

Leicester Retail and Leisure Study 2021

on behalf of Leicester City Council

February 2022

FINAL REPORT

The information in this document has been used to support the preparation of the Local Plan. If you need assistance reading this document, or require it in a different format, please contact us via email.planning.policy@leicester.gov.uk or call on 0116 454 0085.

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1 Introduction

Instruction and Purpose

- 1.1 Nexus Planning has been instructed by Leicester City Council (hereafter referred to as 'the Council') to undertake a new Authority-wide Retail and Leisure Study ('the Study'). The primary focus of the Study is to establish the current position in respect of the need for additional retail facilities in Leicester, and to consider the vitality and viability of the City's defined centres.
- 1.2 This report replaces the previous Town Centre and Retail Study, which was undertaken by WYG Planning in September 2015 on behalf of Leicester City Council and Blaby District Council to inform the formulation of future development plan policy and to assist in the determination of planning application for retail and other main town centre uses. The Council considers it necessary to undertake a new Study due to the time that has now elapsed since the publication of the previous report, and as a consequence of ongoing developer interest in the retail sector in the City.
- 1.3 The Council is currently preparing a new development plan. It is therefore envisaged that this Study will not only form part of the evidence base to inform the future Local Plan, it will also assist with the Council's consideration of planning applications for retail and leisure uses and to help the Council consider future strategies to support vital and viable town centres.
- 1.4 This Study is underpinned by new empirical evidence in the form of a new household shopper survey, an in-centre survey within Leicester city centre, stakeholder consultation with key city centre stakeholders, and our site visits to survey and assess the health of the principal centres. The household survey was undertaken by NEMS Market Research in February 2021 and covers 16 separate zones, which are collectively considered representative of the principal catchment area for retail facilities within Leicester. The zones are consistent with those utilised in the previous 2015 Study in order to allow comparison of shopping patterns over time.
- 1.5 A plan of the Study Area is provided at Appendix 1, and the tabulated household survey results are provided at Appendix 2. The Study Area includes parts of neighbouring authority areas of Blaby, Oadby and Wigston, Harborough, Hinckley and Bosworth and Charnwood, within which residents sometimes look to facilities in Leicester to meet at least some of their retail and leisure needs. In addition, a full tabulated copy of the in-centre survey is provided at Appendix 3.

Structure of Report

- 1.6 Our report firstly provides an overview of prevailing retail and leisure trends, before then going on to consider the planning policy context for the Study. We then summarise the key findings of the new household shopper survey, before considering the vitality and viability of defined centres within the Leicester authority area. The remainder of the report is focussed around our assessment of retail needs.
- 1.7 Accordingly, our report is structured as follows:
- Section 2 identifies current retail and leisure trends of relevance;
 - Section 3 provides an overview of the planning policy context;
 - Section 4 summarises the findings of the in-street surveys in the city centre;
 - Section 5 summarises our assessment of the vitality and viability of the defined centres;
 - Section 6 provides an overview of forecast changes in Study Area population and expenditure;
 - Section 7 summarises the findings of the household survey;
 - Section 8 sets out an updated assessment of retail needs;
 - Section 9 sets out an updated assessment of leisure needs; and
 - Section 10 provides a summary of our key findings and conclusions.

2 Current and Emerging Trends

- 2.1 In order to provide a context for this Study and help identify the sectors that are more likely to be the subject of additional development proposals, we provide an overview of current retail and leisure trends below. In reading the below review, it should be noted that the retail and leisure sectors are dynamic and, whilst online shopping has impacted on the retail sector, new retailers and new formats continue to evolve to meet shoppers' needs.
- 2.2 The below commentary should therefore be taken as a 'snapshot' in respect of current market conditions; it will be necessary to judge future development proposals for main town centre uses with reference to the prevailing conditions at the time of a proposal's determination. This is particularly the case given the current commercial circumstances arising from the Covid-19 pandemic, and the impact of the lockdown measures on our high streets and operators (both local and nationally). We reflect on this in more detail below.

The Current State of the UK Economy

- 2.3 The UK economy has experienced a significant shock over the past 18 months as a result of the Covid-19 pandemic and subsequent restrictions on movement and behaviour which have sought to mitigate its impact. This uncertain background has caused business investment and expenditure to decline. Household spending fell by over 20% quarter-on-quarter in the second quarter of 2020 following the imposition of national lockdown measures. This is the largest quarterly contraction on record. Retail sales volumes also suffered double-digit falls in April 2020 as all but essential stores closed during the height of the lockdown.
- 2.4 However, as a result of the gradual reopening of businesses over summer 2020, the economy returned to growth, with this gathering momentum as a greater number of sectors reopened, including hospitality and leisure services followed by the full reopening of schools. A more pronounced resurgence in the number of cases of Covid-19 resulted in the Government reinstating a nationwide lockdown in early 2021.
- 2.5 In January 2022, Experian published its Retail Planner Briefing Note 19 ('ERPBN19'), which provides comprehensive and up-to-date information on retail developments and short, medium and long term forecasts for retail planning decisions.
- 2.6 ERPBN19 (January 2022) sets out Experian's best estimate of the retail sector and future changes in expenditure at the time of its publication. Experian anticipates that the post-Covid-19 recovery will be subdued over the coming months and that the economy will not recover to pre-Covid levels until

- at least 2023. In this regard, Experian consider that due to the unpredictable nature of the global pandemic, there is some degree of uncertainty over the scale and duration of the outbreak and the resulting economic consequences. Accordingly, Experian's forecasts are subject to a greater degree of uncertainty and volatility than previously would have been the case.
- 2.7 Although the medium term outlook for GDP will be shaped by the course of the pandemic, the long term outlook for GDP remains unchanged, with growth expected to remain below historic averages due to slower population rises and productivity.
- 2.8 The overall retail sales are projected to be volatile in the near term, but growth is less impacted over the medium and longer terms. The outlook for special forms of trading (i.e. internet sales, mail order) has been revised upwards in the short to medium term. The prospects for retail floorspace has been revised upwards in line with stronger projections for spending and slowing levels of growth projected for internet sales.
- 2.9 In terms of inflation, Office for National Statistics data¹ indicates that the rate of inflation (as measured by the consumer price index) increased from 0.5% at June 2016 to a high of 3.1% at November 2017, before reducing to 0.6% at December 2020. The rate of inflation in 2021 has then increased back up to 2.4% in June 2021. Retail has been an industry under significant stress, as many retailers find themselves squeezed between rising costs and the increasing volume of sales over the internet. This has of course, been pressurised further with the impact of the Covid-19 pandemic.
- 2.10 There will still be the need and demand for physical stores, despite the increase in shopping online. This is particularly the case for convenience sales in light of the fact that the online shopping orders are still, in the majority, being picked from shelves in physical stores. In terms of comparison shopping, there will also still be the requirement for physical stores as shoppers enjoy the experience of viewing items in person, but this shopping experience will need to evolve and diversify, and seek to engage shoppers at a level which has not been explored before.
- 2.11 In terms of the grocery market, the ONS² reports that the food and non-alcoholic beverage inflation rate as of May 2021 was 1.0% when compared to 12 months previous, with the inflation rate on alcoholic beverages and tobacco was 2.6% when compared to 12 months previous.

¹ ONS 'Consumer price inflation tables' dataset, November 2021

² ONS 'Detailed Figures by Division' dataset, November 2021

- 2.12 However, as may be expected, ONS³ has reported that retailers which predominantly rely on customers visiting their stores recorded a big drop after they were ordered to close their doors. Dispensing chemists sold consistently more since the pandemic began than they did before, with their sales increasing strongly in March 2020, and continued to grow in June even after restrictions were eased and other non-essential stores were allowed to reopen. Non-specialised foodstores, which include supermarkets, also traded consistently above their pre-pandemic levels. However, for furniture retailers, customers returned in the summer with trade returning to pre-pandemic levels and growing further, boosted by people still spending more time at home than they used to.
- 2.13 In terms of online retailing, ONS has reported ‘...online sales reaching higher than usual levels over the course of the pandemic’. Although these levels dropped off after shops reopened in June, the proportion of online retailing began to increase in October and continued to do so into November following the reintroduction of lockdown measures. However, with the gradual reopening of the economy in Spring/Summer 2021, ONS has reported a decrease in the overall proportion of retail spending online.

Available Expenditure and the Impact of the Internet

- 2.14 Experian forecasts fairly turbulent growth in per capita convenience and comparison goods expenditure over the short term. In this regard, Experian forecasts that per capita expenditure growth in the convenience goods sector will decrease slightly at 2022 by 2.0% (from -3.7% at 2021, and 8.7% growth at 2020). The growth at 2020 was largely attributed to consumers spending more on such goods as a result of lockdown measures. However, this growth is forecast to unwind over the short to medium term, and Experian forecasts very limited growth beyond 2022.
- 2.15 As the below Table 2.1 indicates, forecast increases in comparison goods spending are more optimistic following reduced growth of 1.6% at 2020 and 1.9% at 2021, but it is evident that per capita comparison goods expenditure increases going forward will be below the level apparent at the turn of the millennium. Experian identifies that per capita comparison goods expenditure growth dropped from 3.9% at 2017 to 1.0% at 2018, and forecasts that it will remain between 2.8% to 2.9% per annum in the medium to long term. The exception to this is the reduction in growth between 2020 and 2021, which is largely a result of lockdown measures closing all but essential stores, and an anticipated growth of 2.1% and 2.8% in per capita expenditure in 2022 and 2023 respectively under the expectation that lockdown measures will be gradually eased and expenditure will pick up.

³ ONS analysis titled ‘The impact of the coronavirus so far: the industries that struggled or recovered’, published on www.ons.gov.uk on 9 December 2020

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

Volume Growth Per Head (%)	2017	2018	2019	2020	2021	2022	2023	2024-28	2029-40
Convenience goods	0.2	0.0	-1.2	8.7	-3.7	-2.0	0.1	0.1	0.1
Comparison goods	3.9	1.0	2.2	1.6	1.9	2.1	2.8	2.8	2.9

Source: Figure 1a and Figure 1b of Experian Retail Planner Briefing Note 19

- 2.16 Whilst the above figures relate to a level of growth which is significantly below that which has historically been available to retailers, the situation for high street stores is exacerbated through the increasing amount of expenditure which is committed through special forms of trading⁴ and, in particular, online.
- 2.17 In this regard, Appendix 3 of ERPBN19 indicates that special forms of trading accounted for just over 30% of total retail sales at 2021 as a consequence of Covid-19 and subsequent to very strong growth in online retailing over the past decade. Although the growth in special forms of trading is anticipated to drop back slightly in 2022, Experian believes that special forms of trading will account for over 30% of retail sales by 2025, increasing to around 34% by 2031.
- 2.18 The below Table 2.2 sets out Experian's identified and forecast level of special forms of trading as a proportion of overall convenience and comparison goods expenditure. Experian estimates that special forms of trading will account for over a third of comparison goods expenditure and over a fifth of convenience goods expenditure at 2031.

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

Volume Growth Per Head (%)	2017	2018	2019	2020	2021	2022	2026	2031
Convenience goods	11.2	12.4	13.7	18.0	20.9	19.1	22.2	23.9
Comparison goods	20.8	22.8	24.3	34.1	35.5	31.9	35.6	38.1

Source: Figure 5 of Experian Retail Planner Briefing Note 19

- 2.19 The ongoing popularity of internet shopping continues to have clear implications in respect of the viability of some 'bricks and mortar' retailers. However, it is important to note that changes in how people shop also bring about some opportunities for retailers trading from the high street. In particular, many stores sell online but fulfil orders from regular stores rather than warehouses⁵, with purchases therefore helping to sustain tangible retail floorspace. As a consequence, Experian also

⁴ Including internet sales, mail order, stalls and markets, door-to-door and telephone sales

⁵ This is particularly the case with food shopping and speciality comparison goods purchases, where retailers often try to tap into a wider market through an online presence

provides an 'adjusted' estimate of special forms of trading, which relates to expenditure which is not available to actual stores.

Convenience Goods

- 2.20 Recent socio-economic conditions have led to significant shifts in convenience goods retailing, which have resulted in the 'big four' supermarket operators' market share being cut. Mintel⁶ finds that the decline of the food superstore is well established and that this can be attributed to two issues.
- 2.21 Firstly, people are undertaking food shopping in different ways. More people are living in town and city centres and more people are having difficulties financing the purchase of their own home. Mintel indicates that such people are more likely to undertake food shopping on an 'as needs' basis and are more likely to eat out or use takeaways. As such, they are less likely to have need to undertake a 'main food shop'.
- 2.22 Secondly, the current uncertainty in the economy has made hard discounters (namely Aldi and Lidl) a more attractive proposition, and are particularly thriving given that shoppers are currently having to be 'money savvy'. Discounters have also made efforts to try to compete more directly with the 'big four' supermarket operators, with larger stores, greater ranges of goods, fresh foods and premium products becoming increasingly prevalent. It is clear that the likes of Aldi and Lidl are no longer 'discount retailers' as they once were, and have better met a wider range of customers' needs through the increase in a supply of more premium products.
- 2.23 The move towards the middle ground has allowed discounters to secure market share from both superstores and smaller convenience stores. In addition, we note that discount retailers are often happy to trade alongside more upmarket convenience goods retailers (such as Marks & Spencer Foodhall) as, collectively, the two stores can meet many food shopping needs.
- 2.24 The shifts in the sector are illustrated with reference to changes in retailers' market share in recent years, as shown in Table 2.3.

⁶ 'UK Retail Rankings', Mintel, April 2018

Table 2.3: Market Share of convenience goods operators

Operator	December 2016	December 2017	December 2018	December 2019	December 2020	December 2021
Tesco	28.4	28.1	27.8	27.4	27.3	27.9
Sainsbury's	16.5	16.5	16.1	16.0	15.9	15.7
Asda	15.3	15.3	15.2	14.8	14.3	14.2
Morrisons	10.8	10.8	10.6	10.3	10.4	10.1
Aldi	6.2	6.8	7.4	7.8	7.4	7.7
Co-op	6.3	5.8	5.9	6.1	6.0	5.8
Lidl	4.6	5.0	5.3	5.9	6.1	6.3
Waitrose	5.1	5.2	5.0	5.0	5.0	5.1
Iceland	2.2	2.2	2.2	2.3	2.5	2.4
Symbols & Independent	1.8	1.7	1.5	1.6	1.7	1.6
Other Outlets	1.7	1.6	1.7	1.6	1.8	1.8
Ocado	1.1	1.1	1.2	1.3	1.6	1.7

Source: KANTAR Grocery Market Share. Figures shown are for the final reporting period in each calendar year

- 2.25 Over the past couple of years, the market has witnessed the closure of unprofitable foodstores, particularly operated by Tesco and Morrisons but a substantial investment plan from the likes of Aldi and Lidl over the coming years, which will likely further shift the grocery market in the short and medium term.

Comparison Goods

- 2.26 The comparison goods sector is currently being squeezed by a number of factors, the most substantial being the effects of Covid-19 and the efforts to contain it. Other factors include reduced expenditure growth, the ability of internet shopping to plug gaps in retailer representation, increases in the minimum wage, and business rates changes.
- 2.27 This 'perfect storm' has resulted in changes in the structure of retailing on the UK high street and a generally lesser reliance on comparison goods retail. To underscore this, the Centre for Retail Research reported that 2020 was the worst year for the retail job losses in more than 25 years. Around 180,000 retail jobs were lost in total, with this figure representing a rise of almost a quarter on 2019⁷.
- 2.28 Whilst the sector is continually evolving and there are a number of ongoing success stories (including Primark, Zara, Jack Wills, Joules and Hotel Chocolat), recent headlines have focussed on failing retailers and store closures. High profile retailers that have struggled include Debenhams, which announced the closure of all 124 stores in December 2020⁸ and the Arcadia Group, which owned Topshop Topman and Dorothy Perkins, which in February 2021 announced the closure of around 500

⁷ Article headlined 'Retail sales in 2020 'worst for 25 years'', BBC, 12 January 2021

⁸ Article headlined 'Debenhams set to close putting 12,000 jobs at risk', BBC, 1 December 2020

stores⁹. Furthermore, Intu Properties, one of Britain's biggest shopping centre owners, fell into administration in June 2020 after failing to secure an agreement with its creditors¹⁰.

- 2.29 Whilst the loss of some of the above names will have significant repercussions for certain towns (particularly those that lose Debenhams, Marks & Spencer or House of Fraser from their high street in very quick succession), some well-known retailers have failed to 'move with the times' and update their offer, accommodation and online presence. This is partly a consequence of retailers struggling to reinvest in their business when margins are tight (or non-existent).
- 2.30 It will be interesting to see whether any permanent change in working from home may act to counterbalance the polarisation trend, given the prospect of fewer commuters in larger centres and greater numbers of people spending the working day in and around their home. The impact on larger centres may be to reduce footfall, particularly within the week, and result in the shift in expenditure being directed to the smaller town, district and local centres. Whilst this will be a positive for the smaller centres, the city centre may suffer as a result.
- 2.31 Whilst structural changes have had a material impact on the vitality and viability of many UK high streets, there are some beneficiaries. In particular, household discount operators, such as B&M Bargains, Poundland and Wilko, have reoccupied a number of medium to large retail units. However, as evidenced by the failure of Poundworld, there is some evidence that this market may be approaching capacity.
- 2.32 It remains to be seen what additional long-term impacts will eventuate from retail closures resulting from Covid-19 containment measures. However, prior to the implementation of lockdown measures, trading conditions for retailers were challenging and many retailers were struggling to meet costs, including rents, resulting in a higher proportion of retailers restructuring or entering administration. As has been seen throughout 2020 and 2021, the conditions have only become more challenging.

Leisure and Food & Drink

- 2.33 The greater availability of high street units appears to have helped stoke an entrepreneurial spirit in recent years, with a number of centres beginning to benefit from a greater focus on independent retailers and also modern markets, which are frequently focussed around food and drink operators.

⁹ Article headlined 'After Topshop owner Arcadia's demise, what now for UK clothes shopping?' The Guardian, 13 February 2021

¹⁰ Article headlined 'Shopping centre owner Intu collapses into administration', The Guardian, 26 June 2020

- 2.34 More generally, the food and drink sector has also been buoyed in recent years by the success of mid-market national multiples, which expanded quickly across the UK. However, there are signs that the market is becoming saturated in some locations and a number of high profile operators have been in financial difficulty. Given the problems suffered by such operators, the market has become more cautious and mid-market operators are picking new sites carefully as a result. Instead, we have seen a number of independent operators flourish, both before and throughout the pandemic, and a desire of shoppers to choose local operators over the bigger, regional and national brands. This is particularly the case for the smaller centres in the authority area.
- 2.35 A further significant recent high street success story has been the resurgence of the town centre leisure sector, which has resulted in new cinemas being developed close to the shopping core and 'competitive socialising' concepts, which include bowling, crazy golf, table tennis, darts, axe-throwing and other seemingly niche pursuits.
- 2.36 Cinema openings have been on the up in recent years and 'boutique' cinema operators – including Curzon, Everyman and The Light – are able to operate from smaller sites in town centres (partly as a consequence of digital technology). Town centre cinema development has successfully underpinned wider mixed-use developments, as food and drink operators are typically keen to locate in close proximity to benefit from spin-off custom. New, innovative leisure operators have been particularly beneficial both in re-using existing difficult to let premises, and in driving the evening economy.
- 2.37 More generally, the gym market continues to perform well, with the Leisure Database Company identifying that there are now more than 7,000 gyms across the UK, with the fitness market having an estimated value of more than £5bn. The Leisure Database Company suggests that this is a 'golden age of fitness', with around one in every seven Britons having a gym membership. Budget gyms are currently particularly popular, with operators such as Pure Gym, the Gym Group and easyGym utilising a format that is based on low costs and high volume.
- 2.38 There is a concern that the implications of the pandemic will be particularly felt on the leisure sector, with some facilities not being allowed to reopen until July 2021. The full impact on the leisure sector as a whole will really evolve throughout the remainder of 2021 and into 2022, and it is clear that the industry is not 'in the clear' yet.

Planning Reform on the High Street

- 2.39 One of the most impactful planning reforms of the last year has been the consolidation of a number of separate Use Classes under a single 'Commercial, Business and Service' Class E. This update to the

- Town and Country Planning (Use Classes) Order 1987 (the 'UCO') in July 2020 came into effect in September 2020. It combines shops, restaurants, offices, gyms and nurseries (amongst others) that no longer require planning permission to switch uses.
- 2.40 Then, in March 2021, an update was made to the General Permitted Development) (England) Order 2015 (the 'GPDO'). This allows for the change of use from Class E properties to residential from August 2021 (extending a right that had previously been restricted to office uses. This permitted development right is subject to maximum size requirements, the property having been in use as Class E for 2 years and vacant for 3 months. Also, an application to the Council for 'Prior Approval' for limited consideration of impacts related to transport, contamination, flood risk, noise, the provision of natural light, and the potential effect of providing residential accommodation within an industrial area. Further limitations apply in Conservation Areas and for nurseries, as well as in areas covered by 'Article 4 directions' where the rights do not apply.
- 2.41 Article 4 directions are issued under article 4 of the GPDO, and allow for Councils to withdraw permitted development rights from defined areas. However, after notifying the Secretary of State of their intention to make an Article 4 directions, the Secretary of State can intervene and modify or cancel an Article 4. This would occur if they do not feel it is justified as they have done on a few notable occasions in the past. They can be immediate (taking effect within a year of being issued, but liable for compensation to landowners) or non-immediate (taking effect at least a year after issue, but not liable for compensation).
- 2.42 On 20th July 2021, the latest update to the National Planning Policy Framework ('NPPF') introduced new limitations on the use of Article 4 directions (Paragraph 53). The new text significantly narrows the areas in which it is justified to introduce Article 4 directions, limiting Councils abilities to control development within their boundaries. These updates to Paragraph 53 were first put forward in the January 2021 consultation for draft revisions to the NPPF. However, the final updates differ from the initial consultation in a couple of key areas. The text recognises that the loss of the "essential core of a primary shopping area" could result in wholly unacceptable adverse impacts on an areas vitality and viability. This is the Government's first acknowledgement of the potential for the permitted development rights to undermine the health of centres in the NPPF. The updated text also introduces a requirement for 'robust evidence'.
- 2.43 On the one hand, this can be seen as good news for Councils looking to protect vulnerable centres. Protection of the vitality and viability of a high street or town centre against the adverse impacts of change of use is now listed as justification for issuing an Article 4 direction.

Implications for Leicester Centres

- 2.44 The above trends have a number of potential implications for retail and leisure provision within Leicester. Leicester city centre is the principal retail and leisure centre within the study area with the highest level of national multiples present. As we demonstrate in more detail later in the report, the centre still attracts the highest proportion of comparison shopping trips from residents in Leicester and the study area and has retained its importance as a commercial destination within the wider area.
- 2.45 The other alternative is for residents to look online to meet their shopping needs, which of course is partly to the detriment of defined centres (albeit there will be an element of 'click and collect' and other means which can encourage linked-trips to centres). Leicester is also well served by large format convenience destinations meeting both main and top-up food shopping functions and attract residents from a relatively large catchment, particularly from those areas within which larger stores are not present. Furthermore, and as is the case for comparison retailing, residents are becoming more familiar with shopping online, which again has been accelerated as a result of COVID-19. It will be important that post-COVID, operators and centres incentivise residents back into the centres to help support the revitalisation of the high streets.
- 2.46 Whilst the city centre has a vacancy rate in excess of the national average, the smaller centres of Belgrave Road, Evington Road and Narborough Road are all the subject of vacancy rates lower than the national average. Belgrave Road stands out from most centres due to the limited number of national retailers present in the defined boundary and is anchored by a relatively strong comparison goods provision. Evington Road, despite accommodating a reasonable range of convenience goods operators underpinned by national multiples, is dominated by services uses with over half of all units in the local centre being in such use. Finally, Narborough Road, which contains a key convenience national multiple, is located approximately 500 metres walking distance to the south-west of the city centre's commercial boundary, a relationship which presents its own unique challenges.
- 2.47 Whilst the growth of online retailing is likely to have had a detrimental impact on the turnover of Leicester's retail destinations, going forward there may be opportunities for Leicester's retail facilities to benefit from multi-channel retailing in order to help drive footfall and sustain retailer representation. This is particularly important in light of the current commercial situation and the need to rejuvenate high streets once the pandemic is over. Working with bodies such as the Institute of Place Management to plan for a successful recovery will be vital following the current commercial climate, and will likely be a relatively lengthy process as we get used to being back to 'normal'.

- 2.48 Alongside this we can also point to an increase in community cohesion and partnerships amongst high street occupiers, as well as between high streets and local residents. In a number of cases, high street operators have adapted to the COVID-19 outbreak by pivoting to an online model (which will likely remain as an additional revenue stream for a number of businesses in the future) and increased communication of opening hours and operating procedures. This has led to new level of customer interaction for some high street occupiers, while others have understandably reduced communication whilst focussing on other priorities during the outbreak. Many businesses are also diversifying their offer and adding, often informal, home delivery services.
- 2.49 Such opportunities will likely be driven in the first instance by national multiple retailers – and are therefore of particular relevance to larger retail venues, such as Leicester city centre and to a lesser extent the likes of Beaumont Leys – but there are also likely to be opportunities for smaller centres to provide click and collect facilities, which could help encourage residents to visit the centres and access other facilities whilst they do so.
- 2.50 There is a need for flexibility in centres, which needs to be adaptable to a number of uses to address a wide range of future needs. This is ever important following the COVID-19 pandemic and as we witness the ‘recovery’ within the centres and high streets in Leicester. Indeed, vital and viable centres need a varied mix of uses and there is also an identified need to concentrate multi-functional public services in town centre locations to realise agglomeration benefits.
- 2.51 The latest pressures on our high streets will likely affect demand for space and its use, the design of buildings and public realm, and transport access. Indeed, the changes in working habits will likely impact on the way we live longer-term, resulting in a need for residents to shop and work locally, and enjoy the local services and leisure activities. In this regard, the sub-regional centres have struggled more during the relaxing of the lockdown measures given that a higher proportion of workers are still working from home and making the most of facilities within the smaller local town centres. This may result in a decrease in retail space overall, a trend which has been witnessed in Leicester’s centres pre-COVID in any event. In this regard, we recommend that the Council ensures that policies are sufficiently flexible so as to allow for a wide range of town centre uses beyond retail, and that consideration is given to repurposing historic, often outdated retail stock to accommodate residential, leisure and community uses.

3 Planning Policy Context

- 3.1 In order to shape the direction of this Study, it is helpful to understand relevant retail and town centre planning policy at a national and local level. As such, we first summarise national planning policy of relevance before considering relevant development plan policy as set out in the Leicester Core Strategy. We also consider changes to the Use Classes Order and the application of permitted development rights to town centre uses.

Revised National Planning Policy Framework

- 3.2 The most recent iteration of the National Planning Policy Framework ('NPPF') was published in July 2021. The NPPF reflects the fact that the traditional role of town centres has been somewhat undermined by structural changes in the retail sector, and that there may be a need to plan for a more diverse range of uses going forward. As such, the NPPF advocates a more flexible policy framework to support the future vitality and viability of town centres.
- 3.3 NPPF policies are considered on a thematic basis below.

Plan-Making

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

Building a Strong, Competitive Economy

- 3.5 Paragraph 81 of the NPPF indicates that planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt. Significant weight should be placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development.

Ensuring the Vitality of Town Centres

- 3.6 Paragraph 86 specifically relates to planning for town centres. It states that:

'Planning policies should:

- a. **define a network and hierarchy of town centres and promote their long-term vitality and viability – by allowing them to grow and diversify in a way that can respond to rapid changes**

in the retail and leisure industries, allows a suitable mix of uses (including housing) and reflects their distinctive characters;

- b. define the extent of town centres and primary shopping areas, and make clear the range of uses permitted in such locations, as part of a positive strategy for the future of each centre;**
- c. retain and enhance existing markets and, where appropriate, re-introduce or create new ones;**
- d. allocate a range of suitable sites in town centres to meet the scale and type of development likely to be needed, looking at least ten years ahead. Meeting anticipated needs for retail, leisure, office and other main town centre uses over this period should not be compromised by limited site availability, so town centre boundaries should be kept under review where necessary;**
- e. where suitable and viable town centre sites are not available for main town centre uses, allocate appropriate edge of centre sites that are well connected to the town centre. If sufficient edge of centre sites cannot be identified, policies should explain how identified needs can be met in other accessible locations that are well connected to the town centre; and**
- f. recognise that residential development often plays an important role in ensuring the vitality of centres and encourage residential development on appropriate sites.'**

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

3.8 In addition, it is notable that the NPPF Annex 2 Glossary fails to make any reference to the designation of primary and secondary frontages. Page 32 of the Government Response to the Draft Revised National Planning Policy Framework Consultation¹¹ indicates that, whilst the revised NPPF has removed the expectation in national planning policy that such frontages must be defined, this does not necessarily preclude authorities from doing so where their use can be justified. However, it is evident that the general intention is to provide for more flexibility through a less prescriptive approach to land use.

3.9 Paragraph 90 of the NPPF states that it is appropriate to identify thresholds for the scale of edge of centre and out of centre retail and leisure development that should be the subject of an impact assessment. Any such threshold policy applies only to the impact test. All planning applications for

¹¹ Published July 2018.

main town centre uses that are not in an existing centre and not in accordance with an up-to-date development plan will generally be the subject of the sequential test¹².

Promoting Healthy and Safe Communities

3.10 Paragraph 93 seeks to support the social, recreational and cultural facilities and services the community needs.

3.11 As such, planning policies and decisions should:

- plan positively for the provision and use of shared spaces, community facilities (such as local shops, meeting places, sports venues, open space, cultural buildings, public houses and places of worship), and other local services to enhance the sustainability of communities and residential environments;
- take into account and support the delivery of local strategies to improve health, social and cultural well-being for all sections of the community;
- guard against the unnecessary loss of valued facilities and services, particularly where this would reduce the community's ability to meet its day-to-day needs;
- ensure that established shops, facilities and services are able to develop and modernise, and are retained for the benefit of the community; and
- ensure an integrated approach to considering the location of housing, economic uses and community facilities and services.

Ensuring the Vitality of Town Centres Planning Practice Guidance

3.12 The Town Centres and Retail Planning Practice Guidance ('the Town Centres PPG') was published in July 2019 and last updated in September 2020 and provides additional direction in respect of how retail and town centre planning policy should be applied in respect of plan-making and decision taking. The Town Centres PPG affirms the Government's aspiration to support town centres in order to generate employment, promote beneficial competition and create attractive, diverse places where people want to live, work and visit.

3.13 Paragraph 004 of the Town Centres PPG indicates that a local planning authority's strategy for their town centres should include:

¹² With the exception (in accordance with paragraph 88 of the NPPF) of small scale rural office proposals and other small scale rural development.

- The realistic role, function and hierarchy of town centres over the plan period. Given the uncertainty in forecasting long-term retail trends and consumer behaviour, this assessment may need to focus on a limited period (such as the next five years), but will also need to take the lifetime of the plan into account and be regularly reviewed.
- The vision for the future of each town centre, including the most appropriate mix of uses to enhance overall vitality and viability.
- The ability of the town centre to accommodate the scale of assessed need for main town centre uses, and associated need for expansion, consolidation, restructuring or to enable new development or the redevelopment of under-utilised space.
- How existing land can be used more effectively – for example, the scope to group particular uses such as retail, restaurant and leisure activities into hubs or for converting airspace above shops.
- Opportunities for improvements to the accessibility and wider quality of town centre locations, including improvements to transport links in and around town centres, and enhancement of the public realm.
- What complementary strategies are necessary or appropriate to enhance the town centre and help deliver the vision for its future, and how these can be planned and delivered. For example, this may include consideration of how parking charges and enforcement can be made proportionate.
- The role that different stakeholders can play in delivering the vision. If appropriate, it can help establish the level of cross-boundary/strategic working or information sharing required between both public and private sector groups.
- Appropriate policies to address environmental issues facing town centres, including opportunities to conserve and enhance the historic environment.

3.14 This particular piece of work seeks to provide a general City-wide retail strategy which will provide an overall context to the determination of planning application for such uses and will help inform the Council's consideration of specific strategies and regeneration initiatives. As such, many of the above detailed requirements could be addressed by future centre-specific commissions.

- 3.15 Paragraph 006 of the Town Centres PPG identifies a series of key indicators of relevance in assessing the health of a centre over time¹³. The indicators allow the role, performance and function of centres to be monitored and are considered in greater detail at Section 5 of this report (which specifically addresses the vitality and viability of Leicester's principal centres).

Use Classes Order

- 3.16 Significant changes to the Use Classes Order have been enacted through the Town and Country Planning (Use Classes) (Amendment) (England) Regulations 2020, which came into force on 1 September 2020.
- 3.17 The amendments include the revocation of Parts A and D, and the introduction of three new Use Classes, these being Classes E, F1 and F2. The Government's objective is that the changes will support the revival of the high street and allow for greater flexibility in changing uses within town centres without the need for planning permission.
- 3.18 In addition to the three new Use Classes, the changes also result in some changes in respect of uses classified as sui generis. In practical terms, the changes comprise:
- **Use Class E** – Commercial, business and service uses include: shops or retail; cafes or restaurants; financial services; professional services; any service appropriate to provide in a commercial, business or service locality; indoor sports, recreation or fitness; medical or health services; creche, day nursery or day centre; and, offices.
 - **Use Class F1** – Learning and non-residential institutions include any non-residential use for the: provision of education; display of works of art; museum; public library or public reading room; public hall or exhibition hall; for or in connection with public worship or religious instruction; or, as a law court.
 - **Use Class F2** – Local community uses include: a shop selling mostly essential goods, including food, no larger than 280 sq.m and where there is no other such facility within 1,000 metres radius of the shop's location. A hall or meeting place for the local community, an area or place for outdoor sport or recreation and an indoor or outdoor swimming pool or skating rink.
 - **Sui Generis** – Use within this Class now include Public house, wine bar or drinking establishment; a drinking establishment with expanded food provision; as a hot food takeaway

¹³ These indicators inform the healthcheck assessments that are set out at Section 5 of this report.

for the sale of hot food where consumption of that food is mostly undertaken off the premises;
live music venue; cinema; concert hall; bingo hall; or, dance hall.

- 3.19 The introduction of Class E is significant and places a wide range of uses including retail, food, financial services, gyms, healthcare, nurseries, offices and light industry into a single use class.
- 3.20 As ever, the Use Classes are not linked to any spatial considerations. As such, the expanded Use Class E applies equally to both town centres and out of centre locations, and there may be unintended consequences in providing additional flexibility across Class E outside of town centres. Accordingly, it may be necessary for the Council to apply restrictive conditions to certain forms of development in order to restrict the authorised use to that which has been justified in the application submission. This will help ensure that unacceptable impacts do not arise from future Class E development.
- 3.21 The 2020 Regulations contain a temporary provision – lasting until 31 July 2021 – which retains the effect of the existing permitted development rights based on the pre-1 September 2020 Use Classes. Further changes to permitted development rights are expected to be brought in prior to the expiration of the material period to 31 July 2021 to take account of the new Use Classes.

Local Planning Policy Context

Adopted Development Plan

- 3.22 The statutory development plan for Leicester is the Core Strategy, which was adopted in July 2014, and 'saved' policies from the City of Leicester Local Plan, which was adopted in January 2006.
- 3.23 Core Strategy Policy 11 sets out the retail hierarchy of retail centres in Leicester, these are as follows:
- City Centre will continue to be a sub-regional centre and as such, the majority of town centre uses will be directed to it. The Central Shopping Core will be the focus for new retail development.
 - Town Centre (Beaumont Leys) is the location for town centre uses to serve the north west sector of the City and the PUA, including Ashton Green.
 - District Centres, which provide a range of facilities and are accessible by public transport.
 - Local Centres, which provide convenience shopping, close to where people live.
- 3.24 Core Strategy Policy 11 also sets out that the Council will work to protect defined centres by applying a sequential approach to the location of town centre uses and to new retail development and ensuring that it is consistent in scale with the size and character of the centre and its role in the

hierarchy. The Council will also safeguard the retail character and function of centres by resisting development that would detract from their vitality and viability. Food and drink facilities will be supported in defined centres to meet demand and to add to vitality and diversity. This will be subject to considerations of residential amenity, the effect on the retail function of the centre and the cumulative impact of these uses.

- 3.25 Core Strategy Policy 12 relates to the City Centre and details the measures that the Council will take to promote the City Centre as a sub-regional destination for shopping, leisure, heritage and culture. This will be achieved through maintaining a compact and accessible retail centre, enriching the retail experience, creating a hierarchy and network of pedestrian routes and quality civic spaces, developing offices and creative industries in the City Centre and creating a safe and inclusive City Centre. Alternative uses, including residential development, will be supported where appropriate and public transport initiatives will be encouraged.
- 3.26 Saved Local Plan Policy R02 relates to planning conditions for main food retail development, and states that where it is considered that the sale of comparison goods from out-of-centre supermarkets and superstores would adversely affect the viability and vitality of a shopping centre as a whole, appropriate conditions to limit the sales of certain goods or the floorspace from which they can be sold will be applied.
- 3.27 Saved Local Plan Policy R03 states that retail development outside the Central Shopping Core will be confined to the existing and proposed shopping centres. Proposals for new retail development including extensions to existing shops within these centres will be required to demonstrate that the scale is suitable, the use would not negatively affect residential amenity and the traffic generated by the development would not result in a significant detrimental impact.
- 3.28 Saved Local Plan Policy R05 states that proposals or the use of premises within the shopping centres for food and drink purposes will be permitted subject to satisfying certain criteria.

Emerging Development Plan

- 3.29 The Council consulted on a draft of the Leicester Local Plan 2020 in late 2020. The purpose of the plan is to provide the vision and objectives for growth over the next 15 years, and will allocate development sites and provide clear policies to guide the consideration of planning applications.
- 3.30 The following policies in the draft Plan are considered to be of relevance:

- Policy TCR01 – Hierarchy of Town Centres outlines the hierarchy of retail centres in Leicester, and identifies the City Centre, Town Centre – Beaumont Leys, District Centres and Local Centres.
- Policy TCR02 - Supporting Sustainable Town Centres – Impact Assessments states that proposals for retail and leisure uses outside a defined centre will require an impact assessment in accordance with the following thresholds:
 - Outside Leicester City centre: leisure uses greater than 1000sqm gross floorspace;
 - Outside the central shopping core: retail uses greater than 1000sqm gross floorspace;
 - Outside Beaumont Leys town centre: greater than 500sqm gross floorspace;
 - Outside district centres; greater than 300sqm gross floorspace; or
 - Outside local centres; greater than 200sqm gross floorspace.
- Policy TCR03 – City Centre states that the area will be promoted as a sub-regional shopping, leisure, heritage, tourism and cultural destination.
- Policy TCR04 - Central Shopping Core (Primary Shopping Area) states that new retail development will be focussed within the central shopping core. Other main town centre uses, which can support the main retail function of the central shopping core, will be supported where appropriate.
- Policy TCR05 - Town Centre Uses in Town/ District and Local Shopping Centres states that such uses will be focused in the existing and proposed shopping centres.
- Policy TCR06 - Development for Food and Drink Purposes states that such uses will be supported to add vitality and diversity to centres.
- Policy TCR07 - Neighbourhood Parades states that uses that meet the day-to-day needs of the local community will be supported.
- Policy TCR08 - Shopping Development Outside the Defined Shopping Centres states that, dependent on satisfying the requirements of policies TCR01 and TCR02, the Council will consider proposals more favourably that are accessible by sustainable modes of transport, that do not result in significant disturbance to residential areas or highways.

- Policy TCR09 - Planning Conditions: Retail development outside of a defined centre sets out that, where appropriate, conditions will be included to limit the sale of certain goods, prevent the sub-division of units or the future addition of mezzanine floors.

4 Market Research: In-Street Surveys

Introduction

- 4.1 In-street surveys were undertaken in Leicester city centre by NEMS in May 2021, in order to understand how the centre is used and identify those aspects of the centre that may benefit from improvement and change.
- 4.2 In total, 200 surveys were undertaken at various locations across the city centre comprising:
- The Clock Tower;
 - Gallowtree Gate / Market Place;
 - Granby Street / Rutland Street; and
 - Horsefair Street / Market Street.
- 4.3 The surveys were undertaken at various locations to ensure that the results picked up a range of responses and that they were reflective of a broad array of visitors to the centre. In all cases, the surveys were undertaken at different times and on different days to try to ensure interactions with a variety of users.
- 4.4 The full tabulated in-street survey results are provided at Appendix 3. We set out an overview of the key findings of the survey below, focusing on customer satisfaction ratings, customer behaviour and suggestions for improvement.

Purpose of Visit

- 4.5 Firstly, respondents were asked the main purpose for their visit and what, if anything else, they would be doing on the day of their visit. The highest proportion of respondents (86.0%) stated that their main purpose was to go shopping, with 3.5% stating working and 3.0% stating visiting a bank or other service was their main purpose.
- 4.6 In terms of any other activity, a total of 62.0% stated that they were visiting a pub, café or restaurant with 34.0% stating they would not be doing anything else on the day of the visit.
- 4.7 The responses indicate the dominance and draw of the centre from a retail perspective, which corresponds with the findings of the healthcheck as set out at Section 5.

Table 4.1: Purpose of Visit to Centre

Question	1st	2nd	3rd	4th
Main Purpose of Visit to the city centre	Shopping (86.0%)	Working (3.5%)	Visiting a bank or other services (3.0%)	Education (2.5%)
What else, if anything, will you be doing in the centre?	Visiting pub/café/restaurant (62.0%)	Nothing else (34.0%)	Visiting bank or other services (9.0%)	Meeting family or friends (5.5%)

Source: Questions 1 and 2 of the 2021 In-Street Survey

Length Spent in the City Centre

- 4.8 When asked how long respondents were planning on spending in the city centre on the day of their visit, 48.5% stated that they would be spending between 2-4 hours, with 39.5% stating they expected to be staying in the city centre for between 1 and 2 hours. Just 2.5% stated they would be spending less than an hour in the centre. The low proportion of respondents stating they would spend less than hour in the centre indicates a good proportion of visitors are linking their trips whilst in the centre with other activities.

Table 4.2: Length of Stay in the City Centre

Question	1st	2nd	3rd	4th
How long will you spend in the city centre?	Between 2-4 hours (48.5%)	Between 1-2 hours (39.5%)	Between 4-6 hours (6.0%)	Less than one hour (2.5%)

Source: Question 3 of the 2021 In-Street Survey

Frequency of Visit to the City Centre for Retail Purposes

- 4.9 Respondents were asked how often they visited the city centre for retail purposes prior to the March 2020 lockdown, and how often they expected to visit for retail purposes now the restrictions have been eased.
- 4.10 In both cases, the most common answer was 'not regularly', with 29.0% of respondents answering this for pre-lockdown visits and 37.5% answer this for post-lockdown visits.
- 4.11 Pre-lockdown, 23.5% of respondents stated they visited monthly and 21.0% of respondents stated they visited once every 2 to 3 weeks. The same two answers were given for post-lockdown visits, with 24.5% saying monthly and 15.0% saying once every 2 to 3 weeks.

Table 4.3: Frequency of Visit to the City Centre for Retail Purposes

Question	1st	2nd	3rd	4th
How often did you visit the city centre for retail purposes before the first lockdown in March 2020?	Less often / not regularly (29.0%)	Monthly (23.5%)	Once every 2-3 weeks (21.0%)	Once a week (17.0%)
How often do you expect to visit the city centre for retail purposes now the lockdown restrictions have been eased?	Less often / not regularly (37.5%)	Monthly (24.5%)	Once every 2-3 weeks (15.0%)	First visit today (10.0%)

Source: Questions 4 and 5 of the 2021 In-Street Survey

Frequency of Visit to the City Centre for Leisure Purposes

- 4.12 Respondents were also asked how often they visited the city centre for leisure prior to the March 2020 lockdown, and how often they expected to visit now the restrictions have been eased.
- 4.13 In both cases, the most common answer was 'not regularly', with 56.5% of respondents answering this for pre-lockdown visits and 69.0% answer this for post-lockdown visits. In both cases, the second most popular answer was 'monthly' followed by 'can't remember'.

Table 4.4: Frequency of Visit to the City Centre for Leisure Purposes

Question	1st	2nd	3rd	4th
How often did you visit the city centre for leisure purposes before the first lockdown in March 2020?	Less often/not regularly (56.5%)	Monthly (20.0%)	Don't know/Can't remember (16.5%)	Once every 2-3 weeks (4.0%)
How often do you expect to visit the city centre for leisure purposes now the lockdown restrictions have been eased?	Less often/not regularly (69.0%)	Monthly (15.0%)	Don't know/Can't remember (11.5%)	Once every 2-3 weeks (2.0%)

Source: Questions 6 and 7 of the 2021 In-Street Survey

How Respondents Travelled to the City Centre

- 4.14 When asked how respondents travelled to the city centre on the day of the visit, a total of 48.5% said they travelled by car or van as a passenger or a driver. A further 42.0% stated they travelled by bus and 4.0% stated that they walked. A total of 1.5% of respondents stated that they travelled by train. The high proportion of respondents travelling by public transport indicates that the centre is well

served by public transport modes, but that there could potentially be more done to encourage some of those who travel by car/van to also travel by public transport modes.

Table 4.5: How Respondent Travelled to the City Centre

Question	1st	2nd	3rd	4th
How did you travel here today?	Car/van (as driver or passenger) (48.5%)	Bus (42.0%)	Walk (4.0%)	Cycle (2.0%)

Source: Question 8 of the 2021 In-Street Survey

- 4.15 Respondents who travelled by car or van were also asked where they parked. Of those who travelled by car, 40.2% stated that they parked in Highcross and a further 13.4% stated that they parked in the Haymarket Centre.
- 4.16 The propensity of visitors parking in Highcross again indicates the draw of the shopping centre in the city centre and the importance of ensuring that visitors are not only attracted to the shopping centre, but also to link their trips with the wider city centre facilities.

Table 4.6: Where Respondent Parked

Question	1st	2nd	3rd	4th
Where did you park today?	Highcross (40.2%)	Haymarket Centre (13.4%)	Don't know / can't remember (9.3%)	Dover Street And Lee Circle (both 7.2%)

Source: Question 9 of the 2021 In-Street Survey

What do Respondents like about Leicester City Centre?

- 4.17 Respondents were asked what they currently like about Leicester city centre. Respondents were able to provide multiple responses to this question. The most popular response is the range of shops (62.5%) followed by the quality of shops (38.5%). A total of 32.0% of respondents also stated that they liked the city centre as it is convenient to home and 12.5% stated it is familiar or they have always used it.
- 4.18 Other responses included ease to get to by public transport modes (9.5% by bus) and 8.5% of respondents stated they thought the city centre was easy to get around. A further 5.0% of respondents stated they like the variety of festivals and events within the city centre.

Table 4.7: What Respondents Like about the City Centre

Question	1st	2nd	3rd	4th
What do you currently like about Leicester City Centre?	Range of shops or markets (62.5%)	Quality of shops and market (38.5%)	Convenient to home (32.0%)	Habit / always used it / Familiar (12.5%)

Source: Question 10 of the 2021 In-Street Survey

What do Respondents Dislike about Leicester City Centre?

- 4.19 Respondents were also asked what they currently disliked about the city centre. The most popular answer with 38.0% of the responses is 'nothing', followed by congestion with 12.0% of responses. A further 11.0% stated 'don't know' and 10.5% stated difficult or expensive parking. In addition to the top four responses below, a further 7.0% of responses stated the cleanliness of the centre and 7.0% stated a poor range or quality of places to eat.

Table 4.8: What Respondents Dislike about the City Centre

Question	1st	2nd	3rd	4th
What do you currently dislike about Leicester City Centre?	Nothing (38.0%)	Congestion (12.0%)	Don't know (11.0%)	Difficult/expensive parking (10.5%)

Source: Question 11 of the 2021 In-Street Survey

How Could the City Centre be improved?

- 4.20 Looking at ways the city centre could be improved, respondents were first asked how they think the city centre should be improved.
- 4.21 Table 4.9 below indicates that 29.0% of respondents stated they didn't know and a further 26.5% stated 'nothing in particular'. A further 12.5% stated they would like to see more or better car parking within the city centre and 10.5% stated they would like to see an improved quality or cleanliness of public spaces.

Table 4.9: How Could the City Centre be improved?

Question	1st	2nd	3rd	4th
How do you think Leicester City Centre should be improved?	Don't know (29.0%)	Nothing in particular (26.5%)	More or better car parking (12.5%)	Improved quality or cleanliness of public spaces (10.5%)

Source: Question 12 of the 2021 In-Street Survey

- 4.22 Following the above question, further questions were asked to better define what specific changes respondents would like to see.
- 4.23 Table 4.10 provides a breakdown of the key responses below for each of the separate topics.

Table 4.10: What Kind of Changes Would you Like to See?

Question	1st	2nd	3rd	4th
What changes would you like to see shops and markets?	More affordable shops (75.0%)	Better quality, larger, more shops selling food and drink and don't know (25.0%)	-	-
What kind of changes would you like to see to places to eat or drink?	Better range of restaurants or cafes (58.8%)	More independent restaurants or cafes (52.9%)	Better quality or more affordable restaurants or cafes (23.5%)	-
What kind of changes would you like to see to leisure facilities?	More or better cinemas or theatres (60.0%)	More gyms, sports facilities, art galleries or entertainment for children (20.0%)	-	-
What kind of changes would you like to see to car parking?	Cheaper car parking (96.0%)	More disabled car parking (12.0%)	Better located parking (8.0%)	
What kind of changes would you like to see to public transport or cycle facilities?	Better located bus stops and better quality cycle parking (42.9%)	-	Improved bus station and better located bus stops (28.6%)	-
What kind of changes would you like to see to improve quality or cleanliness of public spaces?	Cleaner streets or parks (76.2%)	More bins (47.6%)	Less traffic / congestion (23.8%)	More green spaces (19.1%)

Source: Questions 13 to 21 of the 2021 In-Street Survey

What One Thing does Leicester City Centre do better than other Places you Visit?

- 4.24 Finally, respondents were asked what one thing the city centre does better than other places they visit.

Table 4.11: How Could the City Centre be improved?

Question	1st	2nd	3rd	4th
What one thing does Leicester city centre do better than other places you visit?	Nothing in particular (42.0%)	Don't know (26.0%)	Shopping (12.0%)	Events (9.0%)

Source: Question 22 of the 2021 In-Street Survey

5 Healthcheck Assessments

Introduction

- 5.1 Paragraph 86 of the NPPF indicates that planning policies should promote the long term vitality and viability of town centres by allowing them to grow and diversify in a way that can respond to rapid changes in the retail and leisure industries. The same paragraph also states that town centres should accommodate a suitable mix of uses (including housing) and provide for development that reflects a centre's distinctive character.
- 5.2 Paragraph 006 of the Town Centres PPG identifies a range of indicators that should be assessed over time in order to establish the health of a town centre. The indicators include the following:
- diversity of uses;
 - proportion of vacant street level property;
 - retailer representation and intentions to change representation;
 - pedestrian flows;
 - accessibility;
 - perception of safety and occurrence of crime;
 - the state of town centre environmental quality;
 - the balance between independent and national multiple retailers; and
 - the extent to which there is an evening and night time economy.
- 5.3 New healthcheck assessments have been undertaken for Leicester City Centre, Beaumont Leys Town Centre, Evington Road, Narborough Road and Belgrave Road/Melton Road district centres and all of the defined local centres. A separate composition 'matrix' for the neighbourhood parades has also been prepared.
- 5.4 The assessments are based on site visits which were undertaken in May and June 2021, following 'Step 2' of the Government's roadmap out of lockdown. This included the opening of 'non-essential retail' and as such the centres were substantially 'open for business'. In any event, the assessments should be taken as a 'snapshot' of the performance of each centre at a moment in time, and further

issues may subsequently become apparent in each centre as a consequence of the ongoing negative impacts arising from the Covid-19 pandemic.

- 5.5 Detailed healthchecks for the city centre, Beaumont Leys town centre and the three district centres are provided at Appendix 4 and 5. We provide a summary of the key conclusions from our healthcheck assessments in respect of the main centres in the authority area below.
- 5.6 It should be noted that the healthcheck for the City Centre focused on the area defined by Experian Goad as the city centre, which is an area largely contiguous with the 'Central Shopping Core', as defined by Policies CS11 and CS12 of the adopted development plan. Whilst it is acknowledged that this area differs from the defined 'city centre' area, this healthcheck uses the term 'city centre' to refer to the extent of the city centre defined by Experian Goad.
- 5.7 Healthcheck assessments for the 45 Local Centres and the 37 Neighbourhood Parades in Leicester are also provided at Appendix 6 and 7 respectively.

Leicester City Centre

- 5.8 Leicester city centre is the main hub of retail and service uses in the administrative area, with Highcross Shopping Centre being a principal focus for comparison retailing in the north west of the centre, with associated leisure uses such as the Showcase de Lux and a range of food and beverage operators. The centre spreads east towards Haymarket from Highcross and south towards the market, the Cathedral and the King Richard III Visitor Centre. It comprises a range of uses which are typical for the nature and scale of the city centre, and performs a key role in meeting residents and visitor's needs, particularly focused on the comparison, leisure and service sector.
- 5.9 The centre is broadly bound by the A594, with the Leicester railway station directly to the east beyond the ringroad, the Leicester Royal Infirmary and De Montfort University to the west and commercial and residential areas to the north. Saint George's Retail Park is situated to the east of the city centre, beyond the A594, which includes a range of large format retail and leisure operators including Aldi, Home Bargains and Ninja Warrior UK. To the west is the River Soar which runs alongside De Montfort University and the Tesco Superstore lies to the west of the river.
- 5.10 The central area of the city centre is characterised by its many larger format stores which are principally accommodated by national multiple operators such as Sports Direct, Iceland, Next, Marks and Spencer, Superdrug, Waterstones and so on. East Gates is the point where a number of radial roads meet and is the location of Leicester's famous clock tower, which marks the importance of this

- location. At the time of our survey, works to the public realm around the Clock Tower were being undertaken, and the area was busy.
- 5.11 Directly to the east of the clock tower is Haymarket Shopping Centre which includes a range of comparison and convenience operators, focusing more on the discount variety and convenience operators.
- 5.12 One of the busiest areas within the city centre is the largely pedestrianised sections of Humberstone Gate, High Street, East Gates and Gallowtree Gate. Humberstone Gate and High Street form a main pedestrian thoroughfare running east to west through the city centre.
- 5.13 To the south of High Street is St Martin's Square shopping centre and the surrounding lanes which follow the city's historic street layout provide a concentration of largely independent retailers, cafes, bars and restaurants. The pedestrianised focus around this area creates a safe and welcoming environment and has been further developed through the range of outdoor seating options brought forward principally as a direct result of the lockdown and social distancing measures.
- 5.14 To the south of St Martin's Square is Leicester's large outdoor market. The market is open six days a week, Monday to Saturday, and provides over 300 stalls offering a diverse range of food produce and comparison goods, such as clothing, footwear, bags, jewellery and household products. The market also includes a Food Hall which is open Monday to Saturday and in 2017, the market introduced a new outdoor space for events, activities and speciality markets.
- 5.15 Experian Goad data indicates that Leicester city centre (as defined by Experian Goad) accommodates 292,590 sq.m of gross floorspace across 1,099 units. The Experian Goad data was updated by Nexus Planning through a survey of the centre undertaken in June 2021.
- 5.16 Table 5.1 provides a breakdown of the composition of units in the City Centre.

Table 5.1: City Centre Unit Composition at 2021, 2014, 2011 and 2007

	Convenience	Comparison	Retail services	Leisure services	Financial & Business Services	Vacant
2021	7.1	26.2	11.9	25.5	7.2	22.1
2014	7.3	35.1	10.9	24.7	8.8	13.2
2011	5.2	36.4	9.1	22.0	8.5	18.9
2007	7.2	35.8	9.6	20.8	10.0	16.5
2021 National average	9.1	27.4	15.6	24.5	9.2	13.9

Source: Composition of District Centres derived from Nexus Planning surveys of June 2021. Goad averages at July 2021.

- 5.17 The comparison and convenience retail offering is strong and diverse. The floorspace occupied by comparison and convenience operators is broadly in line with national averages, and convenience floorspace divergence can be readily explained by the strength of competing retail offerings throughout the wider city.
- 5.18 The city centre offering includes a broad range of retailers, from national multiples to specialist and independent and regional operators.
- 5.19 The vacancy rate in terms of both proportion of units and floorspace within the centre is above the national average and it has increased significantly since the last retail study in 2014. Vacancies are spread across the city centre, although there are a lesser proportion within Highcross Shopping Centre, and higher proportions to the south around Market Street. However, the largest unit – the former Debenhams unit – is subject to redevelopment plans by the owner, indicating a positive investor confidence in the city centre as a whole.
- 5.20 In general, Leicester city centre is accessible to pedestrians, with significant provision of pedestrianised areas throughout the centre. Public transport is also readily available, providing connections at various points in the city centre to areas throughout Leicester and beyond.
- 5.21 Notwithstanding this, Leicester is a largely attractive centre whose diverse cultural offer is considered likely to drive footfall throughout the day and into the evening.
- 5.22 As part of the city centre analysis and in order to help formulate the recommendations within this Study, key city centre stakeholders were also asked for their views in terms of the positives and weaknesses of the centre, whether they thought the city centre could ‘bounce back’ from the impact of Covid, along with general considerations in terms of the future of the city centre, including any potential threats.
- 5.23 A number of comments raised by the stakeholders relate to the positive implications the wider work currently being undertaken in the city centre has on its overarching vitality and viability, including the improvements being made to the public realm. Stakeholders consider that a key element of the city centre’s attraction to shoppers is its accessibility, opportunity to move safely and freely throughout and its overarching offer of retail and leisure facilities.
- 5.24 However, stakeholders do note that there are elements of anti-social behaviour and specific areas of the city centre which continue to struggle from both an aesthetic and filling vacant units perspective, all of which do detract from the city centre’s offer to some degree.

- 5.25 Furthermore, whilst there is an acceptance that retail is and will continue to be a key element of the overall offer of the city centre, the stakeholders recognise the importance of diversifying the offer further in attracting shoppers back. Such suggestions include introducing new family-orientated leisure uses, seeking to encourage more independent operators into empty units and encouraging further city centre living.
- 5.26 However, overall, stakeholders consider that due to the unique nature of the city centre, particularly when considered alongside the likes of Fosse Park, it has a real opportunity to bounce back following the lockdowns associated with the pandemic. Furthermore, because of its diversity and areas such as the Cathedral Quarter and St. Martins Square, the city centre provides a qualitatively different offer which extends dwell times and encourages linked-trips. Stakeholders consider a key priority will be to ensure that empty units, and particularly large empty units, do not remain vacant for a prolonged period of time, and to encourage activity throughout the city centre during both the day and night through the encouragement of festivals, events and pop-up markets.

Beaumont Leys Town Centre

- 5.27 Beaumont Leys town centre is situated in the northern part of the authority area and is situated to the north of the city's outer ring road (A563). The centre is surrounded by greenspace to the west in the form of Beaumont Park, commercial uses to the west and residential to the north and south. A number of large format commercial uses also surround the centre, with Matalan and Buzz Bingo to the south and Beaumont Leys Library and Leicester Leys Leisure Centre to the north.
- 5.28 The centre is focused around the Beaumont Leys shopping centre, a modern purpose built shopping centre which is part internal and part external. The centre is situated within the middle, with extensive car parking surrounding it on all sides. The market is situated to the west, with the Tesco Extra forming the eastern element of the centre and further car parking beyond the store. It is anchored by the Tesco Extra store which is situated to the east of the centre and accessed off Bradgate Mall. The remainder of the centre is principally focused around national multiple comparison operators, with a selection of convenience, retail service and financial service operators. Externally fronting onto the car park to the west are a series of leisure services such as Subway.
- 5.29 At the time of our visit in June 2021, the vacancy rate in terms of floorspace was 5.2%, compared to a national average of 12.8% and for proportion of units, the vacancy rate is 10.3% compared to a national average of 13.9%. Although the vacancy rate in terms of proportion of units has increased since the 2014 survey (from 5.7% to 10.3%), the vacancy rate is still below the national average, indicating a strong performance of the centre.

Table 5.2: Beaumont Leys Town Centre Unit Composition at June 2021

	Convenience	Comparison	Retail services	Leisure services	Financial & Business Services	Vacant
Beaumont Leys Town Centre	12.1	37.9	22.4	13.8	3.4	10.3
National average	9.1	27.4	15.6	24.5	9.2	13.9

Source: Composition of District Centres derived from Nexus Planning surveys of June 2021. Goad averages at July 2021.

- 5.30 The indoor part of the centre is bright and welcoming, which provides visitors with the impression of a good quality, modern shopping destination. The covered pedestrian street within the centre provides a sheltered and comfortable environment for visitors. There is a good sense of security within the centre provided by a well maintained environment, free from litter or signs of deterioration. The shopping centre has few vacant units and none of the shopping premises were found to have heavy duty security measures in place which would indicate problems with crime.

District centres

- 5.31 The composition of each of the three district centres is provided in Table 5.3 below. All of Leicester's district centres display vacancies rates lower than the UK average of 13.9% of units (as identified by Experian Goad at July 2021).

Table 5.3: District Centre Unit Composition at June 2021

District centres	Convenience	Comparison	Retail services	Leisure services	Financial & Business Services	Vacant
Belgrave Road	12.8	30.0	14.5	22.0	11.0	9.8
Evington Road	14.0	20.4	14.0	39.8	3.2	8.6
Narborough Road	15.5	19.0	15.6	24.5	9.2	7.7
National average	9.1	27.4	15.6	24.5	9.2	13.9

Source: Composition of District Centres derived from Nexus Planning surveys of June 2021. Goad averages at July 2021.

Belgrave Road

- 5.32 The Belgrave Road/Melton Road district centre is a vibrant and unique retail/leisure destination along a one mile stretch of Belgrave Road and Melton Road, known as 'the Golden Mile'. The centre comprises a range of retail, leisure and service uses with additional community facilities. It is a bustling centre with a high volume of pedestrian footfall but is also a busy route for vehicles, which can sometimes result in difficulties with parking, particularly on the side of the main roads.
- 5.33 As a large district centre, Belgrave Road/Melton Road has a relatively diverse range of retail and service operators. This is underpinned by a comparatively strong comparison goods offer, with 101 of such operators accounting for 11,710 sq.m of retail floorspace, which equates to 32.3% of the total quantum of floorspace.

- 5.34 Belgrave Road/Melton Road provides a focus for key celebrations, including Diwali. The Diwali celebrations in Leicester are one of the biggest largest outside of India, making this centre a national and international destination.
- 5.35 At the time of our visit there were 38 vacant units located in the district centre, equating to 9.8% of all units in the centre. In respect of floorspace, a total of 2,570 sq.m of vacant floorspace was recorded accounting for 7.1% of the total quantum of retail floorspace. The proportion of vacant units within the centre falls below average in terms of both floorspace and numbers of units.
- 5.36 Although the number of vacant units has almost doubled since the 2015 survey of the centre, the below average vacancy rate is a positive sign of overall vitality and viability within the centre, indicating a market confidence in the centre and that the offer is broadly meeting the catchment's needs.

Evington Road

- 5.37 Evington Road district centre is dominated by service uses, with over half of all units in the local centre being in such use. Leisure, retail and financial and business services account for 36.4%, 10.8% and 2.8% of floorspace respectively in the local centre. These operators are diverse, but are focused around a strong food offer underpinned by a number of hot-food takeaways, restaurants and cafés. The centre clearly serves a key service role for the local community.
- 5.38 At the time of our visit, a total of eight vacant units were recorded at Evington Road. This figure represents an increase on the three vacant units recorded at 2014, but is still lower than the current national average as a proportion of vacant units at 8.6%. These eight units account for 675 sq.m of floorspace, which equates to a vacancy rate in respect of floorspace of 8.7%.
- 5.39 Although the vacancy rate has increased since 2014, it remains lower than the national average and as such is not considered to represent cause for concern. Indeed, the current vacancy rate is considered reflective of a vital and viable district centre that broadly provides for the retail and service needs of the local community.
- 5.40 Pedestrian activity was witnessed throughout the centre, with higher levels outside of key operators and service uses. The social distancing measures adopted within the centre have aided good movement along what were otherwise some narrow pedestrian footpaths in some cases.

Narborough Road

- 5.41 Narborough Road district centre comprises 284 retail units located within the inner city part of Leicester, approximately 500 metres walking distance to the south-west of the city centre's

- commercial boundary. The district centre is separated from the city centre by Castle Park and the course of the Old and New River Soar.
- 5.42 Narborough Road (A5460) is an arterial route that connects Leicester city centre with south-west Leicester, Fosse Shopping Park, as well as the M1 and M69 motorways. The road is extremely busy and is two to four lanes wide as it passes through the shopping area.
- 5.43 The commercial centre itself is linear in nature and spans a distance of nearly 1,500 metres from north to south. The shops are located on both sides of the road and form a more or less continuous retail frontage. However, the northern part of the commercial area branches out onto Braunstone Gate to the north-east and Hinckley Road to the north-west.
- 5.44 The proportion of vacant units at Narborough Road is lower than the national average in respect of both the proportion of units and quantum of floorspace. At the time of our survey, 22 vacant units were recorded. This equates to a vacancy rate of 7.7%. The total number of vacant units is largely unchanged from that at 2014, when 23 vacant units were recorded.
- 5.45 We considered there to be a generally good sense of safety and security within Narborough Road district centre, with good natural surveillance from ground floor shopfronts. However, the majority of the retail units' security shutters are closed when the shops shut.

Local Centres and Neighbourhood Parades

Local Centres

- 5.46 Comprehensive healthcheck assessments for the 45¹⁴ Local Centres in Leicester are provided at Appendix 6.
- 5.47 The centres reviewed vary considerably in size, from 6 units recorded at the centres of 'The Exchange' and 'Marwood Road', to 122 units at 'Uppingham Road (East and West)'. The local centres provide a wide range of facilities, but principally focus on meeting day-to-day convenience and service needs. In addition to this, a number of local centres, particularly the smaller centres, include key community facilities within their boundaries (such as medical centres, libraries etc.) which further improve their function and offer.
- 5.48 Generally, the local centres throughout the authority area have a vacancy rate lower than the current national average. However, nine local centres (Allandale Road/Francis Street, Egginton Street,

¹⁴ Centres 39 and 40 (Uppingham Road East and West) have been considered under a single healthcheck assessment.

Hamilton, London Road, Loughborough Road, Malabar Road, Netherhall Road, Thurncourt Road and Wakerley Road/Ethel Road) exhibit vacancy rates in excess of the national average.

- 5.49 Overall, the nature of local centres – providing for day-to-day retail needs and services – means that they are well placed to recover from any temporary loss of trade as Covid-related trading restrictions are lifted. Some operators within the centres may also benefit if there is any longer-term shift to ‘working from home’, as is widely anticipated.

Neighbourhood Parades

- 5.50 We have visited and reviewed each of the 37 neighbourhood parades in Leicester designated at Appendix 3 by the Local Plan Consultation Draft. A detailed matrix summarising the findings of our visits is provided at Appendix 7.

- 5.51 Nexus has adopted a scoring system to determine how the centres are performing and as such, where they should sit within the recommended hierarchy. The scoring system is based on an assessment of the provision of facilities, ATM services and the proportion of national operators, types and scale of facilities provided and vacancies which were located in each centre.

- 5.52 The scoring system has been applied as follows:

- Facilities Points – based on a review of convenience stores, Post Offices and pharmacies. Each facility receives a score of four.
- ATM score – one or more ATMs in a centre is scored as three, no ATMs receives a score of 0.
- Percentage of national operators, scored as follows:
 - 25% or more of units scores four points;
 - 24%-1% of units scores two points; and
 - 0% of units scores zero points.
- Percentage of vacancies, scored as follows:
 - 0%-10% of units scores six points;
 - 11-24% of units scores four points;
 - 25%-49% of units scores two points; and
 - 50% of units or more scores zero points.

- 5.53 The centres reviewed vary considerably in size, from 14 units recorded at Catherine Street/Brandon Street', to three units at the centres of 'Raven Road' and 'Walnut Street'. The provision of retail and service facilities also varies considerably between the centres, with four centres having no convenience store.
- 5.54 Similarly, the quality of operators varies significantly, with just twelve of the centres accommodating national multiple operators. Nineteen local centres had no vacant units at the time of our visit and, as whole, the smaller centres have a lesser issue in respect of their vacancy rate.

6 Population and Expenditure

Study Area and Survey

- 6.1 In February 2021, a survey of 1,600 households was undertaken by NEMS within the defined Study Area in order to ascertain where residents go to undertake a range of shopping and leisure activities. The defined Study Area is consistent with that used in undertaking the 2015 Leicester and Blaby Town Centre and Retail Study. The Study Area reflects the area where residents look to facilities within Leicester to help meet their retail and leisure needs. A plan of the Study Area is provided as Appendix 1.
- 6.2 The defined Study Area has been broken down into sixteen separate zones (in a manner which is also consistent with the 2015 Study) based on postcode sectors. The sixteen zones are considered representative of geographic areas that may accommodate broadly similar patterns of shopping behaviour. The below Table 6.1 identifies the postcode sectors which define each of the zones.

Table 6.1: Study Area Zones by Postcode Sector

Survey Zone	Postcode Sectors
1	LE9 4, LE10 0, LE10 2, LE10 3
2	LE9 3, LE9 7, LE9 9
3	LE9 6, LE17 5
4	LE8 4, LE8 5, LE8 6, LE8 8, LE9 1, LE18 3, LE87 2
5	LE7 3, LE7 9, LE8 0, LE8 9
6	LE1 1, LE1 2, LE1 3, LE1 4, LE1 5, LE1 6, LE1 7, LE1 9, LE2 0, LE2 1, LE5 3, LE87 4, LE55 7
7	LE5 0, LE5 4, LE5 5
8	LE5 1, LE5 2, LE5 6
9	LE4 5, LE4 6, LE4 7, LE4 9
10	LE4 0, LE4 1, LE4 2
11	LE2 2, LE2 3, LE2 6, LE2 8, LE2 9
12	LE2 7, LE3 0, LE3 1, LE3 2, LE3 5, LE3 6, LE3 9
13	LE2 4, LE2 5, LE18 1, LE18 2, LE18 4
14	LE4 3, LE4 4, LE4 8, LE7 1, LE7 2, LE7 4, LE7 7, LE12 7, LE12 8
15	LE3 8, LE6 0, LE9 2
16	LE3 3, LE19 0, LE19 1, LE19 2, LE19 3, LE19 4, LE95 2

- 6.3 The zones were used as the basis for the NEMS household survey, which is used to inform our assessment of shopping patterns as set out at Section 7 of this report. The survey results also underpin the quantitative retail capacity assessment which follows at Section 8. However, in order to consider the flow of expenditure to retail destinations, it is first necessary to estimate the population and future convenience and comparison goods expenditure apparent in the Study Area.
- 6.4 The Leicester authority area broadly corresponds to Zones 6 to 12.

Study Area Population

- 6.5 The population within each postcode sector and each zone at 2022 has been calculated using Experian Micromarketer G3 data¹⁵. In estimating the future population of the Study Area, consideration has been given to the Council's planned population growth across the timeframe of the Local Plan to 2036.
- 6.6 In this regard, we are informed by the Council that it is planning for Leicester's population to increase by 37,035 persons between 2019 and 2036. This equates to annual average population growth of 2,179 persons each year from base year 2022 (30,499 persons between 2022 and 2036).
- 6.7 The Study Area zones cut across local authority areas, with some zones falling outside the Leicester authority area (and in neighbouring authority areas such as Hinckley and Bosworth, Blaby, Oadby and Wigston, Harborough and Charnwood). Where a zone encompasses both Leicester and a neighbouring authority area, there is a need for it to be sub-divided in order to account for growth both inside and outside the authority area. For areas outside Leicester, the use of Experian's own population forecasts is considered appropriate.
- 6.8 In order to apportion Leicester's future population growth in an appropriate manner, the Council has provided us with a summary schedule setting out the Council's housing supply at 2021. We have identified the location of each part of the housing supply and have therefore been able to estimate the spatial distribution of growth on a zonal basis across the authority area to 2036. Our analysis of the distribution of future housing growth includes all identified elements of the housing land supply, including at Ashton Green, Western Golf Course and at Leicester General Hospital.
- 6.9 By noting the zonal location of each part of the Council's housing land supply, we are able to identify how future population growth will likely be delivered across the authority area in the period to 2036 and at a series of four year reporting periods¹⁶.
- 6.10 Outside of Leicester authority area, Experian's more recent population forecasts have been used¹⁷. Experian's methodology in calculating projected change in population is based on a 'demographic component model', which takes into consideration birth and death rates, and net migration.
- 6.11 We set out below our assumed population growth on a zonal basis at Table 6.2

¹⁵ Sourced in February 2022 in order to provide the most up to date position in respect of population and expenditure.

¹⁶ Our assessment models growth and the resultant need which arises at reporting years 2026, 2031 and 2036.

¹⁷ 2020 base year.

Table 6.2 Estimated Study Area Population by Survey Zone

Zone	Population in Leicester Authority Area at 2022	Proportion of future housing growth	Population in Leicester Authority Area increase (2022 to 2036)	Population in Leicester Authority Area at 2036	Population Outside Leicester at 2022	Population Outside Leicester increase (2022 to 2036)	Population Outside Leicester at 2036	Total Population Growth to 2036
1	0	0.0%	0	0	50,458	6,729	57,187	4,485
2	0	0.0%	0	0	24,611	3,202	27,813	2,012
3	0	0.0%	0	0	16,882	2,420	19,302	1,914
4	0	0.0%	0	0	41,176	5,459	46,635	3,270
5	88	0.0%	0	92	30,860	3,196	34,056	2,650
6	60,171	31.9%	8,326	69,939	-	0	-	9,261
7	39,626	4.0%	1,284	42,750	-	0	-	1,394
8	37,916	1.6%	439	39,815	872	86	958	525
9	48,380	8.8%	2,581	52,778	41	3	44	2,691
10	31,120	21.3%	7,723	40,106	-	0	-	7,998
11	53,075	5.2%	1,270	56,896	10,339	872	11,211	2,105
12	87,659	22.8%	7,616	99,246	10,244	1,431	11,675	8,822
13	0	0.0%	-	0	46,453	2,646	49,099	2,104
14	4	4.3%	1,259	1,298	94,068	12,579	106,647	13,334
15	730	0.0%	-	758	27,989	3,169	31,158	1,945
16	186	0.0%	-	192	32,044	5,861	37,905	3,505
Total	358,955	100.0%	30,499	403,868	386,037	47,653	433,690	68,013

Note: Population at 2022 derived from Experian MMG3 data; distribution of growth in Leicester Authority Area is Nexus Planning estimate based on the methodology set out at Section 6 of this report; growth outside Leicester Authority Area is based on Experian growth forecasts

- 6.12 The above Table 6.2 indicates that the majority of future growth in Leicester is to be located centrally, with delivery particularly high around Leicester city centre (within Zone 6) and the part of the authority area that lies to the west of the City Centre (within Zones 10 and 12).
- 6.13 We have apportioned forecast annual population growth in Leicester equally across the Plan period (i.e. we plan for growth of 2,179 persons per annum). Using the above methodology, Table 6.3 sets out our estimate of future population growth across the Study Area, utilising the housing land supply pipeline provided by Leicester City Council and Experian Micromarketer G3 data. We identify the assumed zonal population at each of the reporting years 2026, 2031 and 2036.

Table 6.3 Estimated Study Area Population by Survey Zone

Zone	2022	2026	2031	2036	Methodology for Estimating Growth
1	50,458	52,600	55,014	57,187	Experian
2	24,611	25,613	26,751	27,813	Experian
3	16,882	17,654	18,492	19,302	Experian
4	41,176	43,030	44,942	46,635	Experian
5	30,948	32,084	33,241	34,144	Leicester housing land supply and Experian
6	60,171	64,248	65,516	68,497	Leicester housing land supply and Experian
7	39,626	39,901	40,455	40,910	Leicester housing land supply and Experian
8	38,788	38,947	39,298	39,313	Leicester housing land supply and Experian
9	48,421	49,194	50,366	51,005	Leicester housing land supply and Experian

Zone	2022	2026	2031	2036	Methodology for Estimating Growth
10	31,120	32,068	35,463	38,843	Leicester housing land supply and Experian
11	63,414	64,449	65,043	65,556	Leicester housing land supply and Experian
12	97,903	99,949	103,397	106,950	Leicester housing land supply and Experian
13	46,453	47,351	48,431	49,099	Experian
14	94,072	98,469	104,230	107,910	Leicester housing land supply and Experian
15	28,719	29,788	30,949	31,888	Leicester housing land supply and Experian
16	32,230	34,111	36,134	38,091	Leicester housing land supply and Experian
Total	744,992	769,455	797,723	823,144	

Source: Table 1 of Appendix 8

- 6.14 The Study Area population will increase from 744,992 persons at 2022 to 823,144 at 2036. This equates to an increase of 78,152 over the 14-year period. In this context, planning policy seeks to manage population increase and to support and encourage future growth.

Retail Expenditure

- 6.15 In order to calculate per capita convenience and comparison goods expenditure, we have utilised Experian Micromarketer G3 data, which provides detailed information on local consumer expenditure that takes into consideration the socio-economic characteristics of the local population. The base year for the Experian expenditure data is 2020. Our methodology takes account of the fact that some special forms of trading expenditure¹⁸ is not available to support retail floorspace, and then allows for increases in per capita expenditure growth on an annual basis.
- 6.16 Figure 5 of Appendix 3 of ERPBN19 (January 2022) provides forecasts in respect of the proportion of convenience and comparison goods expenditure that will be committed through special forms of trading both now and in the future. We have 'stripped out' any survey responses which relate to expenditure committed via special forms of trading and have instead made an allowance derived from Experian's recommendations (which we consider to be the most appropriate means by which to account for such expenditure).
- 6.17 In considering special forms of trading, it should be noted that many products which are ordered online are actually sourced from a store's shelves or stockroom (particularly in the case of convenience goods). As such, expenditure committed in this manner acts to sustain shops and can be considered 'available' to support floorspace within the Study Area.
- 6.18 Accordingly, in order not to overstate the influence of special forms of trading on retailers, our methodology utilises Experian's 'adjusted' allowance for special forms of trading (which is provided at Figure 5 of ERPBN19). This allowance indicates that 5.4% of convenience goods expenditure and

¹⁸ Identified as comprising sales via the internet, mail order, stalls and markets, door-to-door and telephone sales (i.e. all expenditure not available to traditional retail floorspace)

- 25.6% of comparison goods expenditure is 'lost' from shops at base year 2020 through special forms of trading purchases.
- 6.19 Having made an allowance for special forms of trading, we then take account of projected changes in expenditure in accordance with the recommendations provided by Figure 6 of Appendix 3 of ERPBN19. Experian provides overall growth rates and 'adjusted' rates, which account for any additional increases in expenditure lost to special forms of trading.
- 6.20 The latest growth rates suggest that growth in comparison goods expenditure should pick up in the short term as confidence in the economy returns, with this increase following a significant impact to comparison goods expenditure arising from the situation around Covid-19 in 2020.
- 6.21 For convenience goods, Experian forecasts very limited per capita expenditure growth across the entire period to 2036. The position is even more pessimistic when account is taken of future growth in special forms of trading, with Experian's forecasts suggesting that the growth in convenience goods expenditure available to actual stores will not exceed 0.1% per annum across the entire period 2022 to 2036. Overall, it is evident that per capita convenience goods expenditure is not forecast to increase in the period to 2036.
- 6.22 The position in respect of comparison goods expenditure is more positive. Experian forecasts that per capita comparison goods expenditure growth will take place over the period to 2036, but, with the exception of growth of 5.9% in 2022, will not exceed 2.7% per annum in the period from 2022 to 2036. Experian's forecast suggests that there will be relatively healthy growth in comparison goods even after accounting for expenditure lost to special forms of trading.
- 6.23 Growth in expenditure forecasts in the longer term (beyond the next ten years) should be treated with caution given the inherent uncertainties associated with predicting the performance of the economy over time (particularly in the current economic, health and political climates). As such, assessments of this nature should be reviewed on a regular basis in order to ensure that forecasts over the medium and longer term reflect changing circumstances.
- 6.24 In this regard, we also note that paragraph 85 of the revised NPPF requires local planning authorities to allocate sites to meet likely needs '**...looking at least ten years ahead**', which differs from the previous requirement to meet needs across the entire plan period. We believe that this change directly reflects current economic conditions and changes in the retail sector in recent years. By applying Experian's recommendations in respect of special forms of trading and expenditure growth,

we are able to produce expenditure estimates for each survey zone and the Study Area as a whole at 2022, 2026, 2031 and 2036.

Convenience Goods Expenditure

- 6.25 Taking into account the Study Area resident population and the available per capita convenience goods expenditure, we estimate that £1,745.4m¹⁹ of convenience goods expenditure originates within the Study Area at 2022. The below Table 6.4 indicates that available Study Area convenience goods expenditure is forecast to increase to £1,929.7m at 2036.

Table 6.4: Total Available Study Area Convenience Goods Expenditure

2022 (£m)	2026 (£m)	2031 (£m)	2036 (£m)
1745.4	1793.1	1860.2	1929.7

In 2020 Prices

- 6.26 Table 6.5 indicates that this represents a modest increase of £184.3m (or 10.5%) across the Study Area between 2022 and 2036. Given the static growth in per capita expenditure, this increase can be attributed to growth in the Study Area's population.

Table 6.5: Growth in Available Study Area Convenience Goods Expenditure

Growth 2022-26 (£m)	Growth 2022-31 (£m)	Growth 2022-36 (£m)
47.7	114.8	184.3

In 2020 Prices

- 6.27 We have assumed that around 75% of available convenience goods expenditure would take the form of main food shopping and that around 25% would take the form of top-up shopping (which relates to smaller purchases, often including staple items such as milk and bread)²⁰. By applying this ratio, we estimate that main food shopping trips account for £1,309.0m of Study Area convenience goods expenditure at 2022, and top-up shopping trips account for £436.3m.

Comparison Goods Expenditure

- 6.28 For comparison goods, Table 6.6 sets out our estimate that the resident population of the Study Area will generate £2,112.7m of comparison goods expenditure at 2022. Available comparison goods expenditure is then forecast to grow to £3,224.5m at 2036.

Table 6.6: Total Available Study Area Comparison Goods Expenditure

2022 (£m)	2026 (£m)	2031 (£m)	2036 (£m)
2,112.7	2,353.4	2,742.3	3,224.5

In 2020 Prices

¹⁹ In 2019 prices, as is every subsequent monetary reference

²⁰ This is a fairly standard split applied in undertaking this exercise

- 6.29 The identified increase in comparison goods expenditure growth is substantial, but it represents a level of annual growth that is more circumspect than that which has been achieved in the past. This is due to both a reduction in the overall level of growth when compared to that achieved in the early part of this millennium and as a consequence of further forecast increases in expenditure committed via special forms of trading (most obviously, internet shopping).

Table 6.7: Growth in Available Study Area Comparison Goods Expenditure

Growth 2022-26 (£m)	Growth 2021-31 (£m)	Growth 2021-36 (£m)
240.6	629.6	1,111.8

In 2020 Prices

- 6.30 We sub-divide comparison goods expenditure into eight categories, these being: 'DIY', 'Electrical' and 'Furniture' (collectively referred to as bulky goods); and, 'Clothing and Footwear', 'CDs, DVDs and Books', 'Health, Beauty and Chemist Goods', 'Small Household Goods', and 'Toys, Games, Bicycles and Recreational Goods' (collectively referred to as non-bulky goods). The proportion of expenditure directed to each sub-category is estimated by Experian on a zonal basis. Experian's estimates are reflected in the detailed expenditure tables set out at Table 7b of Appendix 8.
- 6.31 In considering expenditure growth, it should be noted that not all growth arising within the Study Area will be to support additional floorspace. Instead, account needs to be taken of: the market share of expenditure secured by retailers within the authority area; the claim made by existing retailers on expenditure growth (the future efficiency of retail floorspace); and, the expenditure that will be claimed by committed retail developments.

7 Market Research: Household Survey

Market Share Analysis: Household Survey Results

- 7.1 The NEMS household survey identifies where residents travel to undertake a range of shopping and leisure activities. The summary of results provided in this section focusses on the market share of shopping trips secured by retail venues for various types of shopping.
- 7.2 In February 2021, a survey of 1,600 households was undertaken by NEMS within the defined Study Area in order to ascertain where residents go to undertake a range of shopping and leisure activities. The defined Study Area is consistent with that used in undertaking the 2015 Leicester and Blaby Town Centre and Retail Study. The Study Area reflects the area where residents look to facilities within Leicester to help meet their retail and leisure needs.
- 7.3 Leicester's authority area is principally located within Zones 6, 7, 8, 9, 10, 11 and 12 of the adopted Study Area, and this area is therefore of particular interest in considering market shares. It is important to note however that there are limited parts of Zones 11 and 12 which are located outside of the Leicester authority area.
- 7.4 In this regard, we expect Leicester's convenience goods provision to secure almost all of the convenience goods turnover which originates within these seven central zones (as convenience goods shopping is generally undertaken as close to home as possible). In respect of comparison goods, the role of Fosse Park and to a lesser degree, Birmingham city centre is such that it acts to attract a significant proportion of such expenditure away from the Study Area.
- 7.5 The household survey is reproduced as part of Appendix 2 of this Study. In retail terms, the principal purpose of the survey is to establish:
- patterns of convenience goods spending, based on the location of:
 - the shop where the respondent last visited and visited 'the time before last' to undertake their main food shop; and
 - the shop where the respondent last visited and visited 'the time before last' to undertake their top up food shop.
 - patterns of comparison goods spending, based on the location of the respondent's last shopping trip to purchase the following types of comparison goods:
 - clothing and footwear;

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

7.6 The analysis which follows considers market share for the above sub-sectors. Our assessment is based on the market share of *trips* to particular retail destinations. In most cases, we are able to compare the current market share findings with those established in the 2015 Study.

Convenience Goods Analysis

Main Food Shopping Patterns

- 7.7 Table 7.1 below provides an update on the main food convenience shopping destinations reported in the 2015 Study and their updated market share at 2021. We compare these destinations from the 2015 Study to establish how shopping patterns have altered in the last six years.
- 7.8 All of the named destinations in Table 4.2 of the 2015 Study have experienced a decline in their market share relative to their 2015 position, with the exception of the Sainsbury's on Melton Road.
- 7.9 Particularly significant changes in market share since 2015 have been observed at the City Centre (from 5.4% at 2015 to 0.1% at 2021) and the Tesco Extra at Hamilton (from 7.2% at 2015 to 5.4% at 2021).
- 7.10 In total, convenience shopping destinations within the authority area retain a relatively high proportion of all trips for main foods shopping with 38.0% of such trips in the Study Area being directed to the city.

Table 7.1: Main Food Convenience Shopping Trip Patterns

Destinations	2021 Market Share (%)	2015 Market Share (%)
Leicester City Centre	1.0	5.4
Aldi, St. George's Retail Park	2.8	1.4
Tesco Extra, Maidenwell Avenue, Hamilton	5.4	7.2
Asda, Exploration Drive, Abbey Lane	2.9	4.0
Sainsbury's Superstore, Melton Road	3.5	2.3
Local shops, Beaumont Leys Town Centre	1.1	0.3
Tesco Extra, Beaumont Leys Town Centre	4.9	5.3
Aldi, Aylestone Road	1.4	1.8
Aldi, Woodgate	1.2	2.4
Morrisons, Aylestone Road	1.8	2.7
Leicester Authority Total	38.0	42.1

Source: Table 3 of Appendix 8

- 7.11 The reduction in main food market share attracted to the Tesco Extra at Beaumont Leys will be in light of the Aldi opening following the publication of the previous study. In this regard, the associated reduction in main food shopping trips attracted to the store from Zone 10 residents only is from 45.0% in 2015 to 39.7% in 2021.
- 7.12 In terms of main food shopping trips attracted to Leicester city centre, the reported decline in trips across the Study Area as a whole is a matter of interest. As such, it is worth looking at where residents are now choosing to shop instead of city centre destinations and which zones have seen the biggest changes.
- 7.13 In this regard, it is worth considering the context of the city centre and nature of operators which typically provide for a 'main food' shopping offer, which principally consists of the Aldi at St. George's Retail Park, the Lidl on Burton Street both located to the east of the city centre, and the Tesco Superstore off the A5460 located to the west of the city centre. Only the Lidl is situated within the boundary of the ring road, with the Aldi and Tesco situated on the other side of the ring road.
- 7.14 We can see from the table above that overall, there has been a small shift in main food shopping trips from city centre destinations to the Aldi at St. George's Retail Park, which has seen an increase in 1.4 percentage points across the Study Area as a whole. Delving deeper, there has also been a shift in main food shopping patterns attracted to the Sainsbury's on Humberstone Gate from 1.7% at 2015 to 0.2% at 2021. There have also been a series of reductions in market share in general by small margins to the smaller convenience destinations within the city centre, which will also account for the drop in market share.

- 7.15 Looking at Zone 6 of the Study Area, which broadly covers the city centre, we can see that at 2015, a total of 17.9% of main food shopping trips were retained by destinations within the zone, including 7.8% at the Aldi, and a further 5.3% at the Sainsbury's Local at Granby Street. At 2021, the proportion of main food trips from Zone 6 residents attracted to destinations within Zone 6 is higher at 33.6%. However, the proportion of trips attracted to the Aldi has increased to 15.6%, whereas the proportion of main food trips attracted to the Sainsbury's Local at Granby Street has decreased considerably to 0.7%.
- 7.16 The proportion of main food shopping trips attracted by city centre operators, particularly those smaller ones within the primary shopping area, are likely to have dropped as a result of changes to how residents are working, with a greater propensity now working from home on a more regular basis. As such, residents are less likely to combine their trips to the city centre to work, with purchasing convenience goods, which they may have previously done on their way home in the evening. In addition, the changes may be in part attributable to general changes in habits to shopping overall.

Top-Up Food Shopping Patterns

- 7.17 In terms of top-up food shopping patterns, Table 7.2 below again provides an update on the destinations reported in the 2015 Study and their updated market share at 2021.

Table 7.2: Top-Up Food Convenience Shopping Trip Patterns

Destinations	2021 Market Share (%)	2015 Market Share (%)
Leicester City Centre	2.0	13.1
Tesco Extra, Maidenwell Avenue, Hamilton	1.5	2.3
Asda, Exploration Drive, Abbey Lane	0.6	1.5
Sainsbury's Superstore, Melton Road	1.7	0.9
Local shops, Beaumont Leys Town Centre	1.0	0.4
Tesco Extra, Beaumont Leys Town Centre	1.1	-
Aldi, Aylestone Road	0.5	0.9
Aldi, Woodgate	0.6	1.2
Morrisons, Aylestone Road	0.2	1.3
Leicester Authority Total	40.8	44.9

Source: Table 3 of Appendix 8

- 7.18 Although modest declines in overall market share are recorded at most destinations shown in Table 7.2, with the exceptions being the Sainsbury's at Melton Road and local shops at Beaumont Leys, a significant decline in market share is observed within the city centre itself. The market share of the city centre has decreased from 13.1% at 2015 to 2.0% at 2021.

- 7.19 As with main food shopping patterns, the Leicester authority area retains a relatively high proportion of top-up food convenience shopping trip patterns originating in the Study Area with 40.8% of all such trips occurring within the authority area. This compares with a market share of 44.9% at 2015.
- 7.20 In terms of the changes in shopping trips from the city centre elsewhere, it is again useful to look in the first instance at those residents which reside in Zone 6. The retention rate of Zone 6 top-up shopping trips is 51.2% at 2021, compared to 47.3%, indicating that the number of trips has remained broadly the same from Zone 6 residents. However, the principal top-up convenience destination at 2015 for Zone 6 residents was Leicester city centre, which attracted 23.2%, compared to 2.4% at 2021. Whilst some of this shift in trips may be attributable to how respondents responded to the question (for example, some may have responded 'Leicester city centre' at 2015 instead of specifying one of the smaller convenience stores), the shift could also again be due to a general change in the proportion of residents working from home instead of in the city centre.

Convenience Retention Rates

- 7.21 Table 7.3 below provides the main, top up and total retention of shopping trips on a zonal basis. The retention level demonstrates the proportion of residents residing in that zone who also shop at destinations in the same zone.
- 7.22 We can see that in terms of main food expenditure, the highest level of retention for main food expenditure is in Zone 13 (Wigston) within which 85.0% of main food shopping trips are retained, followed by Zone 1 (Hinckley) within which 83.3% of main food shopping trips is retained.
- 7.23 This is followed by Zones 9 and 10 at 55.6% and 53.7% respectively. The higher retention level in these zones indicates that residents are able to or indeed choosing to meet their main food shopping needs within the relatively locality. For example, the Sainsbury's on Melton Road attracts a total of 26.9% of the main food shopping trips of Zone 9 residents and the Tesco Extra at Beaumont Shopping Centre attracts 39.7% of Zone 10 residents' main food shopping trips.

Table 7.3: Convenience Expenditure Retention by Zone at 2021

Zone	Main Food Shopping Trips Retention	Top-Up Food Shopping Trips Retention
1	83.3%	87.0%
2	11.1%	72.6%
3	31.2%	59.3%
4	18.7%	49.1%
5	2.1%	63.0%
6	33.6%	51.2%
7	14.3%	44.5%
8	33.2%	31.4%
9	55.6%	75.8%
10	53.7%	65.0%
11	16.2%	38.7%
12	46.3%	69.9%
13	85.0%	95.6%
14	33.9%	83.5%
15	21.2%	67.6%
16	47.3%	60.5%

7.24 In terms of top-up food shopping trips, the retention levels are higher within each of the zones, indicating that residents often choose to meet their day-to-day top-up convenience requirements at smaller, more local convenience destinations. For example, although just 14.3% of main food expenditure generated by Zone 7 residents is spent at destinations in the corresponding zone, 44.5% of top-up expenditure is spent in Zone 7. In this regard, it is apparent that Zone 7 residents are instead choosing destinations such as Tesco Extra in Hamilton (attracting 25.2% of main food shopping trips) and the Aldi at St. George's Way (attracting 11.2% of main food shopping trips).

Comparison Shopping Patterns

Clothing and Footwear

7.25 As noted in the 2015 Study, Leicester city centre retains the greatest market share for clothing and footwear shopping trips at 43.2% of all trips. However, as Table 7.4 shows this figure does represent a decrease from the 48.5% share noted in 2015.

Table 7.4: Comparison Goods Shopping Trip Patterns – Clothing and Footwear

Destinations	2021 Market Share (%)	2015 Market Share (%)
Leicester city centre	43.2	48.5
St George's Retail Park	0.2	0.3
Hamilton district centre	0.1	1.0
Abbey Retail Park	0.0	0.2
B&Q, Devonshire Road	0.0	0.0
Beaumont Leys	2.8	4.2
Homebase, Welford Road	0.0	0.0
Leicester Authority Total	49.6	54.6
Other destinations within Study Area		
Fosse Shopping Park	33.7	23.6
Hinckley	1.4	1.2
Oadby	0.1	0.5
Wigston	0.4	0.6
Destinations outside Study Area		
Giltbrook Retail Park	0.0	0.0
Loughborough	2.6	1.7
Market Harborough	0.9	0.9
Nuneaton	0.2	1.3

Source: Table 9 of Appendix 8

- 7.26 Some of this decrease can be explained by an increase in the market share attributed to Fosse Park, which has increased from 23.6% to 33.7% between 2015 and 2021. However, despite this significant increase, the Leicester authority area retains a market share of approximately half of all trips for clothing and footwear shopping that originate within the Study Area.

Books, CDs and DVDs Goods

- 7.27 In terms of Books, CDs and DVDs goods, Leicester city centre retains the greatest market share with 43.7% of all trips being directed to the centre. This figure represents a decrease on the 49.1% market share that was attributed to the city centre at 2015. However, despite this decrease the overall Leicester authority area has experienced only a modest decline in terms of total market share since 2015, from 57.2% to 55.7%.

Table 7.5: Comparison Goods Shopping Trip Patterns – CDs, DVDs, Books

Destinations	2021 Market Share (%)	2015 Market Share (%)
Leicester city centre	43.7	49.1
St George's Retail Park	0.0	0.0
Hamilton district centre	0.1	2.1
Abbey Retail Park	0.0	0.0
B&Q, Devonshire Road	0.0	0.0
Beaumont Leys	5.7	5.1
Homebase, Welford Road	0.0	0.0
Leicester Authority Total	55.7	57.2
Other destinations within Study Area		
Fosse Shopping Park	8.9	11.5
Hinckley	3.1	5.3
Oadby	0.5	1.0
Wigston	2.0	1.3
Destinations outside Study Area		
Giltbrook Retail Park	0.0	0.3
Loughborough	2.5	3.4
Market Harborough	1.5	1.8
Nuneaton	0.7	2.1

Source: Table 11 of Appendix 8

- 7.28 It is also instructive to note that Fosse Park has also experienced a decline in its market share since 2015, from 11.5% to 8.9%.

Small Household Goods

- 7.29 In respect of small household goods, the Leicester authority area has generally retained a consistent market share between 2021 and 2015, with the authority area having a market share of 39.3% of all trips that originate within the Study Area at 2021.

Table 7.6: Comparison Goods Shopping Trip Patterns – Small household goods

Destinations	2021 Market Share (%)	2015 Market Share (%)
Leicester city centre	29.4	31.3
St George's Retail Park	1.0	0.3
Hamilton district centre	0.0	0.8
Abbey Retail Park	1.6	0.6
B&Q, Devonshire Road	0.1	1.1
Beaumont Leys	2.2	3.4
Homebase, Welford Road	0.0	1.4
Leicester Authority Total	39.3	39.9
Other destinations within Study Area		
Fosse Shopping Park	16.8	18.6
Hinckley	2.6	4.2
Oadby	0.0	1.6
Wigston	0.9	2.2
Destinations outside Study Area		
Giltbrook Retail Park	0.3	5.6
Loughborough	0.9	2.5
Market Harborough	0.6	1.1
Nuneaton	0.3	1.4

Source: Table 13 of Appendix 8

- 7.30 There has been a modest decline in the city centre's market share since 2015, with this figure decreasing from 31.3% in 2015 to 29.4% at 2021. Alongside this, other destinations within the Study Area but beyond the authority boundary have also experienced declines in their market shares. For example, Fosse Park's market share has decreased from 18.6% at 2015 to 16.8% at 2021.

Recreational Goods

- 7.31 Although the Leicester authority area has experienced a modest decline in its overall share of recreation goods market share since 2015 (from 63.9% at 2015 to 58.2% at 2021), the City Centre itself has seen a marginal increase in its overall market share to 33.4% at 2021.

Table 7.7: Comparison Goods Shopping Trip Patterns – Recreation Goods

Destinations	2021 Market Share (%)	2015 Market Share (%)
Leicester city centre	33.4	33.1
St George's Retail Park	2.6	20.3
Hamilton district centre	0.1	1.1
Abbey Retail Park	8.3	1.5
B&Q, Devonshire Road	0.6	0.0
Beaumont Leys	3.0	6.2
Homebase, Welford Road	0.0	0.8
Leicester Authority Total	58.2	63.9
Other destinations within Study Area		
Fosse Shopping Park	14.2	11.7
Hinckley	1.9	5.6
Oadby	0.3	0.1
Wigston	1.1	0.8
Destinations outside Study Area		
Giltbrook Retail Park	0.6	0.3
Loughborough	3.0	5.7
Market Harborough	0.5	0.2
Nuneaton	0.3	0.1

Source: Table 15 of Appendix 8

- 7.32 It is interesting to note that a number of destinations within the authority area attract a notable market share in respect of recreation goods shopping trips. One notable change has been a significant decrease in the market share of St George's Retail Park (from 20.3% at 2015 to 2.6% at 2021), which can potentially be explained by the closure of Toys R Us in 2018. For destinations out of the authority area, Fosse Park retains a significant market share which has increased marginally since 2015 from 11.7% to 14.2%.

Chemist Goods

- 7.33 The Leicester authority area retains a significant market share in respect of Chemist goods, with 37.4% of all trips that originate within the Study Area being directed towards the authority area. However, since 2015 the City Centre has experienced a considerable decrease in its overall market share from 32.1% at 2015 to 14.2% at 2021. Conversely, the market share for Beaumont Leys has increased to 5.0% from 0.0% at 2015.

Table 7.8: Comparison Goods Shopping Trip Patterns – Chemist goods

Destinations	2021 Market Share (%)	2015 Market Share (%)
Leicester city centre	14.2	32.1
St George's Retail Park	0.2	0.7
Hamilton district centre	0.2	2.4
Abbey Retail Park	0.0	0.0
B&Q, Devonshire Road	0.0	0.0
Beaumont Leys	5.0	0.0
Homebase, Welford Road	0.0	0.0
Leicester Authority Total	37.4	45.0
Other destinations within Study Area		
Fosse Shopping Park	13.2	14.5
Hinckley	4.7	7.4
Oadby	2.2	4.4
Wigston	4.4	3.7
Destinations outside Study Area		
Giltbrook Retail Park	0.0	0.0
Loughborough	2.0	2.9
Market Harborough	0.8	0.7
Nuneaton	0.0	0.4

Source: Table 17 of Appendix 8

7.34 Since 2015, a number of key destinations outside of the Leicester authority area, but within the Study Area, such as Fosse Park, Hinckley, Oadby and Wigston, have also experienced decreases in their market shares.

7.35 The shift in shopping patterns within the city centre is quite considerable, and although there has been a corresponding increase of trips attracted to Beaumont Leys retailers, this does not account for the whole 17.9 percentage point decrease to retailers in the city centre.

Electrical Goods

7.36 Since 2015, the most significant change in terms of market share in respect of electrical goods shopping has been observed at Fosse Park, which has experienced an increase from 25.7% at 2015 to 46.7% at 2021.

Table 7.9: Comparison Goods Shopping Trip Patterns – Electrical goods

Destinations	2021 Market Share (%)	2015 Market Share (%)
Leicester city centre	17.4	27.9
St George's Retail Park	8.8	7.5
Hamilton district centre	0.0	2.1
Abbey Retail Park	0.0	0.2
B&Q, Devonshire Road	0.8	0.1
Beaumont Leys	3.2	5.6
Homebase, Welford Road	0.2	0.2
Leicester Authority Total	35.3	45.2
Other destinations within Study Area		
Fosse Shopping Park	46.7	25.7
Hinckley	2.1	2.7
Oadby	0.2	0.7
Wigston	2.1	1.7
Destinations outside Study Area		
Giltbrook Retail Park	0.0	0.0
Loughborough	0.3	2.0
Market Harborough	0.1	0.4
Nuneaton	0.0	0.7

Source: Table 19 of Appendix 8

- 7.37 Alongside this substantial increase has been an overall decrease in the market share of destinations within the Leicester authority area, from 45.2% at 2015 to 35.3% at 2021. Much of this decrease can be attributed to Leicester city centre, which has experienced a decrease in its market share from 27.9% at 2015 to 17.4% at 2021.

DIY and Gardening Goods

- 7.38 In terms of DIY goods, the B&Q at Devonshire Road attracts a substantial market share that has increased marginally since 2015, from 33.1% to 33.8%. Whilst this destination has maintained a relatively consistent market share since 2015, the overall market share for both Leicester city centre and the Homebase at Welford Road have decrease since that time by 4.7% and 2.3% respectively. In total, the market share for the Leicester authority area as a whole has decreased since 2015 from 55.3% to 48.5% at 2021.

Table 7.10: Comparison Goods Shopping Trip Patterns – DIY goods

Destinations	2021 Market Share (%)	2015 Market Share (%)
Leicester city centre	3.2	7.9
St George's Retail Park	0.9	2.2
Hamilton district centre	0.0	0.2
Abbey Retail Park	0.5	1.3
B&Q, Devonshire Road	33.8	33.1
Beaumont Leys	1.8	1.4
Homebase, Welford Road	3.7	6.0
Leicester Authority Total	48.5	55.3
Other destinations within Study Area		
Fosse Shopping Park	0.6	0.5
Hinckley	1.3	1.5
Oadby	0.2	1.3
Wigston	1.2	0.7
Destinations outside Study Area		
Giltbrook Retail Park	0.0	0.1
Loughborough	0.2	0.8
Market Harborough	0.1	0.2
Nuneaton	0.0	0.1

Source: Table 21 of Appendix 8

- 7.39 In respect of destinations outside the Leicester authority area, the market share figures have remained relatively constant since 2015 and in particular there has been almost no discernible change in respect of the market share attributed to Fosse Park.

Furniture Goods

- 7.40 In our experience, furniture goods shopping trips are generally directed to out-of-town retail parks where generally 'bulkier' items can be displayed, purchased and collected in large, modern purpose built facilities. As such, it is noted that the market share of shopping trips directed to Leicester city centre has decreased from 28.3% at 2015 to 14.2% at 2021. Alongside this, the market share of trips to Abbey Retail Park has increased since 2015, from 1.8% to 3.4%. The total market share of the Leicester authority area has decreased from 43.7% at 2015 to 34.6% at 2021.

Table 7.11: Comparison Goods Shopping Trip Patterns – Furniture

Destinations	2021 Market Share (%)	2015 Market Share (%)
Leicester city centre	14.2	28.3
St George's Retail Park	0.8	2.0
Hamilton district centre	0.1	0.4
Abbey Retail Park	3.4	1.8
B&Q, Devonshire Road	1.5	2.9
Beaumont Leys	0.6	0.7
Homebase, Welford Road	0.5	0.6
Leicester Authority Total	34.6	43.7
Other destinations within Study Area		
Fosse Shopping Park	29.2	20.8
Hinckley	4.1	4.4
Oadby	1.0	1.4
Wigston	3.4	2.0
Destinations outside Study Area		
Giltbrook Retail Park	0.5	2.0
Loughborough	1.7	1.2
Market Harborough	0.8	1.2
Nuneaton	0.3	0.3

Source: Table 23 of Appendix 8

- 7.41 Since 2015, the market share of trips for furniture goods at Fosse Park has increased from 20.8% to 29.2% at 2021. Hinckley and Oadby also retain a relatively strong market share of trips, with the destinations having a market share at 2021 of 4.1% and 3.4% respectively.

Principal Comparison Destinations for Leicester Residents

- 7.42 It is useful to also understand how shopping patterns have changed for those residents residing in the authority area specifically to get to grips with detailed habits.
- 7.43 If we concentrate firstly on clothing and footwear goods, which as we state above constitutes the highest proportion of comparison spending for residents, we can establish if there have been any considerable changes in shopping habits between Leicester city centre and Fosse Park in particular.

Table 7.12: Clothing and Footwear Shopping Trips to Leicester City Centre and Fosse Park (%)

Destination	Year	6	7	8	9	10	11	12
Leicester city centre	2015	88.7	73.3	71.5	62.1	55.1	48.4	46.4
Leicester city centre	2021	88.0	70.7	66.6	64.0	50.5	47.8	45.8
Fosse Park	2015	5.8	0.6	11.1	8.1	13.1	35.3	31.4
Fosse Park	2021	1.4	9.2	16.8	9.7	14.2	41.2	41.6

Source: Table 9 of Appendix 8

- 7.44 Table 7.12 above provides the market shares for Zones 6 to 12, which broadly cover the Leicester authority area. We can see that the proportion of clothing and footwear trips to the city centre have reduced between 2015 and 2021 for all zones except Zone 9, with the highest reduction in trips being within Zones 8 and 10 at 4.9 and 4.6 percentage points respectively.
- 7.45 However, the changes in shopping patterns for Zone 6 to 12 residents being attracted to Fosse Park has altered slightly differently. For example, there has been a reduction in clothing and footwear trips travelling to Fosse Park from Zone 1 residents from 5.8% in 2015 to 1.4% in 2021 but an increase in trips from Zone 7 residents in particular from 0.6% to 9.2% and Zone 12 residents from 31.4% to 41.6%. Although the change in habits of Zone 12 residents is less surprising given the geography of the area and proximity of the zone to Fosse Park, it is somewhat surprising that Zone 7 residents (which is situated on the eastern side of the city centre) have changed their habits. In any event, Leicester city centre is still the principal centre for clothing and footwear purchases for Zone 7 residents by some considerable margin.
- 7.46 It is also worth looking at the bulky shopping patterns to establish whether habits have also changed in respect of these types of goods.
- 7.47 Table 7.13 below looks specifically at electrical goods as an example of a bulky product purchase and the difference between shopping trips between Leicester City Centre and Fosse Park.

Table 7.13: Electrical Goods Trips to Leicester City Centre and Fosse Park (%)

Destination	Year	6	7	8	9	10	11	12
Leicester city centre	2015	55.4	46.8	30.2	35.8	27.2	32.1	22.3
Leicester city centre	2021	24.7	30.9	19.2	14.4	27.3	15.4	18.9
Fosse Park	2015	7.3	11.7	12.5	14.9	24.6	54.6	54.6
Fosse Park	2021	14.9	25.6	28.3	30.3	22.6	68.0	61.7

Source: Table 19 of Appendix 8

- 7.48 It is clear from Table 7.13 that there has perhaps been a more considerable shift in shopping patterns for bulky goods, and particularly electrical goods. In particular, the city centre has seen a considerable drop in electrical goods shopping patterns since 2015, with a 30.7 percentage point decrease from Zone 6 residents, a 15.9 percentage point decrease from Zone 7 residents and a 11.0 percentage point decrease from Zone 8 residents.
- 7.49 However, it is important to note that St. George's Retail Park serves an important role in providing facilities to meet bulky goods needs, and in terms of electrical goods for example, attracts relatively high proportions of trips from Zone 6, 7, 8 and 9 residents in particular at 33.6%, 21.5%, 26.7% and

25.8% respectively at 2021, which has increased for zones 6 and 8 since 2015 (from 21.6% and 11.8% respectively).

- 7.50 Finally, it is also worth looking at the proportion of comparison spend attracted to Leicester city centre and Fosse Park, and compare this to the proportion attracted in 2015. We provide this below for the Study Area as a whole at 2015 and 2021.

Table 7.14: Proportion of Comparison Goods Expenditure Attracted to Key Destinations (%)

Destination	Year	Total Expenditure from Study Area (£m)	Study Area Total of Available Expenditure (%)
Leicester city centre	2015	586.5	33.4%
Leicester city centre	2022	565.4	26.8%
Fosse Park	2015	396.7	22.6%
Fosse Park	2022	481.0	22.8%

Source: Table 26 of Appendix 8

Notes: Leicester city centre includes the city centre, M&S Gallowtree Gate and Sainsbury's, Humberstone. Fosse Park includes Fosse Park and M&S Fosse Park

- 7.51 Table 7.14 indicates that in terms of the total expenditure available across the Study Area at 2022, the city centre attracts approximately 26.8% and Fosse Park attracts approximately 22.8%. Although the increase in the proportion of expenditure has increased to Fosse Park by 0.2 percentage points, the decrease of expenditure attracted to the city centre destinations has decreased by 6.6 percentage points, indicating that the loss in expenditure is not directly attributable to Fosse Park's attraction.
- 7.52 In this regard, facilities in the authority area as a whole attract 43.3% of expenditure at 2022, which is a decrease from the 47.8% recorded in the 2015 Study. This indicates that the shift in expenditure away from the city centre is in fact to other destinations outside of the Leicester authority area but elsewhere from Fosse Park.

Summary

- 7.53 The household survey results are provided in full at Appendix 2. In respect of convenience goods, the findings that are of greatest relevance to the future retail and centres strategy in Leicester are as follows:
- Overall, the Leicester authority area retains a significant proportion of all trips for main food shopping with 38.0% of such trips in the Study Area being directed to the city. In terms of main food shopping, the city centre has experienced a significant decline in market share (from 5.4% at 2015 to 0.1% at 2021);

- As with main food shopping patterns, the market share of top-up shopping trips directed towards the city centre has also experienced a significant decline since 2015, falling from 13.1% at 2015 to 2.0% at 2021; and
- The Leicester authority area retains a significant proportion of top-up food convenience shopping trip patterns originating in the Study Area with 40.8% of all such trips occurring within the authority area. This compares with a market share of 44.9% at 2015.

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

- The authority area's retention of shopping trips has decreased since 2015 for all categories of comparison goods; and
- Fosse Park is drawing a relatively high proportion of trips across the Study Area in respect of clothing and footwear, electrical goods and DIY goods. Increases in the market share of Fosse Park have been mirrored by a relative decrease in the market share of the Leicester Authority Area.

8 Assessment of Retail Capacity

- 8.1 Our retail capacity tables set out our step-by-step approach to estimating the expenditure surplus which is available to support additional retail floorspace and are provided at Appendix 8. A summary of our methodological approach, together with our findings, is provided below.

General Approach to Estimating Quantitative Capacity

- 8.2 Retail capacity modelling follows the basic principle that: Available Expenditure minus Expected Turnover of Existing and Committed Floorspace equals Expenditure Surplus or Deficit. An identified quantitative expenditure surplus indicates that there may be capacity to support additional retail floorspace (subject to there being no unacceptable impacts arising as a consequence of the increased provision). We summarise the key considerations relating to each component of the equation below.

Available Expenditure

- 8.3 As we set out in Section 6 of this report, available expenditure within a zone is calculated by multiplying the population at a given reporting year by the estimated per capita expenditure. The available expenditure takes into consideration:
- estimated population growth;
 - forecast increases in per capita expenditure; and
 - forecast increases in special forms of trading.

Anticipated Turnover of Leicester's Retail Floorspace

- 8.4 The turnover relates to the expenditure required by existing retailers (and by retail commitments benefitting from an extant planning permission) to ensure that they trade viably. For convenience goods retailers, the expected 'benchmark' turnover of existing convenience goods facilities is calculated with reference to GlobalData Convenience and Comparison Goods Sales Densities of Major Grocers and Mintel Retail Rankings data²¹.

Surplus/Deficit

- 8.5 The expenditure surplus (or deficit) is calculated by subtracting the turnover of existing and committed floorspace from the available expenditure in the Leicester authority area. A surplus figure effectively represents an under-provision of retail facilities within the City (which may indicate that

²¹ These datasets provide independent analysis of key grocery retailers' declared turnover and the overall floorspace in their portfolio in order to calculate national average sales densities.

additional floorspace could be supported), whereas a deficit would suggest a quantitative over-provision of retail floorspace.

- 8.6 Although a surplus is presented as a monetary figure, it can be converted to a floorspace requirement through the application of an appropriate sales density. In this regard, the floorspace requirement will vary according to operator and the likely sales density they could achieve. For example, in the case of comparison goods, non-bulky goods retailers tend to achieve higher sales densities than bulky goods retailers. However, within the bulky goods sector itself there is significant variation, with electrical retailers typically having higher sales densities than DIY or furniture retailers.
- 8.7 The turnover of destinations is generally considered with reference to retailers' net sales areas and all of the following floorspace figures relate to net sales areas. Our assessment considers convenience and comparison goods needs on an Authority-wide basis.

Future Quantitative Convenience Goods Capacity

- 8.8 In identifying the requirement for additional convenience goods floorspace, the estimated turnover of the existing collective provision (with reference to the shopping patterns established by the household survey) is compared to its benchmark turnover (with reference to company average sales densities).
- 8.9 For each convenience goods retail destination, consideration has been given as to whether any of its turnover is likely to be derived as 'inflow' from outside the Study Area. However, the Study Area is relatively extensive in its scope and we consider it unlikely that residents of areas further afield (such as Coalville, Loughborough and Melton Mowbray) will generally travel to Leicester in very significant numbers to undertake food shopping at stores of a relatively modest scale.
- 8.10 As Table 8.1 demonstrates, convenience goods floorspace has an expected benchmark turnover of £629.9m at 2022, and an estimated survey derived turnover of £652.3m. As a consequence, an expenditure surplus of £22.4m is evident at 2022, increasing to £78.0m at 2036.

Table 8.1: Quantitative Need for Additional Convenience Goods Floorspace in Leicester Authority Area

Year	Benchmark Turnover (£m)	Available Expenditure (£m)	Surplus Expenditure (£m)
2022	629.9	652.3	22.4
2026	641.9	670.2	28.3
2031	643.2	695.3	52.1
2036	643.2	721.2	78.0

Notes: Assumes constant market share (37.4%) of Study Area expenditure claimed by facilities within the Leicester authority area; allows for changes in benchmark turnover sales efficiency in accordance with Table 4b of Experian Retail Planner Briefing Note 19

In 2020 prices

8.11 Table 8.2 summarises current extant planning permissions that provide for additional comparison goods floorspace. In calculating the turnover of the identified commitments, we have extracted the floorspace information from the relevant planning application documents, and applied professional judgement where necessary to determine whether proposals are likely to incorporate an element of convenience goods sales floorspace once built out. This is of particular relevance to larger schemes where the market is likely to dictate how much convenience floorspace could be realistically accommodated in practice.

Table 8.2 Committed and Implemented Convenience Goods Floorspace in Leicester Authority Area

Zone	Location	Planning Application Reference	Proposal	Net Conv Sales (sq.m)	Conv Sales Density (£ per sq.m)	Estimate Turnover at 2021 (£m)
6	35 Rutland Street, Carron Building	20171913	Change Of Use Of From Class B1(C) To Class A1, A2, A3, B1(A), D1 And D2),	388	7,000	2.7
6	64-66 Humberstone Road	20171868	2 Ground Floor Retail Units (Class A1)	1,047	7,000	7.3
6	Vaughan Way	20162182	750 Sqm Commercial Floorspace(Class A1, A2, A3, A4 Or B1a)	418	7,000	2.9
6	127-133 Granby Street	20152417	Ground Floor Retail Unit (Class A1)	382	7,000	2.7
9	160 Belgrave Road	20191339	Retail (Class A1)	328	7,000	2.3
10	Ashton Green	20131597	Proposed New Local Centre	380	7,000	2.7
11	Sturdee Road, The Exchange	20170242	Retail Unit (Class A1)	390	7,000	2.7
12	Aylestone Road, Former Granby Halls Site	20182477	3 Class A1/A3 units	275	7,000	1.9
				3,608		25.3

Source Table 6c of Appendix 8

Notes: Net sales area and estimated sales density reflect operator (or likely operator) In 2020 Prices

8.12 As Table 8.3 provides the identified capacity once commitments have been taken account of within the Study Area and identifies, once the turnover of commitments are taken account of, there is no identified surplus capacity for additional convenience goods floorspace within the authority area, within the short term. However, by 2031, we identify a capacity for between 1,900 and 2,600 sq.m of additional convenience goods floorspace, and by 2036, between 3,800 and 5,200 sq.m.

Table 8.3: Quantitative Need for Convenience Goods Floorspace in Leicester after Commitments

Year	Surplus (£m)	Commitments (£m)	Residual (£m)	Minimum Floorspace Requirement (sq.m)	Maximum Floorspace Requirement (sq.m)
2022	22.4	25.3	-2.8	-200	-300
2026	28.3	25.7	2.5	200	300
2031	52.1	25.8	26.3	1,900	2,600
2036	78.0	25.8	52.3	3,800	5,200

Source: Table 6d of Appendix 8

Notes: Assumes constant market share (37.4%) of Study Area expenditure claimed by facilities in Leicester; allows for changes in benchmark turnover sales efficiency in accordance with Table 4a of Experian Retail Planner Briefing Note 19; minimum floorspace requirement based on an assumed sales density of £13,434 per sq.m at 2022 (which equates to the average sales density of the 'big four' foodstore operators); maximum floorspace requirement based on an assumed sales density of £9,878 per sq.m at 2022 (which equates to lower end of typical discount operator performance)

In 2020 prices

Future Quantitative Comparison Goods Capacity

- 8.13 Given the disparity in the performance of comparison goods floorspace across the UK, it's generally accepted that comparison goods floorspace is 'in equilibrium' at the start of an assessment (i.e. its turnover is in line with expectations, and that the sector has evolved to meet local/regional needs.
- 8.14 Our assessment estimates that the comparison goods turnover of the Leicester authority area is £920.4m at 2022. We estimate that there will be a nil comparison goods surplus at 20212 and that a surplus of £20.1m is identified at 2026, increasing to £60.8m at 2031 and £115.6m at 2036.

Table 8.4: Quantitative Need for Comparison Goods Floorspace in Leicester

Year	Benchmark Turnover (£m)	Available Expenditure (£m)	Surplus Expenditure (£m)
2022	920.4	920.4	0.0
2026	1,005.1	1,025.2	20.1
2031	1,133.8	1,194.7	60.8
2036	1,289.1	1,404.7	115.6

Source: Table 26a of Appendix 8

Notes: Assumes constant market share (43.3%) of Study Area expenditure claimed by facilities in Leicester; allows for changes in benchmark turnover sales efficiency in accordance with Table 4b of Experian Retail Planner Briefing Note 19

In 2020 prices

- 8.15 Once more, the above assessment does not take into consideration existing commitments and the claim they will have on capacity. Table 8.5 summarises current extant planning permissions that provide for additional comparison goods floorspace.

Table 8.5 Committed and Implemented Comparison Goods Floorspace in Leicester Authority Area

Zone	Location	Planning Application Reference	Proposal	Net Comp Sales (sq.m)	Comp Sales Density (£ per sq.m)	Estimate Turnover at 2021 (£m)
6	35 Rutland Street, Carron Building	20171913	Change Of Use Of From Class B1(C) To Class A1, A2, A3, B1(A), D1 And D2),	388	3,500	1.4
6	64-66 Humberstone Road	20171868	2 Ground Floor Retail Units (Class A1)	1,047	3,500	3.7
6	127-133 Granby Street	20152417	Ground Floor Retail Unit (Class A1)	382	3,500	1.3
9	160 Belgrave Road	20191339	Retail (Class A1)	328	3,500	1.1
10	Ashton Green	20131597	Proposed New Local Centre	650	3,500	2.3
11	Sturdee Road, The Exchange	20170242	Retail Unit (Class A1)	390	3,500	1.4
12	Aylestone Road, Former Granby Halls Site	20182477	3 Class A1/A3 units	275	3,500	1.0
OSA	Everards Brewery, Fosse Park, Blaby	-	Extension To Fosse Park Retail Park	19,581	5,500	35.9
				23,041		48.0

Source Table 26c of Appendix 8

Notes: Net sales area and estimated sales density reflect operator (or likely operator)

In 2020 Prices

- 8.16 As Table 8.6 below identifies, once the turnover of commitments have been taken account of, there is a deficit of expenditure identified at 2022 and 2026, with a limited level of expenditure capacity identified at 2031, increasing to £48.4m, or between 6,300 and 9,900 sq.m by 2036.
- 8.17 One of the principal commitments which is having an impact on the level of expenditure available in the Study Area in the short term (or indeed, level which is not available) is the extant consent for a significant quantum of additional comparison floorspace at the former Everards Brewery site adjacent to Fosse Park, now known as Fosse Park West.
- 8.18 Although not the entire turnover of the proposed development will be drawn from residents within the Leicester authority area, a substantial proportion will be (based on existing shopping patterns) and this development will have implications in terms of future shopping patterns and associated market shares.

Table 8.6: Quantitative Need for Comparison Goods Floorspace in Leicester after Commitments

Year	Surplus (£m)	Commitments (£m)	Residual (£m)	Minimum Floorspace Requirement (sq.m)	Maximum Floorspace Requirement (sq.m)
2022	0.0	48.0	-48.0	-8,700	-13,700
2026	20.1	52.4	-32.3	-5,400	-8,400
2031	60.8	59.1	1.7	300	400
2036	115.6	67.2	48.4	6,300	9,900

Source: Table 26d of Appendix 8

Notes: Assumes constant market share (43.3%) of Study Area expenditure claimed by facilities in Leicester; allows for changes in benchmark turnover sales efficiency in accordance with Table 4a of Experian Retail Planner Briefing Note 19; minimum floorspace requirement based on an assumed sales density of £5,500 per sq.m at 2022; maximum floorspace requirement based on an assumed sales density of £3,500 per sq.m

In 2020 prices

Qualitative Requirements

- 8.19 As we identified earlier in this section, we estimate that convenience goods retail facilities in Leicester turn over £652.3m at 2022, which is less than their expected benchmark turnover of £629.9m. However, in examining the performance of specific stores, it is evident that Aldi's discount supermarkets are performing particularly strongly and that the performance of food superstores²² is more variable²³.
- 8.20 The below Table 8.7 provides an overview of the current performance of existing larger foodstores (which provide an estimated net convenience goods sales area of 758 sq.m or more²⁴) in the Leicester authority area with reference to their expected trading performance. There are a total of six food superstores²⁵ across the authority area²⁶, which collectively have an estimated convenience goods turnover of £256.5m at 2022, which is lower than their anticipated benchmark turnover of £286.7m.
- 8.21 With the exception of the Tesco Extra at Hamilton and the Asda at Exploration Drive, the other four food superstores 'undertrade' when compared to their anticipated benchmark turnover. The food superstore with the strongest performance is the Tesco at Hamilton, which has an estimated convenience goods benchmark turnover of £57.2m and an estimated survey derived turnover of £67.9m (we therefore estimate that it is overtrading by around £10.6m). The worst performing food

²² Defined as having a net sales area of more than 2,500 sq.m.

²³ In this regard it should be noted that, whilst household survey respondents have in the past perhaps been slightly reluctant to acknowledge that they undertake their main food shop at a discounter, this no longer appears to be the case. In addition, our methodology apportions convenience goods expenditure to foodstore destinations according to their identified market share. The methodology does not take into consideration that similar items are generally cheaper in Aldi and Lidl than in one of the 'big four' operators' stores. As such, the performance of discount operators is probably overstated and the performance of the 'big four' operators is probably understated.

²⁴ Which equates to the convenience goods net sales area of the smallest discount supermarket operated by either Aldi or Lidl, this being the Aldi at Woodgate, Leicester

²⁵ Defined as having a net sales area of more than 2,500 sq.m

²⁶ This includes three Tesco stores, an Asda, Morrisons and Sainsbury's

- superstore when compared to its expected benchmark average is the Tesco at Beaumont Leys, which has a convenience goods benchmark turnover of £86.4m and an estimated survey derived turnover of £70.0m (it is therefore undertrading by an estimated £16.4m at 2022).
- 8.22 Whilst the identified trading performance of the Tesco at Hamilton is below benchmark, it is evident that, throughout the authority area (and the country as a whole), shoppers are frequently foregoing the previously dominant 'big four' foodstore operators in favour of discounters. As a consequence of this, we believe that it is highly unlikely that there will be any requirement in the foreseeable future for any further large food superstores in the area. This is consistent with the current strategy of the 'big four' who are currently very circumspect in terms of their appetite to bring forward additional large superstores.
- 8.23 We do, however, note that some Aldi discount foodstores are performing exceptionally well. The six Aldi stores in the authority area have a collective convenience goods benchmark turnover of £59.0m and an estimated survey derived turnover of £146.5m; as such, their convenience goods floorspace overtrades by an estimated £87.5m.
- 8.24 As set out at Section 2 of this report, both Aldi and Lidl have substantially improved their share of the national grocery market in recent years. Notwithstanding this, the very strong performance of Aldi foodstores across the authority area suggests that the market could support more discount foodstore provision. In this regard, we note that both Aldi and Lidl have further requirements for new stores across the Borough at February 2022, and therefore additional provision may come forward in the short term which will seek to broaden the availability for residents to such discount foodstores.
- 8.25 However, it is important to again recognise that this study has not identified any quantitative need for additional convenience goods floorspace in the short term, and any additional proposed food supermarkets should be considered on their merits in accordance with relevant policy tests. Most particularly, planning applications which seek to provide additional food retail provision should be considered having regard to potential sequential alternative sites and the magnitude of impacts arising at any defined centre (and with reference to the qualitative benefits which may result from the delivery of additional convenience goods retail facilities).

Table 8.7 Performance of Convenience Goods Floorspace at Principal Foodstores at 2022

Zone	Store	Benchmark Turnover (£m)	Survey Derived Turnover (£m)	Performance against benchmark (£m)
6	Aldi, St Georges Way, Leicester	10.6	38.6	28.0
6	Iceland, Belgrave Gate, Leicester	6.0	4.6	-1.4
6	Lidl, Burton Street, Leicester	8.6	3.6	-5.0
6	Sainsbury's, Humberstone Gate	10.1	2.8	-7.3
8	Tesco Extra, Maidenwell Avenue, Hamilton, Leicester	57.2	67.9	10.6
9	Aldi, Fletton Close, Hamilton, Leicester	9.5	30.5	21.0
9	Asda, Exploration Drive, Abbey Lane, Leicester	35.3	38.1	2.8
9	Lidl, Gipsy Lane, Leicester	7.8	15.3	7.5
9	Lidl, Loughborough Road, Leicester	7.0	13.0	6.0
9	Sainsbury's Superstore, Melton Road, Leicester	49.6	47.6	-2.0
10	Aldi, Abbey Lane, Humphreys Way, Leicester	10.6	25.0	14.3
10	Aldi, Beaumont Shopping Centre, Beaumont Leys	10.7	13.6	2.9
10	Tesco Extra, Beaumont Shopping Centre, Beaumont Leys, Leicester	86.4	70.0	-16.4
11	Aldi, Aylestone Road, Leicester	9.1	19.6	10.4
11	Co-op, Hillsborough Road, Glen Parva, Leicester	9.2	2.8	-6.4
12	Aldi, Woodgate, Leicester	8.4	19.2	10.9
12	Lidl, Fosse Road North, Leicester	7.1	14.7	7.6
12	Lidl, Upperton Road, Leicester	7.1	7.0	-0.1
12	Morrisons, Aylestone Road, Leicester	34.3	23.7	-10.6
12	Tesco Superstore, New Park Street, Leicester	23.9	9.3	-14.6

Source: Table 5 of Appendix 8

Notes: The above summary table provides details of the trading performance of foodstores with a net convenience goods sales area of 758 sq.m or above, which correlates to the estimated net sales area of the smallest discount supermarket in the Leicester authority area (this being the Aldi at Woodgate, Leicester)

In 2020 prices

- 8.26 In terms of the spatial distribution of convenience goods facilities, we believe that existing large-scale main food shopping facilities are generally sited in a sustainable manner across the authority area and there are no obvious 'gaps' in terms of provision which need to be planned for.
- 8.27 Turning to comparison goods, the importance and relative dominance of Leicester city centre and the choice now provided at Fosse Shopping Park mean that other centres in Leicester have a more localised role and function than might otherwise be the case. Whilst we believe that the location of these two destinations is such that they make important contributions to meeting some of Leicester residents' comparison goods needs, it will be important to try and protect and enhance the role of Beaumont Leys and the district centre's going forward.
- 8.28 As set out at Section 4, the overall retention rate in the authority area for all categories of comparison goods has decreased since the undertaking of the previous household shopper survey in 2015. This is likely a consequence of the improved performance of Fosse Shopping Park in particular respect of clothing and footwear, electrical goods and DIY goods. Indeed, as Section 4 sets out, relative increases in the market share for Fosse Shopping Park across the named categories of comparison goods has been mirrored by a similar decrease in the retention rate of the Leicester authority area.

- 8.29 Whilst the overall clothing and footwear retention rate in the authority area has decreased slightly since the undertaking of the previous household shopper survey in 2015, this is a consequence of the improved performance of Fosse Shopping Park in this sector. This report identifies that Fosse Shopping Park's Study Area clothing and footwear market share increased from 24% in 2015 to 34% at 2021. This was partly at the expense of Leicester city centre, which suffered a notable decrease in clothing and footwear market share (from 49% of all such Study Area shopping trips in 2015 to 43% in 2021). Whilst the survey results indicate that there has been a decline in the authority area's market share of clothing and footwear goods, recent changes in retail representation increase the danger of further decline in the long term clothing and footwear retail function of Leicester city centre in particular.
- 8.30 It will be important to ensure that Leicester city centre, Beaumont Leys town centre and the three district centres in the authority area further diversify in order to provide a balanced and relevant offer, which encourages visitors to dwell and use the centre for different activities. However, clothing and footwear will continue to have a place in underpinning the future viability of the authority area's larger town centres. As such, we recommend that careful consideration is given to further proposals which could impact on the viability of Leicester city centre as retail destinations in order that this function is retained (and, where possible, improved upon).

9 Assessment of Leisure Capacity

Commercial Leisure: Bingo, Cinemas, Ten Pin Bowling and Casinos

- 9.1 Our approach to the assessment of commercial leisure needs necessarily deviates from our retail methodology, in part because it is difficult to source some of the required information to undertake a similar exercise for the leisure sector²⁷. In addition, the commercial leisure sector is different to the retail sector; large-scale leisure uses are relatively limited in number and customers often expect to travel at least some distance in order to access them. As such, we believe it is sensible to consider the general appropriateness of provision on a Study Area basis, with reference to the typical number of persons required to support particular uses.
- 9.2 Our assessment considers the typical population required to support bingo halls, casinos, cinema screens and ten pin bowling alleys, and is based around three key stages.
- 9.3 We firstly calculate the expected Study Area and local authority population²⁸ for the relevant reporting years (2022, 2026, 2031 and 2036).
- 9.4 We then calculate the number of persons required to support a bingo hall, cinema screen and bowling alleys nationally, across the UK. We have identified the current level of provision across the UK with reference to the following sources:
- Mintel's Casinos and Bingo UK report (March 2019), which identifies that there are 350 bingo halls across the UK;
 - the UK Cinema Association website²⁹ which identifies that there are 4,596 cinema screens across the UK; and
 - Mintel's Ten Pin Bowling UK report (May 2017), which identifies that there are 5,242 bowling lanes across the UK.
- 9.5 We then apply the respective ratio to the Study Area population and to Leicester authority area's population in order to gauge the 'benchmark' level of provision.

²⁷ Experian does not forecast improvements in sales efficiency for leisure operators, which is a critical element in translating a monetary surplus into a floorspace requirement

²⁸ Taken from Table 6.3

²⁹ www.cinema.uk.org.uk, consulted on 11 May 2021

- 9.6 We supplement our assessment with an overview of current patterns of commercial leisure trips throughout the Study Area (as identified by the NEMS household survey of February 2021) in order to identify any qualitative deficiencies in provision.

Bingo

- 9.7 Mintel's March 2019 Casinos and Bingo UK report identifies that there are 350 bingo halls across the UK, which equates to a bingo hall for every 195,377 persons or thereabouts³⁰. Accordingly, we estimate that the Study Area could theoretically support around 3.8 bingo halls at 2022, increasing to around 4.2 bingo halls at 2036.
- 9.8 We estimate that the population of Leicester is around 48.2% of that of the Study Area as a whole at 2022. Therefore, on a pro rata basis, we calculate a need for around 1.8 bingo halls in Leicester at 2022, increasing to 2.0 halls at 2036.
- 9.9 At present, there are two bingo halls in Leicester (Buzz Bingo on Beaumont Way in Leicester and Mecca Bingo at Freemans Park in Leicester), which is broadly in line with the identified requirement.
- 9.10 As such, we do not believe that there is any requirement to plan for additional bingo hall provision across the plan period to 2036. Table 9.1 below shows the bingo hall requirement in the Study Area and within Leicester across the plan period.

Table 9.1: Bingo Hall Requirement in Study Area and Leicester

Year	Study Area Population	Typical Population Required to Support Hall	Potential Number of Halls Supported by Study Area	Proportion of Study Area Population in Leicester (%)	Potential Number of Halls Supported in Leicester	Outstanding Potential Requirement in Leicester
2022	744,992	195,377	3.8	48.2%	1.8	-0.2
2026	769,455	195,377	3.9	47.8%	1.9	-0.1
2031	797,723	195,377	4.1	47.5%	1.9	-0.1
2036	823,144	195,377	4.2	47.3%	2.0	-0.0

Note: Typical population to support bingo hall calculated with reference to the Mintel Casinos and Bingo UK 2019 report and to the ONS 2020 mid-year population estimates for the UK, England and Wales, Scotland and Northern Ireland

- 9.11 Furthermore, in considering the potential need for additional bingo facilities, it should also be noted that the sector has been significantly affected by the ban on smoking in enclosed workplaces that came into force in 2007 as a consequence of the Health Act 2006. Subsequent to the Act being enforced, new bingo hall openings are rare and we consider it highly unlikely that there will be any need for additional provision in the Study Area in the foreseeable future.

³⁰ Based on the Experian 2020 Populations projections for the UK, England and Wales, Scotland and Northern Ireland, which identifies a UK population of 68,381,957 persons at 2022

Cinemas

- 9.12 The UK Cinema Association website estimates that there are 4,596 cinema screens in the UK, which equates to one screen for every 14,879 persons or thereabouts. On this basis, we estimate that the Study Area population could support around 50.1 cinema screens at 2022, increasing to around 55.3 screens at 2036.
- 9.13 Once more, we estimate that the population of Leicester is around 48.2% of that of the Study Area at 2022. On a pro rata basis, this equates to a need for around 24.1 screens in Leicester at 2022, increasing to around 26.2 screens at 2036.
- 9.14 There are two large multiplexes in Leicester (Showcase Cinema de Lux on Highcross Lane, Leicester and the Odeon Luxe at Freemans Park) which, together with a limited number of independents (including Phoenix Cinema and Art Centre on Midland Street in Leicester and Piccadilly Cinema on Green Lane Road), provide a total of 29 screens. This suggests that there are four more screens in Leicester than would be expected through reference to national average levels of provision.
- 9.15 Although this would suggest that there is an existing over-supply of cinema screens in Leicester, the composition of cinema operators in Leicester is considered to be a sufficient level of provision and that it provides a variety of operators to appeal to a wide population. It should also be noted that just beyond the boundary of the Leicester authority area is Vue Leicester at Meridian Leisure Park, which provides a further eight screens. As such, it is considered that the current level of provision is more than sufficient to serve the needs of residents within Leicester.

Table 9.2: Cinema Screen Requirement in Study Area and Leicester

Year	Study Area Population	Typical Population Required to Support Cinema Screen	Potential Number of Cinema Screens Supported by Study Area	Proportion of Study Area Population in Leicester (%)	Potential Number of Cinema Screens Supported in Leicester	Outstanding Potential Requirement in Leicester
2022	744,992	14,879	50.1	48.2%	24.1	-4.9
2026	769,455	14,879	51.7	47.8%	24.7	-4.3
2031	797,723	14,879	53.6	47.5%	25.4	-3.6
2036	823,144	14,879	55.3	47.3%	26.2	-2.8

Note: Typical population to support a cinema screen calculated with reference to data provided by the UK Cinema Association website and to the ONS 2020 mid-year population estimates for the UK, England and Wales, Scotland and Northern Ireland

Ten Pin Bowling

- 9.16 Mintel's Ten Pin Bowling UK 2017 report identifies that there are 5,242 ten pin bowling lanes across the UK, which equates to a bowling lane for every 13,045 persons or thereabouts.

- 9.17 Accordingly, we estimate that the Study Area could support around 57.1 bowling lanes at 2022, increasing to around 63.1 lanes at 2036. Given that the estimated population of Leicester is around 48.2% of that of the Study Area at 2022, we calculate a need for around 27.5 bowling lanes in Leicester at 2022, increasing to 29.9 lanes at 2036.
- 9.18 There are two existing ten-pin bowling operators within Leicester (including the recently opened 10-lane Lane7 at Grand Central Station and East Street Lanes on East Street) providing a total of 18 bowling lanes.
- 9.19 As such, there is a surplus of 9.5 lanes at 2022, increasing to 11.9 at 2036. This estimated surplus of bowling lanes should be viewed in the context of the further 26-lanes provided at Hollywood Bowl at Meridian Leisure Park located just outside of the Leicester Authority Area, which also serves the needs of Leicester residents.
- 9.20 Whilst very few new ten-pin bowling alleys were built in the early part of this century, the market has picked up in recent years. This upturn in the sector has been partly assisted by a more modern type of offer, which is typically 'in centre' and aimed at those going out in the evening as much as families. As such, modern bowling alleys often incorporate other forms of leisure activity (most notably through a strong food and drink offer), such as is the case with the recently opened Lane7 in Leicester city centre.

Table 9.3: Ten Pin Bowling Lane Requirement in Study Area

Year	Study Area Population	Typical Population Required to Support Bowling Lane	Potential Number of Bowling Lanes Supported by Study Area	Proportion of Study Area Population in Leicester (%)	Potential Number of Bowling Lanes Supported in Leicester	Outstanding Potential Requirement in Leicester
2022	744,992	13,045	57.1	48.2%	27.5	9.5
2026	769,455	13,045	59.0	47.8%	28.2	10.2
2031	797,723	13,045	61.2	47.5%	29.0	11.0
2036	823,144	13,045	63.1	47.3%	29.9	11.9

Note: Typical population to support ten pin bowling alley calculated with reference to the Mintel Ten Pin Bowling UK 2017 report and to the ONS 2020 mid-year population estimates for the UK, England and Wales, Scotland and Northern Ireland

Casinos

- 9.21 Mintel's Casinos and Bingo UK 2018 report identifies that there are 145 bingo halls across the UK, which equates to a bingo hall for every 471,600 persons or thereabouts³¹. Accordingly, we estimate that the Study Area could support around 1.6 casinos at 2022, a figure which would barely change

³¹ Based on the Experian 2019 2020 Populations estimates projections for the UK, England and Wales, Scotland and Northern Ireland, which identifies a UK population of 68,381,957 67,706,302 persons at 201920

throughout the study period. Given that the estimated population of Leicester is around 48.2% of that of the Study Area at 2022, we calculate a need for around 0.8 casinos at 2022, a figure which again barely changes across the study period.

- 9.22 There are two casino operators within Leicester comprising Genting Casino on East Bond Street in Leicester and Grosvenor Casino on Highcross Street in Leicester. Accordingly, the current level of provision is considered to be sufficient to serve the needs of both residents within Leicester and the wider Study Area.

Table 9.4: Casino Requirement in Study Area

Year	Study Area Population	Typical Population Required to Support a Casino	Potential Number of Casinos Supported by Study Area	Proportion of Study Area Population in Leicester (%)	Potential Number of Casinos Supported in Leicester	Outstanding Potential Requirement in Leicester
2022	744,992	471,600	1.6	48.2%	0.8	-1.2
2026	769,455	471,600	1.6	47.8%	0.8	-1.2
2031	797,723	471,600	1.7	47.5%	0.8	-1.2
2036	823,144	471,600	1.7	47.3%	0.8	-1.2

Note: Typical population to support casino calculated with reference to the Mintel Casinos and Bingo UK 2018 report and to the ONS 2020 mid-year population estimates for the UK, England and Wales, Scotland and Northern Ireland

Food and Drink

- 9.23 Food and drink uses are not typically the subject of a quantitative assessment due to the difficulties in forecasting future growth in the sector over time (and an absence of data relating to how existing operators may need to increase their trading efficiency in the future in order to remain profitable).
- 9.24 In addition, most new food and drink uses are relatively small-scale and can be readily accommodated within a centre (through the reoccupation or refurbishment of existing premises) without the need for any planning policy-led intervention.
- 9.25 As such, our consideration of the current food and drink offer within the city is a qualitative assessment, based on the strength of the current offer and the opportunities that may exist to attract further operators in Leicester.
- 9.26 Table 13 indicates that the city centre of Leicester attracts the largest proportion of trips to eat out, equating to 31.0% of all such trips in the Study Area. Table 9.5 indicates that the city centre attracts over 40% of visits in Zones 6, 7, 8, 9, 10, 12 and 13, an area that broadly corresponds to the authority area.
- 9.27 In addition to this, within the authority area, London Road and Belgrave Road/Melton Road attracts 2.3% and 2.7% of trips respectively. The performance of these centres is considered to be very

encouraging, particularly as London Road is substantially smaller than Belgrave Road/Melton Road, but has a restaurant offer which is comparable in terms of its ability to support trips.

- 9.28 It should also be noted that, within Zones that broadly correspond with the boundaries of the Leicester authority area, a majority of market share is retained within the authority area itself. This is considered reflective of the scale and scope of the offer not just within the city centre itself, but also in the town, district and indeed local centres throughout the authority area.

Table 9.5: Market Share of Restaurant Trips

Zone	Venue	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	Total
1	Hinckley Town Centre	53.1	19.1	5.5	0.0	0.0	1.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.9	5.9
6	Leicester City Centre	4.9	17.6	11.0	28.8	21.1	50.0	56.1	47.1	42.1	58.3	35.8	44.6	43.8	16.4	24.1	21.0	31.0
6	London Road, Leicester	0.0	0.0	0.0	1.4	0.0	22.6	5.3	0.0	5.3	0.0	1.5	0.0	0.0	1.4	2.4	0.0	2.3
9	Belgrave Road/Melton Road District Centre	0.0	0.0	0.0	0.0	1.4	1.6	7.0	5.9	15.8	6.3	3.0	0.0	1.4	4.1	2.4	0.0	2.7
13	Oadby Town Centre	0.0	0.0	0.0	11.0	2.8	1.6	3.5	2.9	0.0	2.1	3.0	0.0	8.2	0.0	0.0	0.0	2.2
13	Wigston Town Centre	0.0	0.0	0.0	2.7	1.4	1.6	0.0	0.0	0.0	0.0	1.5	0.0	21.9	0.0	0.0	0.0	1.9
16	Meridian Leisure Park	1.2	4.4	2.7	5.5	0.0	0.0	1.8	0.0	1.8	2.1	3.0	15.4	0.0	0.0	3.6	3.7	2.8
Other	Inside Study Area	30.9	33.8	43.8	41.1	42.3	16.1	21.1	36.8	31.6	25.0	47.8	27.7	15.1	52.1	56.6	61.7	37.5
Other Outside Study Area	Market Harborough Town Centre	0.0	0.0	4.1	4.1	15.5	0.0	0.0	4.4	0.0	0.0	0.0	0.0	5.5	0.0	1.2	1.2	2.4
Other Outside Study Area	Other	9.9	25.0	32.9	5.5	15.5	4.8	5.3	2.9	3.5	6.3	4.5	12.3	4.1	26.0	9.6	7.4	11.3
Total		100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

Note: Market share derived from 2021 NEMS household survey 'weighted and filtered' results; table includes all inside and outside the Study Area that secure a market share located within the Study Area and those outside that secure a total market share of at least 1.5%

- 9.29 Analysis of the survey results in respect of trips to visits pubs, bars and nightclubs, indicates that respondents generally visit a wider range of venues in order to drink and socialise than they do to dine. As such, venues typically secure a lower market share of trips to pubs, bars and nightclubs compared to their market share of restaurant trips. Indeed, as shown in Table 14 below, Leicester city centre is the sole destination within the authority area to attract a market share of trips to pubs, bars and nightclubs greater than 1.5%.
- 9.30 Other destinations may have reported a market share but if this was lower than 1.5%, for the purposes of Table 9.6, this figure will be included in the 'Other – Inside Study Area' category.

Table 9.6: Market Share of Trips to Pubs, Bars and Nightclubs

Zone	Venue	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	Total
1	Burbage Village	21.9	1.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.7	0.0	0.0	2.0
1	Hinckley Town Centre	43.8	10.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.8	4.6
3	Broughton Astley Village	0.0	0.0	34.5	1.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.6	2.8
4	Blaby Village	0.0	3.4	0.0	10.2	2.0	0.0	0.0	0.0	2.6	0.0	13.3	0.0	1.8	0.0	0.0	3.2	2.4
5	Great Glen Village	0.0	0.0	0.0	5.1	19.6	0.0	2.9	2.2	0.0	0.0	0.0	0.0	1.8	0.0	0.0	0.0	2.0
6	Leicester City Centre	6.3	5.2	8.6	6.8	7.8	44.0	35.3	24.4	38.5	39.0	15.6	50.0	18.2	10.0	9.5	12.7	17.7
13	Oadby Town Centre	0.0	0.0	0.0	10.2	7.8	4.0	5.9	11.1	2.6	0.0	6.7	0.0	16.4	1.7	0.0	0.0	4.0
13	Wigston Town Centre	0.0	3.4	0.0	15.3	0.0	0.0	0.0	0.0	2.6	0.0	4.4	2.6	50.9	0.0	0.0	0.0	5.4
15	Kirby Muxloe Village	0.0	1.7	0.0	0.0	2.0	0.0	2.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	22.2	3.2	2.4
15	Ratby Village	0.0	1.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.7	17.5	1.6	1.8
16	Narborough Village	0.0	1.7	1.7	3.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	19.0	2.0
Other	Inside Study Area	70.7	55.2	47.5	60.8	52.0	52.9	62.2	53.8	61.0	60.0	47.4	10.9	85.0	50.8	54.0	28.1	53.0
Outside Study Area	Loughborough Town Centre	0.0	0.0	0.0	0.0	2.0	4.0	0.0	0.0	0.0	2.4	0.0	2.6	0.0	10.0	3.2	0.0	1.5
Outside Study Area	Other	9.4	29.3	17.2	8.5	21.6	4.0	5.9	6.7	5.1	22.0	2.2	15.8	7.3	8.3	6.3	1.6	10.9
Total		100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

Note: Market share derived from 2021 NEMS household survey 'weighted and filtered' results; table includes all inside and outside the Study Area that secure a market share located within the Study Area and those outside that secure a total market share of at least 1.5%

- 9.31 Leicester is the most popular destination for trips to pubs, bars and nightclubs that originate within the Study Area, albeit its market share of 17.7% of such trips is less than its market share of restaurant trips. This is reflective of many of Leicester's most popular evening venues being focused around eating, as much as drinking. Despite these lower figures, we believe that Leicester's leisure offer has developed considerably in recent years and is likely to continue to do so and as such there are no obvious deficiencies in its offer.

10 Summary and Recommendations

- 10.1 In making recommendations, this section draws together the previous sections of this report, pulling together the key findings from the extensive market research undertaken and the overarching messages which have been taken account of in formulating strategies for the future of the centres in Leicester. These recommendations focus on the distribution of identified need within the authority area, and the findings from the health assessments of the defined centres.

Key Findings: Retail

- 10.2 As identified at Section 8, there is no identified requirement for additional convenience goods floorspace in the short term, and between 3,800 and 5,200 sq.m across the reporting period to 2036. As such, our assessment does not suggest any substantial short term quantitative need for additional convenience goods floorspace, but that in the longer term there may be capacity for some floorspace across the authority area. We envisage that any identified capacity will be easily absorbed by future convenience retail schemes which will likely come forward within the authority area, based on current retailer requirements and other ad-hoc developments.
- 10.3 In this regard, additional convenience goods floorspace is also likely to be delivered over the plan period in the form of small-scale convenience stores and petrol filling station kiosks which meet localised needs, and through the extension of existing stores. On this basis, we do not recommend that the Council specifically allocates any sites as part of the local plan process for additional retail floorspace.

Table 10.1 Quantitative Need for Convenience Goods Floorspace in Leicester after Commitments

	2022 (sq.m)	2026 (sq.m)	2031 (sq.m)	2036 (sq.m)
Minimum Convenience Goods Requirement	-200	200	1,900	3,800
Maximum Convenience Goods Requirement	-300	300	2,600	5,200

Source Table 6d of Appendix 8

- 10.4 In terms of comparison goods, we identify a nil requirement for additional floorspace up until 2031. At 2031, we identify a very limited level of surplus expenditure to accommodate additional comparison floorspace and between 6,300 and 9,900 sq.m at 2036. However, as we set out in more detail below, the first priority should be to reoccupy existing vacant floorspace within defined centres. In practice, it is evident that a significant amount of the identified comparison goods capacity in the longer term could be accommodated through the reuse, refurbishment or redevelopment of vacant floorspace in the authority area, and do not recommend that any sites are allocated for additional floorspace within the new local plan.

Table 10.2 Quantitative Need for Comparison Goods Floorspace in Leicester after Commitments

	2022 (sq.m)	2026 (sq.m)	2031 (sq.m)	2036 (sq.m)
Minimum Comparison Goods Requirement	-8,700	-5,400	300	6,300
Maximum Comparison Goods Requirement	-13,700	-8,400	400	9,900

Source Table 26d of Appendix 8

Key Findings: Leisure

- 10.5 In terms of the leisure sector, we believe that the Leicester authority area is generally well provided for in respect of bingo halls, casinos and cinemas (these being the commercial leisure uses that require a substantial site to accommodate them and therefore of particular interest in studies of this nature).
- 10.6 We have identified a potential to increase the ten-pin bowling provision within Leicester, but this is likely to be more in respect of 'boutique' style ten-pin bowling operators and early engagement with potential operators would be key at this stage. However, any potential increase in ten-pin bowling provision in Leicester must be seen in the context of the existing Hollywood Bowl at Meridian Leisure Park located just outside of the Leicester authority area, which also serves the needs of Leicester residents in a relatively sustainable manner.
- 10.7 Furthermore, we are of the view there is a real opportunity to encourage further community uses within the centres, and provide space for additional independent operators which may provide flexible space for local working. These types of spaces may provide more relaxed settings during the day, which can then be used to support the night-time economy in the evenings and provide space for informal cultural events.

Key Findings: Principal Centres

Leicester City Centre

- 10.8 Overall, we consider that the health of Leicester city centre is mixed and which has in part altered since the previous Study was undertaken. The health of the centre is guided considerably by the centre's environmental aesthetics, as well as the implications from long-term vacancies throughout the centre.
- 10.9 It is acknowledged that Leicester city centre is the main hub of retail and service uses in the administrative area, with Highcross Shopping Centre being a principal focus for comparison retailing in the north west of the centre, with associated leisure uses such as the Showcase de Lux and a range of food and beverage operators. This central area is characterised by its many larger format stores

which are principally accommodated by national multiple operators such as Iceland, Superdrug, Waterstones and so on.

10.10 However, the vacancy rate in terms of both proportion of units and floorspace within the centre is above the national average and it has increased significantly since the last retail study in 2014. Vacancies are spread across the city centre, although there is a lesser proportion within Highcross Shopping Centre, and higher proportions to the south around Market Street. However, the largest unit – the former Debenhams unit – is subject to redevelopment plans by the owner, indicating a positive investor confidence in the city centre as a whole.

10.11 Notwithstanding this, Leicester is a largely attractive centre whose diverse cultural offer is considered likely to drive footfall throughout the day and into the evening, with a good mix of both national multiple and independent operators. The city centre provides for a qualitatively different offer to that at Fosse Park, and whilst this continues to be a direct competitor to the city centre, there is an ongoing opportunity for the city centre to attract residents and visitors given its wider offer and opportunities to purchase goods, have lunch and visit one of the many leisure facilities as part of a linked-trip.

Beaumont Leys Town Centre

10.12 Beaumont Leys Town Centre is focused around a modern purpose built shopping centre which is part internal and part external. The centre is situated within the middle, with extensive car parking surrounding it on all sides. The market is situated to the west, with the Tesco Extra forming the eastern element of the centre and further car parking beyond the store. A number of large format commercial uses also surround the centre, with Matalan and Buzz Bingo to the south and Beaumont Leys Library and Leicester Leys Leisure Centre to the north.

10.13 The indoor part of the centre is bright and welcoming, which provides visitors with the impression of a good quality, modern shopping destination. The covered pedestrian street within the centre provides a sheltered and comfortable environment for visitors. There is a good sense of security within the centre provided by a well maintained environment, free from litter or signs of deterioration. The shopping centre has few vacant units and none of the shopping premises were found to have heavy duty security measures in place which would indicate problems with crime.

District Centres

10.14 The three district centres in the Leicester authority area typically serve a more localised role and provide catchments with their day-to-day retail and service needs. All of Leicester's district centres

display vacancies rates lower than the UK average of 13.9% of units (as identified by Experian Goad at July 2021). We summarise the key findings for each of the three district centre's below:

- Belgrave Road/Melton Road district centre is a vibrant and unique retail/leisure destination along a one mile stretch of Belgrave Road and Melton Road, known as 'the Golden Mile'. The centre comprises a range of retail, leisure and service uses with additional community facilities. As a large district centre, Belgrave Road/Melton Road has a relatively diverse range of retail and service operators alongside a comparatively strong comparison goods offer.
- Evington Road district centre is dominated by service uses, with over half of all units in the local centre being in such use. These operators are diverse, but are focused around a strong food offer underpinned by a number of hot-food takeaways, restaurants and cafés. The centre clearly serves a key service role for the local community.
- Narborough Road district centre is separated from the city centre by Castle Park and the course of the Old and New River Soar. Narborough Road is anchored by a diverse range of service operators and retailers.

Recommendations

General Policy Approach

10.15 We note that Leicester promotes a 'town centre first' approach in its adopted and emerging plans, which we welcome. This is consistent with paragraph 86 of the NPPF (which indicates that planning policy should support the role of town centres at the heart of local communities), paragraphs 87 and 88 (which set out the sequential approach to development), and paragraph 90 (relating to the impact test).

10.16 The findings of this Study indicate a clear need to attract further investment, operators and activity to the city centre in particular. The current vitality and viability of some of the city centre could provide cause for concern and planning policy must be applied carefully in order to help return the centre to better health and deliver regeneration opportunities.

10.17 In this regard, we note that paragraph 017 of the Town Centres PPG indicates that proposals for edge and out of centre retail and leisure developments should be considered with reference to the health of centres that would be impacted upon. In this regard, paragraph 017 states that:

'A judgement as to whether the likely adverse impacts are significant can only be reached in light of local circumstances. For example, in areas where there are high levels of vacancy and limited retailer demand, even very modest trade diversion from a new development may lead to a significant adverse impact.'

- 10.18 In this context, it is helpful to note recent redevelopment plans for some units in the city centre, such as the former Debenhams unit, which should improve the health of the centre in time.
- 10.19 We believe it to be clear from this Study that the growth of out of centre development, particularly at Fosse Park, has had consequences for the health of the city centre. As a consequence, we believe that it is important for the forthcoming plan to clearly identify that there is an issue with the current performance of the city centre and that it is necessary to bring about an improvement in the centre in order that they remain relevant and are able to appropriately serve residents' needs.
- 10.20 It is acknowledged that the other edge and out of centre retail and leisure destinations within and just outside of the authority area boundary, play important roles in meeting residents' and visitors' day-to-day needs. Such destinations include foodstores, retail and leisure parks and other standalone solus retail and leisure warehouses. Such destinations play a part in ensuring that retail and leisure expenditure is retained within the authority area, which could otherwise be lost to competing destinations elsewhere. Large destinations are also acknowledged within national policy guidance as playing important roles, particularly where such facilities cannot be accommodated within defined centres in light of their specific business model needs.
- 10.21 However, whilst such facilities are important, we do not recommend that local planning policy specifically provides for circumstances where edge and out of centre provision is appropriate (i.e, within the hierarchy or allocations) and that such proposals are assessed on an individual basis against the relevant planning policy tests of both the sequential and impact tests. This will ensure that the local authority retains sufficient control over protecting the defined centres, helping to futureproof the vitality and viability of the centres in the future.
- 10.22 We recommend that the authority seeks to ensure that the forthcoming Plan sets out city centre sequential and impact tests that can be applied in a robust manner to provide for future centres that are fit for purpose. Whilst non-retail uses will be an increasingly important component of the mix of land uses in principal centres moving forward, there is still a requirement to accommodate new retailers and additional retail floorspace within defined centres wherever possible.

Boundaries

- 10.23 Paragraph 86 of the newly published revised NPPF required local planning authorities to '**define the extent of town centres and primary shopping areas**', with there now being no specific requirement to identify primary and secondary frontages.

10.24 The Ministry for Housing, Communities and Local Government has confirmed that the deletion of this requirement is to encourage a more positive and flexible approach to planning for the future of town centres due to the rapid changes taking place in the retail and leisure industries. However, the removal does not preclude local planning authorities from identifying primary and secondary shopping frontages where their use can be justified. We consider there to be no benefit in defining primary and secondary frontages in the defined centres in the authority area and that future flexibility should be applied to enable the take-up of vacant units by wider mix of uses.

10.25 Annex 2 of the revised NPPF indicates that a primary shopping area is the **‘Defined area where retail development is concentrated’**. Annex 2 also identifies that a town centre is the **‘Area defined on the local authority’s policies map, including the primary shopping area and areas predominantly occupied by main town centre uses within or adjacent to the primary shopping area’**.

10.26 We believe that the offer in most of the centres is generally varied and that the retail uses are not typically located in a manner which lends itself to the identification of a primary shopping area (‘PSA’). As such, we do not believe that there is any requirement to differentiate between a PSA and a wider town centre boundary, other than for the city centre.

10.27 In this regard, the current boundaries of the Central Shopping Core, Beaumont Leys Town Centre, the three district centres and the local centres are considered to be appropriate. However, we have identified a number of potential alterations to the boundaries of the neighbourhood parades. We have also considered Uppingham Road (East and West) as a single centre due to the lack of physical distance between the two centres. With reference to these boundaries, our principal recommended revisions to the boundaries are set out below.

- For Barley Croft, Beaumont Lodge, Bede Park, Berners Street, Fullhurst Avenue, Gervas Road, Harrison Road, Humberstone Road/ Farringdon Road, Southfields Drive, Upperton Road/ Wilberforce Road and Wheatland Road neighbourhood parades we concur with the boundary recommendation as per previous 2015 Study; and,
- For Abbey Lane, Heyford Road, Humberstone Village and Wharf Street North neighbourhood parades we recommend that the boundaries be extended to incorporate adjacent uses. Conversely, for Aylestone Road/ Hazel Street we recommend that the boundary of the centre be reduced.

10.28 Detail of the recommended boundary changes is provided at Appendix 7.

Hierarchy

- 10.29 Paragraph 86 of the NPPF indicates that local planning authorities should define a network and hierarchy of town centres. However, very little detail is provided in this regard and, notably, neither the NPPF nor the Town Centres PPG provide define different types of town centre with reference to the role they serve.
- 10.30 The most recent definitions provided by the Government were contained within Planning Policy Statement 4: Planning for Sustainable Economic Growth ('PPS4'), which was originally published in December 2009, but was then subsequently superseded by the publication of the NPPF in March 2012. Whilst PPS4 needs to be considered on this basis (i.e. it is not up to date practice guidance), in the absence of any other definitions, it is of some relevance to the consideration of a retail centres hierarchy, with Annex B of PPS4 identifying that city centres are the highest level of centre identified in development plans, with these often being a regional centre and will serve a wide catchment. Town centres will serve as important service centres, alongside district centres which will usually comprise groups of shops. Local centres provide a range of small shops of a local nature, serving a small catchment. Annex B also notes that: **'Small parades of shops of purely neighbourhood significance are not regarded as centres for the purposes of this policy statement'**.
- 10.31 We note that the emerging Local Plan notes that the neighbourhood parades are located beneath the retail hierarchy, and therefore do not form part of it. However, these centres **'will be shown on the future policies map and complement and support the retail hierarchy by ensuring that people have access to local neighbourhood shops and services'**. On this basis, we have considered the status of the neighbourhood parades and whether they merit being identified as such, or indeed whether they merit identification within the retail hierarchy as a local centre.
- 10.32 We set out below at Table 10.3 our recommendations in respect of the retail hierarchy.

Table 10.3: Recommended Centres Hierarchy Based on Four Tier Structure (excluding Neighbourhood Parades)

Tier	Centres
City Centre	Leicester city centre
Town Centre	Beaumont Leys
District Centres	Belgrave Road/ Melton Road, Evington Road and Narborough Road
Local Centres	Aikman Avenue, Allandale Road/Francis Street, Asquith Boulevard, Aylestone Road/Cavendish Road, Aylestone Village, Blackbird Road/Groby Road/Woodgate, Catherine Street, Downing Drive, East Park Road (North), Egginton Street, Evington Village, Fosse Road North, Gipsy Lane, The Exchange, Green Lane Road, Hamilton, Hartington Road, Hinckley Road, Home Farm, Strasbourg Drive, King Richard's Road, Lockerbie Walk, London Road, Loughborough Road, Malabar Road, Marwood Road, Melbourne Road, Nedham Street, Netherhall Road, Queen's Road, Saffron Lane/Burnaston Road, Saffron Lane/Cavendish Road, Saffron Lane/Duncan Road, Saint Saviour's Road, Saint Stephen's Road, Sandhills Avenue, Sparkenhoe Street, Swinford Avenue, Thurncourt Road, Uppingham Road, Victoria Road East, Wakerley Road/Ethel Road, Welford Road/Gainsborough Road, Welford Road/York Road, Wood Hill, <u>potential re-classification of Abbey Lane, Wharf Street North neighbourhood parades (with recommended boundary amendments)</u>
Neighbourhood Parades	Aylestone Road/ Hazel Street, Aylmer Road, Barley Croft, Beaumont Lodge, Bede Park, Belgrave Boulevard, Berners Street, Burnham Drive, Catherine Street/ Brandon Street, East Park Road (South), Fosse Road South/ Harrow Road, Fosse Road South/ Hinckley Road, Fosse Road South/ Upperton Road, Fullhurst Avenue, Gervas Road, Green Lane Road/ Coleman Road, Guthridge Crescent, Harrison Road, Heyford Road, Humberstone Road/ Farringdon Road, Humberstone Village, Lanesborough Road, Meadvale Road, Nicklaus Road, Norwich Road, Parkstone Road/ Cardinals Walk, Raven Road, Ryder Road (Braunstone Frith), Saint Saviours Road (East), Sharmon Crescent, Southfields Drive, Upperton Road/ Wilberforce Road, Wellinger Way, Wheatland Road
Destinations which no longer perform a 'centre' function	Walnut Street

Thresholds

10.33 Paragraph 90 of the NPPF states that it is appropriate to identify thresholds for the scale of edge of centre and out of centre retail and leisure development that should be the subject of an impact assessment. Any such threshold policy applies only to the impact test (all planning applications for main town centre uses that are not in an existing centre and not in accordance with an up-to-date development plan will generally be the subject of the sequential test³²).

10.34 The purpose of applying an impact threshold within the development plan which deviates from the national threshold of 2,500 sq.m, is to allow the Council to retain appropriate control in respect of the potential for development to impact on the future health of defined centres within the authority area. By applying a lower threshold, applications for developments which could potentially have a

³² With the exception (in accordance with paragraph 89 of the NPPF) of small scale rural office proposals and other small scale rural development

harmful effect on the overall vitality and viability of a defined centre, will need to be supported by a proportionate impact assessment which sets out the potential trade diversion impact assumptions.

10.35 Paragraph 16 of the Town Centres PPG provides specific guidance in relation to floorspace thresholds and states:

‘The impact test only applies to proposals exceeding 2,500 square metres gross of floorspace unless a different locally appropriate threshold is set by the local planning authority. In setting a locally appropriate threshold it will be important to consider the:

- **scale of proposals relative to town centres**
- **the existing viability and vitality of town centres**
- **cumulative effects of recent developments**
- **whether local town centres are vulnerable**
- **likely effects of development on any town centre strategy**
- **impact on any other planned investment.’**

10.36 Using the above guidance, we set out the justification to support our view that a lower threshold should be applied across the hierarchy of centres within the authority area. To note, the current adopted policy does not provide a locally set threshold for impact assessments.

10.37 However, the Local Plan Consultation Draft (March 2020) proposes to adopt the following thresholds for proposals outside a defined centre:

- Outside Leicester city centre: leisure uses greater than 1,000 sq.m gross floorspace;
- Outside the central shopping core: retail uses greater than 1,000 sq.m gross floorspace;
- Outside Beaumont Leys town centre: greater than 500 sq.m gross floorspace;
- Outside district centres; greater than 300 sq.m gross floorspace; or
- Outside local centres; greater than 200 sq.m gross floorspace.

10.38 We agree with the broad approach as set out in the Consultation Draft Local Plan that applying a single threshold to apply to all types of centre in the two authority areas is not appropriate, given the different scale and nature of each of the centres.

10.39 In considering the setting of a local impact threshold, it is important to give consideration to the type of development (relating to convenience and comparison goods retail uses, and leisure uses) which

would, in practice, provide space for key operators who could act to 'anchor' a centre. Should one of these anchor units or operators leave a centre, there will likely be the potential for a significant adverse impact to arise.

10.40 As such, where there is genuine potential for an application proposal to divert a material level of expenditure away from a defined centre, or potentially remove a key tenant from that centre, there will likely be a requirement to consider the impacts arising from the proposal in detail.

10.41 In respect of lower order centres, the introduction of even a small convenience store nearby (of the type operated by Sainsbury's Local or Tesco Express) may have the potential to impact on the ongoing viability of key operators. Small convenience stores operated by national multiple grocers can generate a relatively substantial turnover. If this is diverted from existing retailers in defined centres, the impact on the overall vitality and viability through the loss of spend and footfall, could be of a significant adverse magnitude.

10.42 Therefore, in implementing a local threshold policy, it is considered more appropriate to apply a range of thresholds in accordance with the type of centre the proposed development is proximate to. The thresholds should not only apply to new floorspace, but also to changes of use and variations of condition to remove or amend restrictions on how units operate or trade in practice.

10.43 We believe that town centre anchor units will typically provide at least 500 sq.m of gross floorspace. Such a unit could potentially accommodate an operator of importance, which is capable of attracting shoppers to a centre, thus increasing the potential for linked trips.

10.44 We note that there are a relatively limited number of units greater than 500 sq.m in the City Centre, with less than 10% of the total stock of commercial units in the town having a greater floorspace than 500 sq.m. This includes a number of larger format leisure units, as well as retail units which accommodate national retailers. The vacancy rate equates to 23.1% of total commercial floorspace and 22.1% of all units.

10.45 In terms of policy recommendations relating to the impact policy threshold, this relates to the defined centre, which for the purposes of retail development comprises the primary shopping area, and for all other main town centre uses comprises the town centre boundary. As such, in terms of Leicester city centre, the defined centre for retail purposes relates to the Central Shopping Core and for all other main town centre uses relates to the wider City Centre Boundary.

10.46 In this context, we recommend that the impact threshold of relevance to Leicester city centre is set at 500 sq.m for both retail and leisure proposals. This threshold would effectively be the default to

be applied authority-wide, should a proposal not fall within the criteria set out within Policy TCR02 of the Emerging Local Plan.

10.47 The above recommendation is also reflective of the city centre vacancy rates and the potential for out of centre retail developments to become even stronger in the future at the expense of centres' vitality and viability. The existing out of centre commercial destinations all offer a range of comparison goods, which traditionally would have been sold from town centres. As such, the recommendation is reflective of the need to safeguard against the out of centre retail destinations becoming even stronger at the expense of the health of defined centres.

10.48 For the purpose of drafting future planning policy, it is important to qualify the area to which each local impact threshold will apply. We recommend that the threshold of relevance to the district and local centres (i.e. 300 and 200 sq.m respectively) would be applicable within 800 metres of the boundary of the relevant centre. The distance of 800 metres is broadly commensurate with the potential walk-in catchments of smaller centres and is identified by Guidelines for Providing for Journeys on Foot (The Institution of Highways & Transportation, 2000) as being the 'preferred maximum' acceptable walking distance to a centre. We consider it to be appropriate for the higher threshold of 500 sq.m to apply authority-wide (i.e. beyond 800 metres of these centres), due to the lesser likelihood of significant adverse impacts arising from retail and leisure development.

Recommended Policy Approach

10.49 Based on the above, we are of the view that an impact assessment will be necessary to accompany proposals for retail and leisure uses (including those relating to mezzanine floorspace and the variation of restrictive conditions) which are not located within a defined centre where:

- the proposal provides a gross floorspace in excess of 500 sq.m gross; or
- the proposal is located within 800 metres of either; a district centre and is in excess of 300 sq.m gross; or, a local centre and is in excess of 200 sq.m gross.

10.50 In our experience, it will only generally be development of a scale greater than these thresholds which could lead to a 'significant adverse' impact, which could merit the refusal of an application for town centre uses in accordance with the provisions of paragraph 91 of the NPPF. The setting of a 'tiered' threshold is consistently accepted by Inspector's at Local Plan Examination and, in our view, acts to appropriately ensure that only those proposals which could genuinely result in an unacceptable impact are the subject of an impact assessment.

10.51 It is important to emphasise that, whilst the locally set threshold would require the submission of an impact assessment for all edge-of-centre and out-of-centre developments exceeding the thresholds, national guidance states that the impact test should be undertaken in a proportionate and locally appropriate way, commensurate to the scale of development proposed. The level of detail would typically be agreed with planning officers during the pre-application process in order to avoid overly onerous requirements that may otherwise restrict and delay development opportunities from coming forward.

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