RETAIL & CENTRES - UPDATE

HEADLINES: 2021

Introduction:

The Council monitors a number of factors related to the ‘health’, (in terms of vitality and viability) of defined ‘centres’ identified in the Council’s retail hierarchy, including the City Centre and District Centres. Surveys are undertaken each year to record the range of uses in each centre, including the proportion of vacancies. In terms of the City Centre, the Council also receives information in relation to footfall from Partnerships for Better Business Ltd, the management company for the two city centre BID Companies.

In light of the Covid-19 pandemic and the associated national ‘lockdowns’ the Council has not monitored District Centres, instead focussing on monitoring the health of the city centre. The ongoing impacts of the pandemic have accelerated pre-existing issues in relation to retailing and wider issues of vitality and viability. Due to the significance of the impacts, the most up to date information is presented.

For the purposes of monitoring, the data collected in the city centre survey excludes ‘Derbion’ (previously known as Intu Shopping Centre). Derbion is the focus for non-food retailing in the city centre and is therefore a significant omission from the data. However, due to the nature of the planning regime governing the operation of the shopping centre, the Council has limited control in relation to the range of uses or management. Therefore, the data focusses on those areas of the city centre where the Council can influence outcomes.

Amendments (1st September 2020) to the Use Class Order (UCO) provide greater flexibility to enable commercial units to be occupied by a range of different uses, without the need to apply for planning permission to establish the principle of development. Shops (A1), financial and professional services (A2), food and drink (A3), offices (B1a), research and development (B1b) light industry (B1c), non-residential institutions (D1) and indoor sport and leisure (D2) are now all part of a new use Class ‘E’. This is in addition to a raft of recent changes to the permitted development regime which for example enable a range of commercial uses to be converted to residential, without the need for a full planning application or consideration of the principle.

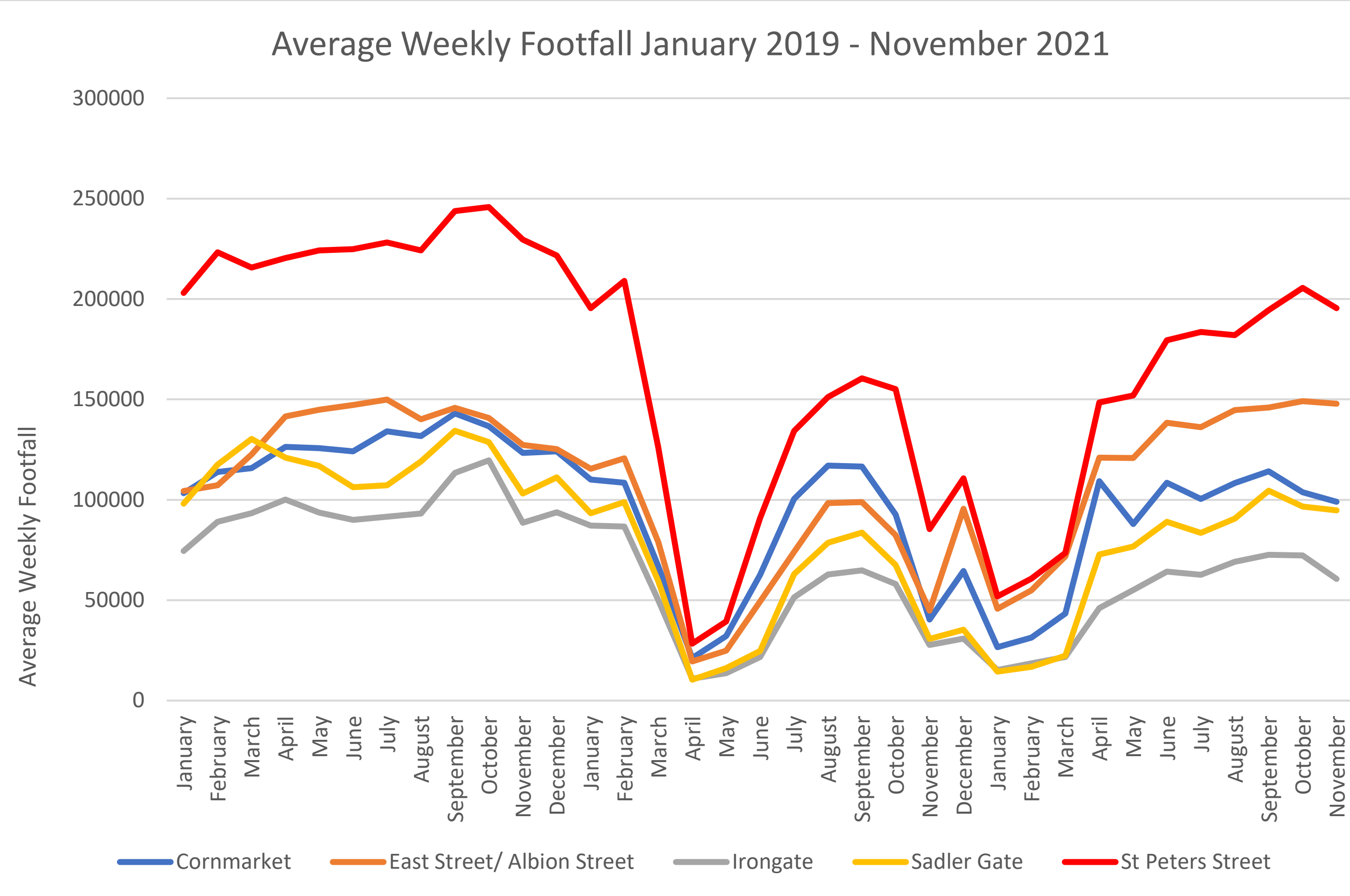
The result of these changes is that the Council has substantially less control over the range of uses within defined centres and associated impacts.

City Centre Health:

Footfall:

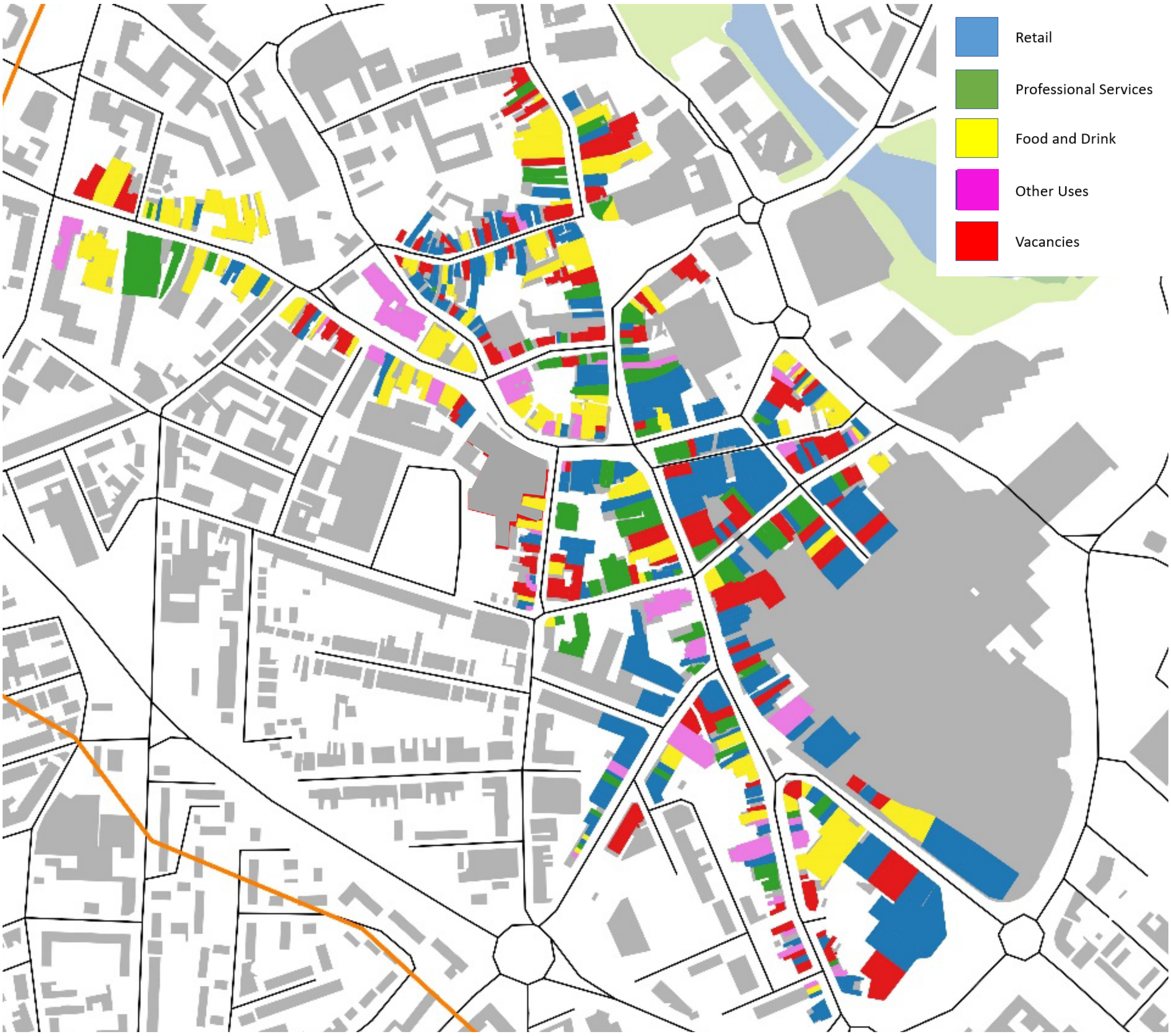
The data presented shows average weekly footfall each month in different areas of the city centre, including Cornmarket, East Street / Albion Street, Irongate, Sadler Gate and St Peters Street, for the period January 2019 up to November 2021.

The most notable factor to report is the critical, but not unexpected reduction in footfall in all areas of the city centre associated with national lockdowns in 2020. Whilst footfall has to an extent recovered throughout 2021, levels in the majority of areas continue to be notably below pre-pandemic levels. This is particularly the case in areas such as Iron Gate and Sadler Gate. The decline in Iron Gate is likely to be associated with the loss of anchor tenants such as Bennetts and Birds bakers.



Vacancies:

Based on in-house monitoring, the number of vacant ground floor units in the Core Area (excluding Derbion Centre) was estimated to be in the region of 115 (24%) at July 2021 compared to 124 (26%) at October 2020, 103 (21%) at 2019 and 72 (15%) at 2018. This is a marginal improvement on the October 2020 survey, reflecting post lockdown reopening. However, it remains notably higher than 2019 and significantly higher than 2018. The overall trend in the figures point to a deteriorating situation, which has been exacerbated by the ongoing C19 pandemic and associated national lockdowns.



Vacancies and Mix of Uses in Primary Frontages – July 2021

The vacancy rate within Primary Frontages is 24%, which is the same as the vacancy rate across the wider Core Area. The vacancy rate within Primary Frontages has historically been lower than that of the wider area, as they have tended to be the healthier, more vibrant parts of the centre. The fact that the vacancy rate within Primary Frontages is so high and of the same magnitude as the Core Area taken as a whole is a concerning indicator and provides more evidence of the declining health of the City Centre. On a more positive note, work to demolish the vacant former Debenhams building on Victoria Street commenced during the monitoring period. The site will form phase 1 of the wider Becketwell proposals providing circa 250 residential units.

Primary Frontages continue to be characterised by retail uses (39%), but this is declining, falling from 44% in 2020. Professional services retain a strong presence (19%) which is broadly stable from 2020. There is a more limited food and drink offering at 11% which is a small increase from 2020. Whilst A1 uses dominate (in line with Primary Frontage policy), the fact that the overall proportion of A1 is now below 50% and with vacancies running at such a high rate suggests that the overriding retail character of some frontages may be being threatened, or in some cases has been lost. This trend reflects the contraction in bricks and mortar comparison retailing seen at a national level and is also likely to be as a result of the introduction of new use class 'E' which allows greater flexibility to change between different commercial uses without the need for planning permission.