NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

LOCAL PLAN COMMITTEE – WEDNESDAY, 27 FEBRUARY 2019

Title of report	**RETAIL AND LEISURE CAPACITY STUDY**
Contacts	Councillor Trevor Pendleton 01509 569746 trevor.pendleton@nwleicestershire.gov.uk Planning Policy Team Manager 01530 454677 ian.nelson@nwleicestershire.gov.uk
Purpose of report	To outline to members: i) the purpose of undertaking an updated Retail and Leisure Capacity Study, ii) how and when it was undertaken; and iii) outline the key findings and overall conclusions.
Council priorities	Business and Jobs Building Confidence in Coalville
Implications: Financial/Staff Link to relevant CAT Risk Management	 The cost of undertaking the Retail and Leisure Capacity was met from within existing budgets None The study has been undertaken by an experienced consultancy who have previous experience of working on similar studies elsewhere in Leicestershire and further afield. The previous Retail Capacity Study was undertaken in 2012 with an update undertaken in 2014 and is therefore out of date. Not updating the study, which is a key element of the evidence base for the Local Plan Review, could potentially lead to the reviewed Local Plan being found unsound.
Equalities Impact Screening Human Rights Transformational Government	None None discernible Not applicable

Comments of Head of Paid Service	The report is satisfactory.
Comments of Section 151 Officer	The report is satisfactory.
Comments of Deputy Monitoring Officer	The report is satisfactory.
Consultees	
Background papers	North West Leicestershire Retail Study – 2012 Update https://www.nwleics.gov.uk/files/documents/retail_capacity_study_update_and_appendices_march_2013/Retail%20capacity%20Study%20Update%20and%20Appendices%20-%20March%202013.pdf North West Leicestershire Retail Study – 2014 Capacity Update https://www.nwleics.gov.uk/files/documents/retail_capacity_study_update_2015/Retail%20Study%20Update%202015.pdf Retail and Leisure Capacity Study - 2019 https://www.nwleics.gov.uk/files/documents/retail_and_leisure_capacity_study/16460_02%20Final%20Report%2007-02-19.pdf Adopted Local Plan - https://www.nwleics.gov.uk/files/documents/adopted_local_plan_2011_20312/Adopted%20Written%20Statement.pdf National Planning Policy Framework which can be found at https://www.gov.uk/government/publications/national-planning-policy-framework--2
Recommendations	**THAT THE COMMITTEE NOTES THE FINDINGS OF THE RETAIL AND LEISURE CAPACITY STUDY**

1.0 BACKGROUND

1.1 The adopted Local Plan includes a number of policies relating to the development of our Town and Local Centres. They identify a hierarchy for the district's centres, detail how development will be managed in these centres, provide a locally evidence based threshold for impact assessments and also seek to ensure an appropriate balance of uses. The evidence that underpins these policies is the 2012 Retail Capacity Study and its subsequent update in 2014.

1.2 The review of the Local Plan which is currently being undertaken will cover the period to 2036 and is being updated to reflect the district's housing, employment, retail and leisure needs up to this period.

1.3 In order to have an update to date evidence base to inform the Local Plan Review, North West Leicestershire commissioned consultants to prepare a Retail and Leisure Capacity Study for the district. The study will be used to inform future planning policy on retail and town centre matters as part of the Local Plan review, and will also provide evidence to inform the Council's other work, for example in connection with the Building Confidence in Coalville project.

2.0 OVERVIEW OF THE STUDY

2.1 The study has been undertaken, cognisant of changes in policy, such as the publication of the revised National Planning Policy Framework (NPPF 2018); changes in the economy, including the effects of the recession, as well as changes in the wider retail market such as shopping patterns in terms of local demand and accessibility to finance. To inform information about people's shopping habits, a new household survey was carried out across the district as part of the study, including both customers who use facilities in the District and those who shop elsewhere.

2.2 In outline the study provides the following:

- A summary of the relevant policy and changes in circumstances and shopping patterns (such as the impact of home shopping, internet sales and effects of the recession) and the potential impact of these changes on the district centres.

- A quantitative and qualitative assessment of the need for new retail, leisure and other main town centre uses within the district. The future need and (residual) capacity for retail, food and beverage and leisure floor space is provided for the period up to 2036. The need for retail is split between convenience goods (those goods purchased on a regular basis such as food and groceries and cleaning materials) and comparison goods (durable goods such as clothing, household goods, furniture, DIY and electrical goods);

- A health check for the district's five town and local centres, including an audit of the facilities as well as an assessment of each of the centre's role;

- An analysis and review of existing local planning policies; and

- Identification of potential site allocations and recommendation for the future development and role of the district's centres.

3.0 KEY FINDINGS

Future Retail Growth – Key Trends

3.1 Despite market conditions still being challenging and a continued growth in home/internet shopping, there is expected to be a need for future modern retail floorspace although this is expected to be slow initially. This national trend is expected to be mirrored in the district with comparison goods expenditure expected to grow more significantly than convenience goods expenditure.

3.2 Shopping behaviour will continue to change, therefore it is suggested that all centres will need to focus on their advantage over other forms of multi-channel shopping for example, using the internet as an extended shop window, provide click and collect facilities and also provide a combined retail and leisure experience.

Household Survey

3.3 The household survey provides a picture of the existing spending patterns of the district's residents in terms of both convenience and comparison shopping. The study area was sub-divided into 7 zones for more detailed analysis with each of the zones broadly reflecting the catchment area of the District's main and local centres.

3.4 Overall, the food stores in the district retain a high proportion of main food and grocery shopping (convenience) trips generated by its residents. Survey results indicate that most residents in Ashby de la Zouch do their main shop locally. Ashby de la Zouch also attracts a significant share of customer from other areas including Measham. Likewise the results indicate that most residents in the Coalville Urban Area do their main food shop locally and Coalville also attracts a significant share of customers from Ibstock. Outside of these areas, most of respondents do not undertake their main food shopping locally and will travel to one of the main towns, whether within the district or outside. This is to be expected as the local centres are small and there is a relative lack of food store provision in these centres, for example Castle Donington where Long Eaton draws in a significant number of people for shopping .

3.5 In qualitative terms, food store provision is strong in Ashy de la Zouch and Coalville with the large food stores of Tesco Extra (Ashby de la Zouch) and Morrisons (Coalville) being the two main destinations in the district for main and bulk food shopping. This outcome mirrors that of the outcome of the household survey undertaken to accompany the 2012 Retail Capacity Study. However, since the 2012 survey, Tesco has slightly increased its market share whilst the Aldi store in Ashby de la Zouch has opened and gained market share. There are more significant differences in Coalville. Since the 2012 survey, Morrisons has lost some of its market share, whereas Aldi and Lidl have increased theirs.

3.6 In terms of comparison goods shopping (i.e. non-food shopping), the most popular destinations within the district were identified as Ashby de la Zouch and Coalville. However overall the market share was relatively low. This reflects the position of the town and local centres in the sub-regional retail hierarchy as they fall within the catchment areas of larger centres. Destinations outside of the District are more popular, such as Leicester City Centre and Loughborough Town Centre, as these provide a greater choice of shops.

Future Retail Floorspace Capacity

3.7 Future floorspace requirements are calculated taking into account future levels of expenditure, population growth, growth in home/internet shopping as well as any existing expenditure surplus.

3.8 The convenience goods expenditure projections, suggest new floorspace on a cumulative basis (sq.m gross) could be distributed as detailed in the table below.

Table 1: Summary of Convenience Goods Floorspace Projections

Centre	By 2021	By 2216	By 2031	By 2036
Ashby de la Zouch	0	0	0	0
Coalville	558	938	1,288	1,635
Castle Donington	0	0	0	0
Ibstock	0	0	0	17
Kegworth	0	6	20	33
Measham	0	0	0	0
Other NW Leicestershire	0	53	108	162

3.9 The comparison goods expenditure projections, suggest new floorspace on a cumulative basis (sq.m gross) could be distributed as detailed in the table below.

Table 2: Summary of Comparison Goods Floorspace Projections

Centre	By 2021	By 2026	By 2031	By 2036
Ashby de la Zouch	506	1,479	2,539	3,634
Coalville	451	1,317	2,260	3,236
Castle Donington	56	164	281	403
Ibstock	45	131	224	321
Kegworth	11	33	57	82
Measham	36	104	179	256
Other NW Leicestershire	19	56	96	137

3.10 According to the 2014 Retail Study Update, the District-wide convenience goods floorspace projection in 2031 was 1,526 sqm net. The revised projections in the 2018 Study (again to 2031) is slightly lower at 1,416 sqm net.

3.11 According to the 2014 Retail Study Update, the District-wide comparison goods floorspace projection in 2031 was 8,548 sqm net. The revised projections in the 2018 Study is lower at 5,636 sqm net, in the main due to the latter utilising higher sales densities (revenue generated for a given area of sales space).

3.12 In terms of qualitative need, food store and convenience food store provision is reasonably strong in the district. Large food stores suitable for main and bulk food shopping are focused in and around Ashby de la Zouch and Coalville (mainly out of centre). These stores are considered to provide a good distribution of facilities across the District. The smaller centres provide smaller food stores suitable for basket and top up shopping. There are no clear identified areas of qualitative deficiency in food store provision within the District.

3.13 As with convenience shopping, comparison good retail provision is primarily concentrated in Ashby de la Zouch and Coalville. However, the retention in the district of expenditure on comparison goods is at a low level. This reflects the fact that the various town and local centres in the district have limited roles as shopping destinations as most parts of the district have relatively easy accessibility to higher order centres. They do however have a reasonable range of goods on offer, some of which are sited within out of centre retail stores. There is limited potential to increase the District's market share of comparison goods expenditure, due to the strength and proximity of larger competing centre. Therefore the objective of any strategy for the district should be to maintain the District's shopping role and market share in the sub-region, in the face of increasing competition.

Need for Other Town Centre Uses

3.14 Service uses perform an important role in the overall offer of a centre, and encourage customers to shop locally. Food and beverages is a particularly fast moving sector and overall the district retains a reasonably high level of expenditure, although some development will be necessary in Ashby de la Zouch and Coalville to maintain the existing market share in the future. The suggested new food and beverage floorspace provision (Sq.m gross) on a cumulative basis is detailed in the table below:

Table 3: Summary of Food and Beverages Floorspace Projections

Centre	By 2021	By 2026	By 2031	By 2036
Ashby de la Zouch	143	400	651	884
Coalville	84	236	384	521
Castle Donington	21	60	97	132
Ibstock	12	35	57	77
Kegworth	8	23	37	50
Measham	11	32	52	70
Other NW Leicestershire	52	147	238	324

3.15 Residents in North West Leicestershire have limited access to most types of commercial leisure and entertainment facilities within the District. The household survey identifies that visiting restaurants/café is the most popular leisure activity (70%), followed by visiting pubs/bars (52%), cinema (50%), health and fitness clubs (28%) and the theatre (26%). Participation in other leisure activities are all below 20%. The consultants have advised that based on their experience this pattern of participation is broadly comparable with other parts of the country. However residents need to travel outside of the District to a number of leisure activities such as the cinema, theatre, ten pin bowling and other leisure uses such as family entertainment centres.

3.16 Taking into account current levels of leisure provision and population projections, there may be potential to improve facilities in the district. There is theoretical capacity for a small/medium sized cinema (3-5 screens) although the proximity of existing provision in Leicester, Loughborough and Derby may restrict operator demand. The study also concludes that there is theoretical demand for a health and fitness facility.

Town and Local Centre Health Check Assessments

3.17 The consultants undertook a health assessment of the district's centres based on key measures of vitality and viability such as the diversity of uses, retailer representation, vacancy levels, accessibility, environment quality and perception of safety. A summary of the main findings in respect of the health of the centres is set out below:

Town/Local Centre	Summary of Comments
Coalville	• the district's principal shopping area supporting a range of retail, service and community facilities and serves shoppers from across the district. • mix of uses is broadly comparable with the national average with the notable exception of a low proportion of leisure services. • a reasonable range and provision of comparison retail and national retailers present; • relatively high vacancy rate (15.7%) when compared with the national average (11.3%). The number of vacant units has increased since the previous Retail Capacity Study but is comparable with the proportion of vacant units in 2013 which suggests previous decline has stabilised in recent years; • the vacancy rate within the Belvoir Shopping Centre is 24.6% and accounts for 41% of the vacancies in Coalville Town Centre; • the town centre has a reasonable selection of national multiples, in contrast to the smaller centres which predominantly contain independent operators; • the town centre anchor stores are important and will assist with linked trips. Any loss in an anchor store would leave Coalville town centre vulnerable; • town centre environment would benefit from further regeneration to improve its attractiveness to the user.
Ashby de la Zouch	• supports a range of retail, service and community facilities and serves shoppers from across the district; • mix of uses is broadly comparable with the national average with the notable exception of a higher proportion of comparison units, relatively low proportion of leisure services; • low vacancy rate (4.2%) when compared with the national average(11.3%). A positive indicator that the town centre is performing well; • attractive town centre that contains a high number of independent operators proving a unique offer for local residents and visitors; • the town centre appears to be performing well
Castle Donington	• a healthy local centre that meets local resident's day to day needs; • low vacancy rates (6.3%); • small selection of comparison stores and non-retail uses are dominated by restaurants/cafes/fast food and hairdressing/beauty categories; • an attractive local centre with character; • independent retailers help the centre's local distinctiveness
Ibstock	• a reasonably healthy local centre that meets local resident's day to day needs; • low vacancy rates (2.9%); • small selection of comparison stores and non-retail uses are dominated by restaurants/cafes/fast food and hairdressing/beauty categories; • improved street furniture would assist in helping improve the attractiveness of the centre; • lacks an anchor store
Kegworth	• local centre with a limited range of services, primarily to meet the local needs of its residents; • higher vacancy rates (9.1%) although lower than the national average (11.3%); • two key anchor store provide opportunity for linked trips with other town centre uses • high amount of traffic passing through Kegworth hinders movement around the local centre
Measham	• a local centre that provides day to day goods and service, primarily to meet the local needs of its residents; • limited number of comparison stores and non-retail uses are dominated by restaurants/cafes/fast food and hairdressing/beauty categories; • low vacancy rates (3.7%); • Reasonably attractive local centre although pavements tend to be narrow

3.18 In order to provide some context officers have also identified the vacancy rates for a number of nearby towns within Leicestershire. It has not been possible to find information for the same base date as the retail study (July 2018), but as of December 2017, vacancy rates within the Hinckley town centre were at 5.0%, vacancy rates within Swadlincote were 5.98% and vacancy rates within Loughborough were 8.78%. These are all lower than the vacancy rate in Coalville and generally higher than the other centres. This reinforces the importance of the Building Confdience in Coalville project being led by the district council.

Local Plan Policy Review

3.19 The consultants also undertook a review of current Local Plan policy, having regard to the NPPF, and have made the following recommendations:

- The retail hierarchy defined in Policy Ec8 should be retained. This policy should also make it clear than an objective of the Local Plan is to maintain the vitality and viability of the centres identified within the retail hierarchy.

- Policy Ec9 sets a local impact threshold above which applications for retail, office and leisure development outside of town and local centres, namely 1000 sqm gross for Coalville and Ashby de la Zouch and 500 sqm gross for local centres. The study recommends that the Council should consider reducing the impact threshold for local centres to 250 sqm gross in line with the Sunday trading size limit. It also recommends deleting reference to offices from the policy in accordance with the revised NPPF

- The current designated primary shopping area and town centre boundaries for Ashby de la Zouch and Coalville town centres are considered to remain appropriate and provide a sufficient balance between flexibility and control. Notwithstanding this advice, as part of the Local Plan Review it is proposed that officers undertake a review of the currently defined boundaries of the town and local centres.

4.0 NEXT STEPS

4.1 The findings from the Retail and Leisure Capacity Study will now be used to inform the drafting of policies in the Local Plan review. The study also specifically provides evidence on potential retail and leisure floorspace requirements which can be fed into our calculations of how much additional retail and leisure land will be required up to 2036. However, it should be noted that these figures may be subject to change in light of any changes in population projections. Once we have a clearer picture of the district's future housing requirements it may necessitate an update to this study.