy, followed by Normanton Road / Peartree

³ The supporting text to the policy states that the defined centre also incorporates Southgate Retail Park, as well as the former Mackworth College site, which has extant permission for the development of retail and leisure uses. It is noted these areas are included in the defined centre *'because of the contribution they can make to local shopping services'*

⁴ use classes C1, C2, D1, D2, and launderettes, theatres and amusement arcades are also permitted. Residential and office (class B1) development is permitted on upper floors.

Road Linear Centre; the remaining 12 District Centres⁵; and finally Neighbourhood Centres (of which there are 50).

- 2.82 As noted above the existing Local Plan is to be replaced by a suite of documents which will together form the Local Development Framework for Derby. The Council is currently preparing its evidence base in support of a consultation on 'issues and ideas' relating to the Core Strategy. This will form the first stage in the plan preparation process and is anticipated to take place shortly. Consultation on the options generated to deal with the issues will follow in 2009.
- 2.83 The Council has also been in the process of preparing the 'City Centre Eastern Fringes Area Action Plan' which covers an area to the east of Derby City Centre and includes a number of key sites such as Castleward, the Derbyshire Royal Infirmary, railway station and Bass' Recreation Ground. Proposals for the area include large-scale new residential and office development and the potential for new complementary shopping and community facilities to support the new neighbourhood. Consultation on the 'preferred option' took place between July and September 2008. However the intention of the Council is to suspend production of this Plan and progress regeneration through the planning application process.

Derby Cityscape - Derby Cityscape Masterplan

- 2.84 Derby Cityscape, the Urban Regeneration Company guiding the regeneration of Derby City Centre, produced a master plan for the city centre in 2005. Potential is also identified for up to 5,000 residential units in the city centre; and the existing retail core is proposed to be 'reinforced' as the retail axis of the city centre shifts southwards with the redevelopment and extension of the Eagle Centre (which is now open and trading as Westfield Derby). Improvements to the tourism offer, public realm, and accessibility of the city centre are also envisaged.
- 2.85 Retail proposals contained in the master plan concentrate on improving the retail offer and environment in the St Peter's Street / East Street area to respond to the quality modern offer the extension to the Eagle Centre has provided; the enhancement of the Sadler Gate/Iron Gate area as a focus for niche retailers; and the development of small-scale retail-led, mixed-use schemes in the St George's area.
- 2.86 A revised master plan map, taking into account the changes in the city centre since the publication of the original masterplan, was published in 2007. Section 7 of this

⁵ The District Centres reflect those identified in the Derby and Derbyshire Joint Structure Plan, with the only difference to the retail hierarchy being the higher placement of the Normanton Road / Peartree Road linear centre in the Local Plan centres hierarchy, according to the schedule at Appendix D.

report assesses the findings of this report against the objectives contained within the masterplan and in particular the development planned in the Castleward area.

3 PERFORMANCE ANALYSIS - THE PPS6 INDICATORS

Introduction

- 3.1 Our analysis of the retail performance of the centres in Derby City has involved:
- i) on-foot surveys of each town centre;
 - ii) photographic analysis; and
 - iii) desk research in relation to the study centres and a range of comparator centres⁶
- 3.2 Our analysis of the retail performance of the study centres is based upon examination of a range of 'performance indicators', a number of which are specified in Section 4 of PPS6 as 'important indicators'. The performance indicators involve measurement and analysis of retail rankings; the diversity of uses; representation from national multiple retailers; the retail property offer; retailer demand; commercial yield on non-domestic property; change in shopping rents; vacancy rates; pedestrian flows; accessibility; and the state of the environmental quality of the centre. Each performance indicator is analysed in detail below to provide a comprehensive analysis of the retail performance of the centres, by benchmarking it against the performance of competitor centres.
- 3.3 The detailed performance analysis data are contained in Appendix 3; all mentions of Appendices in this section relate to those in Appendix 3.
- 3.4 For the purposes of this exercise we have surveyed the 14 higher-order centres in Derby as identified in the adopted City of Derby Local Plan review (Appendix D). These centres are:
- Derby city centre shopping area;
 - Normanton Road / Peartree Road Linear Centre; and
 - District centres, namely: Allenton; Allestree (Park Farm Centre); Alvaston; Cavendish; Chaddesden (Nottingham Road); Chellaston; Littleover; Mackworth; Mickleover; Oakwood; Sinfyn and Spondon
- 3.5 In each centre we undertake a performance assessment using the Local Plan-defined boundary of the centre. However it is worth noting that some of the performance assessment data is sourced from third party information (for example, Experian Goad), and the boundaries of the centres used in these assessments may not correlate fully with the Local Plan-defined boundary.

⁶ Our study uses three comparator centres for which we provide benchmark data. These are: Burton on Trent (classified by MHE (see below) as a 'Regional' centre; Leicester (classified as a 'Major Regional' centre) and Nottingham (classified as a 'Major City').

Application of the Ten Vitality & Viability Indicators to Derby City Centre

Indicator 1 - Retail Rankings

- 3.6 Figure 3.1 indicates that Derby was ranked 58th in the 2008 Management Horizons Europe (MHE) *UK Shopping Index*⁷, a concerning decline from a position of 39th in the preceding (2003/04) Index, and 31st in the 1995/96 Index. This represents a decline of 27 places in the rankings between 1995/96 and 2008 therefore, and Derby's position in the rankings can be observed to have generally followed a downward trajectory. However, although the MHE Index is a relatively recent publication, it is evident that the retail offer in Derby city centre was surveyed prior to the completion of the new Westfield Derby development, and therefore this ranking should be treated with caution. We would expect the position of Derby vis-à-vis other similarly ranked centres to be significantly improved as a result of the opening of Westfield, and any future publications of the MHE Index should reflect this improvement. Derby's ranking of 58th in the Index equates to the highest ranking third-tier 'Regional'⁸ centre in the Index, ahead of Colchester (59th) and Coventry (60th). Although it does not take into account a full year of trading since the opening of Westfield, CACI's 'Retail Footprint Ranking' of Derby City Centre, published in Summer 2008, places Derby in 38th position, and reflects some upward momentum for the city in the retail rankings taking into account the Westfield development: the ranking marks an improvement of 15 places from the city's position in the preceding 2007 Index.
- 3.7 Figure 3.1 also shows that of the comparator centres, Burton on Trent has made significant advancement in the retail rankings over the past decade, from a position of 119th in the 1995/96 Index, to a peak of 62nd in the 2003/04 Index, before falling back slightly to 64th in the most recent Index. This suggests a strong enhancement of the retail offer in the town (which, as with Derby, is classed as a 'Regional' centre by MHE), to the extent that Burton currently is only ranked 6 places in the Index behind Derby (although, as we note above, we expect Derby's position to substantially improve in future publications of the Index). Both Nottingham and Leicester are ranked somewhat higher than Derby in the Index, reflecting their status as 'Major City' and

⁷ Management Horizons Europe periodically publish a 'UK Shopping Index' which ranks UK retail destinations in terms of performance. The most recent edition was published in 2008 and can therefore be considered a robust source of information. The Index adopts nine grades of centre from 'Major City' to 'Minor Local' - the latter of these being an additional grade introduced for the first time in the 2008 Index, which has the result of introducing a larger number of centres into the Index for the first time - including many of Derby's district centres.

⁸ The nine grades of centre used in the MHE Index are: 'Major City' (Highest ranked centre: London West End, 1st); 'Major Regional' (Reading, 12th); 'Regional' (Derby, 58th); 'Sub-Regional' (Aylesbury, 117th); 'Major District' (Cwmbran, 218th); 'District' (St Peter Port, 367th); 'Minor District' (Enfield Retail Park, 581st); 'Local' (Dover, Whitfield, 1207th); and 'Minor Local' (Chelmsford, Moulsham, 2,247th)

'Major Regional' retail destinations respectively. Nottingham is ranked 7th in the 2008 Index, a noticeable drop from the turn of the decade when the city was ranked 2nd.

- 3.8 Leicester has also lost slight ground in the Index, dropping from a peak of 9th (1998/99) to 14th presently. Nevertheless both cities have a considerably strong retail offer, and Nottingham in particular is likely to exert considerable influence over the spending patterns of many residents of Derby and the surrounding area. Indeed both Nottingham and Leicester have noteworthy retail developments in the pipeline - the redevelopment by Westfield of the Broadmarsh Shopping Centre in Nottingham (although the timing of this scheme is uncertain), and, in Leicester, the John Lewis-anchored Highcross Leicester development, which commenced trading in October 2008. It would thus be expected that whilst Derby's retail offer has been enhanced since the opening of Westfield Derby, the competition for retail spending in the area will remain strong, and improvements in Leicester's position in the retail rankings in the near future can also be expected.

Table 3.1 Performance of Derby city centre and competing centres

	Location grade	Fashion Mkt Posn	MHE 2008	2003/04	2000/01	1998/99	1995/96	2003/04-2008	1995/96-2008
			Rank	Rank	Rank	Rank	Rank	Change	Change
City Centre									
Derby	Regional	Middle	58	39	40	37	31	-19	-27
Competing centres									
Burton on Trent	Regional	Lower	64	62	105	123	119	-2	55
Leicester	Major Regional	Middle	14	10	11	9	13	-4	-1
Nottingham	Major City	Upper-Middle	7	4	2	2	4	-3	-3

Indicator 2: Diversity of Uses

- 3.9 Experian's latest Goad survey of Derby city centre was undertaken in October 2007. The survey therefore includes units in the new Westfield Centre and can be considered to be an accurate reflection of the level of retail diversity in the city centre. The survey data can be used to analyse the representation of convenience, comparison and service uses (together with their respective sub-sectors) in the city centre⁹, and compare them to current¹⁰ UK averages. As such it is possible to identify any areas where the city centre may have a shortfall. A full breakdown of the diversity of uses for Derby city centre can be found at Table PA2 of Appendix 3.
- 3.10 Table PA2 of Appendix 3 shows the diversity of uses in Derby city centre. The centre has a total of 41 convenience goods outlets, equivalent to 5.8 per cent of all units in the centre, 3.3 per cent below the current UK average of 9.1 per cent. Nottingham and Leicester city centres both also show under-representation in this sector, albeit to a lesser degree than Derby. Of particular note is the under-representation in the 'grocery

⁹ GOAD definition of city centre boundary - a plan showing the extent of this boundary can be found at Figure PA18 of Appendix 3

¹⁰ April 2008

and frozen foods' sub-category, at 1.0 per cent (7 units) compared to the UK average of 2.8 per cent. The data identifies that there is a shortfall in small supermarkets/grocery stores in the city centre.

- 3.11 Correspondingly the proportion of the retail offer in the city centre given over to comparison goods is above average, with comparison goods accounting for over half (51.9 per cent, equivalent to 367 units) - of all units in the city centre, a higher proportion than Leicester and Nottingham (44.5 and 45.8 per cent respectively), although lower than Burton on Trent (54.5 per cent). The UK average is 45.2 per cent, and thus Derby's comparison goods representation is 6.7 per cent above the UK average.
- 3.12 Comparison sub-sectors showing shortfall are *'DIY, hardware and household goods'* (1.3 per cent below the UK average) and *'furniture, carpets and textiles'* (1.1 per cent below the UK average).
- 3.13 However sub-sectors showing over-representation are clothing and footwear. These are especially important in determining a town centre's attractiveness to shoppers. Of the four clothing sub-categories, all four have above-average representation - in some cases approaching twice the UK average - as indicated in Figure 3.2 below. Derby's offer in this respect is likely to have been considerably enhanced by the recent opening of Westfield Derby, which has attracted a number of high profile brands such as All Saints, Bershka and Zara which were previously absent from Derby's retail offer. The representation in the *'women's, girls, children's clothing'*, at 8.2 per cent of all units, is particularly of note.
- 3.14 Aside from the clothing sub-sectors, the only other sub-sector to show representation greater than 1.0 per cent above the UK average is the *'jewellery, clocks and repair'* sub-sector, which accounts for 3.5 per cent of all units in the centre.
- 3.15 The services sub-sector is under-represented in Derby city centre, accounting for 28.0 per cent of all units (equivalent to 198 units), compared to a UK average of 33.3 per cent. This represents an overall shortfall of 5.3 per cent to the UK average. Of note is the under-representation in the *'restaurants, cafes, coffee bars, fast food and takeaways'* sub-category (1.1 per cent below UK average).

Indicator 3 - Presence of National Multiples and High Profile Retailers

- 3.16 As noted above, the convenience offer in Derby city centre appears under-represented when compared to national averages, and also to the comparator centres. The grocery offer in the city centre is headed by Sainsbury's, who operate a 20,800 sq.ft gross (1,940 sq.m gross) store in Westfield Derby. Aside from the presence of Sainsbury's (and Marks and Spencer's food range within their Westfield store), the grocery offer in

the city centre is limited to a small Farmfoods store on Albert Street, and two small Spar stores (Victoria Street and The Spot). The remainder of the national convenience offer largely consists of specialist retailers such as Greggs and Birds.

- 3.17 Derby has a reasonably strong representation from national comparison goods multiples, as reflected in-part by the above-average representation of comparison goods outlets, particularly fashion-based. Many of the comparison multiples are located in Westfield, which include The Body Shop, Currys.Digital, Paperchase, Superdrug, Woolworths and WHSmith. The surrounding streets, particularly St Peter's Street, Albion Street and East Street, are also largely occupied by national comparison multiples: others present in these locations include Footlocker, Game, HMV and Waterstones, as well as the Co-Op Department store on Exchange Street. Representation from independent retailers is focused around Sadler Gate and Green Lane.
- 3.18 The presence of national fashion multiples, in Derby has recently been increased in size by virtue of the opening of Westfield. The fashion retail offer in the city centre¹¹ includes the 2899 sq m (gross) Matalan store which forms part of the Bradshaw Way Retail Park. It also includes the 2072 sq m Next store in Westfield; 1050 sq.m (gross) New Look; 873 sq.m (gross) Dorothy Perkins and 799 sq.m (gross) H&M store - all also part of the new Westfield development. Next, New Look and Dorothy Perkins are all stores which have significantly increased their retail presence in the city centre, having moved from considerably smaller units prior to the opening of the new development. Westfield is anchored by a 3577 sq.m (gross) Debenhams department store, which has also moved from its previous unit in the city centre on Green Lane. Other national fashion multiples present include Bershka, Monsoon, Topman, Topshop, USC and Zara.
- 3.19 The fashion offer can therefore be considered to be strong, although the city centre is also host to a number of value/lower-end retailers including Bon Marche, Internacionale and Peacocks. At the opposite end of the retail spectrum it is encouraging to note that the opening of Westfield has attracted a number of high-end fashion/lifestyle retailers to Derby, including French Connection, G-Star and Lacoste.
- 3.20 As would be expected from a higher-order centre such as Derby there is strong representation from national service multiples, with the majority of national banks and building societies present in the city centre, chiefly located on St James Street and St Peter's Street. The city centre also has (often multiple) branches of chains such as Coffee Nero (2 branches) and Starbucks (2 branches). The number of restaurants in

¹¹ Experian Goad definition of city centre

the city centre is below average and this is also reflected in the lack of national restaurant chains only a few national operators including Pizza Express and Zizzi are within the City Centre and they are concentrated in the Iron Gate/Friar Gate areas and more recently the Westfield Centre.

Indicator 4: Operator Demand

- 3.21 FOCUS' most recent Town Report for Derby shows the number of published retailer requirements stands at 95. Figure PA7 in Appendix 3 shows the number of requirements for Derby historically since October 2000, whilst Table PA8 provides a schedule of the current (May 2008) published retailer requirements for Derby.
- 3.22 Figure PA7 shows that the number of retailer requirements has fluctuated since October 2000. The number of requirements increased from 80 in October 2000 to 92 in October 2002 - before increasing to 104 (April 2003) and subsequently 134 (October 2003), representing the recent historic high for the city. However the number of requirements has subsequently decreased, to 116 in April 2004, 107 in October 2006 and, most recently, 95 in October 2007. A significant element of the decline can be accounted for by the opening of Westfield Derby, which will have provided retail space for many retailers - particularly fashion retailers - with a previously outstanding requirement for the city. Nevertheless it is considered that the level of retailer requirements for Derby should continue to be monitored as it is a key indicator of the vitality and viability of the centre as a retail destination.
- 3.23 Both Leicester and Nottingham can be observed to have shown similar declines in the number of published retailer requirements - Leicester currently has 122 active requirements, but this is reduced from a peak of 151 in April 2005. Similarly, the number of requirements for Nottingham has dropped from 204 (October 2005) to 162 (October 2007).
- 3.24 Notable requirements for Derby at present include Argos, TJ Hughes and TK Maxx - in the case of Argos and TK Maxx, both retailers already trade from premises in the centre, indicating a potential requirement for larger premises within the city. It is also noteworthy that a considerable proportion of the comparison retailer requirements are from high-end retailers including Bose, Farrow & Ball and Lakeland, as well as fashion chains such as Billabong. The number of retail requirements from low-end retailers is relatively limited. Requirements from national services multiples account for 26 per cent of the requirements, and these include a large number of bar / restaurant chains including Costa, JD Wetherspoon, Sports Café and Strada. The number of requirements from convenience operators is relatively limited and, given the lack of presence of such retailers in the city centre, might be expected to be higher.

- 3.25 Interrogation of the FOCUS listings (April 2008) has indicated, as we note above, that 31 national comparison multiples have an identified interest in trading in Derby. The mean sales area for this requirement is a sizeable 11,211 sq.ft (1,041 sq.m)¹². However this large mean requirement is distorted by the presence of a number of retailers who have requirements for large, out-of-centre units. Stripping out larger requirements¹³ gives a more accurate indication of 'typical' in-centre requirements from national multiples of 4,178 sq.ft (388 sq.m). This figure can therefore be considered to be a more accurate barometer of the mean floorspace requirement from operators who traditionally locate solely in town and city centres, who have an identified requirement for Derby at present (May 2008).
- 3.26 Our analysis of Experian's GOAD data for Derby city centre indicates that the 88 vacant units in the city centre¹⁴ have an 'average' gross floorspace of 3,244 sq.ft (301 sq.m), which equates to an average net sales area of 2,271 sq.ft (211 sq.m)¹⁵. This average is therefore some way below - almost half - the 'average' published floorspace requirement of 4,178 sq.ft we note above, suggesting that a significant number of the vacant units in the city centre are unlikely to be suitable to the requirements of many modern retailers.
- 3.27 There is however a diverse range of vacant property in the city centre, including six vacant units of upwards of 10,000 sq.ft gross (929 sq.m gross). The largest vacant unit in the city centre at the time of the Goad survey is the former Debenhams premises on Green Lane/Victoria Street (41,300 sq.ft gross/3,800 sq.m gross), followed by a 24,200 sq.ft (2,200 sq.m) site on Bold Lane (although we understand that proposals to redevelop this site have recently been granted planning consent, and thus this site cannot be considered available). At the time of the Goad survey, the remaining large vacant units in the city centre were the two former Marks and Spencer premises in St Peter's Street (19,100 sq.ft / 1,800 sq.m gross) and Corn Market (18,900 sq.ft / 1,750 sq.m gross). The Corn Market site has subsequently been renovated to form a new Primark store and Tesco have expressed an interest in occupying the St Peter's Street store). Two more peripheral large vacant sites were identified by the Goad survey on Green Lane and Friar Gate: the latter of these was listed as under alteration at the time

¹² Figures are derived from obtaining the median floorspace requirement for each operator and calculating the mean of these figures.

¹³ The out-of-centre requirements 'stripped out' from the calculations are B&Q (median requirement 75,000 sq.ft); Hootys (60,000 sq.ft), Klaussner (7,500 sq.ft), Linens Direct (3,000 sq.ft) and Textile World (12,500 sq.ft). Also stripped out are the sizeable requirements for retail premises by Argos (who have a median requirement of 13,000 sq.ft) and in particular department store TJ Hughes (median requirement 87,500 sq.ft). Both operators have identified requirements for Derby, but both requirements include both in-centre and out-of-centre, retail park premises.

¹⁴ GOAD definition of city centre.

¹⁵ Gross:net ratio assumed at 70 per cent.

of the Goad survey, and site visits have confirmed this is now trading as a Wokmania restaurant.

- 3.28 There are a total of four further vacant large sites which fall within the 5,000 to 9,999 sq.ft (gross) bracket: two of these units are within the Westfield centre (7,100 and 5,800 sq.ft gross respectively, although site visits have confirmed the latter of these has been subsequently let to discount retailer Poundworld). The remaining two are again in a more peripheral location on Gower Street, and thus likely to be of limited interest to the majority of national multiple retailers. There can also be considered to be a good portfolio of vacant units in the 2,000 to 4,999 sq.ft bracket. Many of these are again located in Westfield (although again, a number have subsequently been occupied since the Goad survey was undertaken), and surrounding prime pitch streets such as Albion Street, St Peter's Street and Corn Market. This suggests there is a strong availability of vacant units in the city centre which are likely to be of sufficient size and suitable locations to be of interest to national retailers. Indeed, it would appear that many of the vacancies in this bracket are units which have been vacated by retailers who have subsequently taken larger units in the new Westfield development. To ensure the vitality and viability of the surrounding shopping streets is preserved efforts should be concentrated on reducing the numbers of vacant units in these areas.
- 3.29 There are also a large number of vacant units in the smaller size brackets, and indeed over a third of all the vacant units are smaller units under 1,000 sq.ft - such units, by virtue of their size, are not likely to be suitable for the requirements of many modern retailers, particularly as many of these units are in secondary locations.

Indicator 6: Prime Retail Yields

- 3.30 Figure PA15 of Appendix 3 shows that prime retail yields have improved (i.e. lowered) slightly in Derby since the start of the decade. The prime yield remained static at 5.0 per cent for the city centre between October 2000 and January 2006. However since this point, prime yields have decreased to 4.5 per cent (October 2006), before increasing slightly back to 4.75 per cent, and finally settling back at 4.5 per cent to January 2008. This encouraging trend suggests therefore that the city centre has seen a level of increased investor confidence in the past two years, which can evidently be seen as a positive reflection on the health of the centre. This increased level of confidence may be allied to the development of the Westfield scheme which represents a significant investment in the enhancement of Derby's retail offer. Given its relative position in the retail hierarchy compared to Leicester and Nottingham, Derby's performance in this indicator can be considered positive.

Indicator 7: Changes in Prime Zone A Shopping Rents

- 3.31 Figure PA16 of Appendix 3 shows that in 2008, Derby city centre commanded a prime retail rent of £180 per sq.ft. Rental rates have shown steady growth in the city centre, from a low base of £110 per sq.ft in 1997, before rising to and holding at £150 per sq.ft between 2000 and 2005 (save a marginal decrease to £145 per sq.ft in 2001), before increasing to £160 per sq.ft in 2006-2007, and subsequently to £180 per sq.ft in 2008. Despite these recent encouraging improvements in prime retail rents, Derby continues to command lower prime rents than both Leicester and Nottingham, which in 2008 commanded prime rents of £210 per sq.ft and £250 per sq.ft respectively. Leicester's prime rental rates have remained static since 2005, although it may be expected that given the recent opening of the Highcross development, rates may subsequently increase in the near future. Nottingham posted a slight increase in prime retail rents from £245 per sq.ft in 2007.
- 3.32 Figure PA17 expresses the prime retail rents in Derby and the comparator centres as an expression of 100, which allows the rates of growth in prime retail rents to be compared. Figure PA17 shows that prime retail rents have grown in Derby by 64 per cent over the period 1997 to 2008 - a higher rate of growth than Leicester (40 per cent), Nottingham (43 per cent) and Burton on Trent (50 per cent).

Indicator 8: Proportion of Vacant Street-Level Property

- 3.33 Derby city centre¹⁶ contained a total of 88 vacant units at the time of the most recent Goad survey in October 2007 - equivalent to 12.45 per cent of all units in the city centre. This figure is 1.34 per cent above the UK average which raises some cause for concern. We noted above that the vacant units in the city centre are of a wide variety of sizes, although it is encouraging to note that a number of the larger vacant units identified on the Goad plan have, or are in the process of, undergoing refurbishment, although other prominent and sizeable vacant sites, including the former Debenhams store on Victoria Street, and the former Marks and Spencer store on St Peter's Street (although we understand that Tesco Express may have an interest in this unit), remain vacant, and addressing this should be a key priority.
- 3.34 The units in the city centre vacant at the time of the Goad survey are shown in the plan Figure PA18 of Appendix 3. It identifies a number of concentrations of vacant units, including:
- Westfield Centre - Crown Walk / St Peter's Way ;
 - The Strand (near junction with St James's Street);

¹⁶ Goad definition of city centre boundary

- Corn Market (near junction with Albert Street);
- St Peter's Street; and
- Albion Street.

3.35 Our site visits to Derby city centre in May 2008 therefore are approximately 8-9 months after the survey was undertaken by Goad, and it would be expected that in this time there would be a degree of 'churn' of retail units, as vacant units become occupied, and similarly other units become vacant. However we note the following positive improvements which have taken place in respect of the vacant units stock in the city centre since the Goad assessment in October 2007:

- **Westfield Centre** - a large number of the vacant units identified in Westfield have subsequently been let. New tenants who have taken space in recent months in these units include BB's Coffee & Muffins; Crocs; Hawks and Curtis; Moss; Millie's Cookies; Paper Sun; and Phones 4U. This represents a positive enhancement of the retail offer in the centre, particularly with higher-end retailers such as Hawks and Curtis and Moss. However, a number of other retailers in the centre have ceased trading, including Ciro Citterio and Mexx; and there remains a number of vacant units in the centre, particularly still in the Crown Walk and St Peter's Way areas, where footfall is considerably lower.
- **St Peter's Street** - the large unit in a prime retail position on St Peter's Street formerly occupied by Topshop/Topman has been refurbished and is now occupied by ladieswear retailer Evans;
- **Friar Gate / St Werburgh's Cloisters** - the vacant former church at the junction with Cheapside and Friar Gate has been converted into a Wokmania restaurant;
- **Bold Lane (former Princes Supermarket site)** - whilst the site currently remains vacant, planning permission has been granted for a mixed use scheme on the site, to be called Sadler Square, which should form a positive addition to the diverse range of uses in this area and assist in increasing footfall;
- **Former Marks and Spencer store, on the Corn Market**- this store has been acquired by Primark, who are currently in the process of fitting out the store. It is expected that this will help attract additional footfall to this area of the city centre which, as we note below, is presently subdued.
- **Morledge** - the prominent vacant unit at the junction of Morledge and Albert Street is currently undergoing renovation to form a Subway restaurant.

3.36 It is thus encouraging that there is a reasonable level of retail development activity taking place in the city centre at present and this bodes promisingly for the vitality and viability of the centre on completion of these developments. However it is also apparent that pockets of high-vacancy areas continue to exist in the city centre. In particular we highlight the following areas:

- **Sadler Gate - Strand Arcade - The Strand** - the number of vacant units has significantly increased on Sadler Gate since the Goad survey. At the time of our visit (May 2008), in addition to the three vacant units on the street identified by Goad (which remain vacant), a further five retail units have become vacant on the north side of Sadler Gate, including a particular concentration to the western end of the street close to the junction with Bold Lane. A further three units in the Strand Arcade, which links Sadler Gate with The Strand, have also become vacant since the Goad survey was undertaken. On The Strand itself three vacant units in close proximity to each other, near the junction with St James's Street, continue to remain vacant. It is considered that addressing the high vacancy rates in these areas, but particularly Sadler Gate, as the focus for the 'niche' shopping quarter in Derby, should be made a priority.
- **Corn Market** - we note above the positive effect the letting of the former Marks and Spencer store to Primark is likely to have on footfall down St Peter's Street and Corn Market; however on the western side there remains a number of moderate sized vacant units which can be considered to be in prime retail pitch locations. These units were identified in the Goad survey in October 2007, although no further units have since become vacant;
- **Albion Street** - considering Albion Street forms one of the approaches to the Westfield centre the number of vacant units on the street is something of a surprise, as the units appear to be of a size and location that would be of interest to many national multiples. The former Next store on the junction of Albion Street and East Street forms a key unit in this area of the city centre: it appears the unit has subsequently been occupied by a low-end discount fashion retailer, which has since also ceased trading;
- **St Peter's Street** - the conversion of the former Topshop store on St Peter's Street to Evans has improved (i.e. reduced) the vacancy rate in this area; however a number of vacant units remain, chiefly the large M&S store (shortly to be let), and former New Look store in a prominent position at the junction of St Peter's Street and East Street. Further south on St Peter's Street two further units have become vacant since the Goad survey - the former Reveal Records and Calendar Club stores, again close to the confluence of St Peter's Street and East Street.

- **Debenhams, Victoria Street** - the former Debenhams store remains vacant and is advertised as being available for short term let, suggesting some development activity on the site may be forthcoming. This represents the largest vacant unit in the city centre and should again be seen as a priority for action, in order to improve footfall in this area of the centre;
- **Westfield Centre** - as we note above, whilst there have been some recent lettings (albeit to relatively low-end uses) in the Crown Walk / St Peter's Way area of the centre there remains an apparent concentration of vacant units in this area. Since the time of our survey further vacancies have arisen in the centre, most notably the former Woolworths store on Burrows Walk. However new operators have also commenced trading in Westfield, including Country Casuals and Spur Steak & Grill Bar.

Indicator 9: Pedestrian Flows

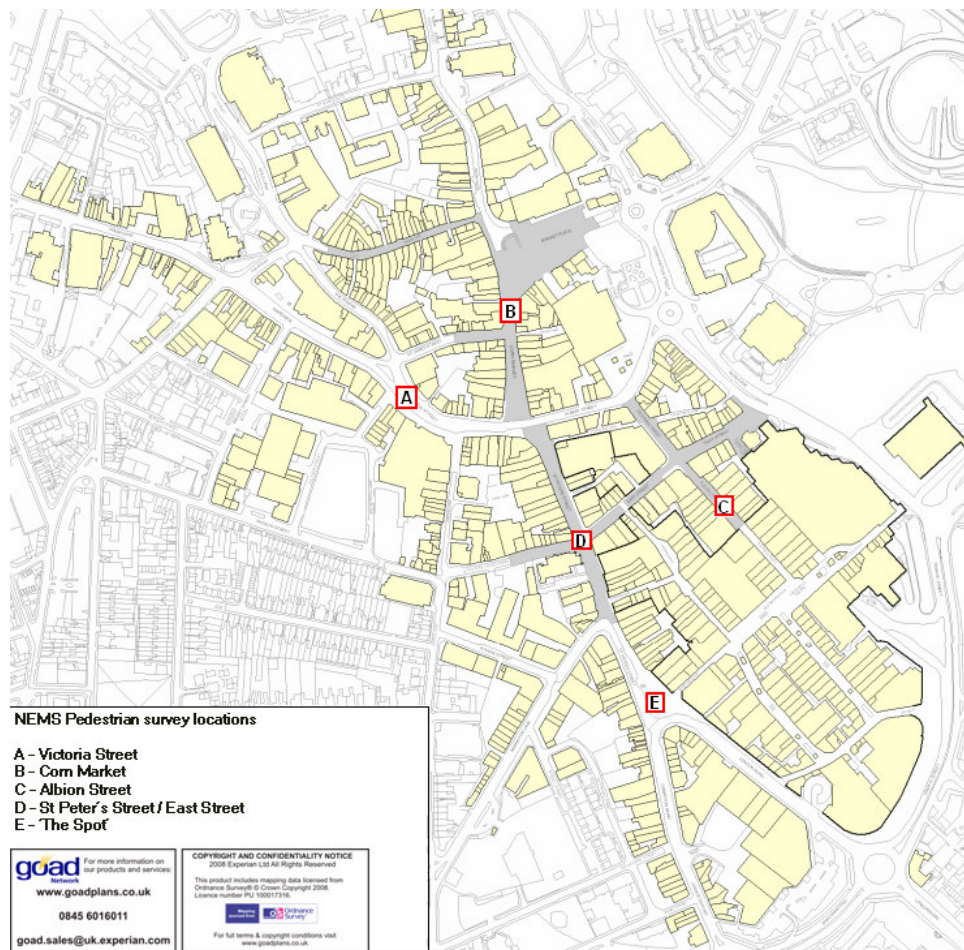
- 3.37 At the time of our Surveys pedestrian flows were, as would be expected, very strong in the majority of the Westfield centre (although less so in the Crown Walk, Albion Street and Theatre Walk areas of the centre), whilst St Peter's Street also attracted strong footfall throughout, as did the public seating area at 'The Spot' near the junction with Osmaston Road. London Road, between its junctions with St Peter's Street and the Bradshaw Way Retail Park, also had strong levels of footfall, and the addition of outside seating to one of the cafes on the street aided this further and gave the area a noticeable 'buzz'. Osmaston Road itself, despite having very little in the way of 'attractors' of footfall and being very much a secondary area of the city centre, was also surprisingly busy when surveyed.
- 3.38 Most of the secondary areas of the city centre (i.e. away from the prime pitch retailers) were moderately busy when surveyed. Babington Lane was an exception to this, and appeared very quiet, with the low-grade retail which dominates much of the street providing little incentive for footfall in this area. Gower Street was busier, although much of the pedestrian activity in this area was people awaiting the arrival of buses.
- 3.39 In the northern quarter of the city centre Sadler Gate itself had a steady flow of pedestrian activity, although a number of the surrounding streets were noticeably quieter, including St James's Street, and the northern portion of Iron Gate, in the environs of the Cathedral. Friar Gate also had a subdued level of pedestrian footfall, although the bar and restaurant-orientated nature of the retail offer of this area suggests its benefits more from an 'evening economy'.
- 3.40 The Market Place provides a large open space in the heart of the city centre, but one which was under-used at the time of the surveys, with the area virtually deserted. The

recent opening of the new Quad centre will no doubt improve interest in this area, but consideration should be given as to how to make better use of the space to attract visitors and use the space as a focal point - the provision of additional seating or public realm, for example, may be worthy of consideration.

3.41 Our observations have been supported by pedestrian flow counts undertaken at five locations throughout the city centre over a four-day period in April 2008 (including a mixture of weekday and weekend counts). The pedestrian counts were undertaken by NEMS Market Research; the locations of the flow counts are listed below and identified on Figure 3.2. Regrettably, it was not possible to undertake pedestrian flow counts within Westfield. A full summary of the pedestrian flow counts can be found in the separately-bound NEMS report.

- Victoria Street (opposite former Debenhams store, proximate to bus interchanges);
- Corn Market (close to junction with Market Place);
- Albion Street (close to entrance to Westfield);
- Junction of St Peter's Street and East Street; and
- 'The Spot' (junction of London Road and Osmaston Road, close to entrance to Westfield)

Figure 3.2 - location of pedestrian counts by NEMS in Derby City Centre, April 2008



- 3.42 The results of the pedestrian counts found, surprisingly, that Location B, Corn Market, had the highest flows of the five locations. This can be considered a strong result given the location of the count some distance from the Westfield centre, and encouraging for the vitality and viability of retailers in the Cathedral Quarter area of the city centre. The flow rates in the remaining four locations can be indexed (i.e. expressed as a proportion of 100) of this flow rate. The counts identified the second busiest location to be Location D, the junction of St Peter's Street and East Street, with an indexed score of 83 per cent. Both St Peter's Street and East Street retain a strong retail presence despite, as we note above, a concentration of vacant units in the St Peter's Street area.
- 3.43 With an indexed score of 67 per cent, the third-busiest of the five locations was Location E, 'The Spot', at the junction of London Road and Osmaston Road. The surveys in this location were undertaken proximate one of the entrances to Westfield (adjacent to Woolworths), and indeed it may have been expected that flows would be slightly stronger in this area. Locations A and C achieved indexed scores of 60 and 61 per cent respectively, and thus these areas have the lowest footfall of the five locations

surveyed. Again this reflects the conclusions noted in Indicator 8 above in respect of the presence of significant vacant units in both of these locations.

3.44 Pedestrian flow counts are also undertaken at five locations throughout Derby City Centre by Partnerships for Better Business Ltd¹⁷ and Derby City Council, with counts undertaken in the city centre at:

- St Peter's Street (McDonalds);
- Junction of Iron Gate and Market Place;
- Junction of Sadler Gate and Market Place;
- Corn Market; and
- St Peter's Street (Waterstones)

3.45 Flow counts have been taken at three of these locations - St Peter's Street (McDonalds), Iron Gate/Market Place, and Saddler Gate/Market Place, since autumn 2006, and thus prior to the opening of the Westfield development in October 2007. This allows for the examination of time-series trends to evaluate the impact of Westfield on pedestrian flow rates throughout the remainder of the city centre. This has been undertaken through calculating average weekly pedestrian flow rates for each of the three locations, broken down at quarterly intervals¹⁸. The results of these calculations are shown below in Figure 3.3, which indicates that:

- Average weekly pedestrian flows in each of the three locations were at their highest in Q4 of 2006, and each has subsequently deteriorated. St Peter's Street has seen the greatest amount of fluctuation, with average weekly flows dropping from 339,000 in Q4 of 2006 to 225,000 in Q1 of 2007, before improving to a recent peak of 292,000 in Q3 of 2007, and then subsequently dropping to a low of 160,000 in Q1 of 2008 - the first full quarter since the opening of the Westfield development. Encouragingly however footfall in St Peter's Street is regaining momentum in recent periods, and is currently averaging approximately 220,000 per week. The development of attractors such as Primark (in Corn Market) and the forthcoming Tesco foodstore in this area should continue to help to drive footfall back upwards;
- Saddler Gate has seen four consecutive quarters of declining footfall, and current average weekly footfall is approximately two-thirds that of Q4 in 2006, when footfall

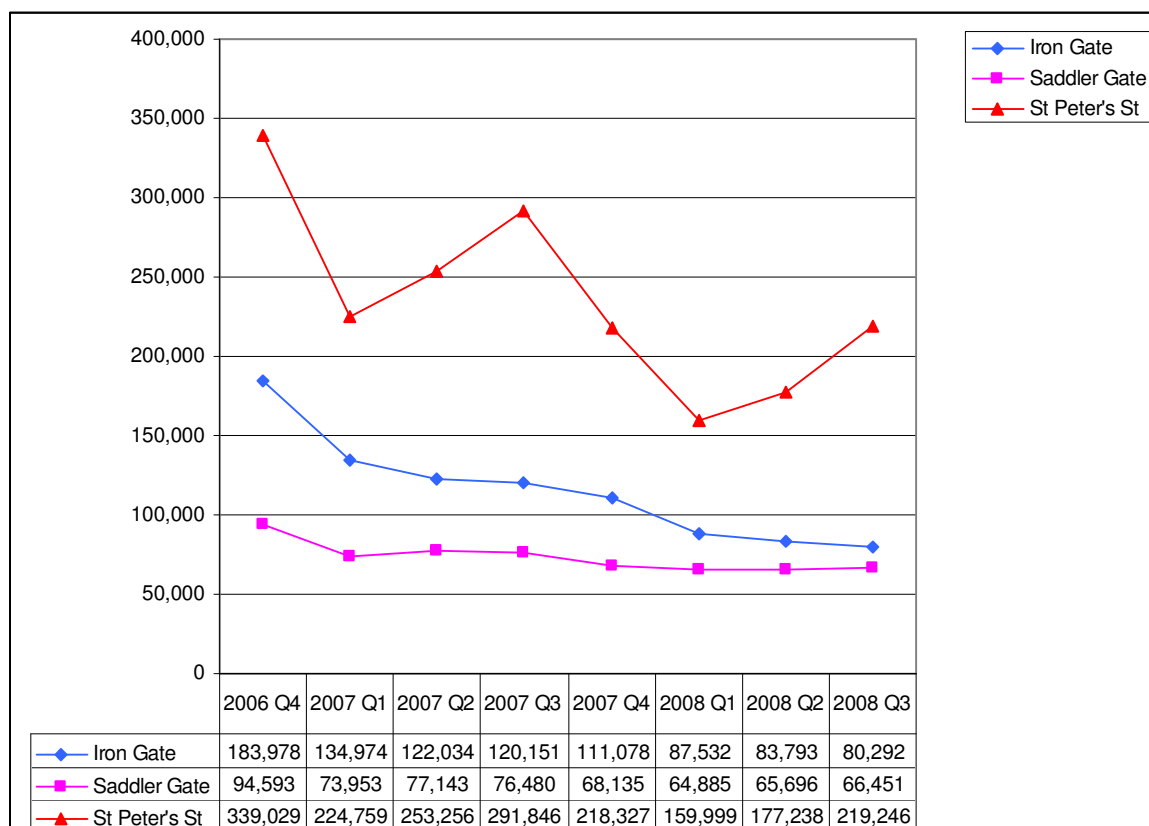
¹⁷ Our thanks are extended to PFBB for their assistance in provision of flow counts

¹⁸ Averages are taken on the basis of the following splits: Quarter 1 - Weeks 1 to 13; Quarter 2 - Weeks 14 to 26; Quarter 3 - Weeks 27 to 40; Quarter 4 - Weeks 41 to 53. Data for 2008 Quarter 3 is only available as far as Week 37.

averaged approximately 90,000 persons per week. The present flow rate of 66,500 per week is a marginal improvement on Q2 of 2008; nevertheless it is evident continued efforts need to be made to encourage footfall to the Cathedral Quarter. Although Figure 3.3 confirms footfall in Saddler Gate had been in decline prior to the opening of Westfield, a noticeable drop in footfall can be observed from Q3 to Q4 in 2007, which has not significantly improved again in subsequent periods;

- Iron Gate has seen a steady and consistent decline in footfall numbers in each successive quarter since Q4 2006. Weekly pedestrian footfall has decreased from an average of 184,000 in Q4 2006 to just 80,000 in Q3 of 2008 - a substantial decrease of 104,000 persons per week. Again therefore it is apparent that the decreases in pedestrian activity pre-dated the commencing of trading at Westfield. However the Iron Gate area appeared to suffer a significant drop in activity between the final quarter of 2007 (approximately 111,000 pedestrians per week) and the first quarter of 2008 (average of 87,500 pedestrians per week). This affirms that the indications noted elsewhere in this chapter that the vitality and viability of the Cathedral Quarter area is presently struggling, and should be the target of remedial action.

Figure 3.3 Average weekly pedestrian flow rates, Q4 2006 to Q3 2008, Derby city centre (data source: PFBB)



Indicator 10: State of the Environmental Quality

- 3.46 The overall appearance of Derby city centre is positive and the Cathedral Quarter area in particular is an attractive and pleasant asset to the city centre. The location of this area within a Conservation Area ensures that the key buildings have been well preserved and a distinct architectural style is retained, and buildings have been sensitively converted (the JB Wetherspoon building on Iron Gate one of several examples of this). St Mary's Gate, Iron Gate (including the imposing Cathedral), Sadler Gate and The Strand can all be identified as areas of strong environmental quality, particularly given they are, for the most part, traffic-free environments.
- 3.47 The Market Place is another strong asset in this respect, but, as noted above, appears to have the potential to act as a communal location to a greater extent than it does at present. Throughout the city centre there are a number of buildings which make a positive impact on the quality of the environment, including the Central Library on Warwick, Waterstones building on the junction of St Peter's Street and Babington Lane, the former New Look store on the junction of East Street, much of the St Mary's Gate, and the buildings fronting onto the Market Place. The new Quad development also forms a positive impression on its surrounding environs.

- 3.48 The Westfield Centre forms an imposing development when approaching the city centre from London Road. The neighbouring Bradshaw Way retail park has benefited from recent improvements to complement the new development. The Centre itself has evidently been fitted out to a high standard, although it is notable that the Theatre Walk section of the old centre, including the market hall, has not benefited from similar refurbishment.
- 3.49 A number of more unsightly buildings are noted in the city centre, although these are largely away from the prime retail area.
- 3.50 Public realm in the city centre is generally good and has benefited from some recent investment. There are areas which would benefit from additional seating provision, with particular examples noted including the Sadler Gate / Iron Gate areas; adjacent to the Central Library / Museum on Wardwick; and the Market Place. The centre appeared clean and well maintained, and very little in the way of litter, graffiti or vandalism was noted at the time of our surveys.
- 3.51 Given the majority of the centre is pedestrianised, or restricted to service vehicles, there are few issues in terms of traffic congestion or vehicular pollution, which has the advantage of allowing residents and visitors to the city to walk around virtually the entire retail core in a traffic-free environment. Some congestion was however noted on Morledge; elsewhere in the city centre no major issues were observed. It was observed that the pedestrian footpaths on London Road were in need of improvement, as they are presently uneven and poorly surfaced.

Customer Views and Behaviour - The Key Findings and Survey of Pedestrians

- 3.52 One of the key indicators of vitality and viability, identified in paragraph 4.4 of PPS6, is customer and residents' views and behaviour. As a consequence, we commissioned NEMS Market Research to undertake a survey of 2000 households resident throughout the overall catchment area, together with a survey of 525 pedestrians in Derby City Centre. The findings of the survey of households are presented in Section 4 of our report, in discussing current patterns of retail and leisure spending, whereas the findings of the survey of pedestrians are summarised later in this section. Thus, in this section of our report, we identify the key findings from the survey of pedestrians, focusing on customer satisfaction ratings, customer behaviour and suggestions for improvements.
- 3.53 As highlighted above 525 pedestrians in the city centre were interviewed at five locations in March 2008. The survey was split between week days and the week-end, with 125 interviewed on Monday, Thursday and Friday and 150 on Saturday. Of the

525 respondents, 191 were males and 334 were females and they were spread amongst various age groups.

Mode of Travel

- 3.54 The most popular form of travel into the city centre was by bus at 45.7 percent. The popularity of this form of transport was spread throughout the age groups and can not just be attributable to the elderly or the young who may not have access to a car. This is a positive result for the city centre and indicates that despite the current lack of a Bus Interchange this is still a popular form of transport into the city centre.
- 3.55 The next 2 highest groups were the car at 31.6 percent (both drivers and passengers) and on foot at 18.9 percent.

Frequency of Visits to the Centre

- 3.56 For food and grocery shopping 35.8 percent of the respondents visited the city centre at least once a week if not more. However 40.4 percent stated they never visited the City Centre for their grocery shopping. This is a high proportion and reflects the current lack of convenience offer within the city centre and the competition from the out of centre stores.
- 3.57 For comparison shopping the figures were understandably higher with 43.3 percent of respondents visiting the city centre at least once a week and a further 35.1 percent visiting at least once a month. Only a small proportion at 5.3 percent stated they never did their comparison shopping in the city centre.

Main Purpose of Visit

- 3.58 The pedestrian survey asked about the main purpose of visit on the day of the survey and the top three responses are as set out in Table 3.2.

Table 3.2 Main Purpose of Visit to City Centre (% of people)

Top 3 Responses - % of Total Responses in Derby City Centre		
1	2	3
To buy non-food goods (32.6%)	To buy food and grocery items (13%)	For personal services (15.6%)

Like and Dislikes

- 3.59 The pedestrian survey also canvassed customer likes and dislikes and satisfaction rating with respect to the range and quality of shops in the centre; the findings are set out in Tables 3.3 and 3.4, respectively.
- 3.60 Although the Westfield Centre features in the dislikes top 3 at 9 percent, it is worth noting that 11.4 percent of people listed it as one of their likes.

- 3.61 With regard to how satisfied the respondents were with the range and quality of shops, 72.2 percent were satisfied or very satisfied which is a very positive response.

Table 3.3 Aspects Most Liked/Disliked About the Centres (% of people)¹⁹

Top 3 Responses - % of Total Responses in Derby City Centre					
Like Most			Dislike Most		
1	2	3	1	2	3
Near / convenient (17.7%)	Independent/ Specialist shops (16.8%)	Quality of the shops (14.3%)	Run down appearance of town centre (13.9%)	The Westfield Centre (9%)	Dirty shopping streets (8.2 %)

Table 3.4 Satisfaction with Range and Quality of Shops in Centre (% of people)

Satisfied or very satisfied	Neutral	Dissatisfied or very dissatisfied	No opinion/ don't know
72.2%	15.4%	11%	1.4%

Leisure Provision

- 3.62 A series of questions were asked regarding the city centre evening economy and range of leisure provision.
- 3.63 Respondents were asked how many times a week they visited the centre for drinking and eating out. The percentage who visited the centre at least once a week for this purpose was 33.7 percent, however equally 32 percent stated they never visited the centre for eating and drinking. In addition when asked how many times they visited the centre to use commercial leisure facilities such as a Casino, Bingo Cinema etc, 77.1 percent stated they never did this.
- 3.64 The question was then asked how often respondents visited Derby City Centre in the evening. Only 20.3 percent came into the city centre more than once a week in the evenings. Less than once a quarter and never visiting the centre in the evening equated to 59.4 percent of the answers.
- 3.65 Those who answered once a quarter or more to the above question were then asked what the main purpose was for these visits. 56.9 percent stated it was for bars/pub and 19.4 percent for eating out. Theatres and Concerts received only 4.7 percent of the replies and Bingo/Casino received no replies.

¹⁹ Survey respondents had the option of naming up to five main 'likes' and 'dislikes'.

- 3.66 The pedestrian survey also sought customer satisfaction ratings in relation to the leisure provision, the results of this are set out in Table 3.5

Table 3.5 Assessment of Leisure Provision (% of people)

	Satisfied/Very Satisfied	Dissatisfied/ Very dissatisfied	Mean Score*
Location for evening entertainment (Only asked of the 211 people who visit the centre in the evening once a quarter or more)	66.4	5.7	3.88
Cultural Offer	47.3	17.5	3.38
Family Entertainment Offer	28	19.6	3.12

* Mean Score - Very Satisfied 5, Satisfied-4, Neutral -3, Dissatisfied-2, Very Dissatisfied -1

- 3.67 The worst perception in terms of leisure facilities is the Family Entertainment Offer in the City Centre. This is probably a reflection of the lack of cinema/bowling type activities. At the time of the survey the cinema in the Westfield Centre had yet to open.

Environmental Satisfaction Ratings

- 3.68 The pedestrian survey also sought customer satisfaction ratings in relation to five environmental factors, as set out in Table 3.6.

Table 3.6 Assessment of Environmental Quality (% of people)

	Good or Very Good	Poor or Very Poor	Mean*
Cleanliness of shopping streets	44.9	24.8	3.23
Personal safety / lighting / policing issues	44.9	19.1	3.3
Quality of buildings / townscape	45	19.2	3.29
Shelter from weather	34.6	30.1	3.01
Pedestrian / vehicular safety issues	48.2	13.9	3.38

* Mean Score - Very Good 5, Good -4, Satisfactory -3, Poor-2, Very Poor -1

- 3.69 It is noteworthy that in every category bar 'Shelter from Weather' the positive responses far outweighed the negative. The shelter from weather maybe in part to the

loss of the Bus Interchange and could relate to visitors perceptions of the lack of shelter whilst waiting for buses.

Accessibility Satisfaction Ratings

- 3.70 The pedestrian survey also sought customer satisfaction ratings in relation to ten key indicators of accessibility. The results are summarized in table below:

Table 3.7 Assessment of Accessibility (% of people)

	Good or Very Good	Poor or Very Poor	Mean*
Location of car parks	39.6	9.9	3.49
Security of car parks	36.8	6.4	3.53
Location of bus stops /bus station	39.4	24.2	3.17
Quality /Security of bus station	26.3	27.5	2.91
Location of train station	28.8	25	3.05
Quality / Security of train station	31.8	9.2	3.35
Ease of cycling access**	18.9	9.2	3.24
Location of Tourist Information Centre***	30.6	12.6	3.29
Ease of movement around centre on foot	66.1	4.7	3.74
Access for people with mobility / hearing / sight disabilities	30.7	14.5	3.26

Mean Score - Very Good 5, Good -4, Satisfactory -3, Poor-2, Very Poor -1

** 60.8 percent answered 'don't know'

***40.8 percent answered 'don't know'

- 3.71 On the whole the general response was positive with the mean (average) scores being above 3 'Satisfactory'. The only issues that were highlighted relate to the quality of the bus station, this is to be expected in the transition period between the old station being demolished and the new station being built. We note is that over 40 percent of the respondents did not know where the Tourist Information Centre was located.

Suggestions for Improvement

- 3.72 The response to this question was quite varied and spread between various criteria. Some of the top answers were cheaper parking, cleaner streets, and better choice of shops and improvement to the general appearance of the centre.

Conclusions - Derby City Centre Healthcheck

- 3.73 Derby's position in the national retail centre rankings was dropping before the opening of the Westfield Centre. Early indications from CACI's 'footprint' rankings indicates that, since the opening of Westfield, the ranking of the centre overall has significantly improved.
- 3.74 Derby has a good diversity of uses within the city centre, of particular note is the strong representation of units in clothing and footwear - although there remains a qualitative issue in terms of provision in that sub-sector. There is an underrepresentation of units in the convenience sector and also the service sector, particularly restaurants and cafes. Within the diversity of uses there are a high number of national multiples - another sign that a centre is doing well.
- 3.75 However, the number of vacant units is above average and since the opening of the Westfield centre the location of the vacancies has altered, with Sadler Gate suffering, but with other areas (such as St Peter's Street) improving and previously-vacant units becoming re-occupied. The vacant units are a range of sizes but notably the larger units appear to be under refurbishment whilst the smaller units remain vacant.
- 3.76 Prime yields and rents have improved, and the environmental quality of the centre is generally good with some areas such as Sadler Gate highlighted for a particularly strong environmental quality and pedestrian environment.
- 3.77 On the whole the results of the visitor survey were positive. The majority of respondents were happy with the comparison shopping provision although a high proportion do not use the centre for their convenience shopping.
- 3.78 In terms of the evening economy this at present seems focused around the bars and pubs rather than cultural activities and there was an identified lack of family entertainment. The opening of the cinema in the Westfield Centre should help to address some of these deficiencies and the Quad building will also enhance the leisure provision.
- 3.79 The survey did identify that there could be scope to improve the restaurant offer as more than double the people visiting the city centre in the evening do so to visit a pub or bar rather than a restaurant.

- 3.80 The current situation with regard to the Bus Station has affected some people's perception of shelter and safety within the city centre. The opening of a new bus station will address some of these issues.
- 3.81 General accessibility and ease of movement around the centre appears to be good.

Application of Vitality & Viability Indicators to the Normanton Road / Peartree Road linear centre

- 3.82 Normanton Road is ranked the lowest of all of Derby's district centres in the 2008 MHE *UK Shopping Index*, at 5,720th position, equivalent to a ninth-tier 'Minor Local' centre. We find this surprising given the range of retail facilities present in the centre, and do not consider this ranking representative of the centre's function in the local retail hierarchy. It is likely the comparatively low ranking can be explained by differences in the area in the centre surveyed. We do not consider this relatively low ranking should reflect any requirement to downgrade the status of this centre in the local retail hierarchy; as we note below, we consider this centre to largely be performing strongly at present.
- 3.83 The centre is anchored by the Southgate Retail Park to the north of the centre and a Pak Foods supermarket to the south of the centre. The centre has a wide variety of convenience and comparison uses. Convenience uses include two bakeries, two butchers, an off licence and three newsagents. Comparison uses within the centre include three pharmacies, three book shops, a toy shop, a shoe shop, a discount store, a childcare shop, two health foods shop, two general shops, eleven electronics shops, four jewellers, eight general clothes and fabric shops, and seven women's clothes shops. Southgate Retail Park offers a Lidl supermarket, a clearance catalogue outlet, a Furniture outlet, and a Woolworths General Store. Service uses within the centre are well provided for.
- 3.84 Given the size of the district centre, there were a significantly lower number of national multiples than expected; this could however be explained by the centre's proximity to the higher order offer in the city centre. The national multiples within the district centre tended to be confined to foodstores, with Pak Foods anchoring the district centre to the south, and Lidl supermarket anchoring the Retail centre to the North.
- 3.85 We observed 24 vacant units at the time of our visit. The units were dispersed along the primary shopping area. By contrast, Southgate Retail Park to the north of the district centre only has one vacant unit. Positively, pedestrian flows were strong throughout the prime retail areas, although were notably lower in secondary areas such as Grove Street and Corden Street.

- 3.86 The district centre's environmental quality is adversely affected by virtue of the linear nature of the centre, along a busy main road. A number of unsightly buildings are apparent on the periphery of the district centre, and many of the shopfronts, particularly within the Primary Shopping Area appeared to be in need of upgrading.
- 3.87 There are significant levels of vehicular traffic along both Normanton Road and Pear Tree Road, and the amount of car parking facilities contributes to a car-dominated feel. Whilst there are a reasonable number of pedestrian crossings along the linear centre, the lack of substantial public seating or street furniture does not lend the centre to being pedestrian-friendly. Nevertheless the centre is busy and well-supported, although the high number of vacant units presents cause for concern.

Application of Vitality & Viability Indicators to Allenton District Centre

- 3.88 Allenton District Centre is amongst the larger of the district centres in Derby. It is ranked as an eighth-tier 'Local' centre in the MHE *UK Shopping Index* 2008, at a position of 1,866th. This represents a significant decline from the centre's position of 1,194th in the previous (2003/04) MHE Index; however we are confident this can largely be explained by changes in methodologies between the two data sets rather than any serious decline in the performance of the centre. Nevertheless it is recommended that the centre's performance in the retail rankings continues to be monitored.
- 3.89 The centre is anchored by two foodstores (Somerfield and Heron Frozen Foods), whilst the nearby retail park adds two furniture outlets and a Farmfoods supermarket. In terms of convenience uses Allenton offers two bakeries, two newsagents, and an off licence. Comparison uses in the centre include a pet store, a florist, a pharmacy, a fabric store, a shoe store, a jeweller, three furniture stores, three electronics stores, a general store and a car-parts store. There were only two charity shops within the district centre. There is also a strong range of services uses, including Natwest and Barclays banks. National multiples present in the centre include the aforementioned Somerfield, Heron and Farmfoods stores; other national retailers present include Bargain Booze, Boots, Greggs, Lloyds Pharmacy, and Wilkinson. Vacancy rates appeared low throughout the centre.
- 3.90 Allenton Market, which presently trades on Tuesday, Friday and Saturday each week, plays an important role in the local community, although appears run down and in need of renovation.

- 3.91 Pedestrian flows along the primary shopping areas along to Whittington Street were average for a district centre at the time of our survey. Traffic congestion is an issue in Allenton, particularly with regard to the roundabout at the edge of the primary area. The limited number of car parking spaces available on Osmaston Road further exacerbates the situation. Furthermore the centre would benefit from increasing the number of pedestrian crossings located within the primary shopping area between the roundabout and Whittington Street. The retail park exhibits somewhat poor linkages with the rest of the district centre which does not encourage footfall between the two. The use of wide pavements and large range of street furniture and cycle racks can be considered to make Allenton feel pedestrian-friendly and safe.
- 3.92 The FOCUS database lists one retail requirement for Allenton, a Save the Children charity shop.

Application of Vitality & Viability Indicators to Allestree District Centre

- 3.93 Allestree is ranked as an eighth-tier 'Local' centre in the MHE *UK Shopping Index*, at a position of 1,660th; it can be noted this represents a decline of 392 places from the centre's position in the previous Index of 1,268th.
- 3.94 Experian Goad produce survey data for the Park Farm Shopping Centre which forms the basis of Allestree District Centre. The centre was last surveyed by Goad in September 2006. Reflecting the local shopping needs that district centres typically meet, the centre has an above average representation in convenience goods, which account for 8 units in the centre, equivalent to 15.7 per cent of the total retail offer, compared to a UK average of 9.1 per cent. The centre includes two bakers stores, and three stores in the '*grocery and frozen foods*' sub-category.
- 3.95 As would be expected the comparison goods offer is more limited given the lower-order nature of the centre, however there are still 22 units in the centre which offer comparison goods, equivalent to 43.1 per cent of the total retail offer, slightly below the UK average of 45.2 per cent. 11 of the 16 comparison sub-categories are represented at the centre; as are all seven of the service sector sub-categories, which is an encouraging reflection on the diversity of uses on offer.
- 3.96 The Park Farm centre can be considered to have a strong degree of representation from national multiples, particularly when placed in the context of the centre as a third-tier district centre. The convenience offer is headed by a 15,000 sq.ft gross (1,400 sq.m) Somerfield supermarket and 7,300 sq.ft gross (700 sq.m) Farmfoods frozen goods store. The centre also includes representation from specialist retailers Birds and Thorntons, and a Martin newsagent. The national comparison multiples offer is led by a

13,700 sq.ft (gross) Wilkinson store, with other retailers present including Boots, Cardfair and Hallmark. The Park Farm centre also includes a number of services multiples, including a range of banks and building societies (Barclays, RBS, and Derbyshire Building Society), Co-Op Travel, as well as a post office. The centre therefore is well supported by a combination of national multiple retailers alongside independent retailers, reflecting positively on the viability of the centre. Four vacant units were noted in the centre at the time of our visit. Vacancy rates have recently increased, as only two vacant units were identified at the time of the Goad assessment in 2006²⁰.

- 3.97 The appearance of Allestree Park Farm Shopping Centre was very good, with provision of public seating and a feeling of safety. Within the district centre no buildings in particular had a detrimental impact upon the environmental quality of the centre as a whole.
- 3.98 Congestion and associated traffic problems did not appear to be a problem during our visit, which may be attributed to the ample car parking facilities adjacent to the shopping centre. In addition to this the wide pavements and good use of pedestrian crossings indicate a pedestrian-friendly area, with little concern arising for pedestrian-vehicular conflict. Overall we consider Allestree to be a strongly performing District Centre which plays a key role in serving the local community to the north west of the city, with a strong range of national multiples, and largely exhibiting positive signs of vitality and viability.
- 3.99 The FOCUS database lists two current retail requirements for Allestree district centre, including convenience chain Greggs and Costa Coffee.

Application of Vitality & Viability Indicators to Alvaston District Centre

- 3.100 Alvaston is classed in the MHE *UK Shopping Index* as a seventh-tier 'Minor District' centre, and is the third highest ranking of the district centres in the retail rankings (behind Chaddesden and Spondon). The centre has improved by an impressive 235 places from its positioning of 1,194th in the preceding 2003/04 MHE Index.
- 3.101 Alvaston is anchored by three supermarkets (a Tesco Express, an Iceland, and a Co-Operative supermarket) and has a strong range of convenience, comparison and service uses. Comparison uses include a car showroom, a kitchen showroom, a

²⁰ As shown at Figure PA19 of Appendix 3

bicycle shop, two pharmacist, a florist, a car-parts store, two general stores, a carpet store and a tile outlet. Three charity shops and a pet shop were noted within the district centre. Comparison multiple retailers present in the centre are relatively limited but include Boots and Hallmark. The retail outlets are supported by a strong range of services uses. There are a number of units present in the centre, such as a large Tile Town store, and a scuba diving specialist, which is unusual to find in a district centre environment.

- 3.102 There are a number of takeaway units on the south side of London Road, however the existing mix of retails in the centre as a whole is considered healthy and we would not see this as a cause for concern at the moment.
- 3.103 It is notable that the centre had a high vacancy rate at the time of our surveys, with ten vacant units, including a number along the primary shopping frontage. Encouragingly however pedestrian flows along the Primary retail areas of Alvaston were busy at the time of our visit, along both sides of the roundabout at the heart of the district centre. Footfall was noticeably lower in secondary areas
- 3.104 The focus of the district centre is the roundabout along London Road and Shardlow Road. London Road in particular is a busy thoroughfare, and some instances of congestion. Some of the units on the primary shop frontage are also in need of repair and repainting. The retail outlets, particularly to the south side of London Road, are of mixed styles and do not in all cases make a positive addition to the retail environment, instead lending it something of a 'disjointed' appearance. The quality of retail outlets is generally weaker to the south side of the London Road junction, with a number of units given over to take-away uses. No further issues arose to cause concern for the environmental quality of Alvaston.
- 3.105 Positively, the development of two new-build retail units on the south side of London Road is evidence of investor confidence in the centre, although it is understood these units have not yet been let.
- 3.106 The FOCUS database identifies three retail requirements for premises in Alvaston district centre, from the bakery chain Greggs, and also from charity shops Save the Children and British Heart Foundation.

Application of Vitality & Viability Indicators to Cavendish District Centre

- 3.107 Cavendish is anchored by Somerfield Supermarket, and has a modest range of convenience and comparison uses for the size of the district centre. The Somerfield forms the anchor to the district's retail offer. In addition to Somerfield, convenience uses include a newsagents and an off licence. Comparison uses comprise Specsavers Opticians, a general clothes shop, two pharmacies, and an electrical shop. The range of service uses includes a solicitor, a book maker, a laundrette and a dentist. It is encouraging to note that Cavendish had no vacant units within their district centre at the time of our visit.
- 3.108 Within Cavendish District Centre there was good car parking provision in association with the foodstore anchor. The roads leading from the centrally located roundabout both east and west appeared very busy and the car park's location adjacent to the roundabout can cause further congestion problems. A number of shop frontages detracted from the rest of the district centre, particularly shops located near the Somerfield store. In general Cavendish lacks buildings of good architectural quality which would enhance the district centre.

Application of Vitality & Viability Indicators to Chaddesden (Nottingham Road) District Centre

- 3.109 Chaddesden is the highest ranking of Derby's district centres in the MHE *UK Shopping Index*, achieving a position of 797th, and is one of three district centres classed as a seventh-tier 'Minor District' centre. It is notable that the centre has improved its position by 551 places from the preceding MHE Index, suggesting there has been a noticeable uplift in the retail offer of the centre in recent years.
- 3.110 The district centre is anchored by three foodstores, and has a large range of convenience and comparison uses. Comparison uses include a florist, a pharmacy, an optician and a carpet shop. Positively, only one unit within the 'charity shops, pets and other comparison' subcategory was noted within the district centre.
- 3.111 The range of service uses catering to the local needs is also strong, with uses including a travel agency, a veterinary practice, a hotel, a book maker, a bank, two estate agents and two hairdressers. Furthermore St Mary's Retail Park, based on the outskirts of the district centre also provides a takeaway, car parts warehouse and a pet food wholesale supplier. The district centre has a moderate range of representation from national multiples, particularly in terms of grocery foodstores by offering an Aldi, a Tesco Express and a Co-Operative Supermarket. Other 'high street' names present in the centre are Ladbroke's, Bargain Booze, and Thorntons. We understand that

permission has been granted, subject to a s106 agreement, for a Lidl store on the edge of the centre.

- 3.112 The vacancy levels observed at the time of our visit to Chaddesden presented cause for concern. The three vacant units were all located midway along Nottingham Road, opposite from the free car parking facilities and primary shopping frontage. In addition to this, the relatively new St Mary's Retail Park located at the north-west end of the district centre has only let 3 of its 7 retail units.
- 3.113 Positively, the centre was busy at the time of our visit however no major problems with traffic or congestion were identified. Whilst the car parking facilities outside of the shops were relatively busy the car park at the retail centre was less so. Although the new Aldi store occupies an edge-of-centre position within the centre, there was evidence noted at the time of our visit of linked trips between the store and the rest of the retail offer in the centre.
- 3.114 Overall, Chaddesden has a generally positive town centre environment. The centre benefits from pedestrianised areas and is well kept and clean. Furthermore the presence of Chaddesden Park on the edge of the district centre is another positive reflection of the environmental quality of the area. Some of the units on the primary shop frontage however appear in need of repair and repainting. No major issues of graffiti or litter were noted at the time of our visit to the centre.

Application of Vitality & Viability Indicators to Chellaston District Centre

- 3.115 Chellaston is ranked in 3,575th position in the 2008 MHE *UK Shopping Index*, the centre making its debut appearance as a ninth-tier 'Minor Local' centre. The centre can be considered towards the smaller end of the district centres in Derby. The centre is split into two concentrations of retail activity: the main district centre being located on Swarkestone Road, with a second, smaller centre on High Street. Residential uses separate the two areas.
- 3.116 Chellaston is anchored by two supermarkets (a Co-Operative and a Tesco Express supermarket), with further convenience uses comprising a newsagents, a butcher, a green grocer, and an off licence. Comparison uses include a hardware store, a pharmacy, and two florists. The range of service uses include a Hotel, a book maker, two estate agents, a laundrette, two hair dressers and an opticians. Chellaston has a limited range of national multipliers, and aside from the Co-Op and Tesco Express, relies on independent retailers to service the district centre.

- 3.117 Whilst it was encouraging to note there were no vacant units in the centre at the time of our visit, pedestrian flows throughout the centre appeared quiet, with no discernable difference in activity between primary and secondary areas of the centre.
- 3.118 The overall appearance of Chellaston District Centre is positive, with no obvious signs of vandalism, graffiti or litter. The centre is served by bus routes from the city centre, and ample car parking is available.

Application of Vitality & Viability Indicators to Littleover District Centre

- 3.119 Littleover is ranked for the first time in the 2008 MHE *UK Shopping Index*, at a position of 1,950th, and is classed by MHE as an eighth-tier 'Local' centre. The centre is anchored by Co-Operative supermarket and an Iceland supermarket. In addition to these, the range of convenience uses includes a bakery and a butcher. Comparison uses within the district include a bridal shop, two charity shops, a florists and a clothes shop. The range of service uses includes a book maker, a bank, two beauty salons, three hairdressers, two estate agents and a travel agency. There is also a Post Office in the district centre. The Co-Op store forms the anchor to the centre, and a number of small units support the store, including a Co-Op Travel shop and Birds bakers. Only one vacant unit was noted at the time of our visit to the centre.
- 3.120 Littleover appeared quiet at the time of our visits with the exception of the foodstore anchor and its associated car park. The remainder of the primary retail areas seemed noticeably quieter, and the secondary areas appeared less busy by comparison, as would be expected. As the centre was only moderately busy at the time of our visit no major problems with traffic or congestion were identified.
- 3.121 The district centre is a clean, well-maintained centre and free from graffiti and litter at the time of our visit. The centre is traffic-dominated which serves to negatively impact on environmental quality. There is very limited provision in terms of public realm, particularly in terms of public seating, open spaces and planting, and Littleover could benefit from greater emphasis on street furniture.
- 3.122 The leisure chain Barracuda Group is identified in the FOCUS property database as having a requirement for premises in Littleover district centre. It is considered this would form a positive addition to the offer of the centre.

Application of Vitality & Viability Indicators to Mackworth District Centre

- 3.123 Mackworth is one of the smaller of the district centres in Derby, and this is reflected in its positioning of 3,321st in the 2008 MHE *UK Shopping Index*. As such, the centre has

a correspondingly more limited retail and services offer. The centre is anchored by a Co-Operative Supermarket and has a moderate range of convenience uses and comparison uses, with the latter including a carpet shop and a hardware shop. The centre can be considered to have a small range of uses overall, but remains capable of meeting local 'top up' needs. No vacant units were noted in the centre.

- 3.124 The centre was relatively quiet during our visit, and pedestrian flows were modest. Observations from the visit indicate that the centre appears to be well used as a local centre for the residents, meeting the basic needs only of the immediate community. Car parking in Mackworth district centre is catered for at Prince Charles Avenue surface car park adjacent to the Primary Shopping Frontage, and the centre benefits from frequent bus connections into the city centre.
- 3.125 The limited size of the district centre at Mackworth prevents a full analysis of the environmental quality from being made. However, observations during our visit indicated that whilst the centre was only moderately busy at the time of our visit, there were still noticeable problems with congestion along Prince Charles Avenue. Whilst the foodstore anchor ensures that the car parking facilities were busy, there was a good provision of public open space adjacent to Prince Charles Avenue and levels of street furniture appeared to be appropriate to the size of the centre.

Application of Vitality & Viability Indicators to Mickleover District Centre

- 3.126 Mickleover is ranked in 2,133rd in the 2008 MHE *UK Shopping Index*, and is one of four eighth-tier 'Local'-grade district centres in Derby. The centre is anchored by Tesco supermarket and has a modest range of convenience and comparison uses. Comparison uses include an optician and two clothing shops. Convenience uses include a newsagent, a florist, a baker and a green grocer.
- 3.127 Relative to the size of the settlement, Mickleover had relatively small levels of vacant units, with only four units noticed within the District Centre. The centre seemed quite busy and the car parking facilities seemed to be well used and relatively full during our visit. There was a steady pedestrian flow across the centre and good foot fall within the primary areas. Mickleover has car parking facilities along The Parade at Uttoxeter Road and also benefits from the car parking facilities associated with the Tesco anchor store.
- 3.128 Some of the units on the primary shop frontage are also in need of repair and repainting. There is a good range of street furniture within the centre. Overall it can be held that Mickleover District Centre is presently trading strongly and exhibiting strong signs of vitality and viability.

Application of Vitality & Viability Indicators to Oakwood District Centre

- 3.129 Oakwood is anchored by a Somerfield supermarket and has a modest range of convenience, comparison and service uses. Convenience uses include an off licence and a newsagent; comparison uses include a florist, an opticians and a pharmacy, whilst the range of service uses includes an estate agent, a video rental shop and a bank. Aside from the Somerfield supermarket which anchors the district centre, the representation from national convenience and comparison multiples is limited to a Blockbuster video rental store. Encouragingly only one vacant unit was noted in the centre.
- 3.130 Pedestrian footfall was quiet during the time of our site visit; however the car park was busy, suggesting that people were using the leisure and health centres and other facilities in addition to the retail units within the district centre.
- 3.131 Oakwood's district centre can be considered to have a reasonable quality of environment. Whilst the centre was only moderately busy at the time of our visit, no major problems with traffic or congestion were identified, despite the district centre abutting a roundabout. The shop frontages did not detract from the area and on the whole the centre felt safe and well maintained. At the time of our visit there were no major problems observed in respect of the cleanliness of the centre, and whilst no buildings stood out as either enhanced or detracted from the area, the large range of health services and lighting did make the area feel safe and pleasant.
- 3.132 We note from the FOCUS database one requirement for retail floorspace in Oakwood District Centre, which is from bakery chain Greggs.

Application of Vitality & Viability Indicators to Sinfin District Centre

- 3.133 Sinfin is ranked as a ninth-tier 'Minor Local' centre, and is placed 2,779th, in the 2008 MHE *UK Shopping Index*. The district centre is dominated by the large Asda supermarket which acts as the anchor to the centre. In addition to the supermarket smaller retail units provide a very small range of complimenting comparison and service uses for basic local needs only. Comparison uses include only a pharmacy and an optician, whilst service uses include a travel agent, and a bank. The district centre also has a pub, a Post Office, a library and Sinfin Moor Health Centre.
- 3.134 Sinfin also had a moderately large number of vacant units in context of the size of the centre (6 units), however it is noted that an application has been received (20th June 2007) by Asda to convert three of the vacant units to supplement its existing store adjacent. It is understood that this application is awaiting determination, but if

permitted would supply an additional 4000 sq ft (370 sq.m) to the centre and enhance the retail property offer of the centre.

- 3.135 Pedestrian flows in Sinfin were only moderately busy at the time of our visit and busier in the secondary areas heading towards the Asda supermarket than on the primary shopping frontages of the units in the district centre. These lower levels of footfall could be a reflection of the sizeably large number of vacant units along the primary shopping frontage. The centre is served by ample car parking provision adjacent to the Asda supermarket.
- 3.136 Public seating and the provision of open space in the centre is notably limited, whilst the narrow pavements in much of the centre re-enforce the traffic-dominated feel. Numerous minor issues of graffiti were noted throughout the district centre at the time of our visit. The garage (Top Shop Auto Services) adjacent to the petrol station detracted from the district centre, as did the large line of vacant units opposite the Library. Generally the district centre felt run down and in need of refreshing.
- 3.137 The FOCUS database identifies one retail requirement for premises in Sinfin district centre, from the bakery chain Greggs, who have a number of district centre requirements for the city.

Application of Vitality & Viability Indicators to Spondon District Centre

- 3.138 Spondon is the second highest ranking district centre in the 2008 MHE *UK Shopping Index*, where it is ranked in 835th position. The centre has improved by a significant 614 places in the Index from its position of 1,449th in the previous (2003/04) Index.
- 3.139 The district centre is anchored by two small supermarkets (a Co-Operative supermarket and a Somerfield). Aside from the foodstore anchors, other convenience uses include a newsagents, an off licence, and a bakery. Comparison uses comprise an electronics shop, a car-parts shop, a health foods shop, a furniture shop, a women's clothing shop, two florists, an opticians, two pharmacies, a shoe shop, a pet shop, a hardware store, a book shop and a carpet shop. Only one charity shop was noted within the district centre. The range of service uses include three banks, two hairdressers, a beauty salon, and a travel agency. Spondon district centre also has a Post Office, three social clubs and a medical centre.
- 3.140 Spondon has 6 vacant units which were positioned along the primary shopping frontage.
- 3.141 Spondon had a noticeably low pedestrian footfall during the time of our visit; however the centre's principal car park was full, indicating that perhaps visitors to the centre

were using the Medical Centre or other non-retail uses within the District. Whilst both primary retail areas along Chapel and Sitwell Street appeared quiet, the majority of pedestrians appeared to be heading along Sitwell Street as opposed to Chapel Street and the foodstore anchor.

- 3.142 Spondon has a relatively small car park adjacent to its primary retail area and foodstore anchor on Chapel Street. It was noticed that the majority of Sitwell Street has double yellow lines, indicating that car parking in the centre is perhaps a problem.
- 3.143 Whilst several shops along the primary shopping frontage seemed vibrant and fresh (such as the furniture shop adjacent to the Post Office), many of the shopfronts in Spondon appeared somewhat tired and in need of refreshing, which would clearly contribute further towards the environmental improvement of the district centre. Some of the units on the primary shop frontage are also in need of repair and repainting.

4 CURRENT PATTERNS OF RETAIL SPENDING

Introduction

- 4.1 This section of our report falls into two main parts. First, we provide a brief overview of the methodology that we employ to establish current patterns of convenience and comparison shopping, using the results of the surveys of households. Secondly, we describe the existing patterns and destinations for the different categories of shopping activity.

Household Survey Methodology

- 4.2 Our assessment of current patterns of retail and leisure spending is based on a telephone survey of 2,012 households undertaken by NEMS Market Research between 2nd and 19th May 2008. The overall catchment area of the study (Figure 4.1) was defined on the basis of:
- i) evidence gained from on-street surveys of pedestrians in Derby city centre in relation to their place of residence postcode;
 - ii) evidence from the previous retail study undertaken for the Council by Donaldson's in 2000;
 - iii) consultations with officers of Derby City Council.
- 4.3 Thus, the overall catchment area is considerably wider than the administrative area of Derby City, and is disaggregated into 20 survey zones, based largely²¹ on postcode sector boundaries, as listed in Section 2.1 of the separately bound report by NEMS. Survey zones 1 to 9 are predominantly located within the administrative boundary for Derby city; the remaining zones include parts of Amber Valley, Ashfield, Broxtowe, Charnwood, Derbyshire Dales, East Staffordshire, Erewash, North West Leicestershire and South Derbyshire Districts, these areas having been included to accurately reflect the overall catchment of Derby as a retail destination.
- 4.4 Respondents were contacted at a variety of times (during the day, in the evening, and at the weekend), and all respondents were established to be the main shopper in the household. Approximately 100 interviews were conducted in each zone²², and the data was subsequently weighted so as to be representative of the total population of the defined study area. An explanation of the statistical reliability of the survey sample is given on page iv of NEMS' report.

²¹ With the exception of part of the northern boundary of Zone 10

²² The minimum number of interviews conducted in any one zone by NEMS was 100; the maximum 134; with results subsequently weighted to reflect population distribution.

4.5 The survey questionnaire, which is reproduced in the penultimate section of NEMS' report, sought to establish:

- i) patterns of convenience goods spending, based on the location of:
 - the shop where the household spends most money on food and groceries and the amount spent per week (questions 1 and 2);
 - the shop where the household undertakes most 'top-up' food and groceries purchases and the amount spent per week (questions 3 and 4);
 - spending on food and groceries in small shops for those who named supermarkets in i) and ii) above (questions 5, 6 and 7).
- ii) patterns of comparison goods spending, based on the locations of the last two purchases of:
 - clothes and shoes (questions 8 and 9);
 - furniture, carpets or soft household furnishings (questions 10 and 11);
 - DIY and decorating goods (questions 12 and 13);
 - Domestic appliances such as washing machines, fridges, cookers, TVs, DVD players or computers (questions 14 and 15); and
 - Specialist items such as jewellery, photographic goods, musical instruments or sports equipment (questions 16 and 17).
- iii) the proportion of the household's total spending on non-food goods that is accounted for by:
 - the internet;
 - paper catalogues; and
 - TV interactive shopping.

4.6 The composite pattern of spending for convenience goods was achieved on the basis of the mean weekly household spend findings, as follows:

	Mean Household Spend	Percentage Weighting
Main Food & Groceries	£65.70	76%
Top-up Food & Groceries	£14.96	17%
Small Local Shops	£5.89	7%
All Convenience Goods	£86.55	100%

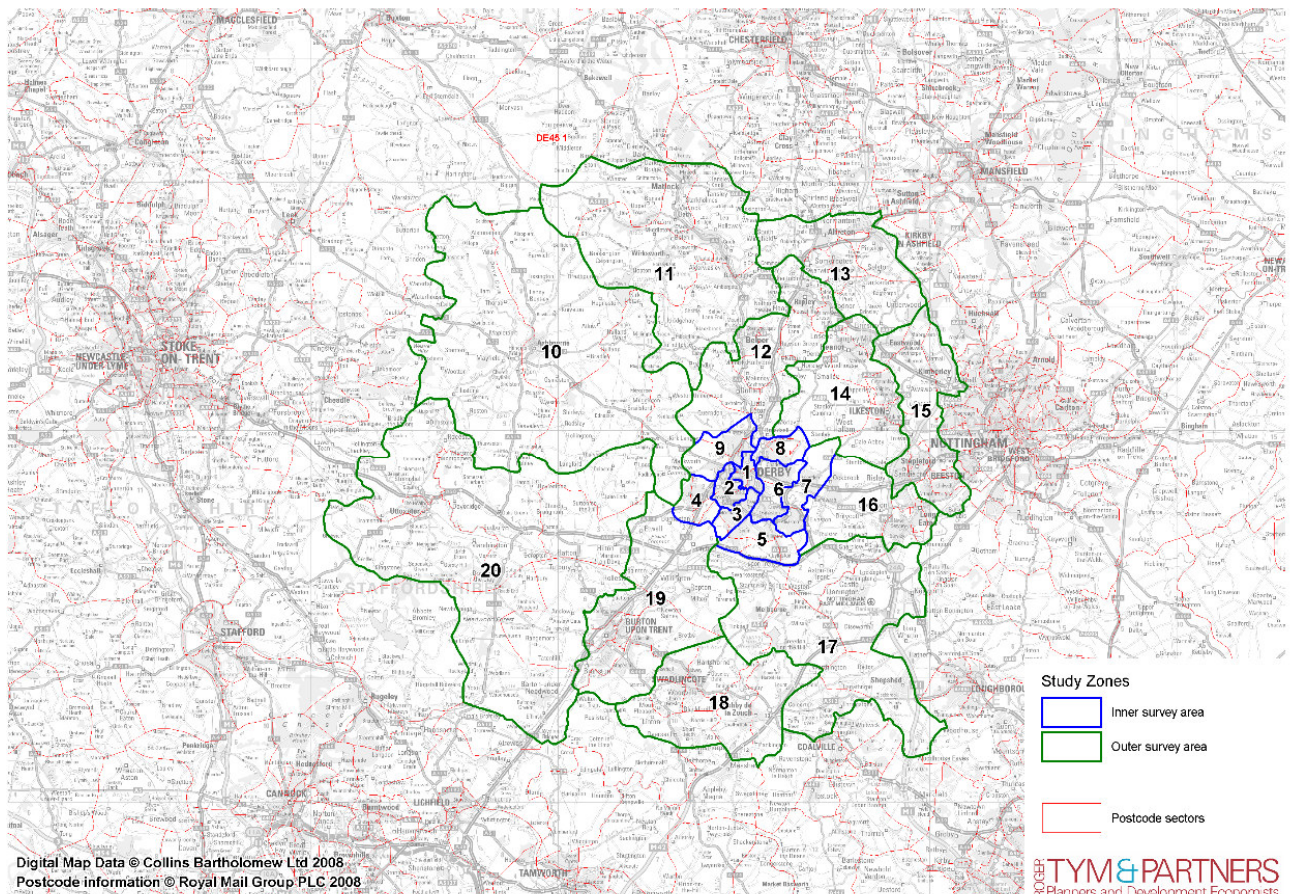
4.7 The composite pattern of spending for comparison goods was achieved on the basis of MapInfo expenditure data in relation to five categories of spend, as follows:

	Percentage Weighting
clothing and footwear	23.82%
furniture, carpets and soft furnishings	12.69%
DIY and decorating goods	13.18%
domestic appliances	11.45%
specialist/other goods	38.87%
All Comparison Goods	100%

Overall Catchment Area

4.8 The overall catchment area (OCA) is shown in Figure 4.1. It comprises 20 zones based, as we note above, on postcode sectors. For ease of reference, we have labelled the zones as set out in Table 4.1 below. The 20 zones are split between the 'inner zones' of the Derby urban area (zones 1 to 9), and the 'outer zones' (zones 10 to 20), which fall outside the administrative boundaries of Derby City and include neighbouring districts where it is considered the catchment of Derby as a retail destination extends into. Combined, the inner and outer zones form the overall catchment area (OCA) for Derby.

Figure 4.1 Expenditure Zones (Overall Catchment Area)



- 4.9 In defining the OCA, for the sake of continuity we have utilised a similar catchment area to that of Donaldson's, who were commissioned to produce the preceding *'Report on Retail Capacity'* in 2000. However we have extended the Donaldson's catchment further to the north-east of Derby, to include the centres of Eastwood, Alfreton, and further north to include Matlock. To the east the catchment is extended to include a number of Nottingham's suburban centres such as Stapleford, Sandiacre, Kimberley, Beeston and Long Eaton. The OCA is thus slightly enlarged from that of the Donaldson's study. It extends as far south as Swadlincote / Ashby de la Zouch; to Uttoxeter / Ashbourne to the west; Matlock to the north; and the periphery of the Nottingham urban area to the east, with the M1 motorway reflecting the much of eastern boundary of the study area.
- 4.10 It was decided that the eastern boundary should not be further extended to include the Nottingham urban area itself, as, aside from those areas on the western periphery of Nottingham with easy access to both Derby and Nottingham city centres (such as Stapleford, Beeston and Long Eaton), it is considered likely that the majority of Nottingham's residents will undertake their principal convenience and comparison shopping trips within the higher-order centre of Nottingham. The results of the household survey for Zone 15 (as shown in Table 4.4) justify this decision, as a relatively low proportion of expenditure is retained within the catchment from this zone. We return to discuss shopping patterns more fully in due course in this section.

Table 4.1 The Overall Catchment Area

Zone No	Zone Name	Main centre(s)	Predominant Administrative Area Based on Population
1	Derby City Centre	Derby City Centre	Derby City
2	West of City Centre	Littleover	Derby City
3	South West Derby	Normanton	Derby City
4	West Derby	Mickleover	Derby City
5	South Derby	Sinfin, Allenton	Derby City
6	East of City Centre	Chaddesden	Derby City
7	East Derby	Spondon, Alvaston	Derby City
8	North East Derby	Oakwood	Derby City
9	North West Derby	Allestree	Derby City
10	Ashbourne	Ashbourne	Derbyshire Dales
11	Matlock	Matlock, Wirksworth	Derbyshire Dales
12	Belper	Belper, Ripley	Amber Valley
13	Alfreton	Alfreton, Selson, Somercotes, South Normanton	Amber Valley
14	Ilkeston	Heanor, Ilkeston	Erewash
15	West of Nottingham	Beeston, Eastwood, Kimberley, Sandiacre, Stapleford	Broxtowe
16	Long Eaton	Long Eaton	Erewash
17	South Derbyshire	Castle Donington, Melbourne, Shepshed	South Derbyshire
18	Swadlincote	Ashby de la Zouch, Swadlincote	South Derbyshire
19	Burton upon Trent	Burton upon Trent	East Staffordshire
20	Uttoxeter	Barton under Needwood, Uttoxeter	East Staffordshire

- 4.11 The population of the catchment area in 2008 is shown in the second row of figures in Spreadsheet 1 of Volume 2. It shows that the overall population base in the 2008 base year amounts to 865,581 persons across the OCA, including 241,460 in the inner zones. The population figures are derived from 2003-based Draft Regional Spatial Strategy population projections, adjusted to ONS 2006 Mid Year Estimates, applied to the mid-year 2005 zonal estimates provided by MapInfo/Oxford Economics. The population forecast is then projected forward to 2011, 2016, 2021 and 2026.
- 4.12 Thus, having explained the methodology employed in the survey of households, we turn to the findings.

Comparison Goods Spending Patterns

- 4.13 Spreadsheet 2 of Volume 2 sets out the 'goods based' per capita comparison expenditure - which varies across the twenty survey zones - for the base year of 2008, and for each of the subsequent reporting years. The per capita spending on comparison goods varies from £2,843 in Zone 6 (East of Derby City Centre) to £4,214 in Zone 10 (Ashbourne). The total amount of comparison goods spending for residents of the whole of the catchment area in 2008 is shown in Spreadsheet 3, which calculates the overall 'pot' of money available in each zone, and the OCA, for the base year and subsequent reporting years. The figures in this spreadsheet are derived by applying the populations shown in Spreadsheet 1 to the expenditure data shown in Spreadsheet 2. Spreadsheet 3 shows that the total comparison expenditure available for the OCA in 2008 amounts to £2,880.0m, with £766.6m of this available in the 'inner' zones 1-9 (i.e. Derby City and surrounds). However an adjustment is made for the comparison goods spending which is 'lost' to special forms of trading (for example online, mail-order or TV shopping). These deductions are shown in Spreadsheet 3, and the deduction ensures that the available 'pot' of expenditure is reduced to £2,554.6m for the OCA, and £680.0m for the inner zones, in 2008.
- 4.14 Spreadsheet 4a then sets out the market shares, derived from the household survey, achieved by the various centres, stores and retail parks. The market shares component of the spreadsheet is split into two parts, firstly showing centres within the OCA which achieve a market share of spending from residents of the OCA, and secondly destinations outside the OCA, which reflect the extent to which expenditure is 'leaking' from the catchment. Spreadsheet 4a subsequently converts the spending patterns to absolute money flows (Spreadsheet 4a, Table 2), through the application of the percentage market share for each zone to the pot of money available to residents in each zone.
- 4.15 The total amount of catchment area residents' comparison expenditure which is retained by the centres and stores within the OCA is £1,987.0m (Spreadsheet 4a, Table 2). The overall retention rate for all city, town, district and local centres, retail parks and freestanding stores within the catchment area is therefore 77.8 per cent (£1,987.0m divided by the total pot of expenditure of £2,554.6m, x100). We consider this to be a reasonable retention rate, particularly given the influence of Nottingham, a higher-order retail destination, in such close proximity to the east of the OCA. Later in this section we discuss how this compares to earlier studies.
- 4.16 The remainder of the comparison expenditure of the OCA's residents flows to centres and stores located beyond the catchment. These flows are known as 'leakage', and

amount to approximately 22.2 per cent of the overall comparison goods expenditure available, equivalent to approximately £567.8m (total expenditure of £2,554.6m less the retained expenditure of £1,987.0m). The majority of these flows are to centres just outside the catchment area (chiefly, Nottingham, Loughborough and Chesterfield) although some flows to destinations further afield such as Birmingham and Sheffield/Meadowhall.

- 4.17 From Spreadsheet 4a we can also calculate the retention rate of the inner zones, which gives an indication of the extent to which Derby city centre is successfully attracting comparison spending from the more local catchment. Summing the total available pot of expenditure for residents of the inner zones (1-9) generates a total expenditure of £680.1m. If the sum of the row '*Sub-total for Zones 1 to 9 (Inner Zones)*' is calculated solely for zones 1 to 9, this identifies that £577.3m of the total expenditure is retained within the inner zones, equivalent to a retention rate of 84.9 per cent. Thus, from the inner zones, just 15.1 per cent is being 'leaked' to destinations outside these nine zones, suggesting that Derby is doing a largely successful job in retaining the expenditure available to support comparison retailing in the city.
- 4.18 The estimated comparison goods turnovers of the town centres located within the catchment area (not taking into account any allowance for any expenditure inflow from those who are resident beyond the OCA) are summarised in the penultimate column of Spreadsheet 4a, Table 2, and also summarised in Table 4.2 below. Spreadsheets 4b-4e present the estimated turnover for subsequent interval years. The centres/retail parks which are *italicised* in Table 4.2, are located within the OCA but outside the inner zones (i.e. the boundaries of zones 1 to 9):

Table 4.2 Comparison Goods Expenditure Retained within the Catchment Area

Towns Within the Catchment Area	Comparison Goods Turnover Drawn from Catchment Area Residents (£m)
Derby City Centre	637.4
<i>Burton upon Trent</i>	<i>364.1</i>
<i>Long Eaton</i>	<i>82.8</i>
<i>Ilkeston</i>	<i>70.1</i>
<i>Alfreton</i>	<i>47.0</i>
<i>Eastwood</i>	<i>47.0</i>
<i>Belper</i>	<i>40.9</i>
<i>Other centres, Zone 15 (West of Nottingham)</i>	<i>34.7</i>
<i>Beeston</i>	<i>34.7</i>
<i>Uttoxeter</i>	<i>34.5</i>
Retail Parks and Freestanding Stores within the Catchment Area	Comparison Goods Turnover Drawn from Catchment Area Residents (£m)
Kingsway Retail Park, Derby	85.5
Wyvern Centre, Derby	75.4
<i>Giltbrook Retail Park, Giltbrook, Nottingham</i>	<i>47.1</i>
B&Q Warehouse, Osmaston Park, Derby	28.6
Meteor Centre Retail Park, Derby	28.3

- 4.19 Table 4.2 affirms Derby city centre²³'s role as by some distance the most important comparison retail centre within the OCA, with an estimated turnover of £637.4m drawn from residents of the catchment, equivalent to 25.0 per cent of all comparison goods expenditure available within the OCA (£2,554.6m in 2008). Spreadsheet 4a shows that £360.1m of this is generated from within the inner zones. The second most significant comparison spend location within the OCA is Burton upon Trent, which has an estimated comparison turnover of £364.1m, equivalent to 14.3 per cent of the total available expenditure across the OCA. It is evident from Table 4.2 that these two centres dominate the comparison spending patterns of the OCA - for example, Derby City Centre attracts seven times more comparison goods expenditure as Long Eaton, which attracts the third highest amount of comparison spending in the OCA. Table 4.2 also affirms the popularity of the retail parks in Derby as a destination for comparison goods spending, with the Kingsway and Wyvern Retail Parks attracting £85.5m and £75.4m respectively from residents of the OCA, thus having a similar trade draw to centres such as Long Eaton and Ilkeston. Giltbrook Retail Park is likely to 'punch above its weight' given the presence of Ikea at this location. Nevertheless this retail

²³ Derby city centre includes Westfield and the Bradshaw Way Retail Park

park has recently been extended and thus will continue to be a popular destination from residents within the catchment.

- 4.20 As would be expected none of Derby's district centres command a turnover which is comparable to the centres listed in Table 4.2 due to their substantially more limited retail offer. Spreadsheet 4a shows that Spondon district centre attracts a surprisingly high £28.6m, followed by Sinfen at £7.7m. It is considered that in both of these cases the expenditure directed to the centre is inflated by the presence of the Asda superstores in these locations, which typically offer a broad range of comparison goods²⁴. The turnover of Allenton (£5.4m) and Mickleover (£5.0m) might be more reflective of a strong performing district centre in Derby.
- 4.21 The household survey results indicate that in 2008, some £567.8m of the comparison expenditure of the catchment area's residents currently flows to centres outside the OCA. Table 4.4 shows the principal destinations which attract this expenditure. As noted previously, Nottingham's proximity to the east of the OCA ensures that it attracts by far the largest share of 'beyond zones' spending, with £249.2m, equivalent to 9.8 per cent of the total available comparison goods expenditure within the OCA, diverted to Nottingham (city centre, and those retail parks in the city which do not fall within the OCA). Other 'beyond zones' destinations account for substantially less, with Loughborough (£52.0m), Chesterfield (£32.9m) and Leicester (including Fosse Park) (£28.1m) the only other centres to attract upwards of 1 per cent of the total available comparison goods expenditure. Whilst Nottingham attracts expenditure from each of the twenty survey zones to varying degrees (but particularly Zones 12 to 16), leakage to Loughborough and Chesterfield is largely restricted to the survey zones proximate to these centres, namely Zone 17 in the case of Loughborough, and Zone 11 (Matlock and surrounding villages) in the case of Chesterfield.

Table 4.3 Main Destinations for Comparison Goods Expenditure Leakage

Towns Outside the Catchment Area	Comparison Goods Expenditure Leakage (£m)
Nottingham	249.2
City Centre and retail parks outside the boundary of the OCA	
Loughborough	52.0
Chesterfield	32.9
Leicester	
City Centre, Retail Parks and Fosse Park	28.1
Sheffield	
City Centre, Retail Parks and Meadowhall	21.9
Mansfield	21.0
Birmingham City Centre	16.2
Sutton-in-Ashfield	13.7

²⁴ We acknowledge that the Asda Walmart at Spondon does not form part of the District Centre but is nevertheless considered likely to be the explanatory factor behind the high turnover figures.

Coalville	13.2
Tamworth	12.7

- 4.22 The 'Sub-total for Zones 1 to 9 (Inner Zones)'; 'Sub-total for Zones 10 to 20 (Outer Zones)' and 'Combined sub-total for OCA' rows in Spreadsheet 4a show the proportion, and then absolute amount, of comparison expenditure of the catchment area's residents which is retained in the inner zones; outer zones; and overall within the catchment. These are known as the 'retention rate' (for market shares) and the absolute 'retention' of expenditure (in monetary terms). It can be observed that the overall comparison retention rate varies considerably across the twenty zones which comprise the OCA. The inner zones (1-9) generally have a strong retention rate, confirming that there is a relatively low proportion of comparison expenditure 'leaking' from the Derby urban area to other nearby centres. Zone 1 (Derby City Centre) achieves the highest retention rate of all twenty zones, at 95.3 per cent. The lowest retention rate of the inner zones is Zone 2 (West of City Centre), which still achieves a strong retention rate of 88.3 per cent. As would be expected, the retention rate achieved by the OCA decreases for the outer zones, and this is reflected by significantly lower retention rates in Zone 17 (South Derbyshire, covering Melbourne / Castle Donington / Shepshed), which achieves a retention rate of 35.9 per cent, and Zone 15 (west of Nottingham), which achieves a retention rate of 49.7 per cent. In the former of these, the majority of expenditure is directed towards Loughborough (which attracts 33.9 per cent of the comparison goods spending from Zone 17), and in the latter, unsurprisingly, the principal comparison retail destination is Nottingham, which attracts 44.3 per cent of comparison expenditure from residents in Zone 15.
- 4.23 Nevertheless it is encouraging to note that three of the eleven outer zones achieve retention rates upwards of 90 per cent - Zone 10 (Ashbourne and rural hinterland); Zone 12 (Belper) and Zone 19 (Burton upon Trent).
- 4.24 The localised retention rate - which is the proportion of expenditure on comparison goods available to residents in a specific zone which is spent in town/district centres and stores within that zone - can be found by referring to Spreadsheet 4a, and matching the zone with the 'sub total' market share for that zone. Hence, for example, Derby city centre attracts 67.1 per cent of the market share from residents in its local zone, Zone 1. The highest localised retention rate is Burton upon Trent (Zone 19), at 73.0 per cent.

Comparison Goods Market Shares

Derby City Centre

- 4.25 Figure 4.2 presents a zonal analysis of Derby city centre's comparison goods market shares, based on the figures identified in Spreadsheet 4a (Table 1, row '*Sub-total Zone 1*'). These figures represent the market shares Derby city centre attracts from each of the 20 survey zones. The city centre secures a comparison goods market share in excess of 40 per cent in 10 of the 20 survey zones - all nine inner zones, which comprise the Derby urban areas, as well as Zone 10 (Ashbourne). These ten zones can thus be considered to represent Derby's primary catchment. Moreover, it can be noted from Spreadsheet 4a that the city centre market share exceeds 60 per cent in two of the ten zones - Zone 1 (City Centre) and Zone 3 (South West Derby) - and exceeds 50 per cent in a further three zones - Zone 2 (West of City Centre), Zone 6 (East of City Centre), and Zone 9 (North West Derby).
- 4.26 Derby city centre also achieves a market share of between 20 and 40 per cent from a further two zones, which can be considered to represent its secondary catchment: these are Zone 11 (Matlock) and Zone 12 (Belper). Therefore the catchment to the north and north-west of Derby can be considered to be the principal source of expenditure flow into the city centre, in addition to the inner zones. The city centre achieves a market share of between 10 and 20 per cent from a further five zones - Zone 13 (Alfreton), Zone 14 (Ilkeston), Zone 16 (Long Eaton), Zone 17 (South Derbyshire) and Zone 20 (Uttoxeter). In these centres it is likely that comparison goods spending is shared with a second higher-order centre, principally Nottingham (in the case of Zones 13, 14 and 16), Loughborough (Zone 17) and Burton on Trent (Zone 20).
- 4.27 Notably there are three zones where Derby city centre achieves under 10 per cent of the comparison goods market share - outer zones 15 (west of Nottingham), 18 (Swadlincote) and 19 (Burton upon Trent). These results are not altogether unexpected - the closer proximity to residents in Zone 15 to Nottingham (a higher order retail destination) than Derby explains the trend in this respect. Zone 19 is centred upon Burton upon Trent, and hence the low market share from this zone is again unsurprising, whilst residents in Zone 18 equally fall within the sphere of influence of Burton upon Trent.

Analysis of Derby city centre share of expenditure

- 4.28 The Donaldson's retail study (2000) undertook a similar methodology to that described above, and it is possible to compare the results of the survey with the trends noted above to establish whether there appears to have been any uplift in the comparison

goods retention rate. It should be noted that, because of differences in both the methodology, study area boundaries (as noted above), and differing number of survey zones (the Donaldson's study used 13 zones, whereas this study has used 20), direct comparisons should, however, be treated with caution. Nevertheless, as a trend-based comparison, it is considered a useful exercise.

- 4.29 Paragraph 4.23 of the Donaldson's study states that, '*The household survey results provide an indication of the proportion of average expenditure being drawn into the city centre...the Inner Area attracts around 60 to 70% of sales, whereas the draw from the Outer Area is markedly less at around 20%*'. The study provides all calculations split between five comparison goods sub-categories: clothing and footwear, furniture and carpets, electrical, DIY and 'luxury and recreation'. When the forecast expenditure flows for these categories are summed, the Donaldson's study calculates that in 2006, £284.3m²⁵ of the calculated total catchment of expenditure of £516.14m would be directed towards Derby city centre. This represents therefore 55.1 per cent of the total expenditure being spent in the city centre. By 2011, Donaldson's forecast that the total catchment expenditure to support comparison goods would increase to £637.06m, with £350.91m of this directed to Derby city centre. In common with this study, Donaldson's assumed market shares would remain unchanged between study intervals, and hence this also equates to 55.1 per cent of the total available comparison expenditure. These figures related solely to the 'Central Area' (zones 1 to 4), which can be considered to be broadly comparable to the 'inner zones' area utilised in this study.
- 4.30 Spreadsheet 4a shows that Derby city centre, in the base year of 2008, attracts £360.1m of the £680.1m total available 'pot' of comparison goods expenditure available to residents of the inner zones (1 to 9). This equates to 53.0 per cent of the total available comparison expenditure, and would indicate that the proportion of expenditure directed towards the city centre has in fact declined by approximately 2.1 per cent from the Donaldson's forecast. Spreadsheet 4b shows that in 2011 - therefore directly comparable with the reporting year in the Donaldson's study - Derby city centre attracts £398.2m of the overall £752.0m available from residents in zone 1-9. As market shares are again held constant, this again equates to 53.0 per cent of the total comparison expenditure available.
- 4.31 Evidently, given the improvements to the retail offer which have taken place in Derby since the Donaldson's study, it is surprising that there has not been uplift in the proportion of expenditure flowing to the city centre. However, it should be noted that, in

²⁵ The Donaldson's study added in a further 5 per cent 'inflow' into the catchment from outside the catchment boundaries. As our study has not allowed for any inflow, this 5 per cent has been stripped out in order to ensure consistency. Data source Donaldson's Retail Capacity Study, December 2000, Appendix 2 Table 6A

addition to the difficulties in comparing two studies using different methodology and inputs (for example population and expenditure growth rates, as well as, in some cases, assumptions on city centre share of expenditure), the 'bedding down' of retail shopping patterns within the catchment will take place within the next 12-18 months and it is likely that the level of retained expenditure will improve further. Furthermore it is encouraging to note that, when comparing the household survey results for the individual sub-sectors, certain sectors show a noteworthy improvement. This is particularly evident in the 'clothing and footwear' sub-category, one area which has particularly benefited from the recent additions to Derby's retail offer, where the retained expenditure figure of 64.3 per cent for the Inner Area in the Donaldson's study can be translated to an average market share for the nine inner zones in this study of 67.4 per cent. Similarly, if the retained expenditure figure for the 'luxury and recreation' sub-category of 58.1 per cent is compared with the average market share of 68.4 per cent for 'specialist' comparison goods in this study, there is evidence that Derby is beginning to improve its expenditure retention rates.

- 4.32 Whilst there remains scope for Derby to improve the proportion of retained comparison goods expenditure, particularly from the inner zones, in our view the trends described above can largely be explained by the different approaches to the study methodology between the two assessments. However we will be testing an 'uplift' in market share as part of this report.

Overlapping Comparison Goods Catchments

- 4.33 Figure 4.3 and Table 4.4 present an analysis of dominant centres, where the comparison goods market share exceeds 40 per cent, and centres of subsidiary influence, which are defined on the basis of having comparison goods market shares of between 10 per cent and 40 per cent. Figure 4.4 identifies the location of the principal retail parks, standalone DIY stores and trade counters within the Derby urban area.
- 4.34 Thus, Figure 4.2 and Table 4.4 reveal that:
- When taking into account the market share of retail parks, Derby city centre is the un-opposed dominant centre (i.e. with a market share upwards of 40 per cent and no centres of subsidiary influence) in five zones;
 - Derby city centre is the dominant centre in a further five zones, but in these zones it is completing with a centre which has subsidiary influence - significantly in four of the five zones the key competitor for the market share are the large out-of-centre

retail parks at Kingsway (subsidiary influence on Zones 2 and 4) and the Wyvern Centre (Zones 7 and 8);

- Nottingham is the unopposed dominant centre for residents in Zone 15; Burton upon Trent is the unopposed dominant centre for residents in Zone 19. Burton upon Trent also has a dominant market share for Zone 18, albeit with subsidiary influence from Swadlincote;
- Seven of the 20 zones have no dominant centre, and thus in these zones the competition for the market share is the most intense, as - evidenced by Table 4.4 - there are upwards of three centres for each zone which each attract a significant market share.

Table 4.4 Dominant Comparison Goods Centres and Centres of Subsidiary Influence

Zone	Dominant Centre (Market Share 40%+)	Centres of Subsidiary Influence (Market Share 10% to 39%)
1	Derby City Centre	-
2	Derby City Centre	Kingsway Retail Park, Derby
3	Derby City Centre	-
4	Derby City Centre	Kingsway Retail Park, Derby
5	Derby City Centre	-
6	Derby City Centre	-
7	Derby City Centre	Wyvern Centre, Derby
8	Derby City Centre	Wyvern Centre, Derby
9	Derby City Centre	-
10	Derby City Centre	Ashbourne
11	-	Derby City Centre, Matlock/Matlock Bath, Chesterfield
12	-	Derby City Centre, Belper, Ripley
13	-	Derby City Centre, Alfreton, Nottingham, Mansfield
14	-	Derby City Centre, Ilkeston, Nottingham
15	Nottingham	-
16	-	Derby City Centre, Long Eaton, Nottingham
17	-	Derby City Centre, Loughborough, Leicester
18	Burton upon Trent	Swadlincote
19	Burton upon Trent	-
20	-	Derby City Centre, Burton upon Trent, Uttoxeter, Other centres outside catchment

Comparison Goods Sub-Sectors

4.35 The analysis we have set out above relates to the composite market shares. However it is also useful to consider shopping patterns in relation to the five individual comparison goods sub-sectors, namely:

- clothes and shoes;
- furniture, carpets and soft furnishings;
- DIY and decorating goods;
- audio-visual and domestic appliances; and
- specialist items such as china, glass, books, jewellery, photographic goods, musical instruments and sports equipment.

4.36 We set out these in turn below. For each sub-sector we rank the three locations with the highest market shares from each of the twenty survey zones

Clothes and Shoes

- 4.37 Clothes and shoes is a critically important comparison sub-sector in terms of the success or otherwise of a town centre: analysis of shopping patterns in this sub-sector is, therefore, of considerable utility. Table 4.5 shows that, positively, Derby city centre achieves the highest clothes and shoes market share for all of the inner survey zones, and four of the eleven outer zones, and, catchment-wide, achieves a 33 per cent market share (over double that of second-placed Burton upon Trent). The highest market share is from Zone 3, followed by Zone 1 (Derby City Centre), from which the city centre achieves almost a 75 per cent market share. Whilst this is a strong market share, it is considered there is some potential for improvement in this respect. For example, Burton on Trent achieves a market share of 68 per cent from its 'host' zone, Zone 19, despite the retail offer in Burton being decidedly more limited. The lowest market share which the city centre receives from any of the inner zones is 56.4 per cent from Zone 7 (East Derby). Table 4.5 indicates that Spondon itself has a market share of 15.6 per cent from this zone, enough to rank 2nd behind the city centre²⁶.
- 4.38 It is evident from Table 4.5 that there are three principal alternative destinations to Derby city centre which attract a substantial market share for clothing and shoes. These are Burton upon Trent, Nottingham City Centre (which accounts for either the second or third highest market shares in six of the nine inner zones), and the out-of-centre retail parks and stores in Derby (most notably Spondon, where there is a large Asda store in an out-of-centre location divorced from the district centre) and Sinfin, (where an Asda store forms the anchor store to the district centre).
- 4.39 As would be expected in the outer zones, zones 10 to 20, the market shares patterns become more fragmented, although again it is encouraging to note that, in addition to the four outer zones for which Derby has the strongest market share, the city centre features in the top three destinations in a further five zones. Thus, there are only two zones - Zones 13 (Alfreton) and 15 (west of Nottingham) - in which Derby city centre does not form one of the top three destinations for clothing and shoes. Zone 15's principal destination is, unsurprisingly, Nottingham, which attracts a market share of 35.2 per cent, followed by Ilkeston town centre, and Beeston in third place. Table 4.5 also indicates the attractiveness of Burton upon Trent as a comparison shopping destination for the east Staffordshire / south Derbyshire hinterland.

²⁶ It is likely that in Zone 7 the majority of the spending in Spondon is directed towards the large Asda store, which has a strong non-food offer, including clothing and footwear.

Table 4.5 Clothes and shoes sub-sector - Market shares of centres by zone

Zone No	Highest market share ²⁷		Second highest market share		Third highest market share	
	Centre	MS%	Centre	MS%	Centre	MS%
1	Derby CC	74.7	Burton upon Trent	6.0	Spondon	6.0
2	Derby CC	68.9	Nottingham CC	5.3	Burton upon Trent	5.2
3	Derby CC	77.0	Burton upon Trent	3.7	Other-outside c'ment	2.8
4	Derby CC	64.6	Kingsway Retail Park	5.6	Other-outside c'ment	4.9
5	Derby CC	66.6	Sinfin	8.1	Nottingham CC	4.1
6	Derby CC	73.6	Spondon	7.0	Nottingham CC	3.3
7	Derby CC	56.4	Spondon	15.6	Nottingham CC	4.0
8	Derby CC	60.0	Spondon	7.3	Nottingham CC	5.6
9	Derby CC	64.4	Nottingham CC	3.8	Burton upon Trent	3.5
10	Derby CC	44.4	Ashbourne	36.3	Other-outside c'ment	9.8
11	Derby CC	27.2	Chesterfield	24.0	Matlock	8.2
12	Derby CC	47.1	Belper	9.3	Ripley	9.3
13	Alfreton	24.2	Mansfield	15.4	Nottingham CC	15.1
14	Ilkeston	25.7	Nottingham CC	22.2	Derby CC	21.9
15	Nottingham CC	43.2	Ilkeston	6.8	Beeston	6.7
16	Long Eaton	28.6	Nottingham CC	26.3	Derby CC	25.8
17	Derby CC	19.0	Loughborough	18.4	Leicester Fosse Pk	12.3
18	Burton upon Trent	54.2	Swadlincote	11.8	Derby CC	8.2
19	Burton upon Trent	68.0	Derby CC	16.4	Nottingham CC	2.7
20	Burton upon Trent	40.8	Derby CC	23.8	Uttoxeter	13.3
Total	Derby CC	33.0	Burton upon Trent	14.3	Nottingham CC	11.4

Furniture, Carpets and Soft Furnishings

4.40 Derby city centre achieves the highest overall market share for expenditure on furniture, carpets and soft household furnishings across the catchment, at 17.3 per cent, followed by Burton upon Trent (11.8 per cent) and Nottingham city centre (10.4 per cent) (Table 4.6). Once again Derby city centre achieves the highest market share for expenditure on these items in all of the inner zones, as well as Zones 10 and 12. It is evident that the out-of-centre retail offer in respect of this sub-sector is strong in Derby, with the Kingsway Retail Park attracting the second highest market share for three of the inner zones, and the third highest market share for a further three of the inner zones, and the Wyvern Retail Park attracting the second highest market share in two zones, and third highest market share in a further two zones. It is not unusual for a

²⁷ In cases where more than one centre is listed, the listed centres have equal market shares (denoted where appropriate with a *)

large town or city centre to perform well in this category as department stores score highly in terms of soft furnishings and to some degree furniture. Retail parks tend to do well for furniture and carpets but less well on soft furnishings.

- 4.41 Once again Burton upon Trent attracts the highest market shares from the three southern zones (18, 19 and 20), and Nottingham City Centre attracts a top three market share from nine of the twenty survey zones - although interestingly only achieves the highest market share from one zone (Zone 15). This, together with the large number of destinations listed as the principal destinations for expenditure in the outer zones, affirms that the local offer in the catchment area appears relatively strong, and hence residents do not need to travel great distances to purchase such goods.

Table 4.6 Furniture, Carpets and Soft Furnishings - Market shares of centres by zone

Zone No	Highest market share		Second highest market share		Third highest market share	
	Centre	MS%	Centre	MS%	Centre	MS%
1	Derby CC	56.8	Nottingham CC	11.6	Kingsway RP / Giltbrook RP*	7.0
2	Derby CC	37.8	Nottingham CC	9.5	Kingsway RP	8.3
3	Derby CC	41.7	Kingsway RP	11.5	Ascot Drive, Derby	6.9
4	Derby CC	41.4	Mickleover	12.2	Kingsway RP	10.8
5	Derby CC	33.1	Kingsway RP	13.8	Giltbrook RP / Wyvern RP*	7.5
6	Derby CC	41.9	Meteor Centre RP	11.9	Spondon / Wyvern RP	4.4
7	Derby CC	29.7	Wyvern RP	11.0	Meteor RP	6.6
8	Derby CC	34.7	Wyvern RP	13.6	Meteor RP	9.0
9	Derby CC	42.9	Kingsway RP	7.7	Nottingham CC	6.7
10	Derby CC	34.8	Ashbourne	28.5	Nottingham CC	6.4
11	Matlock	18.6	Derby CC	13.0	Chesterfield	12.6
12	Derby CC	15.4	Belper	12.4	Ripley	11.8
13	Alfreton	20.2	Nottingham CC	17.0	Derby CC	8.1
14	Ilkeston	26.3	Nottingham CC	11.7	Derby CC	10.6
15	Nottingham CC	35.2	Ilkeston	12.8	Giltbrook RP	8.6
16	Long Eaton	36.5	Nottingham CC	18.5	Derby CC	12.3
17	Loughborough	31.3	Derby CC	7.4	Coalville	6.9
18	Burton upon Trent	42.7	Swadlincote	10.2	Ashby de la Zouch	5.9
19	Burton upon Trent	60.1	Derby CC	10.9	Nottingham CC	3.5
20	Burton upon Trent	35.4	Uttoxeter	17.4	Derby CC	12.1
Total	Derby CC	17.3	Burton upon Trent	11.8	Nottingham CC	10.4

DIY and Decorating Goods

- 4.42 The DIY and decorating goods sub-sector is the one sub-sector in which Derby city centre does not achieve the highest market share from any of the twenty survey zones. Whilst to an extent this reflects the nature of the goods sold - which are often from large out-of-centre standalone DIY stores, it is worthy of note that Burton upon Trent town centre achieves the highest market share from two of the survey zones.
- 4.43 It is evident from Table 4.7 that the highest market shares in this sub-sector are largely being achieved by the retail parks and freestanding DIY stores within the Derby urban area. This is evidenced by the Kingsway Retail Park, which is anchored by a Homebase store, achieving the highest market share from four of the nine inner zones, and the Meteor Centre, anchored by a Focus store, achieving the highest market share from Zone 8. The standalone B&Q store at Osmaston Park accounts for the highest market share in two of the survey zones, and features in the top three destinations in eight of the nine inner zones overall. The smaller B&Q store at Spondon achieves the highest market share from zones 6 and 7. However not all of the market shares in this sub-category are diverted out-of-centre, and we note that Derby city centre attracts the second highest market share from five of the nine inner survey zones, and the third highest market share from a further two inner zones. Possibly reflecting the strength of the out-of-centre offer to the east of Derby, the city centre does not attract a significant market share on DIY goods spending from residents in Zones 7 and 8.
- 4.44 Elsewhere in the catchment area it is apparent that the market shares for DIY and decorating goods are distributed between a large number of centres and stores, with little pattern in the market shares apparent from the outer zones. Indeed the strength of the local offer can be demonstrated by the fact that Derby city centre does not feature in the top three destinations in any of the outer zones bar zone 10, with the Kingsway Retail Park attracting the third highest level of spending from Zones 10 and 20. Whilst there may be some limited potential for the city centre to improve its market share in this respect, the nature of the products sold is again something many customers might be reluctant to travel long distances to obtain, and furthermore local provision appears to be strong. The more fragmented nature of the market shares for this sub-sector is demonstrated by the fact that the B&Q store in Eastwood, Nottingham, attracts the greatest overall market share from the catchment at a relatively low 8.5 per cent, followed by the B&Q Warehouse at Osmaston Park, Derby, and the Kingsway Retail Park.

Table 4.7 DIY and decorating goods sub-sector - Market shares of centres by zone

Zone No	Highest market share		Second highest market share		Third highest market share	
	Centre	MS%	Centre	MS%	Centre	MS%
1	Kingsway RP	26.9	Derby CC	26.9	B&Q, Osmaston Park	21.4
2	Kingsway RP	46.1	B&Q, Osmaston Park	19.9	Derby CC	15.5
3	B&Q, Osmaston Park	33.4	Derby CC	23.8	Kingsway RP	18.7
4	Kingsway RP	56.6	B&Q, Osmaston Park	23.4	Derby CC	7.1
5	B&Q, Osmaston Park	37.9	Derby CC	14.7	Ascot Drive, Derby	11.4
6	B&Q, Spondon	35.7	Derby CC	13.4	B&Q, Osmaston Park	12.6
7	B&Q, Spondon	31.2	B&Q, Osmaston Park	20.9	Wyvern RP	13.5
8	Meteor Centre RP	21.6	B&Q, Spondon	21.4	Wyvern RP	17.9
9	Kingsway RP	27.5	Derby CC	21.0	B&Q, Osmaston Park	18.5
10	Ashbourne	46.0	Derby CC	13.9	Kingsway RP	12.3
11	Chesterfield	30.4	Focus, Belper	19.5	Matlock	10.4
12	Focus, Belper	33.6	B&Q, Somercotes	18.1	B&Q, Eastwood	8.2
13	B&Q, Somercotes	35.2	Sutton in Ashfield	13.7	B&Q, Eastwood	11.3
14	B&Q, Eastwood	34.8	Ilkeston	26.0	Ilkeston, Waterside RP	7.6
15	B&Q, Eastwood	35.0	Nottingham CC	13.3	Beeston, Chilwell RP	9.7
16	Long Eaton	20.1	B&Q, Spondon	15.9	Focus, Long Eaton	13.4
17	Loughborough	31.8	B&Q, Loughborough	15.3	Coalville	10.4
18	Burton upon Trent	24.3	Focus, Burton	22.5	B&Q, Burton	18.1
19	Burton upon Trent	37.9	B&Q, Burton	18.2	Focus, Burton	12.6
20	Uttoxeter	24.8	Burton upon Trent	17.8	Kingsway RP	11.1
Total	B&Q, Eastwood	8.5	B&Q, Osmaston Park	8.0	Kingsway RP	7.9

Domestic Appliances

- 4.45 Table 4.8 shows that Derby city centre achieves the highest market share for expenditure on domestic appliances from inner zones 1, 2, 3, 6 and 9, and outer zone 10. Across the catchment the city centre accounts for 14.9 per cent of the aggregate available expenditure available, slightly ahead of Burton upon Trent (11.1 per cent) and the Kingsway Retail Park (11.0 per cent). Again it is evident that for the inner zones from the table that the principal competition for market shares comes from

Derby's out-of-centre retail parks, which can be considered to perform strongly in this sub-category. Kingsway Retail Park, which includes Comet and Currys stores, accounts for the highest market share in two of the nine inner zones, and the Wyvern Retail Park, which includes a second Currys store, accounts for the highest market share in Zones 7 and 8. Both parks also feature prominently as the second and third highest spending destinations in many of the remaining inner zones. It is notable that both the city centre and retail parks draw in spending on domestic appliances from the outer zones, with Derby city centre achieving the third highest market share from outer zones 12, 13, 19 and 20. Nottingham does not feature prominently in the market shares for this sub-sector, attracting a top three market share only from zones 15, 16 and 17.

Table 4.8 Domestic appliances sub-sector - Market shares of centres by zone

Zone No	Highest market share		Second highest market share		Third highest market share	
	Centre	MS%	Centre	MS%	Centre	MS%
1	Derby CC	41.9	Kingsway RP	28.5	Wyvern RP	18.5
2	Derby CC	41.0	Kingsway RP	39.6	Wyvern RP	7.4
3	Derby CC	45.3	Kingsway RP	31.5	Sinfin / Wyvern RP*	4.5
4	Kingsway RP	53.1	Derby CC	25.1	Wyvern RP	4.7
5	Kingsway RP	25.7	Wyvern RP	25.6	Derby CC	23.5
6	Derby CC	34.8	Wyvern RP	27.0	Spondon	12.0
7	Wyvern RP	41.3	Derby CC	19.4	Spondon	12.5
8	Wyvern RP	38.3	Derby CC	17.4	Kingsway RP	11.8
9	Derby CC	35.5	Kingsway RP	27.9	Wyvern RP	10.4
10	Derby CC	34.5	Ashbourne	30.6	Kingsway RP	12.4
11	Wirksworth	30.5	Chesterfield	17.6	Matlock	12.4
12	Ripley	18.0	Kingsway RP	15.8	Derby CC	13.8
13	Alfreton	30.5	Mansfield	18.5	Derby CC	8.9
14	Ilkeston	18.6	Heanor	16.0	Wyvern RP	11.9
15	Nottingham CC	28.8	Nottingham retail parks	13.1	Beeston	6.9
16	Long Eaton	29.5	Wyvern RP	23.2	Nottingham CC	14.9
17	Loughborough	37.7	Nottingham CC	9.6	Melbourne	9.1
18	Burton upon Trent	37.5	Swadlincote	24.5	Ashby de la Zouch	7.9
19	Burton upon Trent	62.6	Kingsway RP	11.6	Derby CC	8.4
20	Burton upon Trent	30.9	Uttoxeter	21.3	Derby CC	12.4
Total	Derby CC	14.9	Burton upon Trent	11.1	Kingsway RP	11.0

Specialist Comparison Items

- 4.46 The final comparison goods sub-sector relates to other non-food items such as china, glass, books, jewellery, photographic goods, musical instruments and sports equipment. Table 4.9 shows that Derby city centre achieves a catchment-wide market share of 31.1 per cent, significantly ahead of Burton upon Trent (14.6 per cent) and Nottingham city centre (11.0 per cent). Derby city centre achieves the highest market share for expenditure on specialist goods from a total of 13 of the 20 zones in the OCA, including all nine inner zones (including a noteworthy market share of 85.6 per cent from Zone 1), and the second highest market share from a further five zones. Derby's main competition for market shares in this sub-category is again the retail parks - particularly the Wyvern Retail Park, which includes a number of specialist retailers such as Toys R Us, Halfords and Mothercare. As is the case with all the sub-sectors, the outer zones exhibit more localised shopping patterns to a large extent, with Burton upon Trent achieving the highest market share by some distance in Zones 18, 19 and 20.

Table 4.9 Specialist comparison items - Market shares of centres by zone

Zone No	Highest market share		Second highest market share		Third highest market share	
	Centre	MS%	Centre	MS%	Centre	MS%
1	Derby CC	85.6	Wyvern RP	8.1	Mansfield / Kingsway RP*	3.1
2	Derby CC	65.4	Kingsway RP	5.5	Other - outside c'ment	5.5
3	Derby CC	79.5	Normanton Road	5.6	Kingsway RP / London / Other-outside c'ment*	3.8
4	Derby CC	61.1	Wyvern RP	6.0	Kingsway RP	4.7
5	Derby CC	61.1	Wyvern RP	8.1	Burton upon Trent	6.1
6	Derby CC	69.9	Spondon	7.1	Chaddesden / Nottingham CC / Wyvern RP / Other (outside c'm)*	3.2
7	Derby CC	66.3	Wyvern RP	11.8	Meteor RP / Long Eaton / Spondon*	2.9
8	Derby CC	64.2	Nottingham CC	8.2	Wyvern RP	4.8
9	Derby CC	62.5	Nottingham CC	5.0	Belper / Pride Park*	4.5
10	Derby CC	54.6	Ashbourne	29.0	Other - outside c'ment	6.3
11	Derby CC	32.7	Chesterfield	23.5	Matlock	8.0
12	Derby CC	39.2	Ripley	13.3	Belper	8.1
13	Alfreton	27.3	Derby CC	19.8	Nottingham CC	16.3
14	Derby CC	26.1	Nottingham CC	17.5	Ilkeston	15.5
15	Nottingham CC	50.2	Giltbrook RP	8.4	Long Eaton	7.0
16	Long Eaton	38.0	Derby CC	25.7	Nottingham CC	15.7
17	Loughborough	38.8	Derby CC	15.9	Other - outside c'ment	9.5
18	Burton upon Trent	66.2	Swadlincote	12.3	Tamworth	5.4
19	Burton upon Trent	74.7	Derby CC	7.4	Birmingham CC	4.2
20	Burton upon Trent	37.7	Derby CC	16.2	Uttoxeter	13.7
Total	Derby CC	31.1	Burton upon Trent	14.6	Nottingham CC	11.0

Convenience Goods Spending Patterns

- 4.47 Spreadsheet 2 sets out the 'goods based' per capita convenience expenditure - which varies across the twenty survey zones - for the base year of 2008, and for each of the subsequent reporting years. The per capita spending on convenience goods varies from £1,468 in Zone 6 (East of Derby City Centre) to £1,969 in Zone 10 (Ashbourne). The total amount of comparison goods spending for residents of the whole of the catchment area in 2008 is shown in Spreadsheet 3, which calculates the overall 'pot' of money available in each zone, and the OCA, for the base year and subsequent reporting years. However, given that convenience shopping patterns are inherently a more localised activity than comparison shopping, our focus in discussing the spending patterns of residents of the OCA is on those of the inner zones (i.e., zones 1 to 9, equivalent to the Derby urban area).

- 4.48 The figures in Spreadsheet 3 are derived by applying the populations shown in Spreadsheet 1 to the expenditure data shown in Spreadsheet 2. As with the comparison expenditure, a discount is applied for special forms of trading. Taking these deductions into account, Spreadsheet 3 shows that in 2008 the available expenditure for convenience shopping amounts to £1,327.0m for the OCA, of which £359.0m is available within the inner zones. The pattern of expenditure flows for the convenience goods sector as a whole, as revealed by the survey of households, is subsequently set out in Spreadsheet 6a. The market shares component of the spreadsheet is split into two parts, firstly showing centres within the OCA which achieve a market share of spending from residents of the OCA, and secondly destinations outside the OCA, which reflect the extent to which expenditure is 'leaking' from the catchment. Spreadsheet 6a subsequently converts the spending patterns to absolute money flows (Spreadsheet 6a, Table 2), through the application of the percentage market share for each zone to the pot of money available to residents in each zone.
- 4.49 The total amount of catchment area residents' comparison expenditure which is retained by the centres and stores within the OCA is £1,245.7m (Spreadsheet 6a, Table 2) The overall convenience sector retention rate is approximately 93.9 per cent (£1,245.7m divided by £1,327.0m, x100) - this can be considered to be a healthy level of retention and evidence the existing offer within the OCA is strong. The remainder of the convenience expenditure of the catchment area's residents flows to stores beyond the catchment; this leakage accounts for approximately 6.1 per cent of the overall convenience expenditure, or £81.3m (£1,327.0m total, less the retained expenditure of £1,245.7m). There is therefore very little leakage of convenience goods expenditure from the OCA to centres further afield
- 4.50 The estimated convenience goods turnovers of the foodstores located within the catchment (not making any allowance for any 'inflow' of expenditure from beyond the catchment area), are set out in the penultimate column of Spreadsheets 6a-6e. The final column details the spending patterns for the residents of the inner zones, i.e. the Derby urban area. Table 4.10 summarises the principal foodstore destinations in the OCA (stores outside the inner zones are italicised)²⁸.

²⁸ Table 4.10 shows all large foodstores (i.e. operated by one of the four main supermarket chains of Asda, Morrisons, Sainsbury's or Tesco) which derive a turnover from the OCA. Excludes 'Express' format stores.

Table 4.10 Convenience Goods Expenditure Retained within the Catchment Area

Foodstores Within the Overall Catchment Area	Convenience Goods Turnover Drawn from Catchment Area Residents (£m)
Asda Wal-Mart Supercentre, Derby Road, Spondon, Derby	77.6
Morrisons, Sir Frank Whittle Road, Derby	56.3
Asda, Sinfen District Centre, Sinfen, Derby	48.9
<i>Asda, Midland Street, Nottingham Road, Long Eaton</i>	<i>46.4</i>
Sainsbury's, Kingsway Retail Park, Kingsway, Derby	43.6
Tesco, 2 Kipling Drive, Mickleover	42.1
Sainsbury's, Wyvern Way, Chaddesden, Derby	35.6
<i>Morrisons, Chapel Street, Belper</i>	<i>33.2</i>
<i>Tesco, Hall Street, Alfreton</i>	<i>32.4</i>
<i>Morrisons, Wellington Road, Burton-upon-Trent</i>	<i>31.3</i>
<i>Morrisons, Derby Road, Eastwood</i>	<i>30.4</i>
<i>Sainsbury's, Main Street, Kimberley, Nottingham</i>	<i>28.7</i>
<i>Tesco, Nottingham Road, Ashby-de-la-Zouch</i>	<i>28.2</i>
<i>Tesco Extra, Swiney Way, Toton</i>	<i>28.1</i>
<i>Tesco, Chalons Way, Rutland Street, Ilkeston</i>	<i>28.0</i>
<i>Sainsbury's, Civic Way, Swadlincote</i>	<i>27.1</i>
<i>Tesco Metro, High Street, Heanor</i>	<i>25.6</i>
<i>Tesco, Bond End Wharf, St Peters Bridge, Burton-upon-Trent</i>	<i>25.5</i>
<i>Sainsbury's, Nottingham Road, Ripley</i>	<i>25.3</i>
<i>Morrisons, Coppice Side, Swadlincote</i>	<i>23.9</i>
<i>Sainsbury's, Union Street, Burton-upon-Trent</i>	<i>23.9</i>
<i>Tesco Extra, Waverley Street, Long Eaton</i>	<i>20.9</i>
<i>Sainsbury's, Coopers Mill, Compton, Ashbourne</i>	<i>20.0</i>
Sainsbury's, 2-6 Cope Castle Square, Eagle Centre, Derby	18.7
Sainsbury's, Osmaston Park Road, Osmaston Park, Derby	17.4
<i>Asda, Octagon Centre, Orchard Street, Burton-upon-Trent</i>	<i>16.3</i>
<i>Sainsbury's, Cawdor Way, Matlock</i>	<i>13.8</i>
<i>Tesco, Brookside Road, Uttoxeter</i>	<i>11.6</i>
<i>Tesco, Town Meadows Way, Uttoxeter</i>	<i>10.7</i>

4.51 These 29 stores collectively account for £871.5m of the total 'pot' of convenience goods expenditure of £1,327.0m, equivalent to 65.7 per cent of the aggregate convenience goods expenditure of the catchment area's residents. This reflects to a large extent the polarisation trend experienced in the convenience goods sector, whereby there has been continued growth in the aggregate market share of the top four operators - Tesco, Asda, J Sainsbury and Wm Morrison - at the expense of smaller supermarket operators and independent retailers.

4.52 The main leakage destinations for convenience goods expenditure, again as shown in the penultimate column of Spreadsheets 6a-6e, are set out in Table 4.11:

Table 4.11 Main Destinations for Convenience Goods Expenditure Leakage

Stores Outside the Study Area	Convenience Goods Expenditure Leakage (£m)
Morrisons, Whitwick Road, Coalville	13.6
Sainsbury's, Stoney Street, Beeston	11.1
Asda, Priestsic Road, Sutton-in-Ashfield	5.2
Morrisons, Sutton Road, Mansfield	4.7
Morrisons, Chatsworth Road, Chesterfield	3.8
Morrisons, Gorse Covert Centre, Loughborough	3.5
Tesco, Park Road, Loughborough	3.1
Sainsbury's, Greenclose Lane, Loughborough	2.5
Other stores and centres outside OCA	33.9

4.53 The catchment area's retention level by zone is shown in the row '*Combined Sub-total for OCA*' in Spreadsheet 6a. It can be noted that each of the nine inner survey zones each achieve a retention rate of 99.0 per cent or higher, meaning that from these zones there is very little convenience expenditure leaking outside the catchment.

4.54 The 'localised' convenience goods retention rate - which is the proportion of expenditure on convenience goods available to residents in a specific zone which is spent in stores/town centres located within that zone - is shown in Table 4.12. It is apparent there is some variation in the localised retention rates between the inner zones. Zone 5 (South Derby) achieves the highest 'localised' convenience goods retention rate of 65.7 per cent.

Table 4.12 Localised Convenience Goods Retention Levels

Zones	Area	Localised Convenience Goods Retention Rate (%)
1	Derby City Centre	37.0
2	West of City Centre	42.1
3	South West Derby	6.0
4	West Derby	58.6
5	South Derby	65.7
6	East of City Centre	20.8
7	East Derby	59.8
8	North East Derby	42.1
9	North West Derby	21.1

4.55 In those areas as noted above where the localised retention rate is low, it is important to note the locations to which expenditure is flowing. This is shown in Table 4.13 below, which shows the top three composite convenience shopping destinations for each of the nine survey zones. Thus, it can be seen that for residents in Zone 3, the most popular destinations for convenience shopping are the Asda in Sinfin, Sainsbury's at Osmaston Park, and the Pak Foods store at the Normanton Road District Centre. As all these three principal destinations (which together account for

52.0 per cent of the spending of residents in Zone 3) are all outside the boundaries of the survey zone, the localised retention rate is thus low.

- 4.56 Whilst there may be scope for some improvement to the offer in the zones with notably low localised retention rates, the patterns are not overly surprising, as within an urban area spending patterns evidently do not follow the zonal boundaries, and, particularly for 'main' food shopping trips, residents are likely to travel to large-footprint stores within the urban area, whilst using local facilities (substantially more likely to be in the local zone) for their 'top up' shopping trips.

Table 4.13 Convenience goods - Market shares of centres by zone

Highest market share			Second highest market share		Third highest market share	
Zone No	Centre	MS%	Centre	MS%	Centre	MS%
1	Sainsbury's, Westfield	27.0	Morrisons, Derby	13.4	Sainsbury's, Kingsway	11.9
2	Sainsbury's, Kingsway	27.6	Asda, Sinfin DC	10.5	Sainsbury's, Westfield	10.2
3	Asda, Sinfin DC	30.1	Sainsbury's, Osmaston Park	14.5	Pak Foods, Normanton	7.4
4	Tesco, Mickleover	51.9	Sainsbury's, Kingsway	16.5	Mickleover DC	3.9
5	Asda, Sinfin DC	45.6	Asda, Spondon	11.8	Sainsbury's, Osmaston Park	7.1
6	Asda, Spondon	36.3	Morrisons, Derby	11.0	Sainsbury's, Osmaston Park	7.7
7	Asda, Spondon	46.6	Sainbury's, Wyvern RP	11.0	Aldi, Chaddesden / Iceland, Alvaston*	3.3
8	Morrisons, Derby	30.9	Asda, Spondon	29.1	Sainsbury's, Wyvern RP	14.0
9	Morrisons, Derby	21.0	Sainsbury's, Kingsway	20.8	Tesco, Mickleover	9.4

Convenience Goods Market Shares

- 4.57 As discussed above, Table 4.13 shows the stores which attract the greatest proportion of the market shares from residents in each of the nine inner survey zones. In Table 4.14, we present a detailed analysis of the convenience goods market shares, which shows dominant stores with a market share of over 30 per cent, and stores with market shares between 10 and 30 per cent, which have a subsidiary influence. Figure 4.5 maps the locations of the major foodstores in the Derby urban area.

Table 4.14 Market Shares for Convenience Goods Dominant Stores and Stores with Subsidiary Influence

Zone	Dominant Stores (Market Share of 30%+)	Subsidiary Stores (Market Share 10 to 30%)
1	-	Sainsbury's, Westfield Sainsbury's, Kingsway RP Asda, Spondon Morrisons, Sir Frank Whittle Way
2	-	Sainsbury's, Westfield Sainsbury's, Kingsway RP Asda, Sinfen
3	Asda, Sinfen	Sainsbury's, Osmaston Park
4	Tesco, Mickleover	Sainsbury's, Kingsway RP
5	Asda, Sinfen	Asda, Spondon
6	Asda, Spondon	Morrisons, Sir Frank Whittle Way
7	Asda, Spondon	Sainsbury's, Wyvern RP
8	Morrisons, Sir Frank Whittle Way	Sainsbury's, Wyvern RP Asda, Spondon
9	-	Sainsbury's, Kingsway RP Morrisons, Sir Frank Whittle Way

4.58 Our analysis of the information in Table 4.14 shows that:

- i) 3 of the 9 inner survey zones lack a dominant store which attracts a market share of over 30 per cent. Of the remaining six zones, there is no more than one dominant store in each zone;
- ii) In the majority of cases residents in each zone have a choice of large foodstore destinations. However in Zone 5 the market shares are dominated by one operator (Asda);
- iii) Residents in Zone 1 (Derby City Centre) have the greatest choice, with a total of four stores achieving a market share of between 10 and 30 per cent. However it is worth noting that only one of these stores - Sainsbury's at Westfield - is actually located in Derby City Centre;
- iv) The highest individual zonal market shares are enjoyed by:
 - Tesco at Mickleover, Derby, which attracts a 51.9 per cent market share from residents in Zone 4;
 - Asda at Spondon, which attracts a 46.6 per cent market share from residents in Zone 7; and a 36.3 per cent market share from residents in Zone 6; and
 - Asda at Sinfen, which attracts a 45.6 per cent market share from residents in Zone 5.

- 4.59 The survey findings confirm that, to a large extent, convenience shopping is undertaken on a localised basis. Indeed Spreadsheet 6a and Table 4.14 shows that only four stores within the catchment area have market shares of over 10 per cent in three or more zones - these are Asda, Spondon; Morrisons, Sir Frank Whittle Way, Derby; Asda, Sinfin; and Sainsbury's at the Kingsway Retail Park.
- 4.60 Thus, Spreadsheet 6a confirms the position for the eight superstores within the Derby urban area (zones 1 to 9), as identified in Table 4.10 - so far as their source of convenience turnover is concerned - as follows:
- The Asda Walmart store at Spondon has the largest overall market share at 6.3 per cent, and has a wide trade draw, attracting a market share upwards of 10 per cent from five zones (Zones 1, 5, 6, 7 and 8);
 - The Morrisons at Sir Frank Whittle Road, to the north east of Derby; is the second most popular destination for residents of the OCA and again draws trade from a wide area, including obtaining a 12.9 per cent market share from residents in Zone 12 (Belper);
 - The Asda at Sinfin draws the majority of its trade from two zones - Zones 3 and 5, but attracts a market share from a total of 15 of the 20 survey zones;
 - Sainsbury's at Kingsway Retail Park is a popular destination for residents across Derby, with a market share of 15 per cent or more from three zones (2, 4 and 9);
 - Tesco at Mickleover attracts 51.9 per cent of the market share from residents in Zone 4 but relatively little from further afield;
 - Sainsbury's at Chaddesden has a catchment which is predominantly comprised of residents from Zones 7 and 8;
 - Sainsbury's at Westfield (formerly the Eagle Centre) attracts a market share from 13 of the 20 survey zones, due to its central position in Derby city centre. The market share is highest for its local zone, Zone 1, which, given the lack of alternative supermarkets in the city centre, might have been expected to be higher; and
 - Sainsbury's at Osmaston Park Road, Derby, also attracts a surprisingly low overall market share. Although the store attracts a market share from eight of the survey zones, its highest market share (14.4 per cent, Zone 3) is just over half that of the Asda store at Sinfin. Its poor performance could be due to the proximity of the Asda store which is in the same survey zone.

Summary

Comparison

- 4.61 Overall the Catchment area retains 77.8 per cent of the total expenditure available for comparison goods. Only 22 per cent of available expenditure is leaking to centres such as Nottingham, Loughborough and Chesterfield.
- 4.62 Of the total expenditure available within zones 1-9, 84.9 per cent is retained by shops and centres within these zones. This is a healthy retention rate. This is also reflected by the individual zone retention rate with Zone 1 at 95.3 per cent, demonstrating that there is a relatively low proportion of expenditure leaking from the Derby urban area to other nearby centres.
- 4.63 Within the catchment area Derby City Centre is the most important centre, attracting 25 per cent of all available expenditure with zones 1-20. This is also reflected by Derby city centre achieving a market share of over 40 per cent in 10 of the 20 zones. With regard to the specific sectors of comparison spend, Derby City Centre performs well in relation to Specialist Comparison Items, Clothing and shoes and Furniture and Soft Furnishings with the highest market share from 13, 12 and 11 of the 20 zones respectively. Derby City Centre has a very low market share of the expenditure on DIY and Decorating Goods which can largely be explained by the high market share of the retail parks.
- 4.64 The retail parks - particularly Kingsway and Wyvern - are performing strongly and act as significant draws on comparison goods expenditure from the survey zones. Their market share is higher than we would normally expect.
- 4.65 Spondon and Sinfyn are performing well but this is a reflection of the Asda stores which are located in or near these centres.

Convenience

- 4.66 Overall the Catchment area retains a very healthy 93.9 per cent of the total expenditure available for convenience goods. At only 6.1 per cent there is very little leakage to centres and stores outside the catchments area.
- 4.67 This is further reflected when we look at where residents within each zone spend their money on convenience goods. Within 3 of the zones 100 per cent of expenditure is retained within the catchment area and in 13 of the zones 95-99.9 per cent is retained within the overall catchment area (i.e. zones 1-20).
- 4.68 The survey findings confirm that convenience shopping is undertaken on a localised basis. Generally there is limited dominance from one store over a whole zone as the close proximity of other stores in adjoining zones draws trade away. Therefore when

we look at the localised retention rate for each zone it varies from 6 per cent in zone 3 to 85.8 per cent in zone 18. Within Zones 1 and 2 which cover the city centre, the market share is split between 5 different stores.

5 QUANTITATIVE AND QUALITATIVE NEED IN THE RETAIL SECTOR

Introduction

- 5.1 We turn now to our assessment of the quantitative and qualitative needs likely to arise in the retail sector in the period up to 2021 and, more indicatively²⁹, for the further period from 2021 to 2026. In undertaking the assessment of retail and leisure needs, we have followed the guidance set out in paragraphs 2.32 to 2.37 of PPS6. We deal first with quantitative retail need, taking the class of goods approach to the assessment, as required by paragraph 2.34 of PPS6.

Methodology for Assessing Quantitative Retail Need

- 5.2 The essential steps in the assessment of quantitative retail need are as follows:
- i) establish the appropriate catchment area for the highest order centre being considered, in this case Derby;
 - ii) assess the existing level of population and existing volume of retail expenditure of those resident within the defined catchment area;
 - iii) establish where the expenditure of the residents of the catchment area is currently spent, through use of an empirical survey of households resident in the catchment area (as discussed in Section 4), and thereby establish the proportion of expenditure which is currently retained by town centres and freestanding stores located within the catchment - that is the current retention rate;
 - iv) apply forecasts of population change and per capita expenditure growth, so as to establish the overall level of projected growth in expenditure for residents of the catchment area and an assessment of growth in retained expenditure, using, initially, a constant retention assumption;
 - v) make allowance for 'claims' on the growth in retained expenditure as a result of:
 - o floorspace efficiency change (that is the growth in turnover for existing retailers within existing floorspace);
 - o growth over time in Special Forms of Trading (SFT), mainly e-tail growth, but taking account, also, of the projected decline in catalogue sales; and
 - o planning commitments. However, it should be noted that provision is only made for applications for retail development which have been granted planning permission. Thus, undetermined planning applications and Local

²⁹ Longer term projections are more 'indicative' because of the exponential shape of the expenditure growth graph and because PPS6 enshrines the need to plan, monitor and manage.

Plan-defined site allocations which have not yet been granted permission for development are not included in this deduction. Therefore, the findings of the capacity assessment may already be accounted for (either wholly or partly), in floorspace terms, in these undetermined applications and existing allocations.

- vi) calculate the initial residual expenditure pot which is potentially available for new retail floorspace, based on steps iv) and v) above;
- vii) make an allowance for under-trading or over-trading in the base year, if this is justified on the basis of circumstances identified by the Court of Appeal in its Kiddlington judgment³⁰; and
- viii) develop alternative scenarios for calculating growth in residual expenditure, based on sensitivity testing of key assumptions (in this case, local-level population changes).

Definition of the Overall Catchment Area

- 5.3 The overall catchment area was defined on the basis of the approach described in paragraph 4.1 of our report, and split into 20 zones based on postcodes, as shown in Figure 4.1 and Table 4.1 in the preceding section.

Existing Level of Population and Expenditure

- 5.4 The population by zone in the 2008 base year is set out in the second row of Spreadsheet 1; this data is based on year 2005 zonal population figures supplied by MapInfo and rolled forward to 2008, using population growth rates derived from Draft 2003-based East Midlands Regional Spatial Strategy projections, which are updated to reflect 2006-based Office of National Statistics (ONS) mid-year population estimates. The relevant growth rate is applied, having allocated each zone to the relevant local planning authority, as shown in Spreadsheet 1. Hence, for example, Zones 1 to 9 use the Draft RSS-based growth rate for Derby City; Zone 10 uses the growth rate for Derbyshire Dales, and so on. Zones 19 and 20 cover East Staffordshire District, which falls within the West Midlands Region. For these zones, the population growth forecasts have been informed by current housing proposals in East Staffordshire from the Regional Spatial Strategy for the West Midlands, which equate to 12,900 net dwellings over the period 2006-2026³¹.
- 5.5 The zonal per capita expenditure data are supplied by MapInfo for the year 2005, as set out in Spreadsheet 2 for convenience and comparison goods. This data is then

³⁰ The First Secretary of State and Another and Sainsburys Supermarkets Ltd, 6 May 2005, Case No C3/2004/1658.

³¹ We extend our thanks to Nottinghamshire County, Nottingham City and Worcestershire County Councils for their assistance in respect of population forecasting.

rolled forward to 2008 using two years of 'annual average trend growth rates', provided by MapInfo³² for 2006 and 2007, and one year of MapInfo/OEF forecasts³³ of 4.0 per cent, per annum for comparison goods and 1.5 per cent, per annum for convenience goods.

- 5.6 The existing expenditure in 2008 is derived from the product of Spreadsheets 1 (population) and 2 (expenditure per capita) for comparison and convenience goods, and the resultant available 'pot' of expenditure available is shown in Spreadsheet 3. Thus, the year 2008 expenditure pot, both including Special Forms of Trading (SFT) and excluding SFT, is set out in the first and third rows of the comparison goods table in Spreadsheet 3, and subsequently the first and third rows of the convenience table underneath.

Existing Retention Rate

- 5.7 The next step is to use the household survey findings to establish current patterns of expenditure and the current retention rate, as described in Section 4 of our report. Thus, the current pattern of expenditure and current retention rate for comparison goods, excluding SFT, is as set out in Spreadsheet 4a, with the overall retention rate for comparison goods being 77.9 per cent (Table 1 in Spreadsheet 4a, '*combined sub total for OCA*' row). For convenience goods, the pattern of expenditure and current retention rate, again excluding SFT, is as set out in Spreadsheet 6a, which reveals a convenience goods retention rate of 94.1 per cent (Table 1 in Spreadsheet 6a, '*combined sub total for OCA*' row)

Growth in Expenditure and Growth in Retained Expenditure

- 5.8 The next steps are to apply forecasts of population change and per capita expenditure growth, so as to establish the overall level of projected growth in expenditure for all residents of the catchment area and then an assessment of growth in retained expenditure, using a constant retention assumption.
- 5.9 Population change is based, as noted above, on updated Draft RSS 2003-based population projections, as set out in Spreadsheet 1. The data on growth in per capita expenditure is as set out in Spreadsheet 2 for comparison and convenience goods, utilising the growth rates referred to in paragraph 5.5 above.
- 5.10 Spreadsheet 3 is the product of Spreadsheets 1 and 2 and sets out the total growth in comparison and convenience goods expenditure for all residents in the overall

³² MapInfo Brief 08/02, Table 2

³³ MapInfo Brief 08/02, Table 2

- 5.11 Thus, Row B of Spreadsheet 5 sets out the total growth in comparison goods expenditure up to 2026 and it reflects the penultimate column of figures in the first table in Spreadsheet 3, having excluded SFT.
- 5.12 Similarly, the Row B of Spreadsheet 7 sets out the total growth in convenience goods expenditure up to 2026 and it reflects the penultimate column of figures in the second table in Spreadsheet 14, having excluded SFT.
- 5.13 In excluding SFT, we have used the survey findings for the 2008 base year in the comparison sector, but we have allowed SFT to grow over time at the rates shown in Table 5.1. These rates reflect the advice given in Table 5.1 of Experian's Retail Planner Briefing Note 6.1³⁴.

Table 5.1 Projected Growth in Special Forms of Trading (SFT)

	Comparison goods (%)	Convenience goods (%)
2008	11.3	5.9
2011	13.4	7.3
2016	13.9	8.1
2021	13.9	8.1
2026	13.9	8.1

- 5.14 Thus, having calculated the growth in total expenditure for all residents of the catchment area (Row B of Spreadsheets 5 and 7), the next step is to assess the growth in retained expenditure (Row C of Spreadsheets 5 and 7). It is assumed that the retention levels will remain constant at current levels (i.e., 38 per cent for comparison goods and 97 per cent for convenience goods, as indicated in Row D of Spreadsheets 5 and 7). For comparison goods, the retention rate for the purposes of this calculation is solely based on retained expenditure in centres within Derby city, rather than the catchment-wide retention rate of 77.9 per cent identified previously, which is for all stores and centres within the entire 20-zone catchment. Hence the figure of 38 per cent reflects the amount of spending flowing to centres and stores in Zones 1 to 9 from residents within the OCA. For convenience goods, we have adopted a retention rate of 97 per cent which is based solely on the population and available expenditure for Zones 1 to 9, as, given the more localised nature of convenience shopping it is not considered necessary to factor in a significant level of inflow of spending from the outer zones for convenience goods.
- 5.15 It is considered that this represents a strong position given the level of competition in the local area, and that Derby will need to strive to maintain these retention

³⁴ Figures are only projected by Experian as far as 2017 and thus after this period the SFT discount is held at the 2017 level.

levels. As such, we consider any significant uplift in retention to be limited. Thus, the growth in retained comparison goods expenditure from 2008 to 2026, using the constant market share assumption, is £1,062.2m (final column, Row C of Spreadsheet 5). The growth in retained convenience goods expenditure from 2008 to 2026, again under the constant market share assumption, is £119.9m (final column, Row C of Spreadsheet 7).

'Claims' on Growth in Retained Expenditure

- 5.16 The next step is to make an allowance for 'claims' on the growth in retained expenditure. We have already allowed for the growth in SFT, as explained in paragraph 5.13 above. The remaining 'claims' are:
- i) growth in floorspace efficiency, which is growth in the turnover of existing retailers within their existing floorspace; and
 - ii) an allowance for the turnover absorbed by planning commitments.
- 5.17 In making an allowance for growth in floorspace efficiency (Row G of Spreadsheets 5 and 7), we have utilised Experian's 'central case' recommendations³⁵ of:
- i) 2.2 per cent, per annum in the comparison goods sector; and
 - ii) 0.6 per cent, per annum in the convenience goods sector.
- 5.18 The effect of the gain in floorspace efficiency of existing retailers amounts to a 'claim' of £463.1m over the period 2008-2026 in the comparison goods sector (final column in Row G of Spreadsheet 5). The corresponding effect in the convenience goods sector amounts to £39.4m (final column, Row G of Spreadsheet 7).
- 5.19 The next step is to allow for the future turnover requirements of planning commitments, having made an assessment of how much the commitments' turnovers will be derived from residents of the overall catchment area. The comparison good commitments are scheduled in Table 5.2 and the convenience goods commitments are scheduled in Table 5.3. We are aware that other developments which include components of convenience floorspace may be coming forward (such as the proposed Lidl store at Chaddesden; and proposed convenience floorspace at Friar Gate in the city centre and at Heatherton). However as these atroes not have planning consent, they are not treated as commitments for the purposes of this assessment.
- 5.20 As can be observed from Tables 5.2 and 5.3, there are relatively few extant planning commitments for either comparison or convenience developments in

³⁵ Experian Retail Planner Briefing Note 6.1, Page 29

Derby³⁶, and therefore these commitments do not amount to a significant 'claim' on expenditure. The total turnover of the commitments is shown in Rows H1 and H2 of Spreadsheets 5, and Row H of Spreadsheet 7.

Table 5.2 Retail commitments for comparison goods floorspace in Derby (as at July 2008)

Commitment name	Net sales area (sq.m) ³⁷	Forecast turnover at 2011 (£m)
St James' Yard, Derby city centre	2,890	11.6
New Pets at Home store, Kingsway Retail Park	1,135	2.5
Retail warehouse, Ascot Drive	925	2.8
Bold Lane development, Derby city centre	890	3.6
New District Centre, West Chellaston	375 ³⁸	0.6

Table 5.3 Retail commitments for convenience goods floorspace in Derby³⁹ (as at July 2008)

Commitment name	Net sales area (sq.m) ⁴⁰	Forecast turnover at 2011 (£m)
Mixed use development, Pride Park	618	3.9
Royal Way, Pride Park	925	1.7
Sainsbury's extension, Osmaston Park	1,623	17.5
Tesco Metro, Derby city centre	1,157	11.4
New District Centre, West Chellaston	375	1.1

Residual Expenditure Potentially Available for New Floorspace

- 5.21 Row I of Spreadsheets 5 and 7 sets out the residual expenditure pot potentially available for new floorspace, having allowed for all of the claims on the growth in retained expenditure - that is, growth over time in SFT, growth in floorspace efficiency and commitments.

³⁶ Commitments are not included in their entirety for the 'outer zones' i.e. Zones 10 to 20, as it is not anticipated they will have a significant influence on the spending patterns of residents of the Derby zones (Zones 1 to 9). However to allow for a degree of spending to these locations, 20 per cent of the forecast turnover of the outer zone comparison commitments - amounting to £23.0m - is included as an additional commitment in Spreadsheet 5.

³⁷ Assumes 70% gross: net ratio unless separate net floorspace information is available for the commitment.

³⁸ The new District Centre has a total floorspace of 750sq.m net. It is assumed for the purposes of this assessment that 50 per cent of the floorspace will be convenience and 50 per cent comparison floorspace.

³⁹ A planning application for a new Lidl store at Chaddesden is awaiting determination and should, if approved, also be treated as a commitment. We forecast this store to achieve a turnover of approximately £3.9m in 2011.

⁴⁰ Assumes 65% gross: net ratio unless separate net floorspace information is available for the commitment.

- 5.22 Row J of Spreadsheets 5 and 7 converts the residual expenditure to a floorspace requirement expressed as a net sales area, having applied an average sales density for comparison goods of £6,405 per sq.m sales area in 2011 and an average sales density for convenience goods of £10,181 per sq.m sales area in 2011. Finally, we convert the sales area requirement to a gross floorspace requirement, as set out in Row K of Spreadsheets 5 and 7, using a net to gross ratio of 70 per cent for comparison goods and 65 per cent for convenience goods.
- 5.23 Thus, under the constant market share assumption the quantitative comparison goods need shown in Row J of Spreadsheet 5 amounts to just over 66,000 sq.m net retail floorspace (94,400 sq.m gross) over the period 2008 to 2026, although almost 50,000 sq.m (net) of this is not forecast until the period post-2016. In the near term, there is a marginal over-provision of comparison goods floorspace of approximately 450 sq.m net (650 sq.m gross). However in the 2011-16 interval period a positive requirement of 16,800 sq.m net (24,000 sq.m gross) arises. Whilst this appears a large requirement, it is considered a proportion of this identified need should be accounted for through the consolidation of the existing offer in Derby city centre - for example, the renovation and remodeling of vacant sites in the city centre to provide a greater proportion of modern retail floorspace which will prove attractive to retailers.
- 5.24 Row J of Spreadsheet 7 shows that the quantitative convenience goods need in the period 2008 to 2026 amounts to 4,068 sq.m net (6,258 sq.m gross), but also shows a negative residual in the short term to 2011, indicating that at present there is an over-supply of convenience goods floorspace in the city. The requirement remains relatively low at each of the intervals to 2026, increasing to almost 2,700 sq.m (net) between 2021 and 2026. The quantitative convenience goods need is thus relatively limited and will be accounted for by a small number of moderate-sized stores.

Adjustments for Under-trading/Over-trading in the Base Year
Comparison Goods Sector

- 5.25 Spreadsheet 4a reveals an estimated comparison goods turnover for Derby city centre of approximately £637m, excluding any expenditure inflow from residents beyond the catchment area. This turnover estimate implies a comparison goods sales density for Derby city centre of approximately £8,441 per sq.m sales area, using net floorspace data from CACI. By comparison, our West Midlands Regional Centres Study, undertaken for the West Midlands Regional Assembly, found an average comparison goods sales density across the 26 strategic centres of the West Midlands Region of approximately £7,800 per sq.m sales area. This would

indicate that Derby is presently performing satisfactorily in terms of comparison goods sales density. Derby's turnover of £8,441 per sq.m places the city centre on a comparable level with West Midlands centres such as Walsall, which play a considerably influential role in the regional retail hierarchy.

- 5.26 Spreadsheet 4a reveals that the three principal retail parks in Derby - Kingsway, Meteor and Wyvern - attract £85.5m, £28.3m and £75.4m of comparison goods expenditure respectively from residents of the catchment area. This suggests a trading density for each of the Retail Parks of between £3,000 and £4,000 per sq.m sales area. Whilst the Retail Parks in Derby do contain an element of 'High Street' retailers, they are predominantly occupied by 'bulky goods' retailers, and, as such, a turnover in the region of £2,000 to £3,000 per sq.m would be expected. Therefore it would appear that the retail parks in Derby are currently performing extremely well, in comparison to the city centre which, whilst performing steadily, achieves a turnover a little below the level of performance that we would expect for a centre of its status. In particular Kingsway Retail Park, which achieves a turnover, based on the household survey results, of approximately £3,990 per sq.m, exhibits signs of overtrading - although this partly reflects the presence of 'High Street' retailers trading at the Park, such as Next and Boots. The performance of the retail parks confirms their popularity as evidenced from the household survey results and their influence over local spending patterns.
- 5.27 In our view, however, the above average performance of the retail parks nor the slightly below average performance of the city centre are sufficient so as to warrant a case for making a specific adjustment in the capacity forecast identified in Spreadsheet 5. However, there is scope for an element of the comparison goods expenditure capacity that we have identified to be directed towards improving city centre performance in the near-term. We return to this issue later in the report.

Convenience Goods Sector

- 5.28 The convenience goods expenditure retained by centres and food stores within the overall catchment area is set out in Spreadsheet 6a. For the 29 large superstores, which collectively account for 65.7 per cent of the aggregate convenience goods expenditure of the catchment area's residents, the convenience expenditure drawn from the catchment area is summarised in Table 4.10.
- 5.29 Table 4.10 shows that of these 29 large superstores, eight are within the administrative area of Derby city, and as such these can be expected to derive most of their convenience goods turnover from residents of the 'inner zones' (Zones 1 to 9) catchment. For these eight stores we have made a comparison of survey-based turnover estimates with so-called benchmark turnovers which assume that the

stores are trading at company average levels. The analysis, which is set out in Table 5.4, reveals six of the eight superstores to be trading above the company average and two stores which are trading below average. Of the six stores trading above average, two stores (Morrisons at Sir Frank Whittle Way and Sainsbury's in Westfield) are trading fractionally above benchmark averages, at approximately £5.4m and £4.6m above average. Four further stores are trading more noticeably above average: the Asda store at Sinfin, which is trading at approximately £11.5m above company averages; the Sainsbury's store at Kingsway Retail Park, which is trading at approximately £12.6m above average; Tesco at Mickleover, which is trading at £17.3m above company averages; and finally the Asda Walmart store at Spondon, which the survey indicates is trading a considerable £32.5m above company averages. This therefore would indicate a high level of over-trading at these stores - particularly Tesco and Asda Spondon - which may indicate the requirement of additional foodstore provision to alleviate.

- 5.30 Two of the large out-of-centre Sainsbury's stores appear to be modestly under-trading, at the Wyvern Centre (by £6.6m) and Osmaston Park (by £9.9m). We note the latter store has planning permission for a store extension, which we understand is in progression, and this may serve to improve its trading performance in the longer term.
- 5.31 Whilst the Sainsbury's in Westfield does appear to be slightly overtrading, given its preferential city centre location, over-trading should, in principle, be welcomed, unless it is to the point of customer discomfort.
- 5.32 The aggregate position for the six stores is one of over-trading, to a level of approximately £67.4m. If we remove the city centre Sainsbury's store for the reasons noted above, this level of over-trading is reduced to an aggregate of £62.8m. Thus, in Spreadsheet 7b, we make an allowance for over-trading in out-of-centre stores as a sensitivity test. Row J of Spreadsheet 7b indicates that, when factoring in the over-trading of existing stores, a floorspace requirement of 10,236 sq.m net is generated over the Plan period. A significant proportion of this requirement is for the near-term - i.e. to 2011 - in order to alleviate the existing over-trading. To this end, Spreadsheet 7b indicates a requirement of a new foodstore of approximately 3,700 sq.m net in the near-term in Derby; we consider separately below qualitative factors which should also be taken into account in considering potential sites for such development. The model in Spreadsheet 7b assumes that, if this immediate requirement is satisfied by 2011, the amount of additional floorspace for convenience goods subsequently drops off for the remainder of the period to 2026.

Table 5.4 Comparison of Survey-based Turnover Estimates with Benchmark Turnover Estimates for Food Superstores in Derby City

Zone	Main Foodstores Within Derby City	Location of Store (in, edge-of-centre or out-of-centre)	Net Floorspace - Convenience Goods Only (sq.m)	Benchmark Sales Density (£ per sq.m)	Benchmark Turnover (in £m)	Actual Convenience Goods Turnover 2008 (in £m)	Quantum of Under /Over Trading (in £m)
7	Asda Wal-Mart Supercentre, Derby Road, Spondon, Derby	Out	3,843	11,718	45.0	77.6	32.5
8	Morrisons, Sir Frank Whittle Road, Derby	Out	3,711	13,733	51.0	56.3	5.4
5	Asda, Sinfin District Centre, Sinfin, Derby	In (District centre)	3,192	11,718	37.4	48.9	11.5
2	Sainsbury's, Kingsway Retail Park, Kingsway, Derby	Out	2,694	11,520	31.0	43.6	12.6
4	Tesco, 2 Kipling Drive, Mickleover	In (District centre)	1,754	14,176	24.9	42.1	17.3
6	Sainsbury's, Wyvern Way, Chaddesden, Derby	Out	3,657	11,520	42.1	35.6	-6.6
1	Sainsbury's, 2-6 Cope Castle Square, Westfield, Derby	In	1,222	11,520	14.1	18.7	4.6
5	Sainsbury's, Osmaston Park Road, Osmaston Park, Derby	Out	2,365	11,520	27.2	17.4	-9.9
TOTAL					272.8	340.2	67.4

Changes to the Retention Level

Comparison Goods Sector

5.33 Spreadsheet 8 makes provision for an increase in the level of retained expenditure in the comparison goods sector over the period 2008-26, on the basis that it is considered Derby has some potential to further develop and enhance its comparison goods retail offer over the course of the Plan period. Spreadsheet 8 models an improvement of the aggregate retention rate of the inner zones over the course of the Plan period to 2026. Presently, 85 per cent⁴¹ of the available expenditure for comparison goods spending in Zones 1 to 9 is spent by residents of these zones within Derby (i.e. stores within Zones 1 to 9). For Zones 10 to 20, as would be expected, a significantly lower proportion - 21 per cent of the available comparison goods expenditure - flows to Derby. Spreadsheet 8 identifies the floorspace requirement for the period to 2026 based on the following uplift in the proportion of expenditure retained for the Inner and Outer Zones:

- The retention rate for the Inner Zones is increased to 86 per cent in 2016 and 2021, and to 87 per cent in 2026. This allows for further developments in the comparison goods offer in Derby city centre, but recognises the city will continue to face strong competition for expenditure both from its retail parks and nearby competing centres such as Nottingham; and
- The retention rate for the Outer Zones is increased to 22 per cent in 2016 and 2021, and further increased to 23 per cent in 2026.

5.34 Spreadsheet 8 indicates that if Derby is successful in achieving uplift in comparison goods retention from both the Inner and Outer survey zones, there will be a correspondingly noteworthy increase in the level of comparison goods floorspace provision required. Over the course of the Plan period, a total of 79,387 sq.m net (113,409 sq.m gross) additional comparison retail floorspace is projected to be required, compared to 66,067 sq.m net under the 'static retention' scenario discussed above - an increase of 13,320 sq.m net. As is the case with the static retention scenario, there is no near-term requirement, with an over-supply of comparison goods floorspace of 464 sq.m net for the period 2008-2011. However in the longer-term there would appear to be scope for circa 13,000 sq.m additional comparison goods floorspace, should Derby successfully achieve an uplift its present retention rates. It is stressed however that the progress of the city centre in terms of the proportion of comparison goods expenditure it attracts should be

⁴¹ Note this figure differs from the previously-identified comparison goods retention rate of 38 per cent, because it considers the proportion of expenditure retained solely from residents in Zones 1 to 9, rather than across the entire 20-zone OCA.

monitored frequently, and longer term forecasts (most particularly the period 2021-2026) should be treated as indicative only.

Convenience Goods Sector

- 5.35 Spreadsheet 7 indicates that the current retention rate for convenience goods expenditure within the inner zones catchment is 97 per cent. This is considered to be a strong performance and is unlikely to improve considerably beyond this level; there is always likely to be a small proportion of residents of the catchment who travel to destinations slightly further afield for their shopping needs. Given the strong existing retention rate, no additional scenario which takes into account any slight increase in retention is provided for.
- 5.36 Table 5.5 (page 106) summarises the differences in comparison floorspace requirements under the 'static retention' and 'increasing retention' scenarios, confirming the potential for an additional circa 13,000 sq.m net comparison goods floorspace if Derby successfully manages to increase the proportion of expenditure which is retained within the city rather than being lost to competing destinations. Table 5.5 also confirms the additional net convenience floorspace requirements over the course of the Plan period, taking into account the identified overtrading of a number of the major foodstores in Derby. As discussed above, no provision is made to increase the proportion of retained expenditure above and beyond the current (healthy) rate of 97 per cent.

Lower economic growth scenario

- 5.37 The floorspace requirements and scenarios can be considered to be reasonable growth scenarios, based on detailed forecasts provided by MapInfo/OEF. MapInfo/OEF predict a growth in expenditure per annum on comparison goods of 4.0 per cent; and 1.5 per cent per annum on convenience goods. However for illustration purposes, particularly bearing in mind the context of the present economic downturn and possible subsequent reductions in consumer spending, to plan for growth at a lower rate over the course of the Plan period. To this end, Spreadsheets 12 to 15 set out revised capacity forecasts for convenience and comparison goods based on lower growth rate forecasts. Instead of the MapInfo/OEF growth rates noted above, this revised forecast utilises Experian growth rates of 3.2 per cent, per annum for comparison goods, and 0.2 per cent, per annum for convenience goods⁴².

⁴² Experian Retail Planner Briefing Note 5.1, November 2007, Table 3.2

- 5.38 Spreadsheet 9 shows the expenditure available to residents in the catchment under the lower growth scenario over the interval periods to 2026. Spreadsheet 10 then applies the RSS-based population projections for the OCA to the revised expenditure projections shown in Spreadsheet 9. It shows that the quantum of expenditure to support comparison goods retailing in the OCA is reduced from £2,554.6m in the base year of 2008 (having allowed for deductions of special forms of trading) to £2,534.9m under the lower growth scenario. The differences in expenditure are significantly more apparent towards the end of the Plan period; for example, the lower growth scenario forecasts £4,632.5m available within the OCA for comparison goods spending in 2026, compared with £5,364.5m under the higher growth scenario.
- 5.39 The differences in the amount of expenditure available clearly impact on the resultant requirement for additional comparison and convenience floorspace provision within the OCA over the period to 2026. Spreadsheet 11 shows the resultant comparison goods capacity of the OCA when utilizing the lower Experian growth rate, and indicates a requirement for 32,552 sq.m net floorspace over the period 2008-2026 for the inner survey zones. The requirement increases proportionately in each of the interval periods from 2011 onwards, and stands at approximately 9,000 sq.m net by 2016, 12,300 sq.m net by 2021 and 15,400 sq.m net by 2026. The model shows there to be an over-provision of comparison goods floorspace of approximately 4,300 sq.m net in the immediate period to 2011.
- 5.40 Spreadsheets 12 and 12b show the convenience goods requirement for the OCA over the period 2008-26, and shows that, when utilising the lower growth rate, there is no requirement for additional foodstore provision in Derby throughout the Plan period, with an over-provision of approximately 5,000 sq.m net (circa 7,500 sq.m gross) over the period to 2026, and in the short-term, a significant over-provision of approximately 3,800 sq.m net. However, as has been discussed above, it is readily apparent that a number of the larger foodstores in Derby are presently over-trading in relation to company averages against the size of the foodstore. To this end, Spreadsheet 12b again builds in the over-trading of the major foodstores in Derby. When this over-trading is taken into account, a requirement for additional 667 sq.m net additional comparison retail floorspace across the Plan period is generated, with 1,787 sq.m to be delivered in the near-term in order to reduce the current patterns of over-trading, and a negative requirement for the remainder of the Plan period. This requirement is thus substantially lower than that of the 10,236 sq.m identified under the central MapInfo forecasts as described above.

- 5.41 Table 5.5 below confirms the additional floorspace requirements under the three scenarios which have been discussed above - that is, 'static' and 'increased' retention scenario (in the case of comparison goods), as well as the lower economic growth scenario, for both comparison and convenience goods. The convenience floorspace requirements also factor in the current over-trading of the main foodstores in Derby, as identified previously.

Table 5.5 Comparison of additional floorspace requirements for comparison goods using 'static' (forecast and low growth) and 'increased' retention scenarios; and convenience goods 2008-26 assuming static retention (forecast and low growth).

	Comparison floorspace requirement sq.m net (static retention model)	Comparison floorspace requirement sq.m net (increasing retention model)	Comparison floorspace requirement sq.m net (static retention model - LOW GROWTH)	Convenience floorspace requirement sq.m net (static retention model)	Convenience floorspace requirement sq.m net (static retention model incl foodstore overtrading)	Convenience floorspace requirement sq.m net (static retention model - LOW GROWTH)	Convenience floorspace requirement sq.m net (static retention model incl foodstore overtrading - LOW GROWTH)
2008-11	-464	-464	-4,316	-2,461	3,707	-3,792	1,787
2011-16	16,818	22,210	9,143	1,616	1,616	-702	-702
2016-21	22,051	22,972	12,308	2,247	2,247	-290	-290
2021-26	27,662	34,668	15,417	2,666	2,666	-128	-128
2008-26	66,067	79,387	32,552	4,068	10,236	-4,912	667

Local convenience goods requirements in relation to growth areas

- 5.42 In the convenience sector we adopt a different approach. The aggregate level of retention shown at 97 per cent - is already very high and there is no case either for increase or decrease. However, since convenience goods shopping is far more localised, we have undertaken a zonal assessment, in which we have added the proposed housing growth areas to the population projections within the specific zones. We have then compared the effect of this housing growth on convenience expenditure and the need for additional floorspace. The results of this can be seen in Spreadsheet 13. Some caution is advised when interpreting these figures as they are based on the current policy approach; it is acknowledged the location of future housing growth could change over the course of the Core Strategy preparation process.
- 5.43 To summarise, a further £11.8m of expenditure is generated by 2026 above the forecast level using the RSS projections. Virtually all of this excess expenditure is

directed towards the city centre (Zone 1) - £8.6m by 2026 - as the city centre accounts for 49 per cent of the city's housing commitments.

- 5.44 Expenditure in excess of £1m is also generated for Zones 4 and 6 (£2.1m and £1.6m by 2026 respectively).
- 5.45 Therefore there is likely to be some scope for additional foodstore development within Derby city centre as the 'local' retention rate (i.e. the amount of convenience expenditure of residents of Zone 1 which is spent in Zone 1) is at present only 37 per cent. However the additional £8.6m expenditure in Zone 1 by 2026 is not in isolation significant enough to justify a large new foodstore.
- 5.46 Zone 6 is forecast to receive 14 per cent of new housing in Derby but currently has a low local retention rate of 20.8 per cent - this combination of reasonably high growth and low retention suggests qualitatively a need for additional provision in this area. Zone 4 will receive almost 15 per cent of new houses in the city but has a much stronger local retention rate of 58.6 per cent.
- 5.47 Other zones are not forecast to experience high levels of growth. Zone 3's low local retention rate (6 per cent) is explained by the lack of district centres in this area; in any case it is not expected significant housing growth will occur in this area.
- 5.48 Recent appeal decisions granting outline consent for three residential sites within the catchment area will also have an impact on the need for new foodstore provision:
- The first site, at Stenson Fields, lies in Zone 3 and Zone 5: outline consent has been granted for residential development, although no figures have yet been confirmed.
 - Land at Boulton Moor has also been granted outline consent for up to 1,058 dwellings together with a primary school and retail provision. This site lies in Zones 5 and 16. Conditions allow for a 1,929 sq m general purpose shop and a further 556 sq m for additional units.
 - Outline permission has also been granted for land at Highfields Farm for up to 1,200 dwellings and a new local centre. This site lies in Zones 4 and 19. No floorspace figures are provided for the retail units.
- 5.49 It is difficult to factor these consents into the zonal assessment as no definitive figures are yet known. However in considering the need for additional floorspace it should be recognised that some of the capacity will be absorbed by these schemes, and there may be scope to address some of the qualitative deficiencies (such as in

Zone 3) and the quantitative need (such as in Zone 4) within these proposed new developments.

Qualitative Retail Need

5.50 Paragraphs 2.35 to 2.37 of PPS6 provide advice on the considerations LPAs should take into account in assessing qualitative needs in their development plan documents. Paragraph 2.35 states that the key consideration for an LPA is to provide for consumer choice, by ensuring that:

- iii) an appropriate distribution of locations is achieved, subject to the sequential approach; and that
- iv) provision is made for a range of sites for shopping, leisure and local services so as to allow for genuine choice and meet the needs of the whole community, particularly in deprived areas.

Comparison Goods Sector

5.51 In the comparison goods sector, it is positive to note that the opening of the Westfield centre has succeeded in attracting a number of high-end retailers to the city which were previously absent from the retail offer - for example, Jones Bootmakers and The Pier. Nevertheless Derby must continue to improve the quality of its retail offer vis-à-vis competing centres - particularly in relation to Nottingham, which hosts a number of high end retailers absent from Derby such as Molten Brown and Diesel. As noted previously, the opening of Leicester city centre's Highcross development in September 2008 will also attract a number of high-end retailers, most notably John Lewis. Therefore it is important that Derby continues to develop and strengthen its offer to compete with these continually strong regional centres.

5.52 Reflecting this situation, the aforementioned 2008 Management Horizons Europe *UK Shopping* Index identifies Derby as only achieving a 'middle' rating for fashion, although it is unclear as to whether this reflects a pre- or post-Westfield retail offer. Nevertheless the ranking reflects in part the relative absence of many of the high profile retailers listed in Table 5.5. Nottingham City Centre secures representation from 36 of these retailers, with Derby securing representation from 10 and Leicester also hosting 10 retailers. Both Derby and Leicester show considerable shortfall to Nottingham in this respect therefore. It is encouraging that Derby's offer has improved in this respect as many of the retailers identified in Table 5.5 are located within Westfield, however that does not mean that more niche high-end multiples could not be accommodated elsewhere within the city centre (as reflected for

example by the presence of stores such as Limeys and Moda in Pelle on Sadler Gate).

Table 5.5 High Profile Multiple Representation

	Derby	Leicester	Nottingham
Fashion Stores			
Adolfo Dominguez	0	0	0
Alexon	0	0	0
Aquascutum	0	0	0
Armani	0	0	0
Aspecto	0	0	1
Austin Reed	0	1	0
Bally	0	0	0
Bang & Olufsen	1	0	1
Betty Barclay	0	0	0
Blazer	0	0	0
Boodle and Dunthorpe	0	0	0
Burberry's	0	0	0
Calvin Klein	0	0	0
Carte Blanche	0	0	0
Carvela	0	0	0
Christian Lacroix	0	0	0
Country Casuals	0	0	0
Crabtree and Evelyn	0	0	1
Cruise	0	0	1
Daisy and Tom	0	0	0
Daks	0	0	0
David M Robinson	0	0	0
Diesel	0	0	1
DKNY	0	0	0
Droopy and Browns	0	0	0
Dune	0	0	1
ELLE	0		0
Emma Somerset/French	0	0	0
Dressing			
Emporio Armani	0	0	0
Episode	0	0	0
Escada	0	0	0
Fired Earth	0	0	1
Flannels	0	0	1
Formes	0	0	1
Gant	0	0	0
Geese	0	0	0
Gieves and Hawkes	0	0	0
Hermes	0	0	0
High and Mighty	0	1	1
Hinds	1	0	0
Hobbs	0	0	1
Hope and Glory	0	0	0
Hugo Boss	0	0	1
Jacques Vert	0	0	0
Jaeger	0	0	1
Jane Norman	1	1	1
Jane Shilton	0	0	0
Jigsaw	0	0	1
Jones Bootmakers	1	0	1
Joseph	0	1	0
Karen Millen	0	1	1
Kurt Geiger	0	0	1
Lacoste	1	0	1
Laura Ashley	1	1	0
Life	0	0	0
Links of London	0	0	0
Long Tall Sally	0	0	1
Mango	0	0	0
Mappin and Webb	0	0	0
Mexx	0	0	0
Molton Brown	0	0	1
Muji	0	0	1
Mulberry	0	0	0
Nine West	0	0	0
Oilily	0	0	0
Paul Smith	0	0	1
Pied-a-terre	0	0	0
Planet	0	0	0
Press and Bastyan	0	0	0

Proibito	0	0	0
Racing Green	0	0	0
Ralph Lauren	0	0	0
Reiss	0	0	1
Rohan	0	1	1
Russell and Bromley	0	0	0
Space NK	0	0	1
Ted Baker	0	0	1
The Pier	1	0	1
Thomas Pink	0	0	0
Tommy Hilfiger	0	0	0
Urban Outfitters	0	0	0
USC	1	1	1
Versace	0	0	0
Vicky Martin	0	0	0
Vivienne Westwood	0	0	1
Viyella	0	0	1
Wade Smith Jnr	0	0	0
Watches of Switzerland	0	0	0
Whistles	0	0	1
Wolford	0	0	0
Zara	1	0	1
<hr/>			
Department Stores			
Debenhams	1	1	1
Harvey Nichols	0	0	0
House of Fraser	0	1	1
John Lewis	0	0	1
Selfridges	0	0	0
<hr/>			
1 = Total stores (fashion stores & department stores)	10	10	36
Total Indexed Score (department stores score 5)	14	18	48

Convenience Sector

- 5.53 In the convenience sector, it is clearly important that needs are met on as localised basis as possible, so that an important part of the LDF process is to remedy deficiencies in local shopping and other essential services facilities, so as to assist in reducing social exclusion (paragraphs 2.55 to 2.58 of PPS6).
- 5.54 In the convenience sector, it is apparent that considerable differences exist in the localised retention rate of convenience goods expenditure. This is has been demonstrated in Table 4.12 in the preceding chapter, which showed that whilst certain zones - chiefly Zone 4 (West Derby), Zone 5 (South Derby) and Zone 6 (East Derby) achieved localised retention rates upwards of 50 per cent, certain other zones showed very low localised convenience retention. Thus, it is in these zones where it is considered the qualitative need for new foodstore provision is required.
- 5.55 Most pressing is Zone 3, which runs southwest from the city centre to the edge of the Derby urban area. Although northern parts of this zone are proximate to the offer in the Normanton Road / Peartree Road centre, the centre lacks a major multiple foodstore retailer. There is no established district centre within Zone 3, with the principal local centre being Normanton, and the only foodstore of note the 9,700 sq.ft net (900 sq.m) Somerfield store on Stenson Road. Considering the broad geographical area this zone covers, there appears to be a qualitative requirement for additional convenience facilities that can serve this area.

- 5.56 Zones 6 (East of Derby city centre, including south of Chaddesden, Crewton and Osmaston) and Zone 9 (North West Derby) also show a low localised retention rate, suggesting the need for additional convenience retail of an appropriate scale in these areas. However, in the case of Zone 6, Table 5.3 above identifies two small-scale commitments for the Pride Park area, and a Lidl application at Chaddesden is awaiting determination. If these schemes are permitted (if not already) and implemented, this is likely these will go some way to meeting the qualitative need in this area. Indeed the relatively low localised retention rate is surprising, given the ample foodstore provision which exists in the area already, including Sainsbury's, Aldi and Iceland stores.
- 5.57 Zone 9 covers the north-west of the city, stretching from the A52 corridor running west from the city centre around Mackworth to the A6 east of Allestree. Just over 20 per cent of available convenience goods expenditure is retained within the local zone, with roughly a further 20 per cent flowing to both the Morrisons store at Chaddesden and Sainsbury's at Kingsway, both of which are proximate to the zone boundaries. It is likely that the qualitative shortfall in this area falls in the Mackworth area, which is served by just one foodstore, the Co-Op store which anchors Mackworth District Centre. Allestree is relatively well provided for, with stores including a Somerfield, Farmfoods and Co-Op. It is therefore considered again that in the western portion of Zone 9, additional foodstore provision of an appropriate scale may be beneficial.

Summary

- 5.58 In assessing the need for future retail floorspace we look at a number of different scenarios. Firstly, we assume that the retention rates of 38 per cent for comparison goods and 97 per cent for convenience goods remain constant. For comparison goods this retention rate reflects the amount of expenditure that existing retailing in zones 1-9 attract from the whole of the catchment area (i.e. zones 1-20). For convenience expenditure the study area is restricted to zones 1-9, reflecting the more localised shopping patterns in this sector.
- 5.59 Deductions are made from the available expenditure: firstly for existing retailers to improve their floorspace efficiency, and secondly for the proposed turnover of planning commitments. The remaining amount is the residual expenditure available to support new floorspace. This residual equates to 66,067sq m net retail comparison floorspace in the period 2008 to 2026 (although almost half of this is not forecast until after 2016) and 4,068 sq m net convenience floorspace from 2008 to 2026.

- 5.60 The requirement for convenience floorspace increases to 10,236 sq m in the period 2008 to 2026 sq m net when an allowance is made for the fact that some of the existing stores within Zone 1 to 9 appear to be overtrading. Our survey indicates that six foodstores within zones 1-9 are overtrading, one of which, the Asda at Spondon, is overtrading by upwards of £30m.
- 5.61 The study then makes an allowance for an increase in the level of retained comparison goods expenditure. Over the study period to 2026 this leads to a requirement for 79,387sq m net comparison floorspace. This is an increase of over 13,000 sq m on the static retention rate scenario. No additional scenario to increase the retention rate for convenience goods was undertaken as the existing retention rate of 97 per cent is already high and it would be unrealistic to expect this to increase further.
- 5.62 The study also takes into account a lower economic growth scenario. The growth rate for expenditure we have used is 4.0 per cent per year for comparison and 1.5 per cent per year for convenience. These growth rates were supplied by MapInfo/OEF. The lower growth rate scenario uses Experian forecasts of 3.2 per cent, per year for comparison and 0.2 per cent, per year for convenience.
- 5.63 The lower economic growth scenario leads to a surplus of comparison floorspace in the period up to 2011, indicating that no new floorspace should be developed in zones 1-9 in this period. In the period up to 2026 the requirement is for 32,552 sq m net of comparison floorspace, a large reduction from the 66,067sq m net original forecast. The effect of a lower growth scenario on convenience floorspace is that, without taking into account overtrading, there is an over supply throughout the whole study period.
- 5.64 We also model the effect of the housing growth locations on the requirement for new convenience floorspace; the results of this exercise are shown in Spreadsheet 13. The result is only significant for Zone 1 where it creates an additional £8.6m of available expenditure by 2026.
- 5.65 In terms of qualitative need there is still a deficiency for high end retailers in the comparison sector. The opening of Westfield has improved this by attracting a number of high quality retailers, but the main provision remains balanced towards the middle to low-end retailers, therefore there is still scope to improve upon this.
- 5.66 In regard to the qualitative need for convenience floorspace, it is important that needs are met locally. Much of the city is well provided for in this respect, but we have identified a qualitative deficiency in Zone 3 which does not have a major

national multiple foodstore retailer and which therefore presently has a low retention rate.

6 ASSESSMENT OF SCOPE FOR ADDITIONAL COMMERCIAL LEISURE PROVISION

Forecast Increases in Leisure Expenditure

- 6.1 The approach to the assessment of quantitative need in the leisure sector is less well developed than in the retail sector. Furthermore, development in the leisure sector has historically been very market-led, and it is only recently that leisure has been brought into the range of uses covered by the sequential approach.
- 6.2 However MapInfo have produced datasets for the leisure spend for identified catchment areas. They divide the expenditure into two separate areas one is Leisure Goods and the other Leisure Services. For the purposes of this section we look only at Leisure Services as expenditure on leisure goods, such as sports equipment etc has been covered by Section 5.
- 6.3 Total Leisure Services is defined as four separate areas which are:
- **Recreational & cultural services** - Services provided by sports stadia, racecourses, rinks, golf courses, pools, courts, bowling alleys, gyms, fairs, parks, dancing and skating; cinemas, theatres, concerts, circuses, TV licences, TV rental, satellite subscription, video hire, hire of musicians, clowns, performers, photographers, film processing; lotteries, scratchcards, betting, gaming, gambling
 - **Restaurants, cafes & canteens** - Catering services, meals, alcohol, snacks and drinks sold by restaurants, pubs, cafes etc; catering services of works canteens, office restaurants, school and educational establishment canteens
 - **Accommodation services** - Accommodation in hotels, motels, inns, "bed and breakfast" establishments, caravan sites, youth hostels, boarding schools, universities and other educational establishment accommodation
 - **Hairdressing & personal grooming** - Hairdressing salons, barbers, beauty shops, manicures, pedicures, Turkish baths, saunas, solariums, non-medical massages, etc. Excludes spas and fitness centres
- 6.4 We used total expenditure figures for each of the four sub categories above for the Derby catchment area (using the same study area as defined in the quantitative need calculations). However, rather than considering the leisure requirements of the entire OCA, our assessment is focused on the current provision and capacity for additional growth in the Inner Zones catchment - that is, survey zones 1 to 9, which approximate to the Derby urban area.

6.5 The MapInfo figures are 2005-based, and are subsequently projected forward to the base year of 2008, and onwards to 2026, using Experian's recommended growth rate for spending on leisure services of 0.8per cent, per capita, per annum for the period 2008 to 2016⁴³. This can be seen in Spreadsheet CL1 in Volume 2 which provides the projections for population, per capita expenditure and the overall leisure goods spend for residents across both the entire OCA, and for Derby city (zones 1 to 9).

6.6 Figure 6.1 below summaries the growth of total expenditure within the inner survey zones in each of the sectors from 2008 to 2026.

Figure 6.1 - Growth in Leisure Expenditure, 2005-2026 in Zones 1-9 £m

	2005	2008	2011	2016	2021	2026	Growth 2008-11	Growth 2011-16	Growth 2016-21	Growth 2021-26
Recreational & cultural services (£m)	112.1	115.5	119.1	125.3	132.4	140.6	3.6	6.2	7.1	8.2
Restaurants, cafes & canteens (£m)	290.4	299.4	308.8	324.8	343.1	364.3	9.3	16.0	18.3	21.2
Accommodation services (£m)	47.0	48.4	49.9	52.5	55.5	58.9	1.5	2.6	3.0	3.4
Hairdressing & personal grooming (£m)	19.0	19.6	20.2	21.2	22.4	23.8	0.6	1.0	1.2	1.4
Total	468.4	483.0	498.0	523.9	553.4	587.6	15.1	25.9	29.5	34.2

6.7 In absolute terms, the total growth in leisure spend within the study area in the period to 2008 to 2026 is approximately £104.7m. The table above breaks this down into the relevant time frames. Of most significance (and accuracy) is the short-term total growth from 2008 to 2011 of £15.1m. Over the period 2011-16, a further £25.9mm of growth in leisure spending is anticipated, with growth subsequently increasing by approximately £5m per interval period to 2026.

6.8 It can also be seen from table 6.1 above that, by some distance, the biggest leisure spend is on food and drink (*'restaurants, cafes and canteens'*). Expenditure in this sub-category presently accounts for £299.4m; this is forecast to increase to £308.8m by 2011; an increase of £9.4mm. Over the longer period, this sub-sector is anticipated to account for £364.3mof expenditure by 2026; an increase of £64.9mm on 2008 levels. Although it is acknowledged that this category does include work and school canteens, this still represents a significant expenditure increase for restaurants cafes and pubs. Indeed, of the £15mgrowth in leisure spending forecast between 2008 and 2011, expenditure on food and drink (£9.4m) can be observed to account for approximately 62 per cent of this growth.

⁴³ Experian *Retail Planner Briefing Note 6* (October 2008/2007), Table 3.2 (EBS forecast for 'leisure services'). Experian's forecasts do not go beyond 2016; in the absence of any better information we have therefore also applied the 0.8 per cent, per annum forecast growth rate to the post-2016 period.

- 6.9 'Recreational and Cultural Services', which includes theatres, cinemas, live music venues, sports stadia and other sporting facilities (such as racecourses) is expected to account for the second-largest proportion of growth in leisure expenditure, with expenditure in this category set to increase by approximately £3.6m by 2011. Spending on 'accommodation services' (such as hotels and 'bed and breakfast' establishments) is forecast to increase by approximately £1.5m over the same time period.

Conversion of Expenditure Increases to Additional Leisure 'Requirements'

Cinemas

- 6.10 Derby has a number of cinemas in both the city centre and peripheral retail parks. The city centre offer has recently been enhanced by the opening of Showcase's Cinema de Lux within the new Westfield development. Whilst the new Quad arts centre in the Market Place, which opened at the end of September 2008, also provides a further two screens. Table 6.2 lists the principal cinemas in Derby city, and the number of screens at each location.

Table 8.2 Principal cinema venues in Derby city

Operator	Location	Venue	Screens
Showcase Cinema de Lux	City Centre	Westfield	12
-	City Centre	The Quad, Market Place	2
Odeon	Out-of-centre	Meteor Centre	10
Showcase	Out-of-centre	Foresters Park Centre	11
Total screens:			35

- 6.11 None of the suburban district centres in Derby offer any cinema provision.
- 6.12 The average population density for cinema provision in the 'East of England' region⁴⁴ is 18,750 persons per screen. The inner zones catchment area has a resident population in 2008 of 241,460. Applying this population to the average population density for cinema provision suggests a requirement for 13 screens. As Table 8.2 indicates, there are presently 35 screens available within the inner zones catchment, and therefore Derby can be considered well provided for in this respect, with no further requirement considered necessary in the immediate term. Clearly the cinemas in the city also play a role in serving the outer zones; whilst Ilkeston and Belper, for example, also have their own cinema provision. Even when we take

⁴⁴ Source: The Cinema Advertising Association

into account the potential requirements from a wider hinterland than the inner survey zones, it is considered that - given there are almost three times as many screens per head compared to published averages for the region - there is more than sufficient provision in the city at present.

- 6.13 Data from Dodona ⁴⁵ suggests that the average multiplex screen accounts for an annual spend of £301,000 in ticket revenue, whereas an independent screen accounts for £148,000 per annum in ticket revenue. Given the other claims on expenditure in this category (Recreational and Cultural Services), the increase in expenditure of nearly £3.6m by 2011 as a consequence of population growth and increases in per capita leisure expenditure appears to confirm that there would be insufficient growth in expenditure in this category, at least in the short term, to support any provision over and above the existing strong offer in the city. This is particularly the case given the recent improvements to the cinema offer in Derby city centre, which, as a contributor to the vitality and viability of the city centre, should continue to be supported.

Bingo

- 6.14 Derby presently has two main bingo clubs, both operated by Gala Bingo, with locations in the city centre (Liversage Street) and at Foresters Leisure Park in Sinfen. A Gala or Mecca-type club generates average annual net stakes of around £1.47m per branch. Therefore, we would expect the two clubs combined to account for approximately £3.0m of expenditure. As Table 6.1 indicates, growth in recreational and cultural leisure expenditure is forecast to be in the region of £3.6m to 2011, and totalling £25.1m over the period to 2026. There is therefore expenditure available in the plan period to support additional provision of this nature. We would not recommend that there is scope in the short term up to 2011 but there may be scope post 2011 to 2026. However the trends in leisure expenditure should be frequently monitored and updated to ensure the robustness of this. Given there are a number of other claims on expenditure in the 'Recreational and Cultural Services' category, any potential additional provision should be small scale.

Casinos

- 6.15 Derby has two casinos in the city centre, Mint Casino (operated by national operators Stanley), located on Colyear Street and Maxims Casino, located on Friar Gate. Given that a small-scale 'traditional' casino generates average annual

⁴⁵ Dodona Research is a consulting and research firm specialising in the cinema industry

turnovers of around £3.6m per casino⁴⁶ there is likely to be limited scope for the provision of this type of facility in this area, particularly when the remaining claims on expenditure in this category are considered. We are aware of proposals for the incorporation of a casino as part of the Riverlights development in Derby city centre; should this component of the scheme be implemented, the scope for any additional provision over and above this will be minimal. Nottingham also has strong provision in this respect, with a total of six casinos in the city; hence there is ample provision proximate to the catchment boundary.

Theatres

- 6.16 The existing performing arts offer in Derby centred around the Guildhall Theatre in the city centre (Market Place). However, as acknowledged in Derby City Council's Arts Strategy 2008-13, the performing art-forms *'are currently in a particular state of limbo due to the present uncertainty over the city's performing arts infrastructure. This uncertainty is especially pertinent to the Derby Playhouse building'*. Due to legal issues, the Playhouse is presently closed, therefore reducing the number of venues for performing arts output in the city centre.
- 6.17 The city centre also has a strong and expanding live concert and music scene, headed by the Assembly Rooms in the Market Place, but also a number of smaller venues including The Royal (Victoria Street) and The Venue (Abbey Street).
- 6.18 In addition Nottingham has a large theatre and arena in the city centre, both of which frequently host national shows. There can therefore be considered to be strong provision both within around the catchment. Assuming the issues concerning the Playhouse are remedied in the long term, we consider there to be limited scope for further theatre provision in Derby over the course of the Plan period.

Food and Drink

- 6.19 As noted above, food and drink uses have the highest level of expenditure of all the leisure service categories. It would be expected that whilst a small proportion of this growth may be accounted for by facilities outside of the inner zones catchment, the majority of the growth in expenditure noted in Table 6.1 would be expected to remain within the catchment, and, in the most part, be directed towards the city centre. We have noted in Chapter 3 that the proportion of uses in the *'restaurants, cafes, coffee bars, fast-food takeaways'* sub-category in Derby city centre is slightly below the current UK average, equating to 13.3 per cent of all units in the city centre. The city centre's offer in this respect has been enhanced through the provision of additional facilities within the new Westfield development. Nevertheless

⁴⁶ Source - The Gambling Commission

it is considered there remains potential for improvement in this sub-category, in order to continue to strengthen the evening economy in the city centre and promote the vitality of the city outside of retail trading hours.

- 6.20 Even in the short term the forecast growth in expenditure in this sector of £9.4m to 2011, would be sufficient to support a range of new, good-quality restaurants (which generate annual turnovers of around £850,000 to £1m, with some high-profile names taking in excess of £1m per annum) - as well as several branded pubs/bars, which have a typical annual turnover of between £870,000 and £1m - in addition to productivity increase for existing pub operators/restaurateurs. Consideration should be given to encouraging the development of such uses in areas proximate to key venues such as the Guildhall and Quad.

Accommodation

- 6.21 There are a number of hotels in Derby, although the current pattern of provision sees predominantly smaller-chain and independent hotel operators in the city centre, and larger national 'budget' chains occupying space in more peripheral locations, such as Pride Park (Holiday Inn Express; Purple Hotels; Ramada); Kingsway Retail Park (Travelodge) and Foresters Leisure Park (Premier Travel Inn). Planning permission exists for a further hotel development adjacent to Pride Park Stadium. In the city centre there are a number of upper-end hotels, including the Midland Hotel, and the recently-opened Cathedral Quarter boutique hotel on St Mary's Gate. The city centre hotel offer is due to be strengthened further in the near future, with two new hotels (including a Holiday Inn) to be provided as part of the Riverlights development, and a new Jurys Inn hotel scheduled to open at Bridgegate in July 2009.
- 6.22 Figure 6.1 illustrates that there is relatively limited growth in the accommodation market over the remainder of the Plan period, with an increase in available expenditure of £10.5m anticipated over the period 2008-26. It is anticipated that existing operators and the forthcoming city centre developments should satisfy a sizeable portion of this growth in expenditure. It would be expected that any further increase in provision would be at a level where the market will provide this rather than the Council intervening with specific policies or initiatives.

Hairdressing

- 6.23 The healthcheck identifies that Derby has 40 units in use as Hairdressers, Beauty Parlours or Health Centres. This represents 5.66 per cent of the total number of units, slightly below the current UK average of 7.35 per cent. Whilst there would appear to be an under-provision of such facilities in the city centre at present, figure 6.1 illustrates that the growth in this market is relatively small as compared to other

Leisure sectors and therefore it is considered there is only limited scope for this market to increase.

Summary of Scope for Additional Commercial Leisure Facilities

- 6.24 Overall, spending on leisure services in the inner zones catchment area is forecast (using local data and national growth projections) to grow approximately £104.7m in the period up to 2026. How this growth might be expended locally depends very much on what opportunities the market supplies - thus, current spending patterns can only provide a guide to what might happen in the future.
- 6.25 Based on current spending patterns in the district, almost two-thirds of this spending growth will go to eating and drinking outside the home (restaurants, cafés and bars). It is expected the majority of this growth should be focused on improving the current offer in the city centre. Capturing a sizeable proportion of this growth in expenditure through the provision of a better and more appealing choice of restaurants, cafés and bars/pubs, which strategically help develop an evening economy for the city centre, will play a positive role in further enhancing the vitality of the centre.
- 6.26 The rest of the expenditure growth will go to a wide mix of activities (for instance, bingo halls and cinemas), with no single activity capturing any significant market growth. As such, there may only be limited scope to provide additional entertainment-type leisure activities in the District over the period to 2026, particularly given the substantial over-provision of cinema facilities within the city.
- 6.27 As we have stressed, the approach to the assessment of quantitative need in the leisure sector is less well developed than in the retail sector and so the quantitative 'needs' that we have identified should be treated as an indicative guide. Furthermore, the sector is dynamic, changing and operator-led. If an investor feels capable of attracting customers by diverting spending from other facilities, the planning system does not prevent additional development provided it meets other criteria for vital and viable town centres.

7 STRATEGIES FOR MEETING RETAIL NEEDS

Introduction

- 7.1 In Section 2 of our report, we set out the requirements that PPS6 imposes on Regional Planning Bodies (RPBs) and Local Planning Authorities (LPAs) in preparing the development plans; these include the need to consider:
- i) whether there is a need to avoid an over-concentration of growth in the higher level centres;
 - ii) the need for investment in those centres requiring to be regenerated; and
 - iii) the need to address deficiencies in the network.
- 7.2 Thus, in preparing their development plan documents within the context set by the RSS, LPAs, in turn, must:
- i) select appropriate existing centres to accommodate growth, making the best use of existing land and buildings, but extending the centres where appropriate using tools such as the Action Plans, CPOs and strategies to improve transport, land assembly, crime prevention and design;
 - ii) manage the role of existing centres through the promotion of specialist activities, or specific types of uses; and
 - iii) plan for new centres of an appropriate scale in areas of growth, or where there are deficiencies in the existing network
- 7.3 In paragraph 2.40 and 2.41 of our report, we refer to the new test of soundness introduced by PPS12. This new test requires the Council to demonstrate that its chosen strategy is the most appropriate, when considered against reasonable alternatives, and secondly, that the chosen strategy is effective and deliverable.
- 7.4 Thus, in assessing strategies for meeting retail and leisure needs, we have dismissed those which would clearly not accord with national and regional policy, such as trying to meet most of the need in existing out-of-centre retail parks or through the creation of a new centre in an out-of-centre location.
- 7.5 Finally, we should state at the outset that all reasonable strategies will provide for localised convenience and service needs in line with the principles set out earlier in Section 5.
- 7.6 Thus, we have focused our initial evaluation on just three alternative strategies, as follows:

- i) Strategy 1: seeking to meet almost all of the comparison retail needs in Derby City Centre, with convenience retail needs aligned with localised population growth;
 - ii) Strategy 2: seeking to channel most of the comparison retail needs to Derby City Centre although with a larger proportion to the smaller district centres and retail parks elsewhere in the city than under Strategy 1, but again with convenience retail needs aligned with localised population growth; and
 - iii) Strategy 3: seeking to rebalance the network of centres in Derby City, by channeling comparison retail needs to a combination of Derby City Centre, the retail parks and the district centres elsewhere in the city.
- 7.7 Our floorspace requirements for retail uses are set out in Section 5. We have provided forecasts up to 2026 but would advise that after 2021 these forecasts become less reliable, and that the most robust forecast period is up to 2016.
- 7.8 For the purposes of this section, we use the static retention rate but adopt a midpoint figure between the MapInfo growth rates and the lower Experian Growth rates. In Section 5 we have considered different growth scenarios, principally a lower growth rate, and a higher retention of market share. Although the higher retention of market share is something the Council should be aiming for, certainly in the short term, the most realistic option is to retain the existing market share of 38 per cent. In addition although we believe that the lower growth rate is overly pessimistic, in the interests of robustness we feel taking a midpoint figure is the right approach.
- 7.9 At the end of this section we also look at a fourth option which 'ring-fences' some of the available comparison expenditure. Under this option, rather than developing all the identified floorspace requirements, we recommend that the capacity is used to improve the vacant premises and the performance of the City Centre. Our healthcheck and market share work has identified that Derby is not currently performing at a level we would expect for a centre of its size. This fourth option aims to address the cause of this and can be applied to any of the three scenarios which we outline below.
- 7.10 In terms of convenience expenditure we again use a midpoint figure between the higher (MapInfo) and lower (Experian) growth rates but account for the over-trading as in our assessment this presents the most realistic forecast of future convenience needs. As the floorspace requirements for convenience are more modest than those for comparison goods we recommend that only one strategy is followed, which is to locate future floorspace in line with the future housing growth and taking

into account existing areas of relative under-provision. We discuss this strategy at the end of this section.

Comparison Requirements

Strategy 1: Derby City Centre Focused

- 7.11 The effect of this strategy would be that any large scale comparison shopping developments would be channeled to Derby City Centre whilst the convenience floorspace requirements would be aligned with population growth and existing under-provision. The broad floorspace requirements under this strategy are set out in Table 7.1

Table 7.1 Net Floorspace Requirements under Strategy 1 (sq.m net)⁴⁷

	2008-2011	2011-2016	2016-2021	2021-2026
Comparison Goods Sector Total	-2,390	12,981	17,180	21,540
Derby City Centre (90%)	-2151	11,683	15,462	19,386
Other District Centres/Retail Parks (10%)	-239	1298	1,718	2,154

- 7.12 In respect of the comparison goods requirements, this strategy has a strong focus on Derby City Centre. In order to account for smaller scale requirements in the other town centres in Derby, we have allowed for 10 per cent of the floorspace requirements for 'other district centres and retail parks'. This is a greater percentage of the existing market share of other district centres, but a lower market share than that which the retail parks in zones 1-9 presently attract. Under this strategy the retail parks take a reduced share of future needs since there is little policy support to allow for significant future development to be channeled to the out of centre retail parks.
- 7.13 The implications of this strategy is that in the 2008-2011 period there is a deficit in expenditure, meaning that there is a current oversupply of floorspace in the short term.
- 7.14 In the period, 2011-2016, our assessment shows there to be a requirement for a further larger scale retail development of some 12,981sq m net comparison floorspace to meet the expenditure growth generated from per capita expenditure and population growth over this period. We do not believe there is an urgent need for this capacity to be absorbed through the development of significant new floorspace in the short term. Instead we recommend that the focus should be on

⁴⁷ The figures shown in Table 6.1 represent the 'static retention' scenario, as detailed in Table 5.5. As part of the planning process, the Council will identify which of the models outlined in Table 5.5 is its preferred approach.

supporting the existing performance of the city centre and on the bringing the existing vacant units back into use. This issue is discussed in more detail as option 4 below.

- 7.15 However since large scale retail developments take some years to be delivered, some of the retail growth in Derby should be planned for in the Council's development plan documents. We would recommend that options are looked at through the Development Plan process to accommodate this requirement. Given the recent Westfield development options to strengthen the core of the city centre should be assessed first, to balance the impact of this development. Sites in the city centre appropriate for retail uses include the former Debenhams site, Becket Well, Sadler Gate and the Cathedral Quarter. CACI also recommend that improvements could be made in the mid to long term to the Audley Centre.
- 7.16 In respect of the other district centres and retail parks, again there is a deficit in expenditure to support new floorspace up to 2011. We would recommend that under this strategy further floorspace development is not planned for these centres in the short term. This does not prohibit individual applications for development being treated on their own merits. In the period 2011-2016, there is a requirement of some 1,298 sq m net floorspace, which would be sufficient to support small extensions to the existing centres, but no large scale retail provision. Post-2016 the requirement grows to 1,718 sq m which again would allow the existing district centres to grow and allow for further development on the retail parks. This strategy means that the existing district centres maintain their existing role, but would not divert significant investment from Derby City Centre, which could be used to deliver a large scale floorspace to meet the identified expenditure growth. .

Strategy 2: Derby City Centre, the District Centres and Retail Parks

- 7.17 Under this strategy, the district centres and retail parks would have a claim on a larger proportion of floorspace requirements than under Strategy 1. For both the district centres and retail parks this means a much higher percentage than their existing market share.

Table 7.2 Net Floorspace Requirements under Strategy 2 (sq.m net)

	2008-2011	2011-2016	2016-2021	2021-2026
Comparison Goods Sector Total	-2390	12,981	17,180	21,540
Derby City Centre (70%)	-1673	9,087	12,026	15,078
District Centres and Retail Parks (30%)	-717	3894	5,151	6,462

- 7.18 This amounts to 70 per cent for Derby City Centre and 30 per cent for the district centres and retail parks. Under this strategy, the comparison requirements are lower for Derby City Centre.
- 7.19 Looking specifically at Derby City Centre, under this strategy there would be no requirement for additional floorspace to 2011. Post-2011 there is a requirement for 9,087 sq m net of additional floorspace.
- 7.20 The resultant effect of this strategy is that there is a larger floorspace requirement for the district centres and retail parks. Post 2011 this requirement grows to 3,894 sq m net by 2016 and a further 5,151 sq m to 2021. There are limited opportunities for the district centres to accommodate this level of growth and as we do not foresee the need for a new district centre in any of the growth areas, this requirement will result in growth in the Retail Parks, allowing them to build on existing strong performance.

Strategy 3: Rebalance the Network

- 7.21 Under this strategy, the network of centres would be rebalanced by channeling comparison floorspace to a combination of both Derby City Centre and the district centres and retail parks.

Table 7.3 Net Floorspace Requirements under Strategy 3 (sq.m net)

	2008-2011	2011-2016	2016-2021	2021-2026
Comparison Goods Sector Total	-2390	12,981	17,180	21,540
Derby City Centre (50%)	-1195	6,490.5	8,590	10,770
District Centres and Retail Parks (50%)	-1195	6,490.5	8,590	10,770

- 7.22 To rebalance the network of centres, we have allowed for 50 per cent of the requirements to be accommodated in Derby City Centre, with the remaining 50 per cent in the district centres and retail parks.
- 7.23 The result of this strategy is that for Derby City Centre post-2011 to 2016 there is a requirement for 6,490sq.m net additional floorspace. This increases to 8,590 sq m net in the period up to 2021.

- 7.24 The outcome of this strategy is that there are also large floorspace requirements for the district centres and retail parks. To achieve this level of provision, one of the existing district centres will need to be elevated from its existing 'district centre' level in the shopping hierarchy. In addition, sites will need to be identified in these centres that can accommodate the scale of growth envisaged. If sufficient sites are not identified, this will inevitably result in pressure for further out of centre development in either the existing retail parks or in new out of centre locations.
- 7.25 At first sight, this third strategy may be perceived as having some merit in that it could be said to seek to spread opportunities and investment risk and to reflect the current balance in the network of centres. However, Strategy 3 would dissipate, geographically, the occupier demand which exists in the comparison retail sectors. Such dissipation of occupier demand would substantially increase the risk of failure to deliver key projects in Derby City Centre, and may compromise the vitality and viability of the city centre as a whole, if the 'critical mass' needed to ensure viability of operators was spread too thinly.
- 7.26 The long term result is that Derby would not be able to maintain its current market share. In addition development opportunities as identified in the masterplan require pent-up demand to be channelled to these opportunities and for alternatives to be cut-off. Such an approach will reduce yields, increase investor confidence and maximise the chances for success.

Option 4, Ring Fence Comparison Expenditure Requirements

- 7.27 This option is to be reviewed at 2011. If the Core Shopping Area is still struggling with high vacancy rates then this option can be implemented by the City Council in order to channel investment into bringing vacant units back into use, rather than developing all of the forecast floorspace requirement.
- 7.28 In order to assess how much capacity should be 'ringfenced' we have looked at the amount of vacant floorspace in the City Centre. We have taken the figure of 13,501 sq m net vacant floorspace from the CACI study (this figure does not include the now-trading Primark and Tesco stores). We have checked this figure against the most recent GOAD figures and it appears comparable. We then applied this figure to the turnover of Derby City Centre of £8,441psm which is taken from Section 5 of this report. This suggests the potential turnover of the vacant units amounts to £114.0m.
- 7.29 In table RF5 we then strip 50 per cent of this out to allow for a proportion of vacant units to remain in the city centre, leaving a difference of £57.0m to treat as a

commitment. Applying this reduces total floorspace requirements from 2008-26 to 56,443 sq.m net. In the short term to 2011 this again indicates an over-supply and significantly it reduces the requirement from 2011 to 2016 from 16,818 sq.m net to 8,839 sq.m net.

- 7.30 Table RF11 repeats the exercise based on the lower Experian growth rate model as discussed in Section 5. Applying the commitment of £57.0m under this scenario significantly reduces the comparison goods requirement to 22,928 sq.m net over the course of the Plan period. Under this scenario there is a considerable over-supply of comparison goods floorspace of approximately 4,300 sq.m net to 2011, and only a marginal positive requirement of 1,164 sq.m net between 2011 and 2016. However the requirement then increases considerably to 11,485 sq.m net between 2016 and 2021.
- 7.31 This option can be applied to any of the three scenarios outlined above but we would advise it is only used after 2011 if there is still a high vacancy rate in the Core Shopping Area.

Convenience Requirements

Convenience floorspace requirements are relatively small. Before the impact of over and under trading was analysed the requirement in the short term up to 2011 was negative, indicating an oversupply of floorspace. However the household survey ascertained that six of the main food stores were overtrading, which serves to facilitate a short term requirement. For the purposes of recommending a strategy we look at the midpoint figure between the higher (MapInfo) growth rate and lower (Experian) growth rate, taking into the account the current overtrading. Table 7.4 below illustrates this requirement

Table 7.4 Net Convenience Floorspace Requirements (sq.m net) mid point figure Experian-MapInfo

	2008-2011	2011-2016	2016-2021	2021-2026
Convenience Goods Sector Total	1,920	457	979	1,269

- 7.32 Much of the requirement in the short term has been taken up by the recently-opened Tesco Metro on St Peters Street in Derby City Centre, leaving a residual requirement of just 1,920 sq m in the short term period.
- 7.33 It should also be noted that although not included as commitments, the Lidl store at Chaddesden is close to gaining consent, and is awaiting the completion of a s106 agreement. Furthermore, two of the three recent permissions granted for residential

development discussed in Section 5 include an element of convenience retailing. In addition there is a current application for development at Friar Gate which includes convenience floorspace, and also potential for a scheme including convenience floorspace to come forward at Heatherton. Therefore the majority of the requirement shown from 2008-2016 is potentially already committed, subject to planning consent.

- 7.34 The remaining requirements for convenience floorspace are relatively small and therefore we recommend that only one strategy is followed, which is to locate future floorspace in line with the future housing growth. Should the future housing growth areas change within the emerging Core Strategy then this requirement should be looked at accordingly and this

The analysis undertaken in Section 5 indicates that when housing growth in Derby is modeled on a zonal basis, the only zone that this will have any significant effect on is Zone 1. In this zone the forecast level of housing growth is high, and the existing retention rate for convenience expenditure is relatively low. We would therefore recommend that a significant proportion of residual requirement is channeled into Zone 1, based on the current focus of housing growth on Derby city centre. Section 5 also indicated that Zone 3 presently has a low local retention rate, by virtue of the lack of an established centre or out-of-centre foodstore. There appears to be a qualitative requirement for additional convenience facilities of appropriate scale that can serve this area. It is expected that any additional foodstore provision in this area would be relatively limited in scale, given the lack of established centres in this zone.

- 7.35 Longer term from 2016 to 2026 the requirement is relatively small and we would therefore recommend that this is directed towards localised needs within existing district centres. Proposals for new development arising in excess of that total should be considered on their merits.

RTP Recommendations on Strategy

- 7.36 Our study suggests that the retail needs we have identified will be best satisfied along the lines of Strategy 1, which would involve:
- i) meeting most of the comparison retail needs, including food and drink, in Derby City Centre.
 - ii) allow for smaller scale comparison retail needs in the district centres in order to accommodate a locally derived need.

- iii) align convenience floorspace with the areas of high population growth, with a residual to support smaller incremental increases and extensions to existing facilities.

- iv) limit the amount of significant retail development in out-of-centre locations

7.37 There are physical opportunities for further high quality retail led development in Derby City Centre that will maintain its role as a dominant centre in the shopping hierarchy. There is also a need to ensure investor confidence remains in Derby City Centre by channelling occupier demand to flagship opportunities that are critical to the future growth of the centre.

8 RECOMMENDATIONS ON POLICY AND RETAIL HIERARCHY

The Network of Centres

8.1 Paragraphs 2.9 to 2.11 of PPS6 provide advice in relation to the development of the network and hierarchy of commercial centres. In developing the network and hierarchy, Regional Planning Bodies and Local Planning Authorities are required to consider:

- whether there is a need to avoid an over-concentration of growth in the higher level centres;
- the need for investment and growth to strengthen other centres, especially those needing regeneration; and
- the need to address deficiencies in the network by promoting centres to function at a higher level in the hierarchy or designating new centres.

8.2 As advised by PPS6 any change in the role and function of centres - upward or downward - must come through the development plan process, rather than through planning applications. Table 1 of Annex A of PPS6 gives further guidance on the hierarchy of centres; these are tiered with City Centres at the top followed by Town, District and Local Centres.

8.3 The City of Derby Local Plan Review adopted January 2006 sets out at Policy S1 and Appendix D the shopping hierarchy within the City. As part of the Healthcheck process we reviewed the health of the 13 District Centres and as part of this process we provide a brief summary of each centre and how it is performing its role against its allocation as a district centre.

PPS6 states that *'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'*.

Normanton Road / Peartree Road

8.4 The Normanton Road/Peartree Road linear centre forms an important retail corridor to the south of the city centre. It has a low placement in the retail rankings, but as this is largely a product of the lack of multiple retailers in the centre, this is not considered reflective of the retail performance of the centre. Rather, the centre offers a strong and diverse retail mix, much of which is catered towards ethnic communities. The dispersed nature of the centre over a considerable geographic

distance ensures that the quality of the retail offer does not appear particularly strong in any part of the centre, with several noticeable occasions of juxtaposition of higher-quality and lower-end retail. The difficulty the centre experiences is that it has strong 'dumbell' foodstore anchors at either end of the centre (Lidl and the Southgate Retail Park to the north; Pak Foods supermarket to the south), and struggles to maintain a quality retail offer inbetween.

- 8.5 It is considered that action within the centre should be focused on reducing the number of vacant units which exist at present throughout the centre, as well as improving the aesthetic appeal of the centre. Together with the vacant units, the poor-quality shop fronts and interspersed low-grade retail can lend the centre a run-down feel, although our site visits suggest the centre is, conversely, trading reasonably well. Consideration may also be given to the 'zoning' of parts of the centre where footfall is highest (for example, around Pak Foods) exclusively for A1 retail use, so as not to allow the services-orientated uses (which appear to occupy a high proportion of units in parts) to overly dominate the 'prime' retail area. The 'tightening up' of the prime retail areas may have a further effect of encouraging some additional multiple retailer representation, which, aside from those present at the Southgate Retail Park, is considerably limited at present, and would further improve pedestrian footfall. Although the high volumes of traffic which traverse Normanton Road do not positively contribute to the environmental quality, they are likely to assist in the generation of footfall to the area.

Allenton

- 8.6 Allenton can be considered to be one of the stronger district centres in the city: the centre exhibits a strong range of retail outlets, including representation from a number of national multiple retailers which contribute to the vitality and viability of the centre. Furthermore the centre was found to be clean, and offer a strong and reasonably pedestrian-friendly shopping environment. However sites on the periphery of the centre are of cause for concern: the Allenton market site in particular appears in need of refreshment, and the low-grade retail park to the north of the market site is poorly connected to the remainder of the centre, particularly those areas to the south of the Osmaston Road roundabout. The Council may wish to give consideration to removing the retail park from the district centre boundary in any future revision of existing centre boundaries given this lack of connectivity; particularly as the poor quality of the offer at the retail park ensures it contributes relatively little to the vitality and viability of the centre as a whole.

Allestree

- 8.7 Allestree district centre comprises the Park Farm Shopping Centre, a purpose-built, pedestrianised shopping environment. The centre appeared from our visits to be trading well, and offers a strong retail mix, including national convenience and comparison retailers, as well as a positive pedestrian shopping environment. Aside from a recent increase in the number of vacant units at the centre (which nevertheless remains relatively low), the centre is currently trading well and no intervening action is considered necessary in the near-term.

Alvaston

- 8.8 Alvaston district centre is the third highest-ranking of Derby's district centres in the MHE *UK Shopping Index* by virtue of a strong representation of national multiple convenience and, to a lesser extent, comparison retailers. The centre has a strong range of key services including three supermarkets, post office and chemist. The stronger retail offer is to the north of the centre, on London Road, anchored by the Tesco Express supermarket. To the south of the district centre, on Shardlow Road, the quality of the retail offer is weaker, with a number of charity and low-grade retail shops, as well as a higher proportion of vacant units. It is considered potential exists to improve this southern element of the centre to encourage 'unify' the centre (to a great a degree as is possible given the roundabout) and provide a more consistent quality of retail throughout. Aesthetic improvements, including public realm works, could potentially assist in this respect.

Cavendish

- 8.9 Cavendish is a small district centre focused around the busy interchange of Derby Lane and Stenson Road. The retail offer compared to many of the other district centres in the city is comparatively limited. The disjointed nature of the centre around the roads leading to the roundabout does not allow for a strong pedestrian retail environment, although the Somerfield store which anchors the centre appeared reasonably busy. It is not considered that any significant intervention is needed in the centre; the nature of its location ensures it inherently has limited potential to perform as a cohesive shopping destination. Despite this, the centre would appear to be currently trading well, given that no vacant units were noted at the time of our visit.

Chaddesden

- 8.10 Chaddesden is the highest ranking of the district centres in Derby, and has seen recent investment through the opening of new Aldi and Tesco Express stores; the convenience offer could potentially be enhanced further through the recent granting of permission (subject to s106) for a Lidl foodstore within the centre. The centre

appeared popular and well-supported. The key area of concern is in respect of the number of vacant units in the centre, although it can be noted that two of these units were under offer at the time of our visit. Although highly proximate to the prime retailing area within the centre, the relatively recent St Mary's Retail Park which abuts the north-western end of the centre is evidently struggling to attract retailer interest at present; consideration should be given to the promotion of the units in this area of the centre, and strengthening linkages with the remainder of the centre.

Chellaston

- 8.11 Chellaston district centre is split into two parts: the larger concentration of retail activities in on Swarkestone Road, which includes Co-Op and Tesco Express supermarkets which form the anchor to the retail offer. Elsewhere the retail mix largely consists of independent retailers; perhaps reflecting this, pedestrian activity was relatively quiet at the time of our visit.
- 8.12 The smaller of the two centres, London Road, is based around a small parade of shops including an off licence, estate agents and launderette. It is not considered that the retailing activities at the London Road centre offer sufficient diversity and breadth of retail offer so as to be termed a 'district centre', particularly given the absence of a supermarket in this location. Rather, the London Road parade is likely to perform more of a local centre role, and the Council may wish to consider downgrading the status of this centre in accordance with the limited role it plays.

Littleover

- 8.13 Littleover can be considered to be performing moderately well as a district centre: the foodstores (Iceland and Co-Op) which anchor the centre appear to be trading reasonably, and the centre is largely clean and well-maintained. The centre was one of the quieter of the centres visited, reflecting its slightly more limited retail offer than some of the larger centres such as Chaddesden or Allestree. No immediate issues of concern are apparent, however.

Mackworth

- 8.14 The district centre at Mackworth consists of the parade of retail outlets on Prince Charles Avenue, and subsequently is amongst the smaller of the district centres. The retail offer is somewhat restricted, but nevertheless the centre appears to play an important role in serving local needs, and the offer contains sufficient breadth of retailers (such as a pharmacy, bakery and off licence) for the role of a district centre. The centre benefits from strong car parking facilities and a pedestrianised shopping environment, although congestion on Prince Charles Avenue was noted as being detrimental to the environmental quality of the centre. The small size of the district centre means it is likely to be susceptible to fluctuations in viability even if a

small number of retailers cease trading, and therefore its performance should be monitored on a regular basis.

Mickleover

- 8.15 Mickleover is anchored by a large Tesco foodstore, and was found to generally exhibit strong signs of vitality and viability at the time of our visit, with ample car parking, low vacancy rates and a broad range of retail outlets, although some units appeared in need of modernization. No intervention is considered necessary to improve the performance of the centre, which appears largely to be trading healthily at present.

Oakwood

- 8.16 Our assessment of Oakwood district centre found the centre to be trading moderately well with a reasonable diversity of retail uses, although there is both limited current representation and demand for space in the centre from national retailers at present. Positively, the relatively modern centre offers good-sized units, and presents a well-maintained shopping environment. The present boundary for the district centre is extended to include the adjacent Springwood Leisure Centre. Although the contribution the leisure facilities makes to the vitality and viability of the centre is unclear, it is considered that, for the purposes of clarity, the boundary is restricted to the retail area within the centre in any future revision of boundaries.

Sinfin

- 8.17 Sinfin district centre is dominated by the large Asda superstore which forms the anchor to the centre's retail offer. As is noted elsewhere in this report, this store presently trades highly successfully and is one of the principal supermarkets serving the Derby urban area. Conversely, the remainder of the district centre appears to be struggling somewhat at present, with a large number of vacant units, low pedestrian flows and a poor quality environment. The proposed application by Asda to remodel three of the units should, if approved, assist in improving the present shortcomings; however, irrespective of this, it is considered much of the centre would benefit from refreshment to improve the current poor environmental quality.

Spondon

- 8.18 Spondon is the second highest-ranking district centre in Derby in the 2008 MHE *UK Shopping Index* and this is borne out in what can be considered to be a reasonably strong and well-developed retail offer. However the centre did, at the time of our visit, contain a surprisingly high number of vacant units in the prime retail area, and the priority for Spondon should be the letting of these units to aid the attractiveness

of the centre and improve pedestrian flows, which were slightly muted at the time of our visit.

Out of Centre Retail Development

- 8.19 As part of the brief we were asked to look at the existing provision of out of centre retail facilities including stand alone trade uses. We undertook a survey of all the uses and these have been plotted on Figure 4.4 in Volume 2.
- 8.20 Section 4 of this report identifies that the out of centre retail parks have a strong share of the comparison expenditure market and that this could be one of the reasons for the underperformance of Derby City Centre. The opening of Westfield will help to counter this impact but only in partnership with a specific focus on improving the performance of the city centre and bringing the vacant units back into use.
- 8.21 We would therefore exercise caution in allowing further extension of floorspace in the out of centre location particularly in the short term. In reviewing the policy protection towards existing centres as opposed to out of centre parks and development we have looked at Local Plan Policies S2, S8 and S9.
- 8.22 Policy S8 is strong enough to resist expansion in the out of centre location as it refers to Policy S2 which requires that in centre and edge of centre sites are considered before development in out of centre locations is allowed. We therefore would not recommend any change to this policy.
- 8.23 Policy S9 refers to the range of goods that can be sold in out of centre locations. Although this policy restricts the sale of goods in existing designated centres to traditional bulky goods it has had mixed success, as witnessed by the presence of retailers such as Next and Boots are found on out of centre retail parks in the city. It is imperative, particularly in the short term, that traditional 'high street' retailers are directed towards the city centre and therefore we would encourage the retention and use of this policy. Conditions that seek to restrict the sale of certain types of goods from out of centre units (whether within or outside a retail park) should be retained, but Policy S9 could be made clearer by just having one set of criteria rather than 3.
- 8.24 The first part of policy S9 refers to permission for retail uses outside the shopping centre hierarchy and therefore presumably applications for uses outside any designated centre including the retail parks. It is not clear if this is relevant as such development is controlled by Policy S8 and S2 and the uses that are listed should already be directed towards existing centres. The policy should be made clearer to state that outside existing centres but within retail parks and other out of centre

locations, criteria in policy S2 and S8 will apply and only bulky goods uses will be permitted. In addition these developments will be subject to conditions restricting the sub division of units and provision of mezzanine floors.

- 8.25 In terms of the trade counter operations Policy S10 allows trade and showroom type sales. These uses have a place in the retail hierarchy however Derby is well provided for these and therefore each case should be taken on its merit.,

Shopping Area Boundary and Frontage Policies

- 8.26 The City Centre Shopping Area Boundary is quite tightly drawn but accurately reflects the main core of retail activity. Although tightly drawn it does allow for some fringe-type activities to operate. As such, we consider the list of uses allowed within this area to be appropriate.
- 8.27 The Shopping Area Boundary works alongside a primary frontage policy and a Central Area Boundary. The primary frontage allocation covers the central core of the shopping area and the policy seeks to control the change of use in these areas from A1 to A2 or to A3, A4, or A5 uses. Although there is some merit in this it approach, it serves to force the service uses and food and drink uses into the Iron Gate and St James Street areas which are already showing signs of struggling as a result of the opening of the Westfield Centre. Sadler Gate has its own frontage policy only allowing A1 uses or small artisans and artists workshops. This is unduly restrictive in the current market and Sadler Gate is struggling with a high level of vacant units.
- 8.28 The Central Area boundary is widely drawn. It is not clear what the purpose of this boundary is as the only reference to it is in respect of off-street parking. Policy CC1 refers to the City Centre Strategy, yet it is not clear what is included within the city centre (i.e. whether it is just the City Centre Shopping Area or all of the area included within the Central Area definition).
- 8.29 There are two strategies to address this issue. Firstly, the City Centre Shopping Area is widened to include the masterplan area and then primary and secondary frontage policies are used to define to the actual shopping core. Alternatively, which would be our preferred strategy, the boundary of the central area is tightened and Policy CC1 re-worded to make it clear that retail is to be focused within the City Centre Shopping Area but other city centre uses, such as offices, leisure and residential are permitted within the wider central area.

Potential Measures for Protecting Centres' Vitality and Viability

- 8.30 Whichever strategy the Council choose to pursue through the Development Plan framework, there are also a range of measures that the Council could consider

which might have the potential to protect or enhance the vitality and viability of the City's various centres. We have researched initiatives being considered or undertaken across a range of local authorities around the country, which aim to promote the retail 'distinctiveness' of town centres, particularly through the fostering of independent, local shops. Whilst the findings of our research are detailed in full in Volume 3, the key issues and potential initiatives are summarised below.

- 8.31 Firstly, we provide a review of the findings of the 'Commission on Retail Conservation', which was set up to examine the issue of the erosion of independent retailers from the 'high street', before moving on to consider individual case studies of a number of initiatives.

Commission on Retail Conservation (2007) - 'A Balance of Trade - Everyone Can Help', prepared for Royal Borough of Kensington and Chelsea

- 8.32 The Royal Borough of Kensington and Chelsea Council (RBKC) set up a Retail Commission to investigate whether *'councils could do more to preserve their shopping areas and reduce the cloning effect all too apparent on major high streets'*. The findings of the Commission, which were published in May 2007, were based on a survey of six shopping centres in RBKC, undertaken in December 2006.

- 8.33 The Commission, in preparing its report, considered three key questions:
- how to get the right balance between popular/chain stores, smaller/specialist shops, boutiques and restaurants;
 - what new ideas and (possibly) legislation can help to *'balance market powers with the needs of local communities'*; and
 - whether local retail areas can be protected in a similar way to buildings.

- 8.34 The report makes a number of recommendations that public and private bodies could take to improve the balance of national and independent retailer representation. Recommendations which would need to be implemented at a national level include:

- amend the Use Classes Order - allowing small shops⁴⁸ to have a separate Use Class, with the GPDO amended to allow change of use from large shop units to smaller units, but not vice versa;
- abolition of upward-only rent reviews for new leases; and
- planning permission to be required for the merging of a small shop unit with another unit.

⁴⁸ Small shops are classed as those with a net ground floor area of under 80 sq.m.

8.35 Also important are the recommendations which the Commission made to RBKC, which could equally be applied to other local authorities; these include:

- Community Strategy - giving *'increased attention to retail needs and supply when reviewing their Community Strategy and in preparing a Local Development Framework'*;
- Local Partnerships - monitoring, and where possible influencing, the retail mix in areas where there are many property owners;
- promoting consultation between developers, retailers and residents during all stages of a major retail development, in order to *'establish the optimum mix of uses and unit sizes, and designs appropriate for the neighbourhood'*;
- retail 'neighbourhood watch' - encouraging the maintenance of high standards of repair, cleaning, etc, through local partnerships;
- introduction of free 30 minute parking meters in local shopping areas, in order to encourage the use of local shops by more people;
- encourage the retention of existing, and entry of new, small shops under 80 sq.m net in their shopping centres;
- negotiation through a S106 agreement, *'whereby the presence of a major store or stores is offset by a levy to support independent retailers located nearby'*; and
- establishing 'maximum quotas' for particular uses by area, or by centre, where the retail mix is under threat.

Case Studies of Specific Town Centre Initiatives

8.36 Below, we review various attempts made by regional, county and local planning authorities and/or independent retailers and organisations around the country to promote retail 'distinctiveness' in their town centres. As with the recommendations made by the Commission on Retail Conservation, some of the potential initiatives are likely to require primary legislation, whilst others are more readily applicable at the local level:

- **'Unique shopping'** - Birmingham City Centre Partnership, in conjunction with promotional organisation Marketing Birmingham, has signed up 59 independent retailers to be part of a free promotional campaign under the 'Unique Shopping' banner. The campaign is designed to ensure that Birmingham's independent retailers do not get 'swamped' by the major retail developments which have taken place in the city centre, such as the Bullring. The 59 retailers feature in a free leaflet dedicated to promoting independent retailers, with each retailer listed by address, type of goods sold, and identified on a map. The promotion is

also featured on the 'Be In Birmingham' Internet site. The development of a directory (online and printed) of retailers present in a town or district was also cited as good practice in the report commissioned for the RBKC, detailed above.

- **Loyalty cards** - The market town of Haslemere has created a successful 'loyalty card' scheme which enables small independent retailers to work together. The scheme has been developed by the Haslemere Initiative Group, the town's Chamber of Trade and Waverley Borough Council. The 'Haslemere Rewards' Loyalty Card scheme presently has support from over 30 businesses, and roughly 4,500 cards are in circulation, with businesses in the town centre giving collectable points or discounts on production of the card. The card has been cited as a driver behind increased footfall in many businesses in the town centre.
- **Retailer forum** - a network of independent retailers and restaurateurs in Shrewsbury town centre have developed Retailers United, a forum for networking and marketing their businesses, the development of training schemes, and liaison with local councils. The organisation has recently launched an online portal for the town's independent retailers called 'All the Little Shops'. The e-commerce website will contain a range of goods on sale solely from the town's independent retailers. Individual businesses submit 20 products a month, which are displayed in a 'virtual supermarket' on the website. The scheme has been sponsored by Shropshire County Council, which proposes to roll out the scheme to other market towns in the county if it proves to be successful
- **Business training** - East Cambridgeshire and Huntingdonshire District Councils have funded, in conjunction with the East of England Development Agency, an annual programme of free business training to retailers in Cambridgeshire, covering sales, marketing, visual merchandising, customer care, and retail security, in order to help independent businesses flourish in an increasingly competitive local market.
- **Town centre 'champions'** - The RBKC study highlighted the need for the appointment of a 'champion' for shopping centres, to network with local businesses and keep them informed about key developments taking place within the town centre. A town centre manager (or equivalent) would be most effective at performing such a role.

- **Assessment of distinctiveness** - Regional Development Agency One North East commissioned a series of 'Market Town Retail Distinctiveness' reports, for centres including the market town of Guisborough near Middlesbrough. The study found that the clustering of local independent shops served to build a good reputation for specialist independent shopping, but many local shops did not promote the local or specialist products they sold to a great extent. Furthermore, the Church Street area of the town centre was found to have potential to develop as a strong niche retail quarter, but suffered from poor connectivity to the primary retail area.
- **'Affordable retail'** - Both Birmingham City Council and the Royal Borough of Kensington and Chelsea are considering the use of planning gain deals with developers to subsidise space for independent retailers. The 'affordable retail' scheme would be operated through the Section 106 mechanism. In Birmingham, it is proposed that independent retailers will receive subsidised rents, with proportions of retail space and levels of subsidy agreed for each individual scheme. In RBKC the proposal is for developers to 'gift' a proportion of small units to the Council, to manage as affordable retail units.

8.37 In summary, it is clear that whilst some initiatives, such as planning gain deals, would be of potential interest to CMK and the Town and District Centres, these schemes are still at the early stages of policy consideration and hence should only be considered as tentative initiatives at present. Furthermore, many of the measures that are referred to above are qualitative in nature and are therefore difficult for us to assess in terms of hard, measurable outputs.

8.38 As such, we consider that protection of the vitality and viability of the centres in Derby in the short-term will be best served through marketing and business liaison-based measures.