RETAIL & CENTRES - UPDATE

HEADLINES: 2020

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 BID Companies.

In light of the C19 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. There have been significant changes since March, therefore it is logical to present the most up to date data held by the Council (October 2020).

For the purposes of monitoring, the data collected in the city centre survey excludes the ‘Derby Centre’ (previously known as Intu Shopping Centre). The Derby Centre 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.

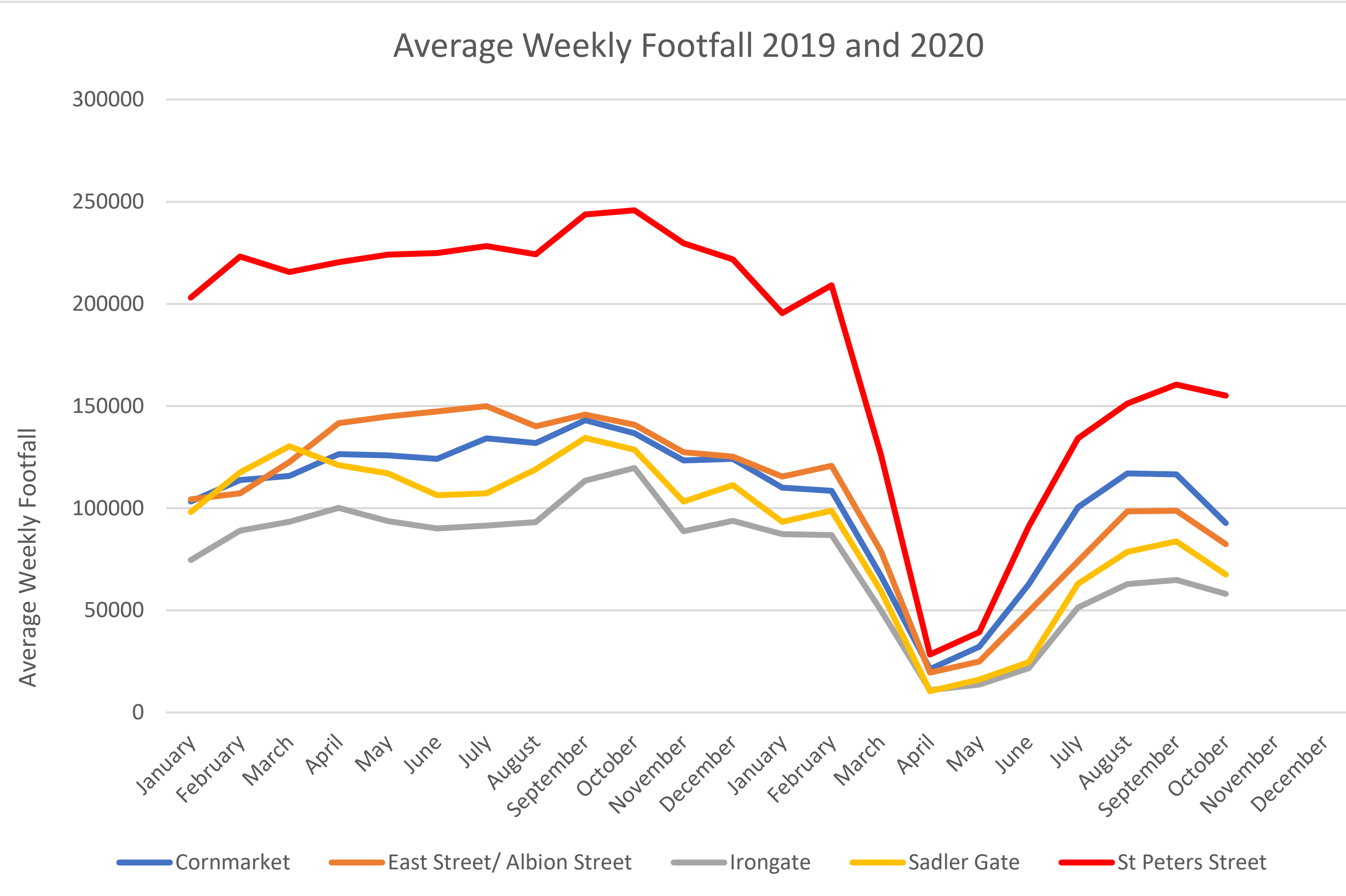
Recent amendments (1st September 2020) to the Use Class Order (UCO) provide greater flexibility to enable commercial units to be occupied by a range of different uses, without the need to apply for planning permission to establish the principle of development. Shops (A1), financial and professional services (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’. The result of this will be that the Council has substantially less control over the range of uses within defined centres and associated impacts.

City Centre Health:

Footfall:

The way in which footfall is monitored in the city centre changed in 2019, with new technology allowing us to more robustly record footfall data than previously. However, this means that is no longer possible to provide an accurate comparison to more historic data. Therefore, 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 2019 up to October 2020.

The most notable factor to report is the critical, but not unexpected reduction in footfall in all areas of the city centre associated with the first national lockdown in March 2020. Footfall across all areas in April 2020 was **87%** lower than the same period the previous year. Whilst footfall began to recover throughout the Summer, by August / September footfall still remained around a third lower than the previous year. The impending second national lockdown, resulted in further reductions in footfall across all areas, with October 2020 recording levels around 40% down on the same period in 2019. It is anticipated that footfall will have continued to fall through November, although this data is not fully available at the time of writing.



Vacancies:

Based on in-house monitoring, the number of vacant ground floor units in the Core Area (excluding Derby Centre) was estimated to be in the region of 124 (26%) at October 2020, as opposed to 103 (21%) at 2019 and 72 (15%) at 2018. This is a significant increase and is a symptom of the overall decline in vitality and viability associated with the C19 pandemic and subsequent national lockdowns.

Vacancies and Mix of Uses in the Core Area – October 2020

It is notable that vacancy is now an issue in all parts of the Core Area. The vacancy rate within Primary Frontages is around 20%, which is significant but slightly lower than the average for the wider Core Area.

Mix of Uses:

Primary Frontages continue to be dominated by A1 uses (44%), with a strong A2 presence (19%) and more limited food and drink (A3, A4 and A5) offering (10%). Whilst A1 uses dominate (in line with Primary Frontage policy), the fact that the overall proportion of A1 is below 50%, suggests that the overriding retail character of some frontages may be being threatened, or in some cases has been lost.