Charnwood Borough Council

RETAIL AND TOWN CENTRE STUDY

ROGER TYM & PARTNERS
Planners and Development Economists

FINAL REPORT
September 2008

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1 INSTRUCTIONS AND OUTLINE OF REPORT

Instructions

1.1 In August 2007 Charnwood Borough Council commissioned Roger Tym & Partners to undertake a town centre and retail study for the borough. The study is intended to provide a robust evidence base for the development of the Local Development Framework and inform decisions on planning applications.

1.2 The outputs from the study report are aimed at providing the Council with a firm handle on the level of additional retail floorspace, and commercial leisure facilities that are needed in Charnwood in order for its centres to enhance and retain competitiveness.

1.3 The study brief sets the following key aims:

- To establish the current roles of the centres their hierarchy and future roles
- to assess the current and future need for additional comparison and convenience retail floorspace in Charnwood, focusing on Loughborough; and
- provide advice on the most appropriate locations for accommodating identified floorspace requirements, in accordance with the sequential approach as set out in Planning Policy Statement 6 (PPS6).

1.4 The brief states that the Council intends to use the outputs from the study to inform its planning work in relation to future retail development opportunities and regeneration needs. The report also considers the retailing needs that might arise from the alternative locations of growth for the proposed sustainable urban extensions. In the final section of the report we pull together the principal findings from the study in order to identify key quantitative and qualitative needs.

Structure of Remainder of Report

1.5 The remainder of our report is structured as follows:

- Section 2 outlines the requirements of the national policy context insofar as it relates to town centres and the location of new retail and leisure developments.
- Section 3 provides a review of the regional and local planning policy contexts.
- Section 4 sets out the findings of our assessment of each of the study centres in relation to a range of 'performance indicators', taking into account our appreciation of the key issues that are currently affecting – or which could have a bearing on – the centres' performance as foci of retail services and leisure activity.

- Section 5 provides our assessment of the current patterns of retail spending in the comparison and convenience sectors, based on the results of surveys of households resident within Charnwood
- Section 6 assesses the quantitative need for further comparison and convenience retail floorspace in the periods up to 2011 and 2016 and extrapolated to 2026 under various scenarios, taking into account claims on expenditure growth.
- Section 7 provides an analysis of the visitor survey.
- Section 8 provides our assessment of the scope for further commercial leisure development in the District
- Section 9 provides an assessment of the network of centres
- Section 10 discusses the potential retailing needs of the proposed sustainable urban extensions.
- Section 11 outlines our overall conclusions and recommendations, including our assessment of potential opportunities for accommodating the identified need for retail and leisure development in Charnwood Borough

2 THE REQUIREMENTS OF NATIONAL PLANNING POLICIES

Planning Policy Statement 6: Planning for Town Centres - March 2005

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

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

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

The Government's Objectives

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

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

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

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

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

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

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

Positive Planning for Town Centres: A Plan-led Approach

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

i) actively promote growth and manage change in town centres;

ii) define a network and hierarchy of centres, each performing their appropriate role to meet the needs of their catchments; and

iii) adopt a proactive and plan-led approach to planning for town centres through regional and local planning.

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

The Role of Regional Plans

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

i) develop a strategic framework for the development of a network of centres, taking into account the need to avoid an over concentration of growth in the higher level centres;

ii) make strategic choices about those centres of regional and sub-regional significance where major growth should be encouraged;

iii) identify the need for new centres to be developed in areas of planned major growth;

iv) assess the need for additional floorspace in the comparison retail, leisure and office sectors over the lifetime of the RSS (and for five-yearly periods within it) and, having regard to capacity and accessibility considerations, they must identify where the identified needs would best be met;

v) monitor and regularly review the implementation of the strategy; and

vi) identify the need for major town centre development of regional or sub-regional significance.

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

Networks and Hierarchies

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

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

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

i) whether there is a need to avoid over concentration of growth in the higher level centres;

ii) the need for investment in those centres requiring to be regenerated; and

iii) the need to address deficiencies in the network (paragraph 2.9)

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

Promoting Growth and Managing Change

2.14 Paragraphs 2.3 to 2.8 of PPS6 turn to the role of LPAs in promoting growth and managing change in town centres. Paragraph 2.3 states that LPAs should – within the regional planning context – actively plan for growth and the management of change in town centres over the period of their development plan documents by:

i) selecting appropriate existing centres to accommodate growth, making the best use of existing land and buildings, but extending the centres where appropriate;

ii) managing the role of existing centres through the promotion of specialist activities, or specific types of uses; and

iii) planning for new centres of an appropriate scale in areas of significant growth, or where there are deficiencies in the existing network.

2.15 Paragraph 2.4 urges that growth should be accommodated, wherever possible, through *'…more efficient use of land and buildings within existing centres'.* Where growth cannot be accommodated within existing centres, paragraph 2.5 advises LPAs to plan for:

i) the extension of the primary shopping area, if there is a need for additional retail provision; and

ii) the extension of the town centre, to accommodate other main town centre uses.

2.16 Where existing centres are in decline, PPS6 advises LPAs to *'…assess the scope for consolidating and strengthening these centres by seeking to focus a wider range of uses there, promote the diversification of uses and improve the environment'* (paragraph 2.8). However, where a reversal of decline is not possible, LPAs are advised to consider a reclassification of the centre, so as to reflect its revised status in the hierarchy.

The Role of Plans at the Local Level

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

2.18 Paragraph 2.16 urges LPAs to work with stakeholders and the community so as to:

i) assess the need for new floorspace for retail, leisure and other town centre uses, taking account of both quantitative and qualitative considerations;

ii) identify deficiencies in existing provision, assess the capacity of existing centres to accommodate new development and identify centres in decline where change needs to be managed;

iii) identify the centres where development will be focused, as well as the need for any new centres of local importance;

iv) define the extent of the primary shopping area and the town centre on their Proposals Map;

v) identify and allocate sites in accordance with the considerations set out in paragraphs 2.28 to 2.51;

vi) review existing land use allocations;

vii) promote investment in deprived areas by identifying opportunities for growth and improved access;

viii) set out criteria based policies for assessing proposals on sites not allocated in development plan documents; and

ix) distinguish between primary and secondary frontages.

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

Site Selection and Land Assembly

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

i) 'assess the need for development';

ii) *'identify the appropriate scale of development';*

iii) *'apply the sequential approach to site selection'*;

iv) *'assess the impact of development on existing centres'; and*

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

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

Need for Development

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

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

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

Appropriate Scale

2.25 Paragraph 2.41 states that:

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

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

Sequential Approach to Site Selection

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

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

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

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

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

Assess Impact

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

Ensure Locations are Accessible

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

Other Relevant Matters

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

Assembling Sites

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

Designation of New Centres

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

Providing for Local Shopping and Other Services

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

Conclusions in Relation to PPS6

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

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

i) a requirement for a much more proactive plan-led approach to planning for town centres through regional and local planning;

ii) much more emphasis on the need to develop a network and hierarchy of centres, at both the regional and local levels; and

iii) a much greater involvement on the part of the public sector in the management and implementation of changes in town centres and in the monitoring of their vitality and viability.

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

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

Planning Policy Statement 12: Local Spatial Planning – June 2008

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

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

"Justified" means that the document must be:

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

"Effective" means that the document must be:

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

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

i) '…demonstrate that the plan is the most appropriate, when considered against reasonable alternatives'. (Paragraph 4.38 of PPS12, our emphasis); and

ii) *'…show how the vision, objectives and strategy for the area will be delivered and by whom, and when.'* (Paragraph 4.45 of PPS12, our emphasis).

Potential Changes to National Policy

White Paper - Planning for a Sustainable Future

2.42 Paragraph 7.55 of the May 2007 White Paper, Planning for a Sustainable Future, suggests that there will be a review of PPS6 so as to *'…replace the need and impact tests with a new test which will have a strong focus on our town centre first policy, and which promotes competition and improves consumer choice avoiding the unintended effects of the current need test'.* In our assessment, what is proposed in the White Paper is unclear and local planning authorities will have to await the actual wording of the revision to PPS6 to understand the consequence. In our opinion, therefore, little weight can be given to this aspect of the White Paper.

2.43 It is worth noting, however, that paragraph 7.56 of the White Paper envisages that any changes to PPS6 will also take account of the conclusions of the Competition Commission's investigation of the UK's grocery sector.

Competition Commission's Investigation of the UK Grocery Market

2.44 The Competition Commission published the findings of its investigation of the UK grocery market in April 2008. The Commission's key recommendations are that:

i) The Department of Communities and Local Government (CLG) should take such steps as are necessary to make the Office of Fair Trading (OFT) a statutory consultee for all applications for grocery stores in excess of 1,000 sq.m sales area (including applications for extensions which would cause the post-implementation sales area to exceed 1,000 sq.m).

ii) The OFT should provide advice to the LPA on whether a particular retailer has passed or failed a 'competition test'. A grocery retailer would fail the test if:

a) it was not a new entrant to the local area (defined by a ten minute drive time); and

b) the total number of facias in the local area were three or fewer; and

c) the retailer would have 60 per cent or more of the groceries sales area in the local area.

iii) CLG should take such steps as are necessary to ensure that LPA's take account of the Office of Fair Trading's advice on the result of the competition test and that LPAs may only determine planning applications in a manner inconsistent with that advice where they are satisfied that:

a) 'the particular development would produce identified benefits for the local area that would clearly outweigh the detriment to local people from the area becoming or remaining highly concentrated in terms of grocery retailing; and

b) the development, or any similar development, would not take place without the involvement of a large grocery retailer that had failed the competition test.'

2.45 Nevertheless, the Competition Commission makes it clear that:

i) it does not envisage the competition test being a replacement for the need test (paragraph 11.134 of the CC report);

ii) its remedies are additional to the reforms mooted in the Planning White Paper and *'…do not preclude any of the reforms proposed in the Planning White Paper in any way'* (paragraph 11.135 of the CC Report); but that

iii) LPAs should *'…take greater account of competition in their development plans'* (paragraph 11.135 of the CC report).

Conclusion in Relation to Potential Changes to National Policy

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

Proposed Changes to Planning Policy Statement 6: Planning for Town Centres Consultation July 2008

2.47 The Planning White Paper, as outlined above, announced that the current approach in Planning Policy Statement 6: Planning for town centres (PPS6) to assessing the impact of proposals outside town centres would be reviewed. The review of PPS6 was published in July 2008 for consultation.

2.48 This document is at a very early stage and so no weight can be attached to it in the context of this report. We do however summarise the broad changes it is proposing.

2.49 The objective is to refine the policy approach to planning for town centres in PPS6, rather than to make significant policy changes. It is proposed to strengthen the

Government's policy on positive planning for town centres. There is no proposed change to the requirement for planning authorities to assess the need for new town centre development or to take account of scale, impact and accessibility considerations or the sequential approach in selecting sites for development in development plans.

2.50 The main changes relate to how some planning applications should be considered and tested. The proposals remove the requirement for an applicant to demonstrate 'need' for a proposal which is in an edge of centre or out of centre location and which is not in accordance with an up to date development plan strategy. The policy replaces the existing impact assessment with a new impact assessment framework which applicants for proposals outside town centres need to undertake in certain circumstances.

3 REGIONAL AND LOCAL POLICY CONTEXT

Regional Planning Policy

Regional Spatial Strategy for the East Midlands (RSS8)

3.1 Regional Spatial Strategy 8 (RSS8) was published in March 2005 following a partial revision of previous regional guidance - Regional Planning Guidance for the East Midlands (RPG8) - which was adopted in January 2002. Since the Planning and Compulsory Purchase Act came into effect in September 2004, RPGs have been prescribed as Regional Spatial Strategies (RSSs) and now form part of the statutory development plan. A revised draft Regional Plan for the East Midlands was published in September 2006, and therefore it is necessary to be mindful of the policies of both documents.

3.2 RSS8 provides a broad development strategy for the East Midlands region up to 2021. The overall Vision for RSS8 is that '*the East Midlands will be recognised as a region with a high quality of life and sustainable communities that thrives because of its vibrant economy, rich cultural and environmental diversity and the way it creatively addresses social inequalities, manages its resources and contributes to a safer, more inclusive society*'. The Vision has been translated into ten 'Regional Core Objectives' which will guide spatial development in the region. These include the tackling of social exclusion through regeneration of disadvantaged areas and the reduction in regional inequalities of distribution of employment, housing, health and other community facilities; the promotion and improvement of economic prosperity, regional competitiveness, and employment opportunities; improving accessibility to jobs, homes and services through the development of integrated transport; and the promotion of prudent use of resources

3.3 The RSS divides the East Midlands into a number of 'sub-areas'; Charnwood Borough lies at the heart of the 'Three Cities' sub-area; Policy 5 of RRS8 states that development should be predominantly concentrated within urban areas; and establishes a hierarchy of locations for development. '*Significant levels of new development'* should take place within the five Principal Urban Areas (PUAs) in the Region - three of which fall within the hence-named Three Cities sub-area: Derby, Leicester and Nottingham. *'Significant levels of new development'* are also allocated to the growth towns of Corby, Kettering and Wellingborough. Loughborough is defined as a Sub-Regional Centre; such centres should be the focus for *'appropriate development…of a lesser scale'*.

3.4 RSS8 states that the defined Sub-Regional Centres *'have been identified for their ability to perform a complementary role to the PUAs. They exhibit many of the*

characteristics of a PUA but on a reduced scale…[and] *have the capacity to support sustainable development objectives through*:

- *The use of design-led approaches such as master planning and town centre renewal activity;*
- *Additional development in accordance with the sequential approach to development;*
- *Providing opportunities for economic diversification;*
- *Providing a range of services to support surrounding hinterlands; and*
- *Being the most accessible centre in an area with a range of transport modes'*

3.5 Market towns are also highlighted by RSS8, for the key role they play in the region's rural areas, serving as centres for shopping, employment and service delivery.

3.6 RSS8 then details the priorities for development of the Three Cities sub-area, noting that the sub-area contains the region's three largest cities, alongside a number of 'large and medium sized settlements', some of which are strongly related to the PUAs, but others, including Loughborough, are relatively free-standing.

3.7 Policy 15 'Development in the Three Cities Sub-Area' notes that outside the PUAs, *'employment and housing development should be located within and adjoining settlements. Such development should be in scale with the size of those settlements'.* Policy 15 also notes that *'Development associated with Nottingham East Midlands Airport should be focused, where possible, in surrounding urban areas, in particular the Principal Urban Areas of Derby, Leicester and Nottingham, and the Sub-Regional Centre of Loughborough'.*

3.8 Policy 16 of RSS8 advocates the development of a separate Sub-Regional Strategy for the Three Cities Sub-Region in the review of the RSS.

3.9 The retail and town centre development policies of the RSS were informed by the Regional Town Centres Study, published in 2003. RSS8 notes that there is *'no clear retail hierarchy in the East Midlands'*; and instead promotes the development of more localised strategies based on the established sub-areas. In the Three Cities sub-area, Nottingham, Derby and Leicester are encouraged to *'develop their pre-eminent roles for the region'*, whilst Loughborough is identified (along with Hinckley) as a 'priority for support'.

3.10 Policy 23 of the RSS states that local authorities should work together with EMDA and Sub-Regional Strategic Partnerships to promote the vitality and viability of existing town centres, including market towns.

Draft East Midlands Regional Plan (RSS8)

3.11 The draft replacement Draft East Midlands Regional Plan, which will guide development in the region to 2026, was published in September 2006. It was subsequently placed on consultation until December 2006, and the subject of an independent Examination in Public in early summer 2007. The resulting Panel Report was published in November 2007. The proposed changes to the RSS were issued by the Secretary of State in July 2008, and are subject to a 12-week consultation period, ending in October 2008. The final replacement Regional Plan is expected to be published before the end of the year.

3.12 Policy 3, 'Concentrating Development in Urban Areas', outlines the hierarchy within the East Midlands' urban areas where development should be concentrated. The policy approach has not substantially changed from the adopted RSS, with 'significant' levels of new development directed towards the five PUAs (including Leicester).

3.13 Policy Three Cities SRS3 identifies a housing requirement for Charnwood of 19,300 dwellings from 2001-2016. The Policy states that '6,780 *dws should be within or adjoining the Leicester PUA, including sustainable urban extensions as necessary. Development in the remainder of the District will be located mainly at Loughborough, including sustainable urban extensions as necessary'*

3.14 Policy 13 details the Regional Housing Provision which the Housing Market Areas must accommodate over the Plan period to 2026. Charnwood falls within the Leicester & Leicestershire HMA. The housing allocation has now been broken down into time periods and Charnwood's average annual completion varies from 810 in the period up to 2011, 800 in the period from 2011 to 2016 and 790 post 2016 to 2026. This does represent an increase from the previous figure of 760 dwellings per annum.

Leicester, Leicestershire and Rutland Structure Plan 1996-2016

3.15 The adopted Structure Plan which covers Charnwood Borough is the Leicester, Leicestershire and Rutland Structure Plan 1996- 2016 (LLRSP), adopted in March 2005. Under the Planning and Compulsory Purchase Act 2004 policies in the Plan were "saved" for a 3 year period ending on the 7th March 2008.

3.16 The Structure Plan will be replaced where necessary by elements of the Regional Spatial Strategy (due to be adopted September 2008) and district LDF documents (Core Strategies to be adopted through 2009 and 2010).

3.17 Only two policies have been extended past the 7th March deadline and these are:

- Housing Policy 1
- Housing Policy 3

Charnwood Borough Local Plan

3.18 The adopted Local Plan guiding development in Charnwood is the Charnwood Borough Local Plan, which was adopted in January 2004 with the intention of guiding development in the Borough to 2016. The Local Plan will remain the statutory planning policy document for the Borough prior to the adoption of the emerging Local Development Framework (LDF), which we consider in turn below.

3.19 An Overall Strategy for Charnwood is presented at Policy ST/1, which details 18 measures to be taken in order to provide for the development needs of the Borough. These include *'pursuing an overall strategy which generates sustainable patterns of development'* as well as sustaining and enhancing *'the role of Loughborough as the principal settlement within the Borough for shopping and allied services'*, and the maintenance of the *'vitality and viability of established town, district and local centres throughout the Borough with additional provision of shops and services'*

3.20 The Plan identifies five sub-areas within the Borough, and presents a Sub-Area Strategy for these areas, which seeks to translate the over-arching aims of Policy ST/1 to tackling more localised problems. The five Sub-Areas are Loughborough; Shepshed; Soar Valley (including Birstall); Wreake Valley (including Thurmaston); and Forest, the Wolds and the Rural South East. Loughborough, Shepshed, Syston and Thurmaston town centres are all identified for improvement, whilst targets for the Soar Valley sub-area include the improvement of local services.

3.21 Of specific interest with regards to this study is chapter eight of the Local Plan, which discusses retail provision in the Borough. The Plan confirms that, as would be expected, Loughborough town centre forms the head of the established shopping hierarchy in the Borough. However the Plan notes that *'although the town centre provides a wide range of shopping and related facilities, its potential has been limited by the presence within a 24 kilometre radius of the three regional shopping centres in Leicester, Nottingham and Derby'.* Notwithstanding this however, *'the centre has recently attracted significant private sector investment in the refurbishment and expansion of the town's major shopping precinct'* (a trend which has continued since the publication of the Plan with the development of The Rushes Shopping Centre).

3.22 The retail hierarchy in the Borough, headed by Loughborough town centre, is underpinned by a Borough-wide network of district shopping centres, which typically *'provide a broad range of shops and services, are usually anchored by at least one supermarket or superstore and benefit from associated off-street car parking'.* A total of nine district centres are identified by the Plan, at Gorse Covert and Shelthorpe in Loughborough, and elsewhere in the District at Anstey, Barrow upon Soar, Birstall, Shepshed, Sileby, Syston and Thurmaston. The retail hierarchy is completed by

smaller local shopping facilities, and out-of-centre retail warehouse developments, predominantly in Loughborough.

3.23 The Plan seeks to '*sustain and enhance the role of Loughborough as the principal centre within the Borough for shopping and allied services'* and *'maintain the vitality and viability of established town and District centres throughout the Borough with additional provision of shops and services to contemporary standards in areas of need*', with these two aims feeding into a series of six retail-specific policy objectives, including

- *'to encourage investment in new and improved shopping facilities within existing shopping centres;*
- *to provide for diversification and change within established shopping centres while preserving their primarily retail function; and*
- *to promote new shopping and related central area development through the identification of specific opportunity sites'*

3.24 The Plan provides guidance specific to Loughborough town centre, noting that in order to assist in establishing a balance of uses in the centre, *'which combine with shopping to create the diversity of interest and activity necessary to maintain the overall attraction of the centre'*, a 'core area' and 'outer area' of the town centre is established. In the core area, the principal function is *'retail supported by other related uses such as financial and professional services and premises for the sale of food and drink'*, whilst in the outer area, a number of additional uses are acceptable as *'the overall shopping function is weaker'.* Acceptable uses in the core area are confirmed in Policy CA/2 (which also imposes restrictions on the acceptability of A2 and A3 uses within the core area), whilst Policy CA/3 confirms acceptable uses in the outer area.

3.25 The Plan comments that '*opportunities for new development in the Town Centre are severely constrained by important parkland and areas of housing which closely crowd the commercial centre'*, although '*there are immediately adjacent to the town centre pockets of underused and vacant land and blocks of property which are likely to become available during the plan period'.* Two particular concerns with regards to Loughborough town centre are identified: that the centre '*does not offer the size and quality of shopping units in prime locations necessary to attract the range and variety of retail representation befitting the role and status of the town'*, and furthermore, '*the town centre does not offer the quality of environment or pedestrian friendly provisions now regarded as standard in competing high street locations and purpose built shopping centres'*.

3.26 The severance of the main A6 which runs through the centre of Loughborough is identified as a principal reason behind both of these concerns, and the Plan comments that *'ideally the A6 and the through traffic associated with it should be diverted away from the town centre'*, although concerns are expressed over the funding and implementation of such a scheme[1].

3.27 A number of 'opportunity sites' are identified by the Plan, with Policy CA/4 promoting the redevelopment of Devonshire Square for class A1, A2 and A3 purposes, subject to the redevelopment meeting a number of stated criteria. Residential development on upper floors is encouraged.

3.28 Policy CA4/b identifies further opportunity sites at Fennel Street, Baxter Gate and Leicester Road, which are capable of being redeveloped for a broader range of uses, again subject to a number of criteria being met. The sites are all *'strategically ideally located and hold considerable potential for urban regeneration'.* Specifically,

- The Fennel Street site extends to approximately 2.8 ha largely based upon the central bus station and adjacent multi-storey car park[2];
- The Baxter Gate site extends to approximately 1.2 ha and is largely in the ownership of the Fosse Health Trust. The site is identified as being surplus to requirements pending a move to new facilities in the town. The Plan confirms the aspirations for the redevelopment of the site, noting that, pending the development of the Inner Relief Road and enhanced pedestrian links to the Market Place, the commercial redevelopment potential of the site is 'greatly enhanced'. The Plan comments that *'it is apparent that Loughborough's image and relative attraction as a major shopping venue is particularly disadvantaged by the limited representation of national department stores and accordingly the Borough Council is anxious to promote such development'. The Baxter Gate site is considered to be particularly well placed to accommodate such a prestigious shopping facility, although alternative development options are not excluded[3]'.*
- The Leicester Road site '*comprises 0.6 ha of mixed and industrial and commercial uses largely held within single ownership. Vacant and derelict property within the site detracts from local amenities to the detriment of adjacent residential properties and the image of the town centre overall. The potential for beneficial*

[1] it is understood that proposals for the development of an Inner Relief Road, as advocated in the LLRSP, which would serve to divert car-based traffic away from the town centre, are at an advanced stage of preparation. Planning permission has been granted for the scheme and funding is expected from the Department for Transport in early 2008.
[2] Reflecting the relative age of the Plan, which was adopted in early 2004, this site has now been developed to form The Rushes Shopping Centre.
[3] Since the publication of the Local Plan, the Baxter Gate site is now vacant. An application for the redevelopment of the site to form retail development and student accommodation was refused planning permission in June 2007. This application has subsequently gone to appeal in February 2008

redevelopment is much enhanced by the prospect of an Inner Relief Road. A range of alternative uses will be appropriate'.

3.29 Policy CA/5 identifies acceptable uses within the defined 'Town Centre Business Areas', and Policy CA/6 acceptable uses within the Nottingham Road and Leicester Road 'Commercial Service Areas'. Policy CA/7 discusses 'Pedestrian Preference In Loughborough Town Centre', noting that measures will be taken to limit vehicular access in parts of the town centre.

3.30 Policies CA/8 and CA/9 discuss acceptable uses in the identified District and Local Centres respectively, with Policy CA/10 allocating new Local Centres in Loughborough (south of Hazel Road) and Wanlip (north of Harrowgate Drive), which will serve major new residential developments in the Borough.

3.31 Finally of note is that the Plan comments that retail warehouse development within Charnwood Borough has been chiefly concentrated in Loughborough, with the principal allocations being 9,000 sq.m (gross) at Willowbrook Retail Park, and 11,000 sq.m at Jubilee Drive. Whilst these developments have *'undoubtedly improved the range and choice of goods available'*, all further applications for such development will need to conform with the sequential approach to site selection as detailed under Policy CA/1.

Charnwood Borough Local Development Framework - Core Strategy

3.32 The Preferred Options draft of the Core Strategy, the principal document in Charnwood Borough Council's 'Charnwood 2021' Local Development Framework, was placed on public consultation in February 2006. Changes to PPS12 now means that the second preferred options stage has been removed and instead Charnwood will be going out to further pre-submission consultation on the Core Strategy in October 2008.

3.33 In order to meet the Draft Regional Plan requirement a number of locations have been identified to deliver the sustainable urban extensions which will meet this provision. The challenge is for the Council in consultation with stakeholders to select the most appropriate locations.

3.34 At section 10 of this report we examine each of these locations and provide a commentary on the retail capacity implications of locating the SUE in each area.

3.35 The Core Strategy will also specifically discuss town centres and identify a number of key issues for Charnwood. Including the need to consider how Loughborough's role as an important sub regional shopping and cultural destination can be strengthened. The Core Strategy will also need to look at the role of existing local shopping facilities. This report also will help inform the Council on these issues.

3.36 Further pre-submission consultation will be carried out for 6 weeks. Comments received from this will be considered and a Core Strategy submission draft prepared, which will then be subject to a formal period of consultation before being submitted to the Secretary of State.

3.37 An Examination of the Core Strategy will then be undertaken by an independent Planning Inspector to assess the soundness of the plan. Any changes recommended by the inspector are binding on the authority and must be incorporated into the plan before it is adopted.

Loughborough Town Centre Masterplan (2007)

3.38 Atkins were commissioned in 2004 by Charnwood Borough Council to produce a masterplan to guide development in Loughborough town centre for the next fifteen years. The masterplan presents an overall vision that *'Loughborough Town Centre will provide a successful, attractive and vibrant Town Centre and improve its relative position in the hierarchy of shopping centres year on year'.* To achieve this vision, four 'Key Objectives' are identified:

- *'An Accessible Town Centre' - Loughborough will be an easy centre for people to get to, with 'public transport at its heart' and 'clear, safe links into the centre for pedestrians and cyclists';*
- *'Achieving High Quality Design and Development' for buildings and public spaces, including 'a mix of quality retailers - both national and independent' and the 'redevelopment of poor quality buildings and sites';*
- *'Based on Sustainable Development Principles' - including 'encouraging mixed-use developments on all sites and adaptable building design'; and*
- *'Creating a Distinctive Character' - including 'retaining the Town's unique assets - its scale, compactness, mix of uses and distinct character areas'.*

3.39 The masterplan pays particular attention to the themes of transport and movement, and improvement of the public realm in the town centre. With regards to the former, considerable importance is placed on reducing the severance of the A6 through the heart of the town centre. It is commented that *'Access to jobs, shopping and leisure facilities by public transport, cycling and walking needs to be improved to help reduce congestion and provide better travel choices for all… Key to this is the implementation of the Loughborough Inner Relief Road...the new stretch of road will enable through traffic to be removed from the A6 through the centre of town'.*

3.40 The significance of this scheme is emphasized, with the Masterplan stating that *'The Vision for Loughborough Town Centre can only be realized fully if the inner relief road*

is completed…This will facilitate medium term development of the Town Centre, paving the way for longer term development and regeneration'.

3.41 Other proposals identified for the town centre include the provision of new high-quality bus interchange facilities at High Street / Baxter Gate, and The Rushes / Derby Square, as well as limiting vehicular access to the Wards End and Devonshire Square areas, and improving pedestrian / cycle links in the town centre and connections to the rail station.

3.42 The masterplan also discusses in considerable detail public realm guidance for the town centre and identifies public realm strategies for six areas in the town centre[4]. The masterplan states that at present, in many parts of the town centre, *'pedestrian experiences are hampered by narrow and fragmented footways, awkward and inconvenient road crossings, excessive and inappropriate parking, and poor quality materials and street furniture provision'.* Existing street furniture in the pedestrianised areas is identified as being in need of refreshing.

3.43 Specific guidance is given to three major development sites in the centre. Reflecting the Local Plan, the first of these is the former General Hospital Site on Baxter Gate, whilst additional development sites are identified at Devonshire Square, and the 'Eastern Gateway' site adjacent to Loughborough rail station.

3.44 For the Devonshire Square / Granby Street site, the Masterplan envisages *'a varied mix of uses that reflect the sire's Core Area location, augments the leisure / cultural uses in the vicinity, includes a significant residential element, and retains a strong retail presence fronting Devonshire Square',* whilst development should also enhance key frontages to the site, including the 'gateway' John Storer House site, and add to the *'the quality and quantity of public space, including improved linkages between Queen's Park and the Town Centre'.*

3.45 The General Hospital site is envisaged as being capable of accommodating *'a mix of uses across the site that reflects its location at the heart of the Town Centre and will contribute to regeneration including retail, leisure or commercial uses at ground floor and residential or office uses above. The site is recognised as having potential to provide for student housing'.* A new multi-storey car park and pedestrian route through the site linking it to the proposed Inner Relief Road are also planned.

Flying Giraffe - 'Giving Shepshed New Heart' (2002)

3.46 The 'Giving Shepshed New Heart' study was produced by Flying Giraffe Partnership for the Loughborough Outreach Partnership in 2002. The report makes the case for the

[4] The areas with specific public realm strategies are: Swan Street / High Street; Bedford Square / Wards End; Queens Park / Devonshire Square / Granby Street; the former General Hospital site and proposed Inner Relief Road; and Loughborough Railway Station / Nottingham Road.

regeneration of Shepshed, and forms ten recommendations to this end. The report included significant consultation from the local community and business representatives.

3.47 The report provides a strategy for regenerating the town, which is '*built on recent environmental improvements, but…in a broader social and economic regeneration context, in order to give the town new purpose, profile and energy*'.

3.48 Shepshed is recognised as having a number of severe problems, with the report noting that '*from the outset it was clear that the town centre is in serious decline and without intervention will decline still further… we found real danger of Shepshed failing to meet many of its own community needs, whether related to work, living or leisure. Young people in particular are looking to get away, the retail offer is seriously flagging and there is little faith in any future other than that of a dormitory town*'.

3.49 A series of measures to give a new 'heart' to Shepshed are proposed, including the adoption of a vision for the future of the town, to be supported by a *'campaign to raise awareness of, and pride within, the town'.*

3.50 The limited retail provision is identified in the report as an area in considerable need of improvement, and the report recommends the undertaking of a future retailing strategy for Shepshed, arguing that '*getting the retail strategy right is not only a key aspect in preventing the decline of the town; it is core to its turnaround'.* The report recommends that although consultation with visitors to the town centre identified the desire of local people for a second food store or a major comparison anchor tenant, Shepshed's best prospect for the revitalisation of its retail offer is '*through a series of specialist niche facilities covering food, clothing, artefacts and crafts'*, alongside *'the extension of Shepshed's market offer'* through diversification of the range of products sold, and making it more readily accessible to the large numbers of residents who do not work in the town.

3.51 Other measures proposed include reducing through traffic in the town centre, the recognition of key gateways, and the creation of new business workplace zones.

3.52 The study also recognises the need for Shepshed to capitalise on wider developments within the Sub-Region, including the National Forest, the continued development of Loughborough, and the expansion of East Midlands Airport.

BMG Research – 'Customer Satisfaction Surveys' (2006)

3.53 BMG research undertook 'customer satisfaction surveys' across 17 town and village centres in Leicestershire in 2006, including four in Charnwood – Loughborough, Shepshed, Syston and Thurmaston. The surveys were undertaken to *'inform the establishment of baselines to support Local Area Agreement (LAA) work',* and *'the*

intention of the survey has been to understand the issues specific to each settlement with a view to developing action plans for intervention'. The surveys included questions on attractions in the centre, the provision of services, the town centre environment and perceptions of crime and safety.

3.54 We summarise the findings for the surveyed centres in Charnwood below.

Loughborough

- 52 per cent of those visiting Loughborough were doing so for shopping trips; 12 per cent as tourists (twice that of the county average), and 11 per cent to use town centre services. Two-fifths of respondents visited Loughborough at least twice a week, with the majority arriving by car;
- A number of factors were identified which would encourage more people to come to Loughborough more often. These include a wider range of retail outlets, more cultural / entertainment facilities, and free parking;
- 29 per cent of respondents felt that Loughborough centre had improved in the previous twelve months, with 6 per cent saying it had got worse, and 53 per cent believed it had not changed;
- It was felt that the centre catered better for shoppers and visitors than for young people. 60 per cent of respondents said that *'the variety of retail outlets and shops in the centre met their needs very well or quite well';*
- Respondents had a generally positive view on the town centre environment and facilities, with well maintained shop fronts and parks, and sufficient seating in the town centre noted; however areas stated as in need of improvement included the need for a greater range of and more specialist shops, as well as improving the cleanliness and tidiness of the town centre; and
- Rubbish/litter, dirty pavements/chewing gum and street canvassers were identified as the biggest problems in Loughborough.

Shepshed

- 45 per cent of those visiting Shepshed were doing so for shopping trips; 13 per cent as they worked in the town centre; and 9 per cent to use town centre services. Two-fifths of respondents visited Shepshed on a daily basis, with just under 50 per cent arriving by car;
- A number of factors were identified which would encourage more people to come to Shepshed more often. These include a wider range of retail outlets, more cultural / entertainment facilities, and improved parking facilities;

- Over one-fifth of respondents (22 per cent) said Shepshed town centre had got worse over the past twelve months; just 13 per cent believed it had got better. 50 per cent believed it had not changed;
- It was felt that the centre catered better for predominantly elderly people than for young people. Provision of goods on Shepshed's market was considered to be limited by almost half of the respondents, and 43 per cent felt that the variety of retail outlets in the centre did not meet their needs; and
- Respondents had a generally positive view on the town centre environment and facilities, however areas stated as in need of improvement included the need for a greater range of and more specialist shops, as well as more leisure facilities.

Syston

- 63 per cent of those visiting Syston were doing so for shopping trips; 12 per cent as they worked in the town centre; and 11 per cent to use town centre services. Most respondents visited the centre either by car or on foot, and around two-fifths visited the town centre on a daily basis;
- A number of factors were identified which would encourage more people to come to Syston more often. These include a wider range of retail outlets, more cultural / entertainment facilities, and free parking / improved parking facilities;
- Positively, almost 4 in 10 respondents believed that Syston town centre had improved over the past twelve months, and only 7 per cent considered the centre had got worse. 51 per cent believed it had not changed;
- 50 per cent of respondents believed that the variety of retail outlets in Syston met their needs either 'very well' or 'quite well'; and
- Respondents had a generally positive view on the town centre environment and facilities, however areas stated as in need of improvement included the need for a greater range of and more specialist shops, as well as the cleanliness and tidiness of the town centre.

Thurmaston

- 64 per cent of those visiting Thurmaston were doing so for shopping trips; 13 per cent as tourists/day visitors; and 4 per cent as they worked in a local business. Most respondents visited the centre either by car or on foot, and around two-fifths visited the town centre at least twice a week;
- A number of factors were identified which would encourage more people to come to Thurmaston more often. These include a wider range of retail outlets, improved parking facilities, and better places to eat and drink;

- Encouragingly, over half of all respondents believed that Thurmaston centre had improved over the past twelve months, and only 5 per cent considered the centre had got worse. 21 per cent believed it had not changed;
- Approximately 40 per cent of respondents believed that the variety of retail outlets in Thurmaston met their needs either ‘very well’ or ‘quite well’; and
- Respondents had a generally positive view on the village centre environment and facilities, however areas stated as in need of improvement included the need for a greater range of shops, more public facilities such as seating and improved parking provision.

4 PERFORMANCE ANALYSIS OF CENTRES IN CHARNWOOD BOROUGH

Introduction

4.1 Our analysis of the retail performance of the centres in Charnwood Borough has involved:

i) on-foot surveys of each town centre;

ii) photographic analysis; and

iii) desk research in relation to the study centres and a range of comparator centres[5];

4.2 Our analysis of the retail performance of the study centres is based upon examination of a range of 'performance indicators', a number of which are specified in Section 4 of PPS6 as 'important indicators'. The performance indicators involve measurement and analysis of retail rankings; the diversity of uses; representation from national multiple retailers; the retail property offer; retailer demand; commercial yield on non-domestic property; change in shopping rents; vacancy rates; and pedestrian flows. Each performance indicator is analysed in detail below to provide a comprehensive analysis of the retail performance of the centres, by benchmarking it against the performance of competitor centres.

4.3 The detailed performance analysis data are contained in Appendix 1

Performance Indicators

Indicator 1: Retail Rankings

4.4 In previous retail studies, we have assessed the movement of centres in the national retail hierarchy using time-series data from Management Horizons Europe's (MHE) *UK Shopping Index*, although MHE does not intend to publish an update of its *Index 2003/04* until later in 2007 at the earliest. Nevertheless, Javelin Group's *Venuescore 2006* utilises a near-identical methodology for ranking the UK's retail centres. For instance, the Javelin index is calculated using a weighted count of multiple retailers which mirrors that used by MHE, comprising fashion retailers, non-fashion multiples and anchor stores[6]. The Javelin index also adopts the same eight grades of retail centre in the UK, from 'Major City', through to 'Local Centre'[7].

[5] Our study uses a total of six comparator centres for which we provide benchmark data. These are: Nottingham (classified in Javelin's Venuescore Index 2006 as a 'Major City'), Leicester (classed as a 'Major Regional'), Derby ('Regional'), and Coalville, Hinckley and Melton Mowbray (which are all classed as 'Major District' centres). Loughborough is classed by Venuescore as a fourth-tier 'Sub-Regional' centre.

[6] For instance, in both the MHE and Javelin indexes, Premier Department Stores (for example Selfridges and Harrods) score 15 points; Major Department Stores (Harvey Nichols, John Lewis) score 10; Premier Variety

4.5 The only material difference between the Javelin and MHE indexes appears to be the fact that whereas MHE's latest index ranked the UK's top 1,672 retail centres, Javelin's index ranks the top 2,226 centres. However, most of the additional centres in the Javelin index feature in the eighth grade of retail venue, 'Local Centre', and therefore have no effect on the majority of the comparator centres. However this difference does introduce into the Retail Rankings a number of centres in Charnwood – Thurmaston, and Loughborough's two out-of-centre retail parks at Willowbrook Park and Jubilee Drive, which are all classed as 'Local' centres and are included in the rankings for the first time. The difference between the two also appears to negatively impact on the positioning of the 'Local' centres of Birstall and Syston, which experience notable drops in position as a result.

4.6 The differences in position between the 2003/04 MHE ranking and the 2006 Venuescore ranking are largely based, however, on the greater number of centres surveyed by the Venuescore index, as opposed to an unusually large decline in the performance of either of the smaller centres. We therefore consider that comparing centres' current positions in the Javelin index with their corresponding ranking in previous MHE indexes is valid.

Loughborough

4.7 Figure4.1 below shows the positioning of Loughborough and the comparator centres in the Javelin Venuescore Index (2006) and MHE Indexes of 1995/96 to 2003/04. As can be seen, Loughborough was ranked in 181st position in the 2006 Index. Nationally, other centres ranked at this level are Barnstaple, Grantham, Newark and Wrexham, which are all equally ranked with Loughborough. The current 181st position marks a decline of one place since the preceding 2003/04 MHE Index, suggesting that there has been relatively little evolution in Loughborough's retail offer since this point. Positively, however, Loughborough saw constant upward movement in the retail rankings between 1995/96, when it was ranked 196th, to its peak placing of 180th in 2003/04. Between the publication of the 1995/96 MHE Index and 2006 Javelin Venuescore Index, Loughborough has therefore gained 15 places in the retail rankings.

4.8 Loughborough's two principal out-of-town retail centres at Jubilee Drive and Willowbrook are also classified in the Venuescore Index as 'Local' centres, at equal 1,946th position, representing their first appearance in the retail rankings.

Stores (M&S) score 8; Clothing Destinations (Next, Gap) score 2; and Other Multiple Operators (Monsoon, Top Shop) score 1 point.

[7] The eight grades of retail centre are 'Major City', 'Major Regional', 'Regional', 'Sub-Regional', 'Major District', 'District', 'Minor District' and 'Local' centre.

4.9 Figure 4.1 also shows the rankings for the comparator centres of Derby, Leicester, Nottingham, Coalville, Hinckley and Melton Mowbray. Of these centres, Nottingham is the highest ranked, and was ranked 7th nationally in the 2006 Index, having been ranked as high as 2nd in the 2000/01 and 1998/99 MHE Indexes. Nottingham is classed as a first-tier 'Major City' in both the Javelin and MHE Indexes and as such can be considered to have an extremely strong retail offer, including a large number of high-end fashion retailers, which contribute to the centre's 'Fashion Forward' profile. Nottingham's retail offer is due to be enhanced through the opening of the Trinity Square development at the end of 2007, and proposals for the modernisation of the city's Broadmarsh Centre have been granted planning permission.

4.10 Leicester is ranked 14th in the 2006 Index. Defined by MHE as a 'Major City', and by Venuescore as a 'Major Regional' centre, Leicester has seen a general slight upward trend in the MHE Index from 13th (1995/96) to being placed within the top ten UK retail destinations in the 1998/99 and 2003/04 MHE Indexes. The more recent Venuescore Index places Leicester slightly lower, nevertheless Leicester's proximity to Charnwood ensures it will remain a considerable draw on expenditure from the area; the city's retail offer will also be further enhanced in the near future with the extension to the Shires shopping centre in Leicester city centre

4.11 The 'Regional' centre of Derby is ranked 43rd in the 2006 Index, and appears to have gradually lost position in the retail rankings from a peak of 31st in the 1995/96 MHE Index. Nevertheless Derby's retail offer is also due to be significantly strengthened with the opening of Westfield Derby (the redevelopment and extension of the city's Eagle Shopping Centre), and it would be expected that Derby, as well as Leicester and Nottingham, will continue to be a draw on retail expenditure, particularly from northern parts of the Borough.

4.12 Of the smaller comparator centres, it is apparent that Coalville, Hinckley and Melton Mowbray have also shown considerable upward movement in the retail rankings between 1995/96 (MHE) and 2006 (Venuescore), although Coalville and Melton have both lost momentum recently and declined relative to their position in the 2003/04 MHE Index. Hinckley has improved by a total of 67 places in the rankings between 1995/96 and 2006, including an improvement of 14 places between 2003/04 and 2006. At 48 places behind Loughborough, Hinckley represents the closest comparator centre to Loughborough in terms of placing in the rankings therefore.

Figure 4.1 – Javelin Venuescore and MHE Retail Rankings for Loughborough, Birstall, Syston, Thurmaston and comparator centres. Source: Javelin Venuescore and Management Horizons Europe.

	Venuescore			Management Horizons Europe						
	Location grade	2006	Fashion Position Classf'n	Location grade	2003/04	2000/01	1998/99	1995/96	2003/04-2006	1995/96-2006
Centre		Rank			Rank	Rank	Rank	Rank	Change	Change
Charnwood Borough Centres										
Loughborough	Sub-Regional	**181**	Traditional	Sub-Regional	180	193	192	196	-1	**15**
Loughborough - Jubilee Drive RP	Local	**1,946**	-	-	-	-	-	-	-	-
Loughborough - Willowbrook RP	Local	**1,946**	-	-	-	-	-	-	-	-
Birstall	Local	**1,818**	-	Local	1,449	-	-	-	-369	-
Syston	Local	**1,619**	-	Local	1,348	-	-	-	-271	-
Thurmaston	Local	**1,946**	-	-	-	-	-	-	-	-
Competing centres										
Derby	Regional	**43**	Fashion Forward	Regional	39	40	37	31	-4	-12
Leicester	Major Regional	**14**	Mainstream	Major City	10	11	9	13	-4	-1
Nottingham	Major City	**7**	Fashion Forward	Major City	4	2	2	4	-3	-3
Coalville	Major District	**352**	Traditional	Major District	329	331	361	394	-23	**42**
Hinckley	Major District	**229**	Mainstream	Major District	243	292	283	296	**14**	**67**
Melton Mowbray	Major District	**291**	Traditional	Major District	281	337	327	331	-10	**40**

Other centres in Charnwood

4.13 Figure 4.1 also shows the placing of a number of other centres in Charnwood in the 2006 Javelin Venuescore Index, all of which are classed as eighth-tier 'Local' centres. Syston is the highest ranking of the Local centres, at 1,619th, followed by Birstall at 1,818th. Both centres were also included as Local centres in the 2003/04 MHE Index, where they were ranked in 1,348th and 1,449th respectively. It is apparent that both centres have therefore suffered a considerable drop in position – however, as we note above, we are of the opinion that these can be explained by the greater number of centres surveyed by the Venuescore index, as opposed to an unusually large decline in the performance of either of the smaller centres.

Indicator 2: Diversity of Uses

Loughborough town centre

4.14 Experian's latest GOAD survey of Loughborough town centre was undertaken in September 2007. The survey data can be used to analyse the representation of convenience, comparison and service uses (and their respective sub-sectors) in the town centre[8], and compare them to UK averages. It is therefore possible to identify any areas in which Loughborough may have a shortfall. A full breakdown of the diversity of uses for Loughborough town centre, alongside the six comparator centres, is provided in Tables PA1 to PA7 of Appendix 1[9].

4.15 Table PA1 of Appendix 1 shows the diversity of uses in Loughborough town centre. It can be observed that Loughborough contains a total of 33 convenience goods outlets, equating to 7.91 per cent of all units in the centre, 1.2 per cent below the current[10] UK average of 9.08 per cent. Encouragingly, there is representation in Loughborough in all

[8] GOAD definition of town centre boundaries
[9] GOAD surveys are not available for any centre in Charnwood Borough other than Loughborough
[10] November 2007

six of the convenience goods sub-categories, and whilst four of the six sub-categories show slight under-representation compared to their respective UK averages, the shortfall to the UK average is no more than 0.6 per cent in any sub-category. On balance therefore we consider Loughborough to have a reasonably strong convenience goods offer.

4.16 Table PA1 also shows that Loughborough has a total of 198 comparison goods outlets in its town centre, equating to 47.5 per cent of all units in the centre, an encouraging 2.05 per cent above the UK average. Of the 16 comparison goods sub-categories, 11 post above-average representation compared to the UK average and 5 below. As with the convenience offer, the majority of the sub-sectors only show marginal deviation from the UK average however. Of note however is the *'electrical, home entertainment, telephones and video'* sub-category which accounts for 24 units in the town centre, 5.8 per cent of the total offer, and a notable 1.2 per cent above the UK average[11]. Of the five under-represented sectors, the *'chemists, toiletries and opticians'* sub-sector and the *'jewellery, clocks and repairs'* sub-sector exhibit the greatest shortfall, at 0.8 and 0.9 per cent below their respective UK averages.

4.17 Positively, the number of shops in the *'charity shops, pets and other comparison'* sub-category, which accounts for 16 units – 3.8 per cent of the total – is in line with the UK average of 3.7 per cent.

4.18 The performance of the clothing and footwear sub-categories can be seen as especially important in determining a town centre's attractiveness to shoppers. It is encouraging therefore to observe that of the four clothing sub-categories, three have above-average representation, as indicated in Figure 4.2 below. The '*Footwear and repairs'* sub-category, which accounts for 13 units in the town centre, and the key *'women's, girls, children's* clothing' sub-sector (26 units), show above average representation in the region of 0.8 and 0.7 per cent respectively, whilst the *'men's and boy's wear'* sub category posts a representation approximately 0.5 per cent above the UK average. The *'mixed and general clothing'* sub-sector is the only one to show a slight shortfall of 0.5 per cent below the UK average.

4.19 We consider the nature of the specific retailers present below under the heading '*Presence of National Multiples and High Profile Retailers*'.

[11] Although it does not fully explain this trend, it should be noted that the GOAD boundary of Loughborough town centre includes the Regents Place Retail Park on Broad Street, which includes two electrical retailers (Currys, and Miller Brothers, which has since been replaced by Empire Direct).

Figure 4.2 - Representation in Loughborough town centre of clothing and footwear sub-categories. Source: Experian Goad town centre survey, September 2007.

Sub-category	UK average	Loughborough town centre	Difference to UK average
Footwear & repairs	2.33%	3.12%	0.79%
Men's & boys' wear	1.21%	1.68%	0.47%
Women's, girls, children's clothing	5.53%	6.24%	0.71%
Mixed and general clothing	3.36%	2.88%	-0.48%

4.20 The number of units occupied by service uses in Loughborough amounts to 122 units, equivalent to 29.3 per cent of all town centre units, a considerable 3.9 per cent below the UK average of 33.2 per cent. The shortfall is largely explained by the poor representation of the *'restaurants, cafes, coffee bars, fast-food and take-aways'* sub-category, which equates to 10.8 per cent of all units in the town centre, compared to an average of 14.3 per cent UK-wide. There is therefore clear scope for improving Loughborough's offer in this respect. The remaining service uses show representation highly similar in line to UK averages.

4.21 At the time of the Goad survey in September 2007 the town centre contained 57 vacant units, unchanged since the previous Goad survey undertaken twelve months previously, and equivalent to 13.67 per cent of all units in the centre. This is however almost 2.7 per cent above the UK average of 11.0 per cent, and therefore represents ongoing cause for concern in respect of the vitality and viability of the town centre.

4.22 We return to discuss vacant units further below under the heading *'Proportion of Vacant Street Level Property'.*

4.23 Below we consider the diversity of uses in the Borough's District Centres. As no Goad survey data is available for these centres, our findings are based on qualitative assessments of the District Centres undertaken during September 2007.

Anstey

4.24 Anstey has a diverse range of uses in its centre, with a number of convenience retail outlets, anchored by the Midlands Co-Op supermarket on Cropston Road, alongside a bakery, greengrocers' and a delicatessen. There can be considered to be a reasonable representation of comparison goods available in the centre, including a hardware store, electrical store, upmarket gift shop and ladieswear retailer. Encouragingly there are few lower-end or charity shops trading in Anstey.

4.25 The range of service uses can also be considered to be strong, with a range of banks, travel agents, estate agents and hairdressers trading in the centre. The diversity of uses can be considered to be strong.

Birstall

4.26 Birstall is anchored by a Somerfield Store and has a good range of convenience and comparison uses. In terms of convenience in addition to Somerfield there is a health food store, a butchers and a newsagents/off license. Comparison uses include a DIY store, a garden centre, a shoe shop, a carpet store, an electrical store, and a general clothes shop.

4.27 The range of service uses includes hairdressers, beauty salon, estate agents, solicitors, insurance firm, a taxi firm, a bookmakers and a fitness studio. Birstall also has a number of food and drink uses including a coffee bar, fish and chips, pizza, Indian and Chinese takeaways and a pub. The centre has a good range of uses catering to the local needs.

Barrow-upon-Soar

4.28 Barrow-upon-Soar centre appears to be well supported, and the diversity of uses is good for size of the centre. The centre comprises mostly convenience goods retailers (including a Somerfield supermarket, Coombs-Hampshires bakery, and independent delicatessen) and services (including a bank, Post Office, opticians, dental surgery and a number of hairdressers and take-aways). The comparison goods offer is more limited and largely restricted to independent retailers, and includes a picture frames retailer, florist, and pine furniture retailer.

4.29 Overall we consider that whilst the centre lacks in particular a diverse range of comparison goods retailers (for example, there are no fashion retailers), given the size of the centre a reasonable range is offered, and the retail outlets trading in the centre appear well-supported.

Loughborough - Gorse Covert District Centre

4.30 Gorse Covert's retail offer is anchored by a large Morrison's supermarket, which is the major supermarket in north Loughborough. The number of ancillary retailers is relatively limited, and hence there is not a strong diversity of either convenience or comparison multiples in the centre. Morrison's is the only convenience store in Gorse Covert, whilst the comparison goods offer is limited to a Co-op Pharmacy store. Other units at the centre are filled by services uses, including a bookmakers, Post Office and opticians, alongside a Community Centre.

4.31 Gorse Covert therefore, whilst functioning as a District Centre, has an extremely limited number of units, which naturally serves to restrict the retail offer in the centre considerably.

Loughborough - Shelthorpe District Centre

4.32 Shelthorpe's offer is anchored by a Tesco Extra store, located on Park Road, which has recently been modernised and extended. The remaining retail offer in the Centre is centred on two parades of shops running either side of Park Road before branching away from each other to border the Epinal Way roundabout.

4.33 Shelthorpe has a reasonably broad diversity of uses, which largely comprises independent retailers. Convenience retailers include a convenience store (operated by One Stop), off licence (Bargain Booze) and independent butchers. Comparison retailers in the centre include Choices Video, and a number of independent stores, including a discount furniture store, pet goods store, and cycle store. Shelthorpe also has a number of take-away restaurants, including a McDonalds drive-through, and a small number of services units, including a pharmacy and Post Office, and a number of hairdressers. There is no bank serving Shelthorpe however, although the Tesco store offers ATM services.

4.34 Shelthorpe therefore has a range of retail goods and services in line with its functioning as a District Centre, with the Tesco store additionally offering a substantial selection of non-food goods. Overall there can be considered to be a reasonable range of services to support the local community with few significant deficiencies (given the size of the centre) noted.

Shepshed

4.35 Shepshed has a limited diversity of convenience and particularly comparison retailers, reflecting in part the extremely limited presence of national multiples in the town, a point we consider further in *'Indicator 3: Presence of National Multiples and High Profile Retailers'* below. The convenience offer is largely restricted to the Co-Op store in Hall Croft, alongside a bakery, butchers, and off licences in Field Lane and Market Place, as well as a newsagent on Field Street. Whilst this can be considered to be a reasonable diversity of uses, it would be expected that a sizeable population centre such as Shepshed would have a broader range of retailers in the centre.

4.36 The comparison goods offer is equally limited, and whilst there are a small number of independent comparison goods retailers, there are, as we note below, no national comparison multiples in the town. The range of services is adequate, including a post office, travel agents and opticians, but the town centre has no banking facilities except a sole cash point on Field Street.[12]

[12] It is understood that the town's branch of HSBC closed earlier in 2007.

4.37 Although Shepshed is, identified as a District Centre in the Local Plan, the range of services offered is surprisingly limited and in need of diversification and enhancement in order to assist in improving the vitality and viability of the centre.

Sileby

4.38 Sileby can be considered to have a solid if slightly limited range of retail uses in its centre. There are a small number of convenience outlets, headed by the Tesco Express on High Street, but also including a bakery and butchers. The comparison goods offer is restricted solely to independent retailers but includes a number of specialist retailers including and antiques shop a bridal wear shop. Services uses are well provided for, with one bank (Natwest), estate agents, betting office and several hair and beauty salons.

Syston

4.39 Syston is, in population terms, of a similar size to Shepshed but clear differences in the diversity of the retail offer can be observed. Syston exhibits a reasonable diversity of uses in the convenience sector, including three supermarkets, as well as a number of bakers, newsagents and a butcher. The range of comparison goods is more limited however, but includes hardware goods (Wilkinson), pharmacy goods (Gordon Davis, Boots) and a selection of specialist independent retailers.

4.40 Syston can also be considered to be well provided for in service retailers, with a number of banks and building societies (Barclays, Bradford and Bingley, HSBC and Natwest) present in the centre, alongside a Co-Op Travel Agents, a number of hairdressers/beauty parlours and estate agents.

4.41 The diversity of uses in Syston town centre can therefore be considered to be reasonably strong.

Thurmaston

4.42 Thurmaston is unusual as it has more in common with an out of town retail park than perhaps the district centres listed above. However the Park contains a number of retailers more commonly found on the High Street rather than the traditional bulky goods uses.

4.43 On one side of the road outside the defined district Centre is a large Asda superstore with a petrol filling station. The store has a pharmacy and a range of comparison goods on sale as well as the traditional convenience goods.

4.44 The adjacent retail park contains predominantly comparison uses with Boots, Next, Outfit, Blacks, The Bathstore, Dunelm Mill, Sports World, TK Maxx, Lilley and Skinner, the Carphone Warehouse and Claires Accessories.

4.45 Food and drink outlets are provided in the form of Pizza Hut, McDonalds and Starbucks.

Indicator 3: Presence of National Multiples and High Profile Retailers

Loughborough town centre

4.46 As noted above, the convenience offer in Loughborough town centre can be considered to be strong, and this is borne out further by a solid representation from national convenience multiples in the town. The grocery offer is headed by the 46,600 sq.ft (gross) Sainsbury's store on Ashby Road. Planning permission was granted in June 2005 for the extension of this store together with new car parking provision, although these plans are yet to be implemented and it is understood a revised scheme is due to come forward in the near future. Loughborough also has a 11,500 sq.ft (gross) Somerfield store on Market Street, and the offer has been enhanced through the recent arrival of a Marks and Spencer Simply Food store in The Rushes Shopping Centre. Frozen food chains Farmfoods and Iceland are also represented in the town centre, alongside several more specialist convenience goods retailers, including Greggs, Julian Graves and Thorntons.

4.47 Loughborough can also be considered to have a strong representation from national comparison goods multiples, as indicated in part by its above-average representation of comparison goods outlets. National comparison retailers present in the town include Argos, Blockbuster, Boots the Chemist, Currys Digital, Superdrug, Virgin, WHSmith, and Wilkinson. The Rushes is anchored by a sizeable 55,100 sq.ft (gross) Woolworths store, one of the few retail-warehouse format Woolworths stores in the country.

4.48 As noted above, the inclusion of Regent Place Retail Park within the town centre boundary[13] ensures the comparison goods over is strengthened through the addition of stores including a larger Currys, Empire Direct and ScS furniture. In practice however Regent Place can only be considered to have limited linkages with the town centre and functions instead more as a standalone retail park.

4.49 We have previously noted that Loughborough is well catered for in terms of representation in the influential clothing sub-sectors, and this includes a strong representation from national fashion chains. The fashion retail offer in Loughborough is headed by a 13,000 sq.ft (gross) New Look store in Carillon Court, the store having recently relocated from smaller premises in the town centre. Other sizeable stores include an 11,400 sq.ft (gross) Primark store in Market Place and an 11,300 sq.ft (gross) TK Maxx store in The Rushes, whilst other national fashion multiples present in the town include Burton, Dorothy Perkins, Moss, Next, Peacocks and Topshop.

[13] GOAD definition of town centre boundary

4.50 The fashion offer can therefore be considered to be reasonably strong, although it is notable that the trend is orientated towards the lower-end of the fashion spectrum, with an absence of a number of middle-market retailers (for example, H&M or River Island) or higher-end stores such as Monsoon, although the presence of retailers such as Next and Moss does partially redress the balance.

4.51 As would be expected, the higher order centres of Leicester and Derby (which has recently significantly enhanced its multiple fashion offer through the redevelopment of the Eagle Centre), and particularly Nottingham, have a broader national fashion multiples, including a number of higher-end stores (such as French Connection, Jane Norman and USC). It would therefore be expected that residents of the Borough requiring a broader fashion offer will travel to these higher order centres.

4.52 Loughborough also has a strong representation from national service multiples, with the majority of national banks and building societies present in the town centre, largely located on Cattlemarket and Market Place, as well as a number of travel agents. There are very few national café and restaurant chains in the town centre however, although there are a large number of national pub/bar chains such as Lloyds No1 and Varsity.

Anstey

4.53 The smaller centres in the Borough can naturally be expected to have more limited representation from national multiples and high profile retailers, and in many cases the national retailer presence is largely limited to convenience goods. This trend is evident in Anstey, where the national multiples offer is headed by the Midlands Co-Op supermarket, with bakery chain Coombs-Hampshires a further convenience multiple present. There are no national comparison multiples, whilst the range of services multiples is restricted to two banks (HSBC and Natwest) and Co-Op Travel.

Barrow-upon-Soar

4.54 As would be expected given the size of Barrow-upon-Soar, representation from national convenience and comparison multiples in the centre is limited, and the majority of outlets in the centre are occupied by independent retailers. Nevertheless, the comparison retail offer of Barrow is anchored by a small Somerfield store on High Street, which acts as the focus for retail activity in the village, and appeared busy and well supported at the time of our visit. A smaller Spar store on North Street also adds to the grocery multiples offer. A Coombs-Hampshires bakery on High Street completes the national convenience offer of the centre.

4.55 The comparison goods offer is restricted to a branch of Alliance Pharmacy on High Street. Barrow village centre also has a Post Office and Alliance and Leicester bank.

Given the size of the centre, the representation from national multiples can be considered to be reasonable.

Birstall

4.56 Given the size of Birstall the presence of national multiples is limited to Somerfield and William Hill the bookmakers. All the other uses in the centre are independents, this is not unusual and, as the range of uses is good, this is not an issue for the centre. The only notable absence, is of any high street banks.

Loughborough - Gorse Covert District Centre

4.57 Gorse Covert is anchored by a Morrisons supermarket, which forms the key attractor at the Centre. Morrisons is supported by a number of smaller retail units which enable Gorse Covert to function as a District Centre as opposed to a standalone supermarket. Of these units, national multiple representation comprises of a Co-Op Pharmacy, whilst the centre also includes a Post Office and Betfred betting shop.

4.58 Gorse Covert is by some distance the smallest of the centres surveyed, and as such we do not consider that the lack of national multiples at the centre (Morrisons aside) overly harms the vitality and viability of the Centre, which appeared busy and well supported at the time of our visit.

Loughborough - Shelthorpe District Centre

4.59 Shelthorpe's national multiples offer is anchored by the recently-extended Tesco Extra store on Park Road. Aside from Tesco there is, however, relatively little in the way of national multiples presence. Other national convenience multiples present are One Stop convenience store, and Bargain Booze. The only national comparison multiple present in the Centre is Choices Video. Shelthorpe also contains a McDonalds restaurant and Drive-through, although this is detached from the rest of the retail offer.

4.60 Although vacancy rates in Shelthorpe appear low, it is considered that the presence of a limited number of national multiples would assist in improving the vitality and viability of the centre, particularly in terms of encouraging greater numbers of linked trips with the Tesco store. However it is acknowledged that the size of Shelthorpe and its functioning as a District Centre limit the attractiveness of the centre for national multiple retailers.

Shepshed

4.61 Given the relative size of the centre, Shepshed has a surprisingly limited range of national multiples, possibly reflecting its proximity to the higher order centre of Loughborough. Notwithstanding this however, it is considered there is a clear need to improve the national convenience and comparison offer in the town. Presently, convenience multiples representation is limited solely to the Co-Op supermarket in Hall

Croft and Bargain Booze on Field Street, whilst there is no representation from national comparison multiples in the town, ensuring residents need to visit either Loughborough or Coalville (or further afield) for such purposes.

4.62 Improving the range of national convenience and comparison multiples in the town would assist in significantly enhancing the vitality and viability of the centre compared to what is achieved at present.

Sileby

4.63 Sileby has a very limited range of national retailers, which is to be expected given its relatively small size. The only national multiples present in the centre are convenience (Tesco Express and Coombs-Hampshires) and services (Natwest). The Tesco store forms the anchor to the village's retail offer and appeared moderately busy at the time of our visit.

4.64 There are no national comparison multiples in Sileby, but, given the size of the settlement, we do not consider this undue cause for concern[14].

Syston

4.65 Syston has a solid but limited number of national convenience and comparison multiples. The convenience multiples offer can be considered to be reasonably strong in terms of provision of grocery foodstores, with Co-Op, Somerfield and Aldi all trading in the town centre. The offer is supported by a Coombs-Hampshire's bakery on Melton Road.

4.66 The national comparison offer is relatively restricted, as would be expected for a town centre such as Syston. The offer is headed by the Wilkinson store on Melton Road, which appeared busy at the time of visit, and benefits from customer car parking to the rear. Elsewhere in the centre the national comparison multiple is restricted to Stead and Simpson (High Street), and Gordon Davis and Boots Pharmacies. Indeed, the Boots store has recently relocated from a small unit on Melton Road to a new purpose-built pharmacy-only store adjacent to Syston Health Centre. However the range of goods in the new store is limited to pharmacy goods, and any customers wishing for a broader range of products must travel to Thurmaston.

4.67 Whilst the convenience offer can be considered to be reasonable in terms of representation from national multiples therefore, the comparison offer is more limited, although adequate given the function of Syston as a District Centre.

[14] We note there is an Alliance Pharmacy store trading on Swan Street in Sileby, although this lies outside the defined District Centre boundary for the village.

Thurmaston

4.68 Thurmaston also functions as an out-of-centre Retail Park, which ensures that it is populated in its entirety by larger branches of national multiples. The retail offer is anchored by a large Asda store, which lies outside the defined District Centre, and is complemented by a reasonably broad range of comparison goods multiples. Comparison retailers present at include Bathstore, Blacks, Boots the Chemist, Carphone Warehouse, Claire's Accessories, Dunelm Mill, Next, O2 and TK Maxx. The centre also includes Pizza Hut and McDonalds restaurants, and Starbucks Coffee.

4.69 It can be considered that, given the relatively small nature of the Retail Park, the diversity of the retail offer is fairly strong, and the larger-format stores ensures that there is likely to be a greater range of goods than available in the stores of those retailers which also operate branches in Loughborough, such as Next. The Asda store which anchors the Retail Park is in addition a significant attraction for residents in the south-east of the Borough (principally, residents in Syston, and the smaller settlements of Thurmaston, Barkby and Queniborough, and to a lesser extent residents in the Soar Valley villages of Barrow upon Soar and Sileby).

Indicator 4: Operator Demand

4.70 The commercial organisation, FOCUS, collects data on documented retailer requirements, and publishes the data twice-yearly. FOCUS also produces Town Reports for main centres, which include time-series data on the number of retail requirements.

4.71 It is worth emphasising from the outset that the level of demand for any centre is always influenced by whether any new development is proposed; hence if a major new development scheme was to emerge, the number of requirements would be expected to show a noticeable increase.

Analysis of published requirements by number

4.72 FOCUS's most recent 'Town Report' for Loughborough, published in April 2007, shows that the number of published retailer requirements stands at 41. Figure PA8 in Appendix 1 shows the number of requirements for Loughborough historically since April 2000, whilst Table PA9 presents details of current[15] retailer requirements for Loughborough.

4.73 It is apparent that the number of retailer requirements for Loughborough has recently declined, having been largely on the increase since April 2000. The number of requirements rose from 34 in April and October 2000 to an early peak of 51 in April 2002, before falling back to 43 between April 2003 and April 2004. The number of

[15] As at December 2007

requirements subsequently rose sharply once more, peaking at 54 in April 2005, which represents a historic high for the town, and subsequently 53 between October 2005 and April 2006. The current figure of 41 therefore represents a notable decline, and is the lowest number of requirements since April 2001. Clearly however it is possible that the decline may partially be explained by retailers with a requirement for Loughborough duly acquiring suitable premises in the town.

4.74 As would be expected, the higher order centres show a significantly larger number of published requirements. Nottingham had 166 requirements in April 2007, Leicester 133 and Derby 104, although it can be observed that the numbers of retail requirements has declined in all three centres recently. Of the smaller comparator centres, Melton Mowbray currently has the largest number of requirements, at 28, just shy of the recent peak of 29 for the town, whilst Hinckley presently has 26 requirements, and Coalville 11, which represents the largest number of requirements to date for the town.

4.75 FOCUS also publish Town Reports for Shepshed, which presently lists just one retail requirements, charity shop British Heart Foundation. Details of the requirement are listed at Table PA10. FOCUS does not produce Town Reports for any of the remaining centres in the Borough.

Analysis of published requirements by type

Loughborough town centre

4.76 The FOCUS database also provides detailed information with regards to the 44 national multiple operators who are presently listed as having an identified requirement for Loughborough, although three of the requirements are duplicate entries, and one is now trading in Loughborough[16], hence detailed requirement information is available for the 38 retailers currently interested in establishing a presence in Loughborough.

4.77 Figure 4.3 below provides a breakdown of the published retailer requirements by type. As can be seen, there are currently four national convenience retailers with requirements for Loughborough, namely discount retailers Netto and Heron Frozen Foods, as well as health food chain Holland and Barratt, and off licence chain Big In Booze.

4.78 The largest number of requirements are from national comparison multiples, which amount to almost 40 per cent of all requirements, excluding charity shops. It is interesting to note that the requirement includes two department store chains, Debenhams and TJ Hughes, which is a positive indication on the draw of Loughborough to national multiples. However much of the remaining comparison

[16] The duplicate entries which we have removed are Phones 4U, Pizza Express and TJ Hughes. We have also removed Bathstore.com, Costa and Poundland from the requirements as they are now trading in Loughborough. Further information provided at Table PA9 in Appendix1.

goods requirement is lower-end fashion multiples, including Bon Marche, Ethel Austin, Priceless Shoes, Size Up and Yours. Other requirements include catalogue goods store Tchibo, entertainment retailer Gamestation, mobile phones retailer Phones 4U, and electronics chain Maplin.

4.79 One requirement which is encouraging to note is that of fashion/giftwear chain Joy, which has a requirement for between 2,500 and 5,000 sq.ft of retail space. The chain currently only has approximately 20 stores nationwide, and can be considered to be a high-end retailer; their published requirement therefore again reflects positively on the potential draw of Loughborough as a retail destination.

4.80 We have previously noted the apparent absence of national restaurant chains in the town centre, and this is further qualified by the fact that there are 12 requirements from national leisure operators for Loughborough, equivalent to 31.6 per cent of all requirements for the town. These include restaurant chains Ask Central, Frankie & Benny's, Pizza Express and Zizzi, coffee chains Starbucks, and public house chains Ember Inns, Livingstones, Toby Carvery and Vintage Inns.

4.81 A number of 'services' operators also have requirements for the town, including hairdressing chains Essensuals, Saks Hair and Toni and Guy.

Figure 4.3 – number of retail requirements by type for Loughborough. Source: FOCUS

Sector	No of requirements	% of total
Convenience retail	4	10.5
Comparison retail (excl charity shops)	15	39.5
Charity shops	1	2.6
Restaurants, public houses, etc	12	31.6
Services	6	15.8
Total	**38**	**100.0**

4.82 Of the 38 retailers interested in establishing a presence in Loughborough, 30 are interested in town centre premises, with just eight solely requiring more peripheral locations[17], the majority of which are food and drink outlets.

4.83 Overall therefore we conclude that the published requirements for Loughborough can be considered to be encouraging, with published requirements from major department stores, a number of national comparison multiples, as well as a sizeable number of food and drink outlets. However the number of requirements in the important fashion retail sector is presently largely limited to lower-end operators. Nevertheless these requirements can be considered to have the potential to elevate the town's position in the retail rankings, providing suitable accommodation for the retailers can be found. The recent take-up of units in the town by three national retailers who have previously

[17] The retailers who require out-of-centre locations are Big in Booze, Ember Inns, Netto Foodstores, Sizzling Pub Company, Toby Carvery, Vets4Pets, Vintage Inns and Wynnstay Group

had published requirements for Loughborough – Bathstore, Costa and Poundland – is evidence of this fact.

Indicator 5: The Retail Property Offer

4.84 Analysis of the FOCUS listings of September 2007 indicates that the mean sales area requirement for the 15 comparison goods operators with an identified interest in Loughborough is a sizeable 5,248 sq.ft (488 sq.m) [18]. However if we remove the substantial floorspace requirements of the two department stores which have expressed interest in Loughborough, TJ Hughes (who have a median requirement of 32,500 sq.ft) and Debenhams (who have a median requirement of 16,000 sq.ft), the mean sales area requirement for comparison goods retailers is 2,325 sq.ft (216 sq.m).

4.85 Nevertheless this still represents a moderate average requirement for Loughborough, and one which the town may have trouble accommodating within the existing property offer. Indeed, our analysis of Experian's GOAD data for Loughborough shows that the 57 vacant units in the town centre[19] have an 'average' gross floorspace of 2,089 sq.ft (194 sq.m). This translates to an 'average' net sales area of approximately 1,462 sq.ft (136 sq.m).

4.86 The two largest (10,000 sq.ft+) vacant units in the town centre are located at Regent Place Retail Park, which is included in the boundary of the town centre as surveyed by Experian Goad. If these units were to be removed from the calculations by virtue of their distance and limited connectivity with the primary retail area of the town centre, the 'average' gross floorspace of the 55 remaining units is just 1,780 sq.ft (165 sq.m), equivalent to an 'average' net sales area of approximately 1,246 sq.ft (116 sq.m).

4.87 Figure 4.4 below provides a breakdown of the sizes of vacant units in Loughborough town centre at the time of the most recent Goad survey. As can be seen, the only units upwards of 10,000 sq.ft are the aforementioned vacant units at Regents Place, which, if occupied, are likely to offer little opportunity of improving the vitality and viability and increasing footfall in much of the town centre. There are however three further sizeable vacant units in the town centre, which falls in the 5,000-9,999 sq.ft bracket, although one is the 7,600 sq.ft (gross) former Wilkinson store on Market Street which has since been occupied and the remaining two are in peripheral locations on Woodgate and Sparrow Hill. .

4.88 Encouragingly, there is also a good portfolio of vacant units in the 2,000-4,999 sq.ft bracket, many of which are located in The Rushes Shopping Centre, which are likely to be of some appeal to retailers requiring moderate footprint stores. However there are

[18] Figures are derived from obtaining the median floorspace requirement for each operator and calculating the mean of these figures.
[19] GOAD definition, September 2007 survey

also a high number of vacant units – 26 in total – under 1,000 sq.ft (gross), which are likely to be of limited appeal to modern retailers.

Figure 4.4 – Breakdown of vacant units in Loughborough town centre by size. Source: Experian Goad

Unit size (gross sq.ft)	Number of units	%
10,000 sq.ft +	2	3.5
5,000 to 9,999 sq.ft	3	5.3
2,000 to 4,999 sq.ft	14	24.6
1,000 to 1,999 sq.ft	12	21.1
0 to 999 sq.ft	26	45.6
Total	**57**	**100.0**

4.89 We consider the presence of vacant units further in *'Indicator 8: Proportion of Vacant Street Level Property'* below.

Indicator 6: Prime Retail Yields

4.90 Figure PA11 of Appendix 1 shows the prime retail yields in Loughborough and the comparator centres of Derby, Leicester, Nottingham, Coalville, Hinckley and Melton Mowbray[20]. Yield is an efficient measure of the confidence of investors in the long term profitability of the town centre for retail (and other commercial) developments; hence the lower the yield, the greater the level of investment confidence.

4.91 Figure PA11 shows that prime retail yields have improved (i.e. lowered) since the start of the decade. Loughborough's prime yield presently stands at 5.0 per cent, at which it has remained static since July 2006. Prior to this, Loughborough's prime yield was 5.25 per cent between April 2001 and January 2006.

4.92 Loughborough's prime yield performance is highly encouraging. As would be expected, the keenest (lowest) yields are in the higher order centres, nevertheless Loughborough's current prime yield is just 0.5 per cent higher than Derby (4.75 per cent, January 2007), and 1.0 per cent higher than both Leicester and Nottingham city centres. Derby, Leicester and Nottingham all saw their prime retail yields improve by 0.5 per cent between January 2007 and July 2007.

4.93 Loughborough's current prime yield can be considered to be strong, and as such can be seen to be a positive reflection on the vitality and viability of the town centre.

4.94 Prime yields in the remaining comparator centres of Coalville, Hinckley and Melton Mowbray are all higher than Loughborough's, with Coalville posting a prime retail yield of 8 per cent in July 2007, and Hinckley and Melton Mowbray both 6.5 per cent. All three centres have shown improvement however, with Melton Mowbray in particular experiencing a reduction (i.e. improvement) in yield from 8.5 per cent in 2000 to 6.5 per cent in July 2007.

[20] Regrettably no information is available on yield for the smaller centres in Charnwood Borough.

Indicator 7: Changes in Prime Zone A Shopping Rents

4.95 Figure PA12 and P13 show the movement in Prime Zone A retail rents in Loughborough and comparator centres[21], in terms of both absolute movement (Figure PA12) and percentage change (Figure PA13). Figure PA12 shows that, as would be expected, the highest prime rents are commanded in the higher order comparator centres of Derby, Leicester and Nottingham. Nottingham commanded the highest prime retail rent of all the centres at £240 per sq.ft in 2006, followed by Leicester at £210 per sq.ft. Both centres saw a period of rapid rise in prime rents towards the end of the 1990s, before a number of years of stability at £225 per sq.ft (Nottingham) and £200 per sq.ft (Leicester). Rents in both centres have increased in recent years however. Derby presently commands a rent of £160 per sq.ft.

4.96 Loughborough, as a sub-regional centre, currently commands a prime retail rent of £80 per sq.ft, and has done so since 2005. Prior to this, prime retail rents remained static at £65 per sq.ft between 1997 and 2000, before increasing to £75 per sq.ft between 2001 and 2004. Coalville commands a prime rent of £50 per sq.ft, whilst Hinckley and Melton Mowbray both command rents of £55 per sq.ft.

4.97 Figure PA13 shows the indexed (that is, as an expression of 100) change in prime retail rents in each of the centres since 1997. It can be seen that the greatest change has been in Derby city centre, where rents have increased by 43 per cent from their 1997 base, followed by Leicester (40 per cent) and Nottingham (37 per cent). Prime retail rents in Loughborough have increased by approximately 23 per cent, slightly ahead of Melton Mowbray, where rents have increased by 22 per cent.

Indicator 8: Proportion of Vacant Street-Level Property

4.98 Loughborough town centre contained a total of 57 vacant units[22] at the time of the most recent GOAD survey in September 2007, equivalent to 13.67 per cent of all units in the town centre. This figure is above the current[23] UK average of 11.01 per cent by almost 2.7 per cent, which raises cause for concern.

4.99 At the time of our visit (September 2007) we observed that whilst a number of units identified as vacant by GOAD has been occupied or are currently in the process of being renovated, other units trading at the time of the GOAD survey appear to have become vacant; the overall effect being that the vacancy rate appears to be at approximately the same level.

[21] No published rental data is available for any centre in Charnwood other than Loughborough. Rental data is only available for Hinckley from 2001 onwards, and for Coalville from 2003 onwards.
[22] GOAD definition of town centre boundary
[23] August 2007

4.100 Figure PA14 of Appendix 1 maps the vacant units in Loughborough town centre at the time of the GOAD survey. It identifies significant concentrations of vacant units in The Rushes Shopping Centre (a total of 9 vacant units[24]), and smaller concentrations at the Carillon Court Shopping Centre and Regents Place. From our visit in September 2007 we noted the large number of vacant units remain in The Rushes, which, given the modern size and shape of the units, is surprising.

4.101 A further concentration in the number of vacant units can be observed on the eastern side of Baxter Gate, which presently appears to be in decline and gives a negative impression of the town centre to those arriving by public transport. The proposed redevelopment of the former General Hospital site, which fronts onto Baxter Gate (and is presently vacant and boarding up) should help in the longer term to increase footfall in this part of the town centre, thereby aiding its vitality and viability and encouraging new retail development.

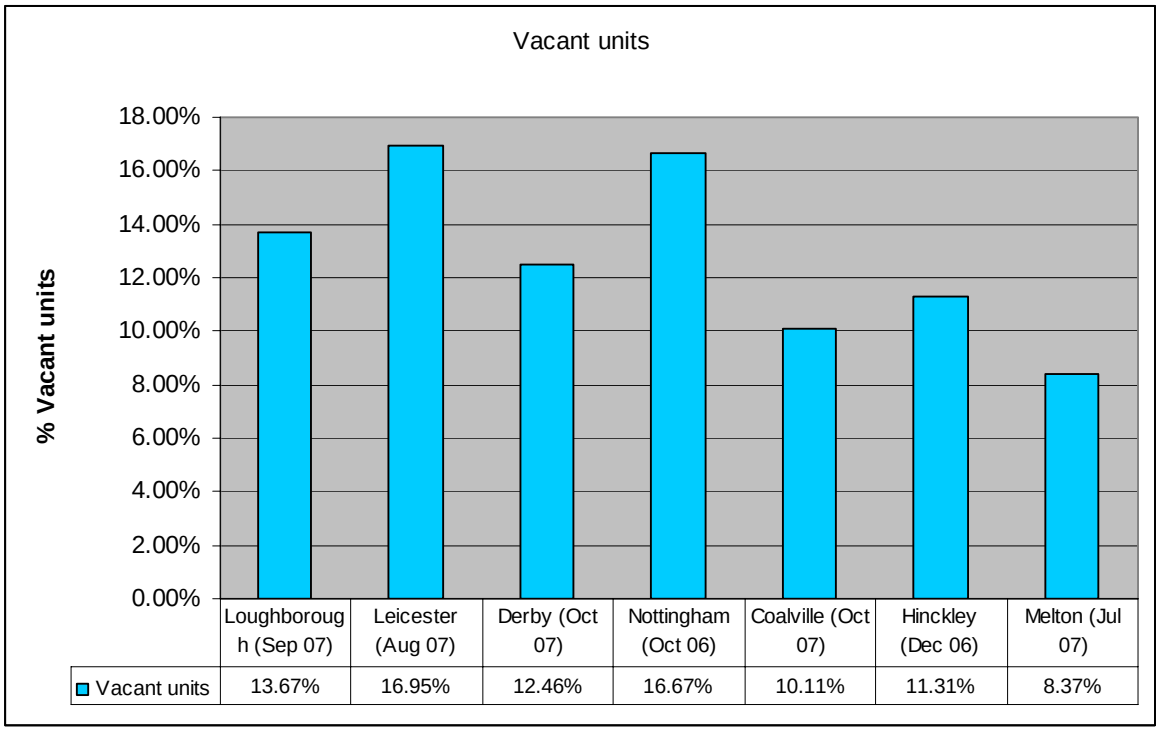
4.102 The former Kwik Fit garage at Ashby Square is a sizeable and prominently located vacant unit which presents an opportunity for a moderate sized retail unit. Encouragingly, the former Music Zone store, which until recently was a high-profile vacant unit in a prominent location at the corner of Market Place and Market Street, has recently been let to Costa.

4.103 Figure 4.5 below compares the vacancy rate in Loughborough with that of the comparator centres. Loughborough has the third highest vacancy rate, behind Leicester (16.95 per cent) and Nottingham (16.7 per cent), but has a greater proportion of vacant units than Derby (12.5 per cent) and Hinckley (11.3 per cent). Coalville and Melton Mowbray both have vacancy rates below the current UK average of 11.0 per cent; Melton Mowbray has the lowest vacancy rate of all the comparator centres with 8.4 per cent of units vacant. Whilst the vacancy rate in Loughborough is thus some way below that of both Nottingham and Leicester, the stronger retail draw of these centres (and hence the typically greater numbers of requirements for retail premises) ensures a greater turnover of vacant outlets than is often the case in smaller centres such as Loughborough where units (even in modern developments such as The Rushes) can remain vacant for longer periods of time.

4.104 As such, the high proportion of vacant units in the town centre can be considered to be an area of concern and should be viewed as a priority for improvement in order to enhance the vitality and viability of Loughborough as a retail destination.

[24] One of these units was under alteration at the time of visit and is now trading as Bar Sport. Figure PA14 also identifies a large vacant unit on Market Street which, since the survey was undertaken in September 2007, has been occupied by Poundland.

Figure 4.5 - Vacancy rates in Loughborough and comparator centres. Source: Experian Goad



	Loughborough (Sep 07)	Leicester (Aug 07)	Derby (Oct 07)	Nottingham (Oct 06)	Coalville (Oct 07)	Hinckley (Dec 06)	Melton (Jul 07)
Vacant units	13.67%	16.95%	12.46%	16.67%	10.11%	11.31%	8.37%

Other centres in Charnwood

4.105 No GOAD survey data is available any centre in Charnwood aside from Loughborough; hence our conclusions on vacancy rates in Charnwood's District Centres are based on qualitative assessments of the District Centres undertaken during September 2007.

4.106 Loughborough's District Centres of Gorse Covert and Shelthorpe both had low vacancy rates at the time of our visit and appeared to be trading healthily. Thurmaston is currently fully let, as and such can similarly be considered to be trading well.

4.107 Barrow upon Soar also has a low vacancy rate, although a prominent unit on High Street was vacant at the time of our visit. Sileby High Street has two vacant units, although promisingly one of these is under offer. Anstey has just one vacant unit in the village centre. At the time of our visit there were no vacant units in Birstall.

4.108 Syston also had a generally low vacancy rate, although two noticeable 'clusters' of vacant units can be observed on Melton Road, south of The Square shopping precinct (including a large new-build development), and further south on Melton Road proximate to the junction with St Peter Street.

4.109 Shepshed has an identifiable concentration of vacant units centred around the Bull Ring and Field Street. Most vacant units here appear relatively small and outmoded and are unlikely to be of appeal to many national operators. Nevertheless the concentration of vacant units in this location, including the former HSBC bank premises, contributes to a lack of vitality and viability in this part of the centre.

4.110 Aside from the concentration of vacant units in prominent areas of Syston and Shepshed, it is not considered that vacancy rates elsewhere in Charnwood's District Centres present cause for concern.

Indicator 9: Pedestrian Flows

4.111 We understand that, Loughborough aside, no pedestrian flow surveys have been undertaken for any of the centres in the Borough. Nevertheless as part of our on-foot surveys of the town centres we considered the pedestrian flows in the centres, noting which areas appeared busy and if any clear distinction was notable in secondary areas. We set out our findings for each of the centres below.

Loughborough

4.112 Loughborough town centre appeared generally very busy and well supported at the time of our visit. Pedestrian flows appeared at their strongest in Market Place, Market Street (as far as the junction with the entrance to the Carillon Court shopping centre and Somerfield), Carillon Court, High Street and Cattlemarket. The presence of a bric-a-brac market in Devonshire Square also served to increase footfall in this area.

4.113 The Rushes Shopping Centre, whilst moderately busy, was surprisingly quieter in comparison to other prime pitch areas however.

4.114 Secondary areas in the town centre, away from the retail core, were noticeably quieter, with lower footfall in areas such as Swan Street (past the junction with Ashby Square), Bedford Square and Granby Street.

4.115 The majority of Loughborough's retail core therefore appeared busy and well supported, which reflects positively on the town centre's vitality and viability, although the seemingly more moderate levels of footfall in The Rushes Shopping Centre compared to the prime pitch elsewhere in the town centre can be considered surprising, although likely to be in part a reflection of the large number of vacant units and therefore limited retail offer available.

4.116 Anecdotal discussions with the Carillon Court Shopping Centre in the town centre has confirmed that pedestrian flow rates are generally strong at present in Loughborough, with many retailers in the Centre reporting strong footfall and trading towards the end of 2007. The Centre has three entrances – in Market Place, Swan Street, and Market Street (opposite Somerfield), and it is the latter of these locations where footfall is typically highest. The relocation of Wilkinsons from Market Street to a larger, modern store on the opposite side of the centre in Swan Street has had a positive impact on footfall by bringing shoppers through the centre, a trend which is considered likely to continue if a greater diversity of retailers can be attracted to the Rushes Shopping Centre.

Anstey

4.117 Pedestrian flows in Anstey were only moderate at the time of our visit, and appear to be at their strongest between The Nook and the Co-Op supermarket to the east of the centre. Pedestrian flows to the west of The Nook were generally lower however.

Barrow upon Soar

4.118 Barrow's High Street area was reasonably busy at the time of our visit, with a definite 'bustle' apparent. The highest footfall was evident around the Somerfield store on High Street, and Post Office opposite. Pedestrian flows began to reduce past the junction of High Street and Cotes Road, and were low around the second concentration of retail units and library on North Street, which appear to function very much as a secondary area.

Birstall

4.119 Birstall benefits from the close proximity of a school, bowling club and social club which add to the number of people visiting the centre. At the time of our visit the centre was being well used.

Loughborough - Gorse Covert District Centre

4.120 The presence of a large Morrisons store as the anchor to Gorse Covert ensures a steady rate of pedestrian footfall in the small centre. It appears that a large proportion of visitors to the centre are car-borne, as footfall at entry points to and from the centre was relatively low. Overall however the superstore and adjacent uses appeared well-supported at the time of our visit.

Loughborough - Shelthorpe District Centre

4.121 Shelthorpe appeared moderately busy at the time of our visit although footfall around the key services provided in the centre, such as One Stop Convenience Store and the Post Office, was not overly great. The centre is anchored by the Tesco Extra store on Park Road, but the store is slightly detached from the rest of the centre, and it appears that the number of visitors to the store who make linked trips with the remaining stores in Shelthorpe is limited, despite reasonable pedestrian linkages between the two.

Shepshed

4.122 Pedestrian flow in Shepshed at the time of our visit was relatively modest. As would be expected, pedestrian flows were at their highest around the anchor Co-Op store, and the nearby market held in Hall Croft. Elsewhere the centre was quiet however, with particularly low footfall between Hall Croft and Market Place.

Sileby

4.123 Sileby also only had rather modest pedestrian flows at the time of our visit to the centre. As noted previously, the Tesco store on High Street forms the anchor to the

retail offer of the centre, and pedestrian flows were duly at their strongest here. Away from the High Street however pedestrian flows were generally low.

Syston

4.124 The level of footfall in Syston at the time of our visit appeared to be steady, if not overly busy. Footfall was highest at the junction of High Street and Melton Road, and around the centre's key anchors of the Co-Op store on Melton Road, and the Somerfield and Aldi supermarkets further south on Melton Road, away from the centres. These stores only helped to increase footfall on Melton Road to a limited extent however, particularly as both Aldi and Somerfield have their own customer car parking facilities. Elsewhere in Syston moderate levels of footfall were apparent.

Thurmaston

4.125 Thurmaston Retail Park has a very healthy footfall. The centre benefits from the large Asda and the presence of national multiples and is located on one of the main routes in and out of Leicester. Both of the car parks are always busy and there is always activity in this area.

Indicator 10: Accessibility

4.126 PPS6 identifies the *'ease and convenience of access by a choice of means of travel, including the quality'* and the '*quantity and type of car parking; the frequency and quality of public transport services'* as a key measure of vitality and viability. We set out our conclusions in respect of these points for each of the centres below.

Loughborough

4.127 Loughborough town centre is well provided for in terms of public car parks, with facilities available at the multi-storey Beehive Lane car park, as well as surface car parks at Granby Street, Browns Lane, Pinfold Gate, Macaulay House, Southfields (Saturday only), and Southfield Road. Council-run car parks are pay and display (as opposed to pay on exit). Additional car parking is available at the mutli-storey car park on Packe Street, for customers of the Somerfield store on Market Street, and at The Rushes and Carillon Court Shopping Centres, as well as the Sainsbury's store on Ashby Road. Our analysis of estimated car park capacities in the GOAD survey of Loughborough town centre suggests there are approximately 2,500 car parking spaces in Loughborough town centre[25]. Car parking facilities are strong therefore, with plenty of spaces, and close proximity to the town centre.

4.128 Loughborough rail station is situated approximately 15 minutes walk to the north-east of the town centre, with frequent bus services also connecting the station to the town

[25] Major car parks listed in the GOAD survey of Loughborough town centre (approximation of spaces): Regent Place (250), Sainsbury's (500), The Rushes Shopping Centre (430), Beehive Lane (600), Southfield Road (63), Granby Street (200), Packe Street/Somerfield (150), Carillon Court (300).

centre and university. Loughborough is situated on the Midland Mainline, and as such benefits from half-hourly services to London (St Pancras), as well as frequent connections to Leicester, Long Eaton, Derby, Beeston and Nottingham. The hourly 'Ivanhoe Line' service provides connections to Barrow upon Soar, Sileby, Syston, and northbound to Lincoln and Nottingham.

4.129 Bus services in Loughborough are operated by Kinch, who provide local services to Shelthorpe and Gorse Covert, Loughborough University, and Derby via East Midlands Airport, and Arriva, who provide ten-minute daytime frequency services to Leicester via the villages of Quorn, Mountsorrel, Rothley and Birstall, with some services also extending to Shepshed, as well as hourly connections to Coalville and Nottingham. Hourly services also connect the town with Melton Mowbray and Grantham.

4.130 Ample provision is made for cyclists in Loughborough town centre, with cycle racks provided in locations including Cattlemarket, Carillon Court, Biggin Street and The Rushes Shopping Centre.

4.131 Overall, therefore, Loughborough town centre is readily accessible by both private car and a range of public transport services, and can be considered to be well provided for in this respect.

Anstey

4.132 Car parking in Anstey is largely catered for at The Nook and a large free surface car park off Station Road. Anstey also benefits from frequent bus services into Leicester city centre, and an hourly service to Loughborough via Woodhouse Eaves, but has no rail link. The centre can therefore be considered to be reasonably accessible.

Barrow upon Soar

4.133 Barrow-upon-Soar is well provided for in terms of public transport given the size of the centre. The centre has a half-hourly bus service to Loughborough and Leicester, operated by Kinch. Barrow-upon-Soar rail station is approximately ten minutes walk from the village centre and has hourly connections to Nottingham, Loughborough, Sileby, Syston and Leicester.

4.134 There are a number of free surface car parks in Barrow, including to the rear of Somerfield on High Street; adjacent the Three Crowns public house on North Street and to the south of the railway line on High Street. Accessibility to the centre is, therefore, generally strong.

Birstall

4.135 Birstall is not located on the national rail network, but is served by 10-minute frequency Arriva bus services to Loughborough, and Leicester city centre via Belgrave Road. Car

parking is available in the centre and appears to be well-used. Overall it can be considered that Birstall is easily accessible by both private car and public transport.

Loughborough - Gorse Covert District Centre

4.136 Gorse Covert is served by ample car parking provision adjacent to the Morrisons store which anchors the centre. Half-hourly bus services link the Centre with Loughborough Town Centre and Shelthorpe.

Loughborough - Shelthorpe District Centre

4.137 Shelthorpe has a considerable amount of car parking available, with on-street parking provided to the front of the retail outlets in the centre. The nearby Tesco Extra store also has a large amount of car parking available, which was recently increased in conjunction with the redevelopment and expansion of the store. Bus services link Shelthorpe with Loughborough town centre and Gorse Covert, although bus connections to Leicester necessitate a ten-minute walk to catch services on Leicester Road. Public transport accessibility to the centre is fair therefore, but with potential for improvement.

Shepshed

4.138 Car parking is provided in Shepshed at locations including Britannia Street and at Market Place, and there appears to be sufficient parking available to serve the centre. Shepshed has no rail station, but bus services link the town with Loughborough rail station at a half-hourly frequency. Bus connections are also available to Leicester via Loughborough, which run every 20 minutes, with a journey time to Leicester of approximately 70 minutes, as well as hourly services to Coalville and Nottingham. The town therefore can be considered to be well provided for in terms of car parking provision, with a good range of public transport services also available.

Sileby

4.139 Sileby, as with Barrow upon Soar, is surprisingly well catered for in terms of public transport provision, benefiting from a half-hourly bus service to Leicester and Loughborough, as well as Ivanhoe Line rail connections. The rail station is under five minutes' walk from the High Street. A large public car park behind the Tesco Express store, accessed from King Street, ensures that ample parking is available. Sileby can therefore be considered to be readily accessible by a choice of transport means.

Syston

4.140 Syston is served by a number of car parks, including The Square shopping precinct, the rear of the Wilkinson store on Barkby Road, a Council-run car park on Melton Road, and adjacent to the Somerfield and Aldi stores on Melton Road. The town centre

can be considered well provided for in this respect. Many of the car parks offer free parking.

4.141 Syston rail station is approximately ten minutes' walk to the south of the town centre on Melton Road, and offers hourly Ivanhoe Line rail connections. Frequent bus services which link Syston with Leicester city centre and Thurmaston (southbound) and Melton Mowbray (northbound) serve Syston via Melton Road. As such Syston is a readily accessible centre by a choice means of transport.

Thurmaston

4.142 Thurmaston can be considered to have a good level of car parking provision, with free car parking available adjacent to Asda, and further car parking facilities the opposite side of Barkby Thorpe Lane. Thurmaston is also served by high-frequency (approximately at ten minute intervals) bus routes to Leicester city centre, with journey times of approximately 20 minutes, with services running northwards to Syston and Melton Mowbray. Whilst Thurmaston is not directly served by the national rail network, Syston station is approximately 15 minutes' walk away.

Indicator 11: State of the Town Centre Environmental Quality

Loughborough

4.143 The overall appearance of Loughborough town centre is a positive one, with generally good quality public realm and plentiful provision of public seating. The pedestrianised areas of Cattle Market, Market Street, Market Place and the Rushes serve to considerably enhance the general town centre environmental quality, whilst nearby Queen's Park is an equally positive asset, albeit one which could be promoted through stronger linkages with the retail core of the town centre.

4.144 The Churchgate / Churchgate Mews area appears to have been recently improved and the signage on the gateways into the area help to define its function as a hub of independent retailing in the town. A number of shop fronts in the area also appear to have recently been improved, adding to the upmarket feel of the area.

4.145 The town centre has a number of striking buildings which make a further positive impact on the quality of the town centre environment, particularly the Town Hall and grandiose HSBC buildings in Market Place, and the Natwest and art-deco Reel Cinema in Cattlemarket. A number of more unsightly buildings are apparent on the periphery of the town centre however, notably on Swan Street, the Post Office / Argos building on High Street, and particularly Devonshire Square, although the masterplan proposals for the redevelopment of this site are noted. Premises connected with the now-vacant General Hospital on Baxter Gate also appear in a poor state, although this site is also included as a masterplan proposal.

4.146 Public realm and street furniture in the town centre is generally good although would benefit from a more consistent approach throughout the town centre to help 'lead' visitors through the centre. No major issues of graffiti or litter were noted at the time of our visit to the centre. The Biggin Street / Churchgate area has been the recipient of notable recent improvements to the public realm, in line with its position as a busy thoroughfare between Market Place and The Rushes. Improvements include new highway and footpath paving, an improved turning point for taxi's, and significantly improved public seating facilities.

4.147 The key negative environmental factor in the town centre is clearly the routing of the A6 through the heart of the town, forming High Street and Swan Street. Whilst there are ample crossing facilities the road is extremely busy, with considerable congestion apparent, leading to issues of vehicular and noise pollution as a result. The congestion is at times exacerbated by bus stops on Swan Street which, as there is no dedicated bus lay-by (as is the case on the opposite side of the road at Market Place, and further south on High Street), ensure traffic frequently backs up as buses stop. The forthcoming confirmed development of the Inner Relief Road is likely to significantly improve this situation, however.

4.148 Elsewhere in the town centre there is little potential for pedestrian-vehicular conflict, although the narrow pavements which characterise the Wards End area often necessitate pedestrians to walk into the road.

4.149 The issue of the congestion (and pollution) arising from the A6 is the clear cause for concern and has a considerably negative impact on the environmental quality of the town centre, not least through the 'severance' which it brings about. Nevertheless, planned proposals to alleviate this should bring about a notable improvement. Aside from this it can be considered that Loughborough scores largely positively in terms of the environmental quality of the town centre.

Anstey

4.150 Anstey is a clean, well-maintained centre, although (as with many of the village district centres in the Borough) the centre is traffic-dominated which serves to negatively impact on environmental quality. Public seating and the provision of open space in the centre is also notably limited, whilst the narrow pavements in much of the centre re-enforce the traffic-dominated feel. Whilst Anstey centre is architecturally largely attractive, including several noteworthy buildings and shop-fronts, the appearance of the centre is impacted upon by the presence of an unappealing 1960s building to the west of The Nook.

4.151 On balance therefore Anstey the quality of the environment of Anstey centre can be considered to be reasonable, but with potential for improvement.

Barrow upon Soar

4.152 Barrow-upon-Soar is an attractive and well maintained centre, with plenty of architecturally strong buildings. Although Barrow is a linear centre there is only a moderate volume of through-traffic and this is not overly to the detriment of the centre. The linear nature of the centre coupled with the narrow footpaths on parts of High Street ensures there is only limited opportunity for public seating in this area however. Overall however the centre did not appear to suffer from any problems of litter, vandalism or graffiti and can be generally considered to have a positive environmental quality.

Birstall

4.153 Birstall is a functional centre which has a slightly rundown appearance. Many of the units appear outdated and would benefit from some renovation. Positively, the centre is clean and there is no evidence of litter, vandalism or graffiti. The traffic is not overly dominant, although the centre is located around a roundabout and so it is inevitable that pedestrians have to cross the road. The environmental quality of the centre has benefited as a result of recent investment, however further renovation, particularly in respect of the outmoded retail units which typify parts of the centre, would improve the attractiveness of the centre further.

Loughborough - Gorse Covert District Centre

4.154 The limited offer and size of the District Centre at Gorse Covert prevents a full analysis of the environmental quality of the centre from being made. The foodstore anchor of the centre ensures that is largely car-dominated, although the small pedestrianised area to the side of the Morrisons store has public seating provision and appears generally well-maintained.

Loughborough - Shelthorpe District Centre

4.155 Shelthorpe's environmental quality is negatively impacted upon by virtue of the centre's location on a roundabout, at the junction of Park Road/Shelthorpe Road and the A6004 Ring Road. The junction is extremely busy, particularly given the presence of the Tesco Extra store on Park Road, which attracts significant volumes of car-borne traffic. In addition car parking is provided in bays in front of the retail outlets at the centre, lending an extremely car-oriented feel to the centre, and limiting the attractiveness of the centre as a result (although the vitality and viability of the centre is likely to be considerably assisted by those visiting by car).

4.156 The centre cannot therefore be considered to be especially pedestrian-friendly, although there are a number of crossing points in place. There is very limited provision in terms of public realm, particularly in terms of public seating, open spaces and planting. No major issues in terms of litter or vandalism were noted.

Shepshed

4.157 Shepshed can be considered to have a reasonable quality of environment. At the time of our visit there were no major problems observed in respect of the cleanliness of the centre, and the centre has a number of buildings – most particularly the Charnwood Dental Centre building in Bullring, and several buildings in Market Place – which help to raise the quality of the environment. The centre was only moderately busy at the time of our visit and such no major problems with traffic or congestion were identified.

4.158 The centre has a large number of buildings which, whilst not detracting from the overall quality of the town centre environment, fail to add anything to it. There is potential for improvement in the public realm in the town centre, with relatively in the way of public seating or signage noted.

Sileby

4.159 Sileby is generally an attractive centre with most buildings (bar a couple of exceptions on King Street) of good architectural quality, set within the proximity of St Mary's Church on the junction of King Street and High Street. The imposing Maltings building on High Street is presently under conversion to residential uses, which, as well as enhancing the centre landscape, will also improve the viability and vitality of the centre.

4.160 Traffic congestion does appear to be an issue in Sileby however, with the junction of King Street and High Street appearing to be particularly susceptible. On street parking of vehicles on High Street further serves to disrupt the traffic flow, whilst the narrow pavements on High Street can potentially necessitate pedestrians to walk in the road. It is also notable that there are a limited number of pedestrian crossing points in the centre, which certain locations (particularly King Street and Brook Street, near their respective junctions with High Street) would benefit from.

4.161 A final point to note is that many of the shopfronts in the village appear somewhat tired and in need of refreshing, which would clearly contribute further towards the environmental improvement of the village centre.

Syston

4.162 Syston can be considered to have a generally positive environment, particularly the pedestrianised shopping area of The Square. The centre is well kept and clean, whilst the presence of Central Park a short distance from the town centre is a further positive reflection of the environmental quality of the centre. There is, however, potential to

improve levels of public seating and signage (for example, there are few directional signposts between the rail station and centre).

4.163 The focus of the centre is the junction of Melton Road and High Street. Melton Road in particular is a busy thoroughfare, and some instances of congestion, particularly northbound, were apparent at the time of our visit. This issue aside however the town centre environmental quality in Syston can be considered to be reasonably positive.

Thurmaston

4.164 Thurmaston is a well maintained centre. Although dominated by the parking area, once on the pedestrian walkway there is easy access to all the shops. All the units are in a good state of repair and although lacking in character this is a clean and safe environment to shop in.

5 CURRENT PATTERNS OF RETAIL SPENDING

Introduction

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

Methodology

5.2 Figure 5.1 in Appendix 2 shows the catchment area of the study. The overall catchment area (OCA) is split into nine 'survey zones', with the 'inner zones' (zones 1-6) comprising the areas within the boundaries of Charnwood Borough. The catchment area additionally extends to the north and west of the Borough to include areas which exhibit proximity both to Loughborough but moreover to the higher order centres of Nottingham and Derby. These are identified on Figure 5.1 as the 'outer zones' and equate to survey zones 7-9. We discuss the implications of Loughborough's location at the heart of the 'Three Cities' triangle later in this report.

5.3 Our assessment of the current patterns of convenience (food) and comparison (non-food) spending in the catchment area is based on telephone survey data undertaken by NEMS between the 15th October and 7th November 2007. A survey of roughly 100 households in each survey zone was undertaken, with an overall total of 806 surveys conducted. The surveys sought to establish the current spending patterns for the following types of goods:

Convenience goods:

- Main food and groceries; and
- Top up shopping for food and groceries.

Comparison goods:

- Clothes and shoes;
- Furniture, carpets and soft household furnishings;
- DIY and decorating goods;
- Domestic appliances (such as refrigerators, cookers and other electrical goods); and
- Specialist non-food items (such as china, glass, books, jewellery, photographic goods, musical instruments and sports equipment)

5.4 The results of the two types of food and groceries expenditure (main and top-up) are then merged – through the application of a weight which reflects the estimated proportion of expenditure accounted for by each type. Similarly, we have derived composite market shares in the comparison sector, in this case through the application of two weightings, to take account of the proportion of expenditure accounted for by main and secondary trips and also for the different categories covered by the survey.

5.5 The composite convenience and comparison goods market shares for each zone are then applied to the pot of convenience and comparison expenditure respectively generated by the residents of each zone. Population base data for each zone is provided by MapInfo for 2005, and projected forward to the forecast years of 2008 (the 'base year'), 2011, 2016, 2021 and 2026 using Office of National Statistics Sub-National Population Projections (October 2006) for Charnwood Borough. Per capita expenditure data is also provided by MapInfo, and projections by Experian Ltd. Full details on the growth rates and methodology used are set out in the following section of this report. All monetary figures are expressed in year 2005 prices because MapInfo's expenditure data use this price base.

5.6 It is acknowledged there are minor differences between the market share percentages and the proportions of spending patterns. This is due to variances in the per capita expenditure between the eight survey zones which are not taken into account when calculating market. For example although the retention rate within the study area of comparison goods is shown as 42.7% the actual monetary figure of £300.18m equates to 41 per cent of the overall expenditure.

Comparison Shopping Patterns

5.7 The top part of Spreadsheet CM1 in Appendix 3 sets out the 2008 population in each of the nine survey zones, the 'goods-based' per capita comparison expenditure in 2008, and the 'pot' of comparison expenditure available to residents in each of the survey zones in the 2007 base year. The total comparison expenditure for the 243,994 residents of the study area amounts to £723.5m at 2008. The remainder of Spreadsheet CM1 sets out the market shares – derived from the survey of households – achieved by each of the various centres and retail parks located within and beyond the Charnwood area, expressed as percentages.

5.8 Spreadsheet CM1 then converts the spending patterns to absolute money flows through the application of the percentage market share for each centre to the pot of money available to residents in each zone (that is, the total expenditure for that zone, as shown at the top of spreadsheet CM1). Thus, Spreadsheet CM1 shows that residents of Zone 1 (which covers the southern half of Loughborough, including

Shelthorpe) have £60.95m to spend on comparison goods. Of this total, the vast majority of comparison expenditure- £50.52m – is spent in Loughborough town centre.

5.9 When comparison expenditure flows to Loughborough town centre are combined across all zones, it can be observed that £219.4m of the comparison expenditure of the study area's residents (30.3 per cent of the total pot of expenditure generated by residents of the District) flows to Loughborough town centre.

5.10 The two 'Sub-total for Study Area' rows in Spreadsheet CM1, show, respectively, the proportion and absolute amount of the comparison expenditure of the catchment area's residents which is retained by centres and stores located within the catchment. These are known as the 'retention rate' and the absolute 'retention' of expenditure. As can be seen, the comparison sector retention rate exhibits considerable variation throughout the Borough, as would be expected given the presence of three higher order centres in close proximity to the boundaries of the survey zone. It is encouraging to note the high comparison retention rate exhibited by the zones closest to Loughborough however. The retention rate for Zone 2 is particularly high at 78.0 per cent, with Zone 1 69.2 per cent and Zone 3 (west of Loughborough, including the settlements of Hathern and Shepshed) also has a strong retention rate of 66.8 per cent.

5.11 Zone 4 covers the largely rural Soar Valley area to the east of Loughborough, including the villages of Barrow upon Soar, Sileby and Wymeswold. This area achieves a comparison retention rate of 52.5 per cent, with Leicester attracting just under 30 per cent of comparison goods expenditure.

5.12 Zones 5 (Syston and the rural area to the east) and 6 (including Rothley, Anstey and Markfield) are both within the administrative boundaries of Charnwood but are highly proximate to the Leicester urban area. This is reflected in the comparison retention rates, which are similar for the two zones, at 32.7 and 33.4 per cent respectively. The majority of comparison spending is thus directed towards Leicester, which accounts for 47.0 and 50.5 per cent of expenditure flows from Zones 5 and 6 respectively.

5.13 As would be expected the comparison sector retention rate diminishes in the 'outer zones'. The lowest retention rate is Zone 9 (the M1 corridor to the west of the Borough, including Groby and Ratby), with a retention rate of 12.3 per cent. In this area comparison shopping is directed towards Leicester city centre (which attracts 49.7 per cent of comparison spending), as well as Coalville town centre and Fosse Park.

5.14 The other 'outer zone' with a notably low comparison retention rate is Zone 7 (north of the administrative boundaries of Charnwood, including the settlements of Keyworth, East Leake and Ruddington). Given the proximity of this zone to Nottingham (which, as we have noted previously, sits firmly within the top ten retail destinations in the UK), it

is perhaps unsurprising to note that Nottingham attracts a market share of almost 70 per cent.

5.15 The total amount of catchment area residents' comparison expenditure which is retained by centres and stores within the catchment area is £300.18m. The overall retention rate for all centres and stores within the catchment is therefore some 41.5 per cent (£300.18m divided by the total expenditure of £723.5m, x 100). As we note above, for central zones (i.e. those closest to Loughborough) the retention rate is substantially improved on this figure. Overall we consider the retention rate, given the close presence of Leicester, Derby and Nottingham, to be reasonable. The challenge for the Borough will be maintaining this retention rate in light of the advances in comparison shopping provision underway in the three cities – a point we return to later.

5.16 The remainder of the comparison expenditure of the catchments' residents' flows to centres and stores located beyond the catchment; these flows are known as 'leakage' and they amount to approximately 58.5 per cent of the overall comparison expenditure of catchment residents, or £432.35m.

5.17 The pattern of market shares can be summarised in Table 5.1 below

Table 5.1 – Primary and subsidiary influences for comparison goods

Zone	Dominant Centre (Market Share 40%+)	Centres of Subsidiary Influence (Market Share 10% to 40%)
1	Loughborough	-
2	Loughborough	Leicester
3	Loughborough	Nottingham
4	-	Loughborough Leicester
5	Leicester	Thurmaston Retail Park, Thurmaston
6	Leicester	Loughborough
7	Nottingham	Loughborough Other centres outside catchment
8	-	Loughborough Coalville Leicester Nottingham Other centres outside catchment
9	Leicester	Coalville Fosse Park, Leicester

5.18 The market share of Loughborough Town Centre within the Catchment Area is illustrated on a plan attached at Appendix 4. In addition a plan illustrating the Primary

and Subsidiary influences for comparison goods within each zone is also attached at Appendix 4.

Main Comparison Centres in the OCA

5.19 The survey confirms Loughborough's role as the only substantial comparison retail centre within the catchment area, with an estimated turnover (Zone 1) of £219.38m (we assume that the centre's entire turnover is drawn from residents of the catchment) and an overall market share of 30.3 per cent. The role of Thurmaston District Centre should also be noted: Thurmaston attracts £18.9m of comparison goods spending from within the OCA, virtually all of this from Zones 4 and 5. Due to Thurmaston's position virtually on the southern boundary of the Borough (where it meets the boundary of Leicester City) we expect Thurmaston's 'sphere of influence' to extend significantly further than the immediate Zone 5 catchment however, and attract significant levels of spending from within the Leicester conurbation, due to the centre's functional role as the principal out-of-centre retail destination on the northern side of Leicester.

5.20 Within the catchment area the only other centres accounting for significant comparison spend are Shepshed and Syston (Table 5.2).

Table 5.2 Main Comparison Goods Centres Within the OCA

Centre	Total Comparison Turnover 2008	Turnover as a proportion of total study area expenditure
	(£m 2005 prices)	(%)
Loughborough	219.38	30.3
Thurmaston District Centre	18.94	2.62
Syston	10.98	1.52
Shepshed	4.71	0.65

5.21 When we look at the role of the District Centres it is important to look at the retention rate they achieve from the zone in which they are situated as this should be their 'primary' catchment. Some of the centres are within the same zone and therefore their market share is combined. Table 5.3 below summarises each Centres retention rate for comparison expenditure.

Table 5.3 District Centre Comparison Expenditure Retention Rates

Centre and Zone	Overall Market Share	Market Share from Zone	Main Leakage
Anstey and Birstall Zone 6	0.81%	3.68%	Loughborough Leicester
Barrow upon Soar and Sileby Zone 4	0.13%	0.61%	Loughborough Leicester
Shepshed Zone 3	0.64%	5.32%	Loughborough Nottingham

Syston Zone 5	1.54%	9.69%	Thurmaston Leicester
Thurmaston	2.7%	14.05%	Leicester

5.22 The main area for concern as highlighted in the previous section is the performance of Shepshed. Syston which is a similar size is achieving a higher market share particularly from the zone in which it is located. Syston also has to compete with Thurmaston and Leicester in the same way that Shepshed has to compete with Loughborough and so there is some potential for this market share to be improved.

Comparison Centres Outside the OCA

5.23 The survey results indicate that, at 2008, some 58.5 of the comparison expenditure of the catchment area's residents (equivalent to £423.35m of comparison goods spending) currently flows to centres outside the catchment area.

5.24 Leicester city centre and various retail parks accounts for the majority of this leakage, accounting for £184.18m of comparison goods expenditure across all nine zones. Fosse Park, given its strong comparison goods shopping offer, is classed separately, and Spreadsheet CM1 indicates that Fosse Park account for 5.14 per cent of spending flows (some £37.18m). As we note above, flows to Leicester are particularly strong from zones 5 and 6, and for residents in these zones Leicester is the most convenient destination for comparison goods shopping – as well as being a higher order centre than Loughborough.

5.25 Nottingham (city centre and Riverside Retail Park) accounts for 15.1 per cent of comparison goods expenditure across all nine zones (£109.58m), with particularly strong leakage from Zone 7, given the proximity of residents of this zone to Nottingham (again, this means that Nottingham not only holds a stronger comparison retail, but is also the most convenient destination for many residents in this zone – particularly Ruddington and Keyworth, which are highly proximate to the Nottingham urban area). Zones 3 and 8 also have significant flows of comparison goods expenditure to Nottingham.

5.26 Derby accounts for a smaller proportion of 'leakage' in comparison to Nottingham and Leicester, with £12.52m (1.74 per cent of total OCA expenditure) of expenditure from the nine survey zones being directed to Derby. Derby attracts a market share of 8.5 per cent from Zone 8 but attracts comparatively little spending from elsewhere in the catchment. Nevertheless Derby's retail offer has recently been enhanced through the opening of Westfield Derby and it is possible this market share could increase in the near future.

Convenience (Food and Groceries) Shopping Patterns

5.27 The top part of Spreadsheet CV1 of Appendix 3 sets out the 2008 population in each of the nine survey zones, the per capita expenditure in 2008, and the 'pot' of convenience expenditure available to residents in each of the survey zones in the 2008 base year. The total convenience expenditure for the 243,994 residents of the catchment area amounts to £386.1m. The remainder of Spreadsheet CV1 sets out the market shares – derived from the surveys of households – achieved by each of the various centres and stores located within and beyond the catchment area, expressed as percentages.

5.28 Spreadsheet CV1 then converts the spending patterns to absolute money flows through the application of the percentage market share for each centre to the pot of money available to residents in each zone. For example, residents of zone 1 have £49.14m available to spend on convenience goods; of this total, £43.43m is spent in the various foodstores in Loughborough (£33.12m in Zone 1 and £10.31m in Zone 2). A substantial proportion of this – some £29.32 m – is spent at the Tesco Extra store in Loughborough.

5.29 The two 'Sub-total for Catchment' rows in Spreadsheet CV1 show, respectively, the proportion and absolute amount of the convenience expenditure of the catchment area's residents which is retained by centres and stores located within the catchment. As with the comparison sector, these are known as the 'retention rate' and the absolute 'retention' of expenditure. The convenience sector retention rate various enormously between the nine survey zones. Positively, the zones covering Loughborough, zones 1 and 2, have extremely high retention rates of 90.3 and 91.8 per cent respectively, indicating that fewer than one in ten residents travel further afield than Loughborough to undertake their convenience shopping. Conversely, the retention rate in Zone 9 (the M1 corridor to the west of the Borough, including Groby and Ratby) is just 8.7 per cent, indicating the vast majority of residents travel outside the catchment for their convenience shopping (although this may in part be a reflection of the limited range of convenience goods stores in this area). As a general rule, the 'inner zones' (i.e. zones 1-6, which form the administrative boundary of Charnwood) exhibit a greater retention rate than the 'outer zones'.

5.30 The total amount of convenience expenditure which is retained by centres and stores within the OCA is £234.8m

5.31 The overall convenience sector retention rate, therefore, is about 61 per cent. However, as noted above, within this level retention varies very widely. Around Loughborough the existing level is relatively high; for those zones where it is considerably lower, the 'leakage' that is taking place relates in the main to short distance actual flows to just outside the OCA, to destinations such as Nottingham (in

the case of Zone 7), Coalville (for residents in Zone 8), and Leicester/Fosse Park (particularly in the case of zone 9). In total, 'leakage' of convenience goods expenditure equates to £151.32m (39.2 per cent of total convenience expenditure in the OCA at 2008).

5.32 The market shares for Convenience expenditure are summarised in Table 5.4 below and on a Plan attached in Appendix 4.

Table 5.4 – Primary and subsidiary influences for convenience goods

Zone	Dominant Stores (Market Share of 30%+)	Subsidiary Stores (Market Share 10 to 30%)
1	Tesco Extra, Loughborough	-
2	Morrisons, Loughborough	Tesco Extra, Loughborough Sainsbury's, Loughborough
3	Co-Op, Shepshed	Tesco Extra, Loughborough Morrisons, Coalville
4	-	Tesco Extra, Loughborough Sainsbury's, Loughborough Asda, Thurmaston
5	Asda, Thurmaston	Somerfield, Syston Tesco Extra, Hamilton
6	-	Tesco Extra, Loughborough Tesco Extra, Beaumont Leys
7	-	Asda, West Bridgford, Nottingham Morrisons, Gamston, Nottingham Sainsbury's, Castle Marina, Nottingham Other stores outside catchment
8	-	Tesco Extra, Loughborough Morrisons, Coalville Tesco, Ashby-de-la-Zouch Other stores outside catchment
9	-	Morrisons, Coalville Tesco Extra, Beaumont Leys Other stores – Coalville Other stores outside catchment

Main Convenience Stores within the OCA

5.33 The survey findings indicate that foodstores within Loughborough dominate convenience shopping patterns over zones 1-4 (and to a lesser, but not insignificant extent, zones 5 and 6). It is evident from Spreadsheet CV1 that a considerable majority of this spending is accounted for the (recently extended) Tesco Extra store at Park Road, Shelthorpe. This store holds a market share of just under 60 per cent of residents in zone 1, and between 20 and 30 per cent for zones 1 to 4. The Tesco store is estimated to generate in the region of £77.3m of turnover from residents in the nine survey zones.

5.34 Other stores in Loughborough also account for significant levels of convenience goods spending. In particular the Morrisons at Gorse Covert District Centre and Sainsbury's at Greenclose Lane, on the edge of Loughborough town centre, attract significant levels of spending from residents in Zone 2 (the northern side of Loughborough), with Morrisons in particular attracting a market share of 43.2 per cent of Zone 2 residents. The Morrisons store attracts £25.5m of expenditure across the nine survey zones, with Sainsbury's attracting £26.4m.

5.35 Other stores in Loughborough (zones 1 and 2) account for relatively little in comparison, with the Somerfield in Loughborough town centre attracting £7.4m, and Aldi attracting £4.5m of expenditure in total.

5.36 Other destinations in the District also attract significant levels of expenditure from their immediate catchment. To the south of the District, convenience shopping patterns are dominated by the Asda store at Thurmaston (which has, for example, a 46.2 per cent market share for Zone 5 and a 15.4 per cent market share for Zone 4), which attracts £34.6m of expenditure from within the catchment. As discussed previously, it should be noted that as the Asda store is close to the boundary of the catchment area, it is expected the store will draw considerable additional trade from outside the study area, from the northern side of Leicester, even though it attracts relatively little expenditure from elsewhere in the OCA aside from Zones 4 and 5.

5.37 The Co-Op supermarket at Hall Croft, Shepshed, attracts a market share of 31.7 per cent from Zone 3 (Shepshed), and generates £10.7m of expenditure from within the catchment, almost this is almost entirely from residents in Zone 3.

5.38 Other stores within the catchment attract much lower market shares, although it can be observed that there is a small but significant local convenience role fulfilled by many of the catchment's smaller centres, with for example the Somerfield stores in Barrow upon Soar and Syston, and the Co-Op store in East Leake performing strongly amongst their respective local catchments.

5.39 In our assessment the turnovers achieved by the majority of foodstores in the district are broadly in line with the levels to be expected of stores of their type and location. However there is some evidence of over-trading at the Tesco Shelthorpe store which in turn has implications for the level of future convenience floorspace requirements in the district as a whole. We return to this issue in later sections of our report.

Table 5.5 Main Convenience Centres within the OCA

	Estimate* of Total Convenience Turnover	Turnover as a proportion of total study area expenditure
	£m (2005 Prices)	(%)
Tesco Extra, Park Road, Loughborough	77.32	20.02
Asda, Thurmaston	34.58	8.96
Sainsburys, Greenclose Lane, Loughborough	26.37	6.83
Morrisons, Gorse Covert, Loughborough	25.51	6.61
Co-Op, Hallcroft, Shepshed	10.66	2.76
Somerfield, Market Street, Loughborough	7.42	1.92
Somerfield, Syston	7.28	1.89
Somerfield, Birstall	5.41	1.40
Co-Op, East Leake	4.88	1.26
Co-Op, Syston	4.53	1.17
Aldi, Belton Road, Loughborough	4.53	1.17

Convenience Stores Outside the OCA

5.40 As noted above, the survey results demonstrate that approximately 39 per cent of the convenience expenditure of the catchment's residents flows to stores and centres outside the catchment. As with comparison shopping patterns, stores in Leicester and Nottingham are the dominant locations for spending outside the catchment. Stores with particularly notable trade draws include Morrisons in Coalville (which attracts £27.0m from all survey zones), Tesco store at Beaumont Shopping Centre, Beaumont Leys, Leicester (£20.8m from all survey zones), and Asda, Sainsbury's, Morrisons and other stores in Nottingham (£22.47m in total, although almost entirely from residents of Zone 7).

5.41 As would be expected, and as identified previously, the flows are disaggregated according to the distribution of centres around the district, so that Leicester for example attracts most of the its trade from the district from zones 5 and 6 (and to a certain extent zone 9), Nottingham from zone 7, and Coalville and Ashby de la Zouch from zones 8 and 9.

Analysis of Convenience Market Shares by Individual Zone

5.42 Analysis of market shares and spending patterns by individual zones confirms that in two zones (1 and 2) upwards of 90 per cent of available convenience expenditure is retained within the OCA, reflecting the strong convenience retail offer in Loughborough through the presence of Tesco, Sainsbury, Morrisons, Somerfield and Aldi stores. Elsewhere in the OCA:

- zones 3 and 4 also demonstrate reasonably high retention rates of 78.9 and 81.8 per cent respectively, within notable flows outside the OCA to Morrisons in Coalville (zone 3) and Tesco, Beaumont Leys (zone 4);
- zones 5 and 6 retain 74.8 and 64.8 per cent of convenience goods expenditure respectively, with the majority of remaining expenditure directed to superstores in north Leicester, principally Tesco stores in Hamilton (zone 5) and Beaumont Leys (zone 6);
- zone 7 has a low retention rate of just under 30 per cent, with the majority of residents travelling outside the OCA to stores on the southern side of Nottingham (Asda at West Bridgford; Morrisons at Gamston and Sainsbury's at Castle Marina);
- zone 8 also has a low retention rate of 39.1 per cent, with the majority of convenience goods expenditure flowing outside the OCA to Morrisons at Coalville and Tesco at Ashby de la Zouch; and
- zone 9 has the lowest retention rate of any of the zones within the OCA, at just 8.7 per cent. Expenditure flows are split between stores in Coalville, and the Tesco store at Beaumont Leys.

5.43 As with the comparison shopping patterns however it is important to emphasise that in most cases the flows out of the district are short-distance shopping trips which cross the boundary of the OCA but are often more conveniently located than those within the OCA. In other words, these stores in Leicester, Nottingham, Ashby or Coaville will, in practice, be the most convenient locations for many residents of Zones 5-9.

Conclusions on Retail Spending Patterns

5.44 The survey of households has shown that:

- Collectively, some 61 per cent of expenditure on convenience goods and 41.5 per cent of expenditure on comparison goods is retained within the OCA. In the context of the competing higher order centres in close proximity to the boundaries of the OCA, we consider this to be a reasonable achievement, although given the forthcoming comparison goods retail developments in these centres, it may prove challenging for the OCA to retain this share;
- Of the total available comparison goods expenditure of £723.5m, £300.2m is retained within the OCA and £432.5m is lost as 'leakage' to surrounding centres outside the boundaries of the OCA.
- Zone 1 which covers Loughborough town centre and the Tesco at Shelthorpe retains approximately 30.3 per cent of the overall comparison goods expenditure, which can be considered a reasonable performance given the presence of the

higher order centres. There are no other centres of similar status to Loughborough within the boundaries of the OCA with the next most important centre in the OCA – Thurmaston District Centre – achieving a market share of just under 3 per cent of the total expenditure in the OCA.

- The principal destinations to which comparison goods expenditure is lost are Leicester (£184.2m), Nottingham (£109.6m) and Fosse Park (£37.18m).
- The main outflows (or leakage) of convenience expenditure is to stores just outside the OCA boundary – such as Tesco in Beaumont Leys, Leicester, and Asda in West Bridgford, Nottingham. These stores are often more convenient for residents in the 'outer zones' than stores within the OCA. In total leakage accounts for£151.3m;
- The 'inner zones' exhibit high levels of convenience goods retention, with convenience retention rates in Zones 1 and 2 upwards of 90 per cent. We consider this to be a strong performance. In total £234.81m of convenience goods expenditure is retained within the OCA.

6 QUANTITATIVE RETAIL CAPACITY ANALYSIS

Summary of Methodology and Data Inputs

6.1 The main steps in the assessment of the quantitative capacity for further retail floorspace are conceptually the same for both the comparison and convenience goods sectors. The methodology is summarised below, together with information on the various data inputs that we have used for our assessment of quantitative retail capacity. This can be summarised in the following stages:

i) Use of the household survey data to establish the comparison and convenience goods spending patterns of residents of the overall catchment area (OCA) and assess the overall retention of expenditure by centres and stores located within the catchment area;

ii) forecast the growth in the comparison and convenience goods expenditure of the District's residents from 2008 to 2011, 2011 to 2016, 2016 to 2021, and from 2021 to 2026, taking account of population change and real growth, over and above inflation, in per capita spending levels;

iii) make allowances for 'claims' on retail expenditure growth, which are:

1 the growth in *'turnover efficiency'* (turnover per sq.m sales area) for existing retailers, of 2.0 per cent, per annum, for comparison retailers, based on Experians Retail Planner Briefing Note 4.0 For the convenience sector, we have used a turnover efficiency gain of 0.2 per cent, per annum. We have used the floorspace efficiency growth rates in two ways – firstly to predict the turnover requirements of existing retailers at the various modelling years; and secondly to arrive at the sales density ratio which we use to calculate floorspace requirements; and

2 existing commitments for significant retail development within the OCA; and then;

iv) convert the resulting residual expenditure (that is, growth in retained expenditure, less the two 'claims' as above on it) to a potential sales floorspace 'capacity' for both convenience and comparison goods.

6.2 Each of the data inputs is important, but the three particularly critical inputs are the rate of population change; the rate of per capita expenditure growth; and the retention rate assumption.

6.3 In particular in relation to per capita expenditure growth it is necessary to take into account potential changes in the proportion of expenditure spent via non-store activity,

i.e. special forms of trading. Of this, changes in internet based retailing will be significant. Special Forms of Trading is forecast in Experian's 'Retail Planner Briefing Note 5.0' (October 2007). Based on this forecast, we assume that Special Forms of Trading accounts for 12.1 per cent in 2008, rising to 14.1 per cent in 2011, 14.4 per cent in 2016, and remains at this level thereafter. SFT discounts have thus been applied to forecast expenditure at each of the reporting years

6.4 Our capacity forecasts extend to 2026. However, we advise that long-term forecasts, whilst valuable for strategic planning purposes, should be regarded as subject to increasing uncertainty in the later parts of the study period and should be kept under regular review. In our later section on recommendations we focus on requirements to 2016.

Population Growth

6.5 Population data for each of the nine survey zones is provided by MapInfo for the year 2005. We have projected this population forward to 2008 (the base year of the study), and the subsequent reporting intervals of 2011, 2016, 2021 and 2026 using growth rates implied by the Office of National Statistics Sub-National Population Projections (published October 2006) for Charnwood Borough. We consider that Sub-National Population Projections are the most up-to-date and reliable source of population forecasting, and the use of ONS data is consistent with the approach taken by Leicestershire County Council for their population forecasts for the county. The zone populations are then summed to give a total for the OCA (i.e. the Borough and the three 'outer areas' zones) as a whole.

6.6 The ONS data takes account of some of the population growth as part of the planned growth areas, but does not take into consideration all of the growth anticipated as part of the sustainable urban extensions. We therefore consider the implications of this growth for further floorspace provision later in this report.

6.7 Using this method, the resident population across the OCA is forecast to rise from 243,994 (in the base year of 2008) to 248,068 in 2011; 253,650 in 2016; 259,255 in 2021 and 265,141 in 2026. This represents an increase of 21,147 persons over the study period, equivalent to a total population increase of 8.7 per cent[26].

Per Capita Expenditure Growth Rates

6.8 Per capita growth rates utilised in the study are provided by using a combination of 'real growth' figures produced by MapInfo, and forecast figures produced by MapInfo and Experian. The growth rates used are set out in Table 6.1 in Appendix 3.

[26] MapInfo's base for population statistics incorporates students who are assumed to be in residence at their term-time address

Variation of the Retention Rate

6.9 The other critical variable is the overall future retention rate assumption. For the purposes of this study we present the findings assuming a 'static' retention rate for comparison and convenience goods expenditure. The scenario assumes constant market shares, so that the retention rate established for the position in the base year of 2008 – which has been derived from the household surveys – remains the same in the interval years of 2011, 2016, 2021 and 2026. The household surveys have indicated that the OCA presently has a retention rate of 41.5 per cent for comparison goods expenditure, and 61 per cent for convenience goods expenditure.

6.10 We acknowledge the policy objective to secure regeneration and enhancement of the town centre retail and leisure offer to ensure that the role of Loughborough is safeguarded in future. Equally, however, it is important to ensure that the floorspace forecasting is undertaken on a realistic basis. In this context we note that major centres outside Charnwood which currently attract a significant proportion of the district's comparison expenditure – Leicester, Derby and Nottingham – are all the subject of recent or planned expansion, which will increase their attractiveness and thus exert a downward pressure on the current comparison goods retention rate.

6.11 Taking these factors into account we believe that the static retention rate is the most appropriate assumption for this study. Although short-term fluctuations are likely we believe that it is appropriate and realistic for the Council to be planning for a stable market share over the study period. Such an objective would conform to the aims of the Loughborough Town Centre masterplan which states, for example, at p5 that *'Loughborough town centre has to develop and improve if it is to maintain its position within the Three Cities sub-region'* (our emphasis).

Quantitative Assessment of Need for Further Comparison Sector Floorspace

6.12 We have not sought to establish the individual capacities for each of the various centres within the OCA, because the assessment of the capacity of individual centres based on constant market shares means little. In any event, the structure of the OCA's retail hierarchy – with only one large centre - means that the spatial options for the provision of new development are limited. Rather, we have taken a macro approach which assesses the overall amount of residual expenditure likely to be generated by residents of the whole of the study area, prior to making recommendations as to where any residual should be met, taking into account the hierarchy of existing centres and the sequential approach.

6.13 As we have noted above, for both comparison and convenience expenditure, the forecast has been based on the OCA achieving a static rate of retention of expenditure. It is necessary to be realistic about the level of expenditure retention that can be achieved – relatively small changes in percentage terms can equate to significant alterations in the monetary value of expenditure flows. Retention rates can rise or fall slowly over time, reflecting the changing position of centres in the regional retail hierarchy. Given the strong competing centres which lie within close proximity to the study area boundary (Leicester, Derby and Nottingham) which are each in the process of enhancing their retail offer, we feel it is unrealistic to forecast for a retention uplift scenario, and that the focus for retail development within the OCA, and particularly Loughborough, should be on ensuring the current retention rate is maintained.

6.14 Given the presence of higher-order centres relatively close to the catchment area boundary, a significant element of comparison expenditure outflow will be inevitable and is a normal part of the functioning of the retail hierarchy. The so- called 'polarisation' trend referred to in previous sections of this report means that some of the UK's top quality retailers are now unwilling to consider locating in any centre which ranks below 50 in the national rankings.

6.15 With this background in mind, we turn to our assessment of quantitative need in the comparison sector.

Forecast Growth in Comparison Expenditure of OCA Residents

6.16 Spreadsheets CM1, CM2, CM3, CM4 and CM5 of Appendix 3 provide the projections for population, per capita spending and the overall comparison goods spend for residents of each of the nine zones in 2008, 2011, 2016, 2021 and 2026 respectively. The spreadsheets show the population of each of the survey zones using ONS projections as described above; expenditure per capita (in 2005 prices), and the total amount of comparison goods expenditure available to residents in that zone (derived by applying the population to the per capita expenditure). The figures indicated here make allowance for a deduction of Special Forms of Trading, as noted above, using forecasts provided by the Experian Retail Planner Briefing Note 5.0.

6.17 Table 6.1 below summarises the projected growth in comparison spending for residents in the whole of the Charnwood study area at the base year of 2008, and subsequent interval years, derived by applying the growth rates supplied by MapInfo (to 2006) and Experian (2007 onwards), as detailed above. All figures shown are in 2005 prices.

Table 6.1 Projected Growth in the Comparison Expenditure of OCA residents, £m (2005 Prices)

	2008	2011	2016	2021	2026	Change 2008-11	Change 2011-16	Change 2016-21	Change 2021-26	Change 2008-26
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Total Comparison Expenditure (Goods Based)	723.5	774.8	897.8	1,111.1	1,375.9	51.2	123.0	213.3	264.8	652.3

6.18 Spreadsheet CM1 of Appendix 3 also distributes the available comparison expenditure using the result of the household survey for the base year of 2008. The same exercise is subsequently repeated on Spreadsheets CM2, CM3, CM4 and CM5 of Appendix 2, which distribute the available comparison expenditure (assuming constant market shares for each centre) to 2011, 2016, 2021 and 2026 respectively.

Static Retention Rate

6.19 Spreadsheet CM6 sets out the summary of the comparison goods capacity analysis assuming that the market share remains at 41.5 percent.

6.20 The initial surplus is based upon the retained element (i.e. the 41.5 percent) of the projected growth highlighted above in table 7.1. It is necessary however to consider any claims on this growth which may impact on this initial surplus: we address this below.

Allowances for Claims on Comparison Expenditure Growth

6.21 As seen in Spreadsheet CM6 the main deductions for the claims on the initial surplus of comparison expenditure are the allowances for existing retail planning commitments and increased floorspace efficiency.

6.22 We have been provided with a schedule of existing commitments to take into account by the Borough Council. The only significant outstanding comparison commitments are the installation of mezzanine floorspace at two units at Thurmaston Retail Park. Using published company turnover averages (or equivalent) for the occupiers of these stores (which we understand to be Boots the Chemist and Blacks Leisure); we have estimated the combined turnover of these developments to be £3.17m from within the catchment at the base year.

6.23 The claims for increased floorspace productivity are detailed earlier in this section. If we assume that the turnover of these stores will increase by 2 per cent, per annum, the commitments amount to £4.53m at 2026.

6.24 Table 6.2 below summarises the residual capacity given the growth in population and expenditure and taking into account the claims on this growth.

Table 6.2 Initial Comparison Retail Expenditure Residual (Static Market Share)

	Change 2008-11	Change 2011-16	Change 2016-21	Change 2021-26	Change 2008-26
Static retention	£m	£m	£m	£m	£m
Initial Surplus	21.3	51.1	88.5	109.9	270.6
Claims on Capacity	18.6	33.5	37.0	40.8	129.9
Residual	**2.7**	**17.5**	**51.5**	**69.0**	**140.7**

Converting Residual Comparison Expenditure to Net Sales Floorspace Requirements

6.25 Table 6.2 therefore indicates that there is likely to be very little residual expenditure available to support new floorspace development in the short term – with expenditure growth of just £2.7m between 2008 and 2011. Over the whole of the study period, to 2026, residual expenditure increases by £140.7m.

6.26 In order to translate residual expenditure into floorspace, it is necessary to apply a 'floorspace efficiency rate'. Spreadsheet CM6 shows that for the purposes of the study, a 'low scenario' and 'high scenario' floorspace efficiency rate is utilised. The higher rate is typical of 'High Street'-type retail developments whilst the lower level is closer to what could be expected to be achieved by a range of 'bulky goods' or retail warehouse-type stores.

6.27 The floorspace efficiency rate for the high turnover scenario represents the forecast comparison goods turnover of stores in Zone 1 (Loughborough), divided by the total comparison floorspace in Loughborough town centre (including Regent's Place and The Rushes Shopping Centre) and the estimated non-food turnover of the Tesco Extra store in Shelthorpe, Loughborough[27], which also falls within the zone. This generates a total comparison goods floorspace of 40,232 sq.m (net), equating to a comparison goods turnover of £5,442 per square metre in Zone 1 in the base year of 2008.

6.28 By applying the aforementioned increases in floorspace efficiency of 2.0 per cent, per annum, a 'composite' floorspace efficiency rate of £5,775 per sq.m subsequently generated for 2011, rising to £6,377 per sq.m in 2016; £7,040 in 2021 and £7,773 in 2026.

6.29 The floorspace efficiency rate for the low turnover scenario is assumed to be £2,700 per sq.m in 2005. Applying the 2.0 per cent, per annum turnover efficiency increase generates a 'composite' floorspace under this scenario of £2,865 per sq.m in 2011; £3,163 in 2016; £3,493 in 2021; and £3,856 per sq.m in 2026.

6.30 Table 6.3 draws together the findings and converts the residual expenditure totals into theoretical net sales floorspace requirements. It shows that, across both scenarios,

[27] Estimated non-food floorspace in this store is 2,468 sq.m (net)

there is relatively little need for additional comparison retail floorspace in the immediate period.

- Under the 'low turnover (i.e. bulky goods) scenario, there is a requirement for only approximately 936 sq.m of net retail floorspace in the period to 2011. This increases to 5,546 sq.m by 2016; 14,475 sq.m by 2021 and 17,895 sq.m by 2026. Adding together these requirements generates a total comparison floorspace requirement under this scenario of 39,122 sq.m net.
- Under the 'high turnover' (i.e. High Street) scenario, given the more efficient turnover rates employed by retailers in such locations, the floorspace requirements are substantially lower (approximately half that of the 'low turnover' scenario). There is a requirement for approximately 465 sq.m net comparison goods floorspace in the OCA by 2011 under this scenario, rising to 2,752 sq.m by 2016; 7,315 sq.m by 2021; and 8,878 sq.m by 2026. This generates a total additional net requirement of 19,409 sq.m of comparison goods floorspace over the period 2008-2026.
- Under both scenarios there is therefore a notable increase in the amount of comparison goods floorspace towards the end of the study period – from 2021 onwards.

Table 6.3 – Conversion of expenditure surplus to comparison floorspace requirements (assumes static retention rate)

COMPARISON	2008-11	2011-16	2016-21	2021-26	2008-26
Goods Base Residual (£m)	**2.7**	**17.5**	**51.5**	**69.0**	**140.7**
Assumed Floorspace Efficiency, £ per sq.m sales area - low turnover	2,865	3,163	3,493	3,856	
Floorspace Requirement, sq.m net sales area	**936**	**5,546**	**14,745**	**17,895**	**39,122**
Assumed Floorspace Efficiency, £ per sq.m sales area - high turnover	5,775	6,377	7,040	7,773	
Floorspace Requirement, sq.m net sales area	**465**	**2,752**	**7,315**	**8,878**	**19,409**

6.31 Therefore, assuming static rates of expenditure retention, we forecast that a requirement exists within the OCA for the development of between 19,409 sq.m net (derived from high floorspace efficiency / static retention) and 39,122 sq.m net (low floorspace efficiency / static retention) of comparison goods floorspace between the base year of 2008 and the end year of 2026.

6.32 We should take a point within this range to work around and we would suggest that two thirds of the identified floorspace requirement should be for 'high street' type retailers, i.e. the high turnover scenario, and one third the 'bulky good –large format' type

retailers i.e. the low turnover scenario. This would equate to the following requirements set out in Table 6.4 below:

Table 6.4 Mid Range Comparison Floorspace Requirements

COMPARISON	2008-11	2011-16	2016-21	2021-26	2008-26
Goods Base Residual (£m)	**2.7**	**17.5**	**51.5**	**69.0**	**140.7**
Floorspace Requirements sq m net sales area	626	3674	9792	11883	25975

6.33 In previous retail studies Roger Tym and Partners have tested a further scenario, whereby rates of expenditure retention increase as the centre makes advances in its retail offer. However we do not consider this to be a salient approach for the purposes of this study given the presence of the three higher order centres in close proximity to the boundaries of the OCA, which ensure that any significant uplift in retention rates within the OCA is unlikely to take place.

6.34 The comparison expenditure capacity forecasts should be interpreted with some care. First, we would stress however that whilst valuable for strategic planning purposes, such forecasts – particularly over the longer term - should be regarded as subject to increasing uncertainty in the later parts of the study period and should be kept under regular review. Figures quoted above for the floorspace requirements towards the end of the study period should thus be treated with caution.

6.35 Second, it should be emphasised that these are illustrative only; the level of expenditure required to support any given proposal will vary according to a range of factors including the format of floorspace, location, and the identity of store operators.

6.36 Third, the positive capacity residual in the comparison sector does not necessarily imply that there is scope for further out-of-centre development; it will be necessary to evaluate any individual proposals as they come forward in the light of the specific format of retailing proposed, and the scale of identified requirements. Indeed, any proposals which come forward in out-of-centre locations will need to be subject to the stringent application of the five key national policy tests and there must be no risk of any harm to the vitality and viability of the catchments' town centres.

6.37 We do not believe that any significant over trading it taking place in terms of comparison floorspace and so we have not factored this into the floorspace requirements.

The Effect of Visitor Spending

6.38 The Household Survey only gives a picture of the spending of residents of the catchment area and therefore does not allow for any inflow from outside the

catchment. This is much harder to predict as even a visitor survey i.e. questioning people in the street and identifying their postcode, will not give an accurate picture as visitor spending can be skewed by the weather, by local events that may attract visitors and by the time of year.

6.39 In studies we have undertaken elsewhere in locations where tourist spending is known to be of particular significance to the local economy, we have made assumptions in previous studies that visitor spending could account for up to 5-10 per cent of a centre's turnover. However, we are not aware of evidence to justify doing so here – none of the principal centres within the OCA are considered to fulfil a tourist-based role in addition to serving the retail needs of the catchment. In any event in our assessment an attempt to include a realistic level of tourist/visitor spend in this study would be likely to have a marginal effect only on the outcome of the analysis.

6.40 We would therefore advise that the limited levels of potential inflow should not be included in the base data for predicting future floorspace requirements.

Summary of Quantitative Need in the Comparison Sector

6.41 There is an identified quantitative need for additional comparison retail floorspace within the OCA, when based on constant market shares of between 19,409 sq.m and 39,122 sq.m net over the period to 2026. As explained above the majority of this requirement is generated towards the end of the study period, post-2021. In the near term (to 2011) there is a relatively low requirement of between 465 and 936 sq.m net for the OCA to maintain its current market share.

Quantitative Assessment of Need for Further Convenience Sector Floorspace

6.42 As with the comparison sector, we have not sought to establish the individual capacities for each of the various centres within the OCA, and have instead taken a macro approach which assesses the overall amount of residual expenditure likely to be generated by residents of the whole of the district. We then make recommendations as to where, geographically, any residual should be met, taking into account the hierarchy of existing centres and the sequential approach.

6.43 The survey results indicate that the OCA retains 61 per cent of available convenience expenditure – which can be considered reasonable considering the presence of large retail foodstores just outside the catchment boundary to the north of Leicester and south of Nottingham (as we identified in the previous section, it is evident that retention of convenience goods expenditure is considerably stronger within the 'inner zones' of the OCA). The 'leakage' that does take place consists in the main of short distance flows to stores just outside the boundary of the OCA. Thus, we consider that there is

limited scope to increase the overall convenience sector retention rate above the current rate of 61 per cent.

Forecast Growth in Convenience Expenditure of OCA Residents

6.44 The forecast growth in convenience goods expenditure of the residents of the district arises from population growth in the period from 2008 to 2026 (as described at the beginning of this section), and an increase over time in per capita spending levels. The results can be seen in Spreadsheet CV1. MapInfo supplied base per capita spending levels for the year 2005 for each of the nine expenditure areas within the OCA. These forecasts have subsequently been rolled forward to the base year of 2008, and the forecast years of 2011, 2016, 2021 and 2026. The per capita growth rates we have applied are illustrated in Table 7.1 of Appendix 3.

6.45 Spreadsheets CV1, CV2, CV3, CV4 and CV5 therefore show the resultant projections for population, per capita expenditure on convenience goods, and overall convenience goods spending for residents of each of the nine study area expenditure zones for the years 2008, 2011, 2016, 2021 and 2026 respectively. The figures indicated here make allowance for a deduction of Special Forms of Trading, as noted above, using forecasts provided by the Experian Retail Planner Briefing Note 5.0.

6.46 Table 6.5, below, summarises the projected growth in convenience spending for residents in the whole of the study area.

Table 6.5 Projected Growth in the Convenience Expenditure of Residents of the OCA , £m (2005 Prices)

	2008	2011	2016	2021	2026	Change 2008-11	Change 2011-16	Change 2016-21	Change 2021-26	Change 2008-26
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Total Convenience Expenditure (Goods Based)	386.1	389.4	403.2	431.0	460.9	3.3	13.8	27.8	30.0	74.8

6.47 Spreadsheet CV1 of Appendix 3 distributes the available expenditure using the results of the household survey for the 2008 base year. The spreadsheet also shows the resultant turnover that each centre draws from the OCA under the constant market share scenario. The same exercise is continued in spreadsheets CV2, CV3, CV4 and CV5 which distribute the available convenience expenditure - assuming constant market shares, for each centre/store up to 2011, 2016, 2021 and 2026 respectively.

6.48 Spreadsheet CV6 sets out the summary of the convenience goods capacity analysis assuming that the market share remains at its current level of 61 percent.

6.49 The initial surplus is based upon the retained element (i.e. 61 per cent) of the projected growth highlighted above in table 7.6. As with the comparison forecasts it is also necessary to consider any claims on convenience expenditure growth.

Allowances for Claims on Convenience Expenditure Growth

6.50 Before the increases in retained convenience expenditure can be converted into theoretical floorspace requirements, it is necessary to consider whether there are any commitments that need to be taken into account. We are only aware of the one 'claim' on future convenience expenditure growth in the OCA, which is an extension to Sainsbury's in Loughborough town centre. Planning approval has been granted for a 1,372 sq.m (gross) extension to the store, equivalent to approximately 960 sq.m (net) of additional convenience floorspace (assuming all of the new floorspace is convenience). It is our understanding that Sainsbury's are currently preparing a revised scheme for this site, but in the absence of any more up-to-date planning application we assume any revisions to the scheme will be broadly similar in size. Using the average floorspace turnover for the company it is expected any extension to Sainsbury's will account for £4.57m of expenditure in 2008, rising to £4.74m by 2026.

6.51 Further deductions are necessary in order to allow for the likely growth in productivity amongst existing retailers within the district of 0.2 per cent, per annum, as described above. This same approach has been applied to forecasting the turnover of the Sainsbury's store to 2026.

6.52 Combining these two 'claims' results in total claims on capacity of £1.4m over the period to 2011, rising to £2.5m by 2026, and totalling £8.8m over the study period.

6.53 Table 6.6 below summarises the residual capacity given the growth in population and expenditure and taking into account the claims on this growth.

Table 6.6 Initial Convenience Retail Expenditure Residual (Static Market Share)

	Change 2008-11	Change 2011-16	Change 2016-21	Change 2021-26	Change 2008-26
Static retention	£m	£m	£m	£m	£m
Initial Surplus	2.0	8.4	16.9	18.2	45.5
Claims on Capacity	1.4	2.4	2.4	2.5	8.8
Residual	**0.5**	**6.0**	**14.5**	**15.8**	**36.7**

Converting Residual Expenditure to Net Convenience Retail Floorspace Requirements

6.54 In order to translate residual expenditure into an illustrative floorspace requirement, it is again necessary to apply a 'floorspace efficiency rate'. Spreadsheet CV6 shows that for the purposes of this evaluation we have again utilised a 'low scenario' and 'high scenario' floorspace efficiency rate, with the former reflecting 'High Street'-type retail developments and the latter discount retailers such as Aldi or Lidl. For both scenarios,

the lower levels of expenditure growth in the convenience sector (in relation to the comparison sector) indicate a reduced need to take account of increases in floorspace efficiency. However, it is still appropriate to make some modest allowance for increased turnover of new floorspace in the future and we do so by increasing the 'base' floorspace efficiency by 0.2 per cent per annum over the period to 2026.

6.55 The floorspace efficiency rate for the high turnover scenario represents the forecast convenience goods turnover of stores in Zone 1 (Loughborough), divided by the total convenience floorspace in the town centre (principally the Sainsbury's, Somerfield, Iceland, Farmfoods and Marks and Spencer Simply Food stores), as well as the convenience element of the Tesco Extra store in Shelthorpe, Loughborough, which also falls within Zone 1. This generates a total convenience floorspace of 9,291 sq.m net, equivalent to a convenience goods turnover of £9,439 per sq.m in 2008. Taking into account increases in turnover efficiency of 0.2 per cent, per annum, this increases to £9,785 per sq.m in 2026.

6.56 The floorspace efficiency rate for the low turnover scenario is assumed to be £5,380 per net sq.m in 2008, increasing to £5,577 per sq.m by 2026.

6.57 Table 6.7 draws together the findings and converts the outputs of the residual expenditure totals into theoretical net sales floorspace requirements. It can be identified that under the 'high' turnover scenario a total of 3,782 sq.m net additional convenience floorspace is required over the study period. Under the 'low' turnover scenario this increases to 6,636 sq.m net additional floorspace. As with the comparison forecasts however this identified need does not manifest under considerably later in the period. Up to 2011 there is a requirement of under 100 sq.m net additional floorspace, whilst to 2016 there is a relatively modest requirement of between 622 and 1,092 sq.m net.

Table 6.7 Conversion of Expenditure Surplus to Convenience Floorspace Requirements

CONVENIENCE	2008-11	2011-16	2016-21	2021-26	2008-26
Goods Base Residual (£m)	**0.5**	**6.0**	**14.5**	**15.8**	**36.7**
Assumed Floorspace Efficiency, £ per sq.m sales area - high turnover	9,496	9,591	9,688	9,785	
Floorspace Requirement, sq.m net sales area	**57**	**622**	**1,492**	**1,611**	**3,782**
Assumed Floorspace Efficiency, £ per sq.m sales area - low turnover	5,412	5,467	5,522	5,577	
Floorspace Requirement, sq.m net sales area	**100**	**1,092**	**2,618**	**2,826**	**6,636**

Allowance for Overtrading

6.58 In order to establish whether current stores are 'over' or 'under-trading' we look at the market shares for each store and convert this into a turnover figure. We are then able to compare the turnover of each store against the company benchmark i.e. the latest published data for the operator. Table 6.8 below summarises the results of this;

Table 6.8 Trading Performance of Main Convenience Stores

	Sequential location	Net convenience floorspace sq.m	Sales density 2007/08* per sq.m	Forecast convenience turnover £m	Actual turnover (from household survey) £m	Quantum of over/under trading £m
Tesco, Park Road, Loughborough	District Centre	3,249	14,176	**46.1**	**77.32**	31.3
Sainsburys, Greenclose Lane, Loughborough	Edge of Centre	1,992	11,520	**23.0**	**26.37**	3.4
Morrisons, Gorse Covert Centre, Loughborough	District Centre	1,603	11,928	**19.1**	**25.51**	6.4
Asda, Thurmaston District Centre,	District Centre	2,496	11,718	**29.2**	**34.58**	5.3
Somerfield, Market Street, Loughborough	In-Centre	799	5,778	**4.6**	**7.42**	2.8

*Derived from Mintel UK Retail Rankings 2006/07 and increased by 0.2 per cent per annum to allow for productivity increases

6.59 As can be seen from Table 6.8, all the main convenience foodstores in the Borough are overtrading to varying degrees. It appears that in the majority of cases the over-trading is relatively limited – the Somerfield and Sainsbury's stores in Loughborough town centre are trading at approximately £3m above their company average. As both stores trade in the town centre, the successful trading of these stores is a positive and should be supported as a reflection on the vitality and viability of the town centre.

6.60 The Asda store which anchors Thurmaston District Centre is forecast as trading circa £5.3m above company averages, and the Morrisons store at Gorse Covert District Centre approximately £6.4m above average. These should again not be considered, in isolation, undue cause for concern.

6.61 However the performance of the Tesco Extra store adjacent to Shelthorpe District Centre does cause some concern. The household survey has indicated that this store attracts spending of £77.3m from the OCA. Based on company average convenience sales densities, applied to the proportion of convenience floorspace of the recently-extended store (3,249 sq.m net) the turnover of this store should equate to approximately £46.1m. Therefore, it would appear this store is over-trading by £31.3m. As the largest foodstore by some distance in the Loughborough area the over-trading of the store is not unsurprising, but the extent of the over-trading might suggest a qualitative need for additional foodstore provision in the area, particularly when combined with the (more limited) over-trading of Morrisons. It is not considered that the vitality and viability of the district centres which Tesco and Morrisons anchor would be

significantly undermined if a proportion of this excess trading were to be diverted to a new foodstore.

6.62 Most of the identified major food stores are in existing centres and there is a need to exercise caution in order to ensure that high levels of existing in centre trade are not used to justify new out of centre floorspace. However, it is evident that overtrading in Charnwood is quite widespread and does adversely affect the qualitative shopping experience in some locations i.e. at Shelthorpe. Overall, therefore, we make an allowance of £31.3m to be added to the capacity requirement to reflect existing overtrading.

6.63 Spreadsheet CV6b of Appendix 3 sets out the summary of the convenience goods capacity analysis including an allowance for overtrading. As can be seen from this the requirement for additional convenience floorspace has increased to between 3,353-5883 sq m.

Summary of Quantitative Need in the Convenience Sector

6.64 As a result of forecast expenditure and population growth, there is limited need for additional convenience goods retail floorspace within the OCA to 2011. Requirements rise to between 3,782 sq.m and 6,636 sq.m over the course of the study period, mostly concentrated post-2016, with the requirement within the range broadly dependant on the type of floorspace and operators that come forward.

6.65 However, the Loughborough Tesco Extra store is trading at a relatively high level. This issue does need to be taken into account in the evaluation of future floorspace needs in conjunction with the likely implications of strategic residential expansion that it forecast to take place in the Borough in future years. We return to this issue in section 10 of this report.

6.66 At this stage we would also reiterate that the forecasts should be regarded as subject to increasing uncertainty in the later parts of the study period and should be kept under regular review. Figures quoted above for the floorspace requirements towards the end of the study period should thus be treated with caution.

7 VISITOR SURVEY

7.1 Visitor surveys were undertaken during October 2007 in Loughborough Town Centre and at Thurmaston District Centre. The surveys at Thurmaston were split between the Retail Park and the Asda Foodstore.

7.2 Results from the survey are attached at Appendix 6.

Loughborough Town Centre

7.3 The surveys were undertaken from Monday to Saturday inclusive over the week commencing 15th October and 250 people were surveyed. The majority were female but they did represent a wide range of age groups.

7.4 As the results in Appendix 6 illustrate, 32.4 per cent travelled to Loughborough on the bus, which is ahead of the 30.8 per cent who travelled by car. In addition 25.3 per cent came on foot. This firstly indicates that the majority of people using Loughborough Town Centre are local to be able to use the bus service or walk and it secondly indicates how accessible Loughborough is for those wishing to use public transport.

7.5 When asked how often they visited Loughborough the vast majority (80.8 per cent) visited the town centre on one or more days and of this figure 60.8 per cent visited more than once a week. This again indicates that the majority of people using Loughborough are local and that Loughborough is being used as a 'main' shopping base for many rather than travelling to Leicester or Nottingham.

7.6 The main reason for their visit was evenly split with Convenience shopping at 27.2 per cent and comparison shopping at 32.4 per cent. The rest of the answers were split between a variety of answers including to access services, a place of work, or to visit the market.

7.7 When asked what they most liked about Loughborough Town Centre the majority at 26.8 per cent considered it convenient and local to them. Other notable answers included the selection of independents and high street stores, the quality of the market and the pedestrianised street.

7.8 When asked what they disliked most the answers were fairly well split, 'nothing in particular' was the most poplar response at 35 per cent, but amongst the other answers, difficulties with pushchairs, dirty streets and lack of choice featured. The recommended improvements corresponded with this, with the majority not knowing what improvements they would like, but other answers including litter removal and more choice in retailers.

7.9 The vast majority of people asked whether the town centre was lacking in leisure facilities answered no (67.2 per cent). Those who answered yes were then asked what leisure facility they would like provided, 36 per cent didn't know, but of the rest a bowling alley came out as the most popular choice at 22 percent.

Thurmaston Retail Park

7.10 The surveys were undertaken from the 17th October to the 24th October, although no respondents are recorded on the Monday or the Sunday. 127 people were surveyed in the retail park, the majority were female but again they did represent a wide range of age groups.

7.11 The vast majority, 92.1 per cent, travelled by car either as a driver or a passenger, with only 3.9 per cent coming by bus and 1.6 per cent on foot or in a taxi.

7.12 When asked how often they visited the retail park the majority at 26.8 per cent answered once a week, once every month was the next most popular answer at 21 per cent with the 15 per cent visiting 2/3 times a week and 11.8 per cent visiting once every 2 weeks. In total 49.7 per cent of the people surveyed visited the park once a week or more.

7.13 The main reason for their visit was, for the majority at 52 per cent, to buy comparison goods, 32 per cent stated their main reason was for convenience shopping demonstrating some evidence of linked trips with the Asda foodstore. This was further demonstrated when asked if they would be visiting Asda as part of their shopping trip and 56.7 per cent stated they would.

7.14 The overriding factor for what people liked about the Retail Park was it was near/convenient for them, 61.4 per cent of those surveyed gave this answer. Other factors were that it wasn't overcrowded and the selection of shops.

7.15 Difficulties in parking and road congestion came out as the top answers in what people did not like about the park; this is not unusual in surveys of this kind. Again the recommended improvements corresponded with this with better parking being the top answer.

7.16 When asked if they thought the Retail Park needed any leisure facilities 51.2 per cent answered no and 37.8 replied yes. Of those that answered yes the most desired leisure facility was a Leisure Centre, followed by a cinema and a health and fitness club.

Asda

7.17 The surveys were undertaken from the 17th October to the 24th October, although no respondents are recorded on the Monday. 130 people were surveyed at Asda, the majority were female but again they did represent a wide range of age groups.

7.18 The vast majority, 96.9 per cent, travelled by car either as a driver or a passenger, with only 1.5 per cent coming by bus and 0.8 per cent on foot or by bicycle

7.19 When asked how often they visited the retail park the majority at 39.2 per cent answered once a week, 2 to 3 days a week was the next most popular answer at 25.4 per cent with the 11.5 per cent at once every month and 10 per cent every 2 weeks. In total 69.2 per cent of the people surveyed visited the park once a week or more.

7.20 The main reason for their visit was, for the majority at 85.4 per cent, to buy convenience goods, 13.1 per cent stated their main reason was for comparison shopping, this would perhaps indicate that there is less chance of linked trips from those visiting Asda as their main destination than from those visiting the retail park. Although 40.8 per cent stated they would be visiting the retail park.

7.21 As with the retail park the overriding factor for what people liked about the Retail Park was it was near/convenient for them, 62.3 per cent of those surveyed gave this answer. Other factors were ease of parking, the selection of shops and the quality of the supermarket.

7.22 Difficulties in parking and road congestion came out as the top answers in what people did not like about the park. Again the recommended improvements corresponded with this with better parking being the top answer but only 14 per cent stated the majority of those surveyed did not have any suggestions.

7.23 A higher proportion (69.2 per cent) of people answered no to the need for leisure facilities, but those who answered yes by a cinema came out with the clear majority at 40 per cent.

Combined results for the Retail Park and Asda

7.24 When combined together to create a picture of the use of Thurmaston as a District centre the results reflect those above, but it is a useful exercise to provide an overall picture.

7.25 The main form of transport to the centre was by car, 94.6 per cent of all surveyed travelled to Thurmaston by car and the majority of visitors made this trip at least once a week.

7.26 The majority of visits were to buy convenience items from Asda at 58.8 per cent, with 32.3 per cent visiting for comparison shopping. A significant proportion of the trips involved visiting Asda and the Retail Park.

7.27 The main thing the majority of those surveyed liked about Thurmaston was the convenience of the location and we discuss this below

Origin of Respondents

7.28 Attached at Appendix 6 along with the survey results is a plan illustrating the various postcode sectors in the catchment area.

7.29 In Loughborough town centre the majority of respondents (56 per cent) came from LE11 1, 2, 3, 4 and 5 which are the sectors in which the town centre is located. The next most popular locations were LE12 7, 8 and 9, areas also in close proximity to Loughborough town centre.

7.30 At Thurmaston the majority of those surveyed (13.6 per cent) came from postcode area LE4 8, which is the area in which the Centre is located. With a combined total of 31.5 per cent the other main areas that respondents originated from were LE12 7 and LE4 4, LE7 1, LE7 2 LE7 3 and LE7 7, all postcode sectors in close proximity to Thurmaston.

7.31 All the other postcode sectors had less than ten respondents and in most cases only one or two.

Conclusions

7.32 Loughborough town centre appears well used by those surveyed, the majority of which visited the centre at least one a week. Also positively the majority of respondents came by bus or on foot. The reason for the visit was split between comparison and convenience shopping. Improvements included street cleaning and a better choice of shops. There did not seem to be an overriding need for more leisure facilities although a bowling alley would be preferred provision.

7.33 With regard to Thurmaston the most positive result to draw out is that the majority of those visiting the Centre were from the local area and the centre does attract linked trips with people visiting both the Asda and the retail park. The majority of trips were made by car but this is understandable given the location, improvements could be looked at to the bus services in the local area.

8 ASSESSMENT OF SCOPE FOR ADDITIONAL COMMERCIAL LEISURE PROVISION

Forecast Increases in Leisure Expenditure

8.1 The approach to the assessment of quantitative need in the leisure sector is less well developed than in the retail sector. Furthermore, development in the leisure sector has historically been very market-led, and it is only recently that leisure has been brought into the range of uses covered by the sequential approach.

8.2 However MapInfo have produced datasets for the leisure spend for identified catchment areas. They divide the expenditure into two separate areas one is Leisure Goods and the other Leisure Services. For the purposes of this section we look only at Leisure Services as expenditure on leisure goods, such a sports equipment etc has been covered by Section 7.

8.3 Total Leisure Services is defined as four separate areas which are:

- **Recreational & cultural services** - Services provided by sports stadia, racecourses, rinks, golf courses, pools, courts, bowling alleys, gyms, fairs, parks, dancing and skating; cinemas, theatres, concerts, circuses, TV licences, TV rental, satellite subscription, video hire, hire of musicians, clowns, performers, photographers, film processing; lotteries, scratchcards, betting, gaming, gambling
- **Restaurants, cafes & canteens -** Catering services, meals, alcohol, snacks and drinks sold by restaurants, pubs, cafes etc; catering services of works canteens, office restaurants, school and educational establishment canteens
- **Accommodation services** - Accommodation in hotels, motels, inns, "bed and breakfast" establishments, caravan sites, youth hostels, boarding schools, universities and other educational establishment accommodation
- **Hairdressing & personal grooming** - Hairdressing salons, barbers, beauty shops, manicures, pedicures, Turkish baths, saunas, solariums, non-medical massages, etc. Excludes spas and fitness centres

8.4 We used total expenditure figures for each of the four sub categories above for the Charnwood catchment area (using the same study area as defined in the quantitative need calculations). The figures obtained were the latest available from 2005 so we projected forward to the year 2026, using Experian's recommended long term growth rate for spending on leisure services of 1.8 per cent, per capita, per annum for the

period 2008 to 2016[28]. This can be seen in Spreadsheet CL1 in Appendix 7 which provides the projections for population, per capita expenditure and the overall leisure goods spend for residents in the study area.

8.5 Figure 8.1 below summaries the growth of total expenditure in each of the sectors from 2008 to 2026.

Figure 8.1 – Growth in Leisure Expenditure, 2005-2026

	2005	2008	2011	2016	2021	2026	Growth 2008-11	Growth 2011-16	Growth 2016-21	Growth 2021-2026
Recreational & cultural services:	121.0	129.9	139.3	155.8	174.1	194.6	9.4	16.4	18.3	20.6
Restaurants, cafes & canteens:	314.9	338.1	362.6	405.4	453	506.5	24.5	42.8	47.6	53.5
Accommodation services	50.9	54.7	58.6	65.5	73.2	81.9	4.0	6.9	7.8	8.7
Hairdressing & personal grooming	20.7	22.2	23.8	26.6	29.8	33.28	1.6	2.8	3.1	3.5
Total	**507.5**	**544.9**	**584.4**	**653.3**	**730.1**	**816.3**	**39.6**	**68.9**	**76.7**	**86.2**

8.6 In absolute terms, the total growth in leisure spend within the study area in the period to 2008 to 2026 is upwards of £271million. The table above breaks this down into the relevant time frames. Of most significance (and accuracy) is the short-term total growth from 2008 to 2011 of £36.9 million.

8.7 It can also be seen from table 8.1 above that the biggest leisure spend is on food and drink (*'restaurants, cafes and canteens*). The expenditure within this sector is forecast to rise by £24.5million between 2008 and 2011. This category does include work and school canteens but still represents a significant expenditure increase for restaurants cafes and pubs.

8.8 'Recreational and Cultural Services', which includes theatres, cinemas and other sporting facilities is set to increase by approximately £9.4million by 2011.

Conversion of Expenditure Increases to Additional Leisure 'Requirements'

Cinemas

8.9 Loughborough has the 'Reel Loughborough' an independent cinema operator that has 6 screens located in the Cattle Market in the centre of Loughborough.

8.10 No other settlements within the study area have cinema provision. The nearest alternative cinema provision is in Leicester or Nottingham. The average population

[28] Experian *Retail Planner Briefing Note 5.0* (October 2007), Table 3.2. Experian's forecasts do not go beyond 2016; in the absence of any better information we have therefore also applied the 1.8 per cent, per annum forecast growth rate to the post-2016 period.

density for cinema provision in the 'East of England' region[29] is 18,750 persons per screen. The catchment area has a resident population in 2008 of 243,994 leading to a requirement for thirteen screens. However given the proximity of Leicester and Nottingham to large parts of the catchment area, we consider the provision of 6 screens adequate to meet the resident's needs.

8.11 Data from Dodona [30] suggests that the average multiplex screen accounts for an annual spend of £301,000 in ticket revenue, whereas an independent screen accounts for £148,000 per annum in ticket revenue. Given the other claims on expenditure in this category (Recreational and Cultural Services), the increase in expenditure of nearly £9.4m by 2011 as a consequence of population growth and increases in per capita leisure expenditure appears to suggest there maybe some potential in the long term to support additional small-scale cinema provision in the District.

Bingo

8.12 There is one bingo club in Loughborough, 'Beacon Bingo' located on Baxter Gate in Loughborough town centre.

8.13 A Gala or Mecca-type club generates average annual net stakes of around £1.47m per branch. When taking into account other claims on recreational and cultural leisure expenditure, it is unlikely that there is sufficient scope for Bingo provision within the District in the period to 2026.

Casinos

8.14 The nearest casino provision is either in Nottingham or Leicester, however as a small-scale 'traditional' casino, generates average annual turnovers of around £3.6m per casino[31] there is likely to be limited scope for the provision of this type of facility in this area.

Theatres

8.15 Loughborough has the Loughborough Town Hall, which comprises a theatre, bar and restaurant. The theatre puts on a variety of shown including music, comedy, musicals and drama. In addition the Students Union at the University is used a venue for live music which is open to the public as well as the students.

8.16 In addition both Leicester and Nottingham have large theatres which put on national shows. There is, therefore, reasonable provision around the catchment. There is likely to be limited scope for further theatre provision in Charnwood.

[29] Source: The Cinema Advertising Association
[30] Dodona Research is a consulting and research firm specialising in the cinema industry
[31] Source – The Gambling Commission

Food and Drink

8.17 Food and drink uses have the highest level of expenditure of all the leisure service categories. However it should be noted that whilst most of the growth in food and drink expenditure will be available for new facilities within the Charnwood catchment, some of the growth is likely to be accounted for by facilities located outside of the catchment, with higher-order centres such as Nottingham and Leicester within reasonable proximity of the catchment boundary, which tend to offer a greater level of choice.

8.18 As identified in the Healthcheck of Loughborough there is a poor representation of the 'restaurants, cafes, coffee bars, fast-food and take-aways' sub-category, which equates to 10.8 per cent of all units in the town centre, compared to an average of 14.3 per cent UK-wide. There is therefore clear scope for improving Loughborough's offer in this respect. The remaining service uses show representation highly similar in line to UK averages.

8.19 Even in the short term the forecast growth in expenditure in this sector of £24.5million to 2011, would be sufficient to support a range of new, good-quality restaurants (which generate annual turnovers of around £850,000 to £1m, with some high-profile names taking in excess of £1m per annum) - as well as several branded pubs/bars, which have a typical annual turnover of between £870,000 and £1m – in addition to productivity increase for existing pub operators/restaurateurs.

Accommodation

8.20 There are a number of hotels in the District of Charnwood. The majority of these are located in Loughborough but there are also hotels in Quorn, Shepshed, Mountsorrel, Thurmaston and Rothley.

8.21 Figure 8.1 illustrates that there is limited growth in the accommodation market. There is scope for some increase in provision but we anticipate that this is at a level where the market will provide this rather than the Council intervening with specific policies or initiatives.

Hairdressing

8.22 The healthcheck identifies that Loughborough has 30 units in use as Hairdressers, Beauty Parlours or Health Centres. This represents 7.19 per cent of the total number of units which equates to the national average of 7.3 per cent. Figure 8.1 illustrates that the growth in this market is relatively small as compared to other Leisure sectors and therefore there is limited scope for this market to increase.

Summary of Scope for Additional Commercial Leisure Facilities

8.23 Overall, spending on leisure services in the Charnwood catchment area is forecast (using local data and national growth projections) to grow by 50 per cent (a gain of approximately £271m) in the period up to 2026. How this growth might be expended locally depends very much on what opportunities the market supplies – thus, current spending patterns can only provide a guide to what might happen in the future.

8.24 On current spending patterns in the district, almost two-thirds of this spending growth (some £168m) will go to eating and drinking outside the home (restaurants, cafés and bars). Capturing a sizeable proportion of this growth in expenditure through the provision of a better and more appealing choice of restaurants, cafés and bars/pubs will be vital to the future health of the various centres within the study area.

8.25 The rest of the expenditure growth will go to a wide mix of activities (for instance, bingo halls and cinemas), with no single activity capturing any significant market growth. As such, there may only be limited scope to provide additional entertainment-type leisure activities in the District over the period to 2026. The visitor survey identified that Loughborough is lacking a Bowling Alley and that this might be a desirable facility for the town centre.

8.26 As we have stressed, the approach to the assessment of quantitative need in the leisure sector is less well developed than in the retail sector and so the quantitative 'needs' that we have identified should be treated as an indicative guide. Furthermore, the sector is dynamic, changing and operator-led. If an investor feels capable of attracting customers by diverting spending from other facilities, the planning system does not prevent additional development provided it meets other criteria for vital and viable town centres.

9 THE NETWORK OF CENTRES

9.1 As highlighted in section 2 paragraphs 2.9 to 2.11 of PPS6 provide further advice in relation to the development of the network and hierarchy of centre's,

9.2 Thus, in developing the network and hierarchy, Regional Planning Bodies and Local Planning Authorities are required to consider:

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

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

9.4 The draft RSS identifies Loughborough as a Sub Regional Centre alongside Coalville and Melton Mowbray. However the Draft RSS and the Panel report re-iterates that there is no clear retail hierarchy in the East Midlands on which to base regional policy. This approach has not been altered in the East Midlands Regional Plan proposed changes, July 2008.

9.5 The Leicester, Leicestershire and Rutland Structure Plan identifies Loughborough as a Central Area. Shepshed is identified along with Loughborough as a Main Town for general development purposes; however it is not identified as a Main Town in the Retail Hierarchy.

9.6 At the Local level the Charnwood Borough Local Plan identifies Loughborough as the Main Town Centre with a further nine District Centres. These are not set out in a policy, but are referred to in the text, we would advise that this hierarchy is made clearer in the LDF process.

9.7 The 2006 Core Strategy Preferred Options replicates the hierarchy in the Local Plan.

9.8 Our study has demonstrated that most of the centres are generally healthy, albeit there is room for improvement. We would advise that Loughborough as the 'Main Town' (as defined in the Local Plan and Core Strategy Preferred Options 2006) is at the top of the hierarchy and that growth and development needs to be concentrated in this centre

to enable it to fulfil its role. There are presently a number of vacancies in the town centre, some within the new retail development and therefore in large modern units. The first priority should be to fill these vacancies and ensure that Loughborough remains healthy so that it can function as a Main Town.

9.9 The District Centres vary in size and in their diversity of uses, however they are all functioning in accordance with the PPS6 definition of a District Centre which states that:

District Centres will usually comprise groups of shops often containing at least one supermarket or superstore, and a range of non-retail services, such as banks, building societies and restaurants, as well as local public facilities such as a library

9.10 All the centres have a range of comparison and convenience stores and all are anchored by one main convenience retailer. The report has identified that Shepshed may be struggling in terms of vacant units and a lack of comparison units but it still has a range of convenience and service uses which is in accordance with its role as a District Centre.

9.11 We recognize that although Thurmaston plays an important retail role for the surrounding population it is not a traditional District Centre and does not sit within the PPS6 definition of a District Centre due to its lack of service uses. At the time of the Inspectors Report on the current adopted Local Plan the retail offer in this location was quite different and comprised a Co-operative store and small parade of shops. Given the subsequent change in character of the area we recommend that the Council consider declassifying Thurmaston as a District Centre.

9.12 We would therefore suggest that the settlement hierarchy defined in the current adopted Local Plan is used as the basis for the retail hierarchy and this is summarized as follows:

Main Town

Loughborough

District Centres

Thurmaston -consider declassifying

Syston

Shepshed

Birstall

Gorse Covert

Shelthorpe

Sileby

Anstey

Barrow upon Soar

Action Points for the Town and Area Centres

9.13 The Charnwood centres on the whole appear be performing well with limited vacancies and a diversity of uses including essential convenience uses to serve the local residents. Therefore the existing policies appear to be working satisfactorily.

9.14 Loughborough faces a number of specific issues, firstly the A6 creates a barrier between between the main shopping area and the new Rushes development, although not an insurmountable barrier it does prevent the free flow of shoppers between the two areas and the use of the centre could end up being determined by where shoppers park. This issue is already recognized by the Council and a strategy is in place with the development of the relief road, which has planning permission in place and funding arrangements expected to be confirmed in the near future.

9.15 Loughborough also has a number of existing vacancies including those in the new rushes development. This is in part due to the current market conditions which had led to some uncertainty in the commercial market and an unwillingness to invest in property.

9.16 The vacancies may be a result of the third issue facing Loughborough which is the competition it faces from the 3 cities surrounding it. However the visitor survey and household survey demonstrated that Loughborough is well used by its immediate catchment. Its market share of 41.5 per cent is very healthy considering its competition and it does appear to be functioning well, within its role as a Sub Regional Centre and as a Main Town Centre.

9.17 The Core Area in Loughborough town centre needs to be re-visited as a result of The Rushes development. The Core Area should include this key retail site and improvements to link this site to the market place adopted once the issue of the road has been resolved.

9.18 Two of the key development sites, identified in the Masterplan, fall partly within the Core Area. We would not recommend that the Core Area is altered to include the whole of these sites. The development of these sites is for mixed uses and any retail element should, where possible fall within the existing core area boundary. There is some scope to amend the edges of the Core boundary to better reflect the development sites but we would be cautious, as including the sites within this

boundary could encourage the development of these sites to be more 'retail led' which is not appropriate. This is an issue we discuss in more detail in the concluding section.

9.19 In addition we recommend that that first priority is to strengthen Loughborough existing retail offer by consolidating the existing Core Area and focusing new retail uses into existing units.

9.20 The defined boundaries of the District Centres in the adopted Local Plan all appear to be appropriate and are an accurate reflection of the centre uses and the extent of the retail units.

9.21 The District Centres all have some vacant units for which a beneficial use has not come forward. It therefore may be appropriate to encourage the conversion of units to residential where there is no proven need or demand for the units to be in retail use. A policy to promote this would need to be carefully worded and include criteria to ensure that thorough marketing of the property had been carried out, and that it had been vacant for a period of time with no interest from commercial occupiers.

9.22 Shepshed and Sileby are the two centres that are most in need of support, to help improve their retail offer. Shepshed may struggle to attract new retailer interest as it is located close to Loughborough Town Centre but as this Centre serves a large built up residential area in the west of the Borough catchment, it is important that it maintains a retail function.

9.23 For a similar reason Sileby located to the East of the Borough serves a self contained area, and it is therefore its role in providing local services and facilities is important. It is for this reason that we believe it should be included as a District Centre in the LDF review.

Potential Measures for Protecting Centres' Vitality and Viability

9.24 There is a range of measures that the Council could consider which might have the potential to protect or enhance the vitality and viability of the District's various centres. We have researched initiatives being considered or undertaken across a range of local authorities around the country, which aim to promote the retail 'distinctiveness' of town centres, particularly through the fostering of independent, local shops. Whilst the findings of our research are detailed in full in Appendix 8, the key issues and potential initiatives are summarised below.

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

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

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

9.27 The Commission, in preparing its report, considered three key questions:

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

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

- amend the Use Classes Order - allowing small shops[32] to have a separate Use Class, with the GPDO amended to allow change of use from large shop units to smaller units, but not vice versa;
- abolition of upward-only rent reviews for new leases; and
- planning permission to be required for the merging of a small shop unit with another unit.

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

- Community Strategy - giving *'increased attention to retail needs and supply when reviewing their Community Strategy and in preparing a Local Development Framework';*
- Local Partnerships - monitoring, and where possible influencing, the retail mix in areas where there are many property owners;
- promoting consultation between developers, retailers and residents during all stages of a major retail development, in order to *'establish the optimum mix of uses and unit sizes, and designs appropriate for the neighbourhood'*;

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

- retail 'neighbourhood watch' - encouraging the maintenance of high standards of repair, cleaning, etc, through local partnerships;
- introduction of free 30 minute parking meters in local shopping areas, in order to encourage the use of local shops by more people;
- encourage the retention of existing, and entry of new, small shops under 80 sq.m net in their shopping centres;
- negotiation through a S106 agreement*, 'whereby the presence of a major store or stores is offset by a levy to support independent retailers located nearby';* and
- establishing 'maximum quotas' for particular uses by area, or by centre, where the retail mix is under threat.

Case Studies of Specific Town Centre Initiatives

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

- **'Unique shopping'** – Birmingham City Centre Partnership, in conjunction with promotional organisation Marketing Birmingham, has signed up 59 independent retailers to be part of a free promotional campaign under the 'Unique Shopping' banner. The campaign is designed to ensure that Birmingham's independent retailers do not get 'swamped' by the major retail developments which have taken place in the city centre, such as the Bullring. The 59 retailers feature in a free leaflet dedicated to promoting independent retailers, with each retailer listed by address, type of goods sold, and identified on a map. The promotion is also featured on the 'Be In Birmingham' Internet site. The development of a directory (online and printed) of retailers present in a town or district was also cited as good practice in the report commissioned for the RBKC, detailed above.
- **Loyalty cards -** The market town of Haslemere has created a successful 'loyalty card' scheme which enables small independent retailers to work together. The scheme has been developed by the Haslemere Initiative Group, the town's Chamber of Trade and Waverley Borough Council. The 'Haslemere Rewards' Loyalty Card scheme presently has support from over 30 businesses, and roughly 4,500 cards are in circulation, with businesses in the town centre giving collectable points or discounts on production of the card. The card has been cited as a driver behind increased footfall in many businesses in the town centre.

- **Retailer forum** – a network of independent retailers and restaurateurs in Shrewsbury town centre have developed Retailers United, a forum for networking and marketing their businesses, the development of training schemes, and liaison with local councils. The organisation has recently launched an online portal for the town's independent retailers called 'All the Little Shops'. The e-commerce website will contain a range of goods on sale solely from the town's independent retailers. Individual businesses submit 20 products a month, which are displayed in a 'virtual supermarket' on the website. The scheme has been sponsored by Shropshire County Council, which proposes to roll out the scheme to other market towns in the county if it proves to be successful
- **Business training** – East Cambridgeshire and Huntingdonshire District Councils have funded, in conjunction with the East of England Development Agency, an annual programme of free business training to retailers in Cambridgeshire, covering sales, marketing, visual merchandising, customer care, and retail security, in order to help independent businesses flourish in an increasingly competitive local market.
- **Town centre 'champions'** – The RBKC study highlighted the need for the appointment of a 'champion' for shopping centres, to network with local businesses and keep them informed about key developments taking place within the town centre. A town centre manager (or equivalent) would be most effective at performing such a role. We understand that the re-introduction of the similar Harborough Town Centre Co-ordinator post is being re-advertised shortly, and we endorse this.
- **Assessment of distinctiveness** – Regional Development Agency One North East commissioned a series of 'Market Town Retail Distinctiveness' reports, for centres including the market town of Guisborough near Middlesbrough. The study found that the clustering of local independent shops served to build a good reputation for specialist independent shopping, but many local shops did not promote the local or specialist products they sold to a great extent. Furthermore, the Church Street area of the town centre was found to have potential to develop as a strong niche retail quarter, but suffered from poor connectivity to the primary retail area.
- **'Affordable retail'** – Both Birmingham City Council and the Royal Borough of Kensington and Chelsea are considering the use of planning gain deals with developers to subsidise space for independent retailers. The 'affordable retail' scheme would be operated through the Section 106 mechanism. In Birmingham, it is proposed that independent retailers will receive subsidised rents, with proportions of retail space and levels of subsidy agreed for each individual

scheme. In RBKC the proposal is for developers to 'gift' a proportion of small units to the Council, to manage as affordable retail units.

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

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

10 PROPOSED URBAN EXTENSIONS

10.1 The Brief for this study states that the work should include *'an assessment of the impact of proposed large scale housing developments (Sustainable Urban Extensions) on existing retailing and town centres and the ability of these new SUEs to accommodate retail and town centre facilities'*.

10.2 At this stage evaluation of the likely effects of residential expansion and the implications for the spatial distribution of new development cannot be undertaken in depth, as neither the scale of expansion nor its location has been determined. There is uncertainty in relation to the overall scale of growth as the annualised dwellings requirement in the emerging Regional Plan remains in draft form, as noted in section 3 above. Accordingly, within Charnwood Borough itself, decisions cannot yet be taken on the distribution of growth. Although the Brief lists eight possible general locations, there is no decision on which (if any) may be brought forward for development and the amount of new housing in each. Subsequent to the brief some of these locations and the number of dwellings they can accommodate have been changed to reflect those locations which feature in the further consultation on the Core Strategy in October 2008.

10.3 Nevertheless it is possible to provide general guidance as to the broad implications of the alternatives for new development in relation to the issues of

(i) retail requirements within them; and

(ii) effects on the existing retail hierarchy.

10.4 At present our population forecasts used in the capacity modelling are based upon ONS/Leicestershire County Council 2006 data and the forecast growth rate is applied across Charnwood borough as a whole. On this basis the growth that takes place is assumed to be broadly distributed in line with existing population. However, it is likely that the extent of overall growth will be refined and amended in due course and that the location of a significant proportion of the forecast population growth may be concentrated in a small number of key locations. We thus set out some general guidance on the potential implications below. However, there are many variable and it should be emphasised that this assessment will need to be reviewed and refined when decisions on the overall scale of growth and its distribution are refined.

10.5 In overall terms, as our previous analysis has shown, existing overtrading of some of the convenience floorspace generates a significant expenditure requirement which equates to a requirement for major new foodstore which should be provided to serve Loughborough. In addition as a result of population and expenditure growth, there will

be a requirement for at least one further store over the study period although the provision of this store is less pressing as most of the need does not arise until the post 2016 period. In this section we provide further guidance on the location of the second store which will need to be located in line with the specific locations(s) of major residential growth once these are finalised.

Retail Requirements within SUEs

10.6 The Brief refers to the draft regional Plan's previous proposals for two SUEs in the Borough, each of some 4875 dwellings. However we understand that the location and size of some of these growth areas have changed. In accordance with this updated information the report addresses each location in terms of the actual number of dwellings each it could accommodate.

10.7 In terms of facilities within developments of this scale, we note guidance in publications including '*Sustainable Settlements: A Guide for Planners, Designers and Developers'* (UWE, 1995) and *Sustainable Communities - the Potential for Eco-Neighbourhoods* (Barton, 2000) which set out estimates of the required population catchments for community facilities. These thresholds are set out in the table below, and have been used to establish whether development would be likely to justify (or require) the provision of new community facilities.

Table 11.1: Typical Population Thresholds

Facility	Population
Primary School	2,500-4,500
Secondary School	7,000-15,000
Doctors' Surgery	2,500-3,000
Public House	5,000-7,000
Corner Shop	2,000-5,000
Local Shopping Centre	5,000-10,000
Post Office	5,000-10,000
Health Centres (4 doctors)	9,000-12,000
Library	12,000-30,000
Church	9,000 minimum
Community Centre	7,000-15,000
Youth Club	7,000-11,000
Sports Centre	25,000-40,000
Superstore/district centre	25,000-40,000

10.8 Assuming an average household size of 2.2 persons[33]; an SUE of 4,875 dwellings would accommodate some 10,725 people. In relation to retail uses it can be seen that a development of over 11,000 dwellings in a single location would be needed to trigger the requirement for superstore or district centre. A single SUE of around 4,875

[33] 2006 household projections indicated that average England household size at 2016 will be approximately 2.2

dwellings would be likely to require a new local shopping centre with convenience store facilities but not a superstore-scale development.

10.9 In the case of Charnwood it is likely that growth will take place by way of urban extensions that will be related to existing urban areas and will to some extent take advantage of existing facilities. In such circumstances it is necessary to take into account the adequacy of existing provision that is likely to serve new development, as for example, under-provision in an area will be exacerbated by new development and the combined effect of the two factors may be sufficient to generate a requirement for new floorspace. We thus turn to consider the growth locations below.

10.10 In considering each location we assess the likely requirements for both comparison and convenience floorspace. However, we do envisage the majority of the comparison floorspace requirements being accommodated in Loughborough town centre. The comparison floorspace requirements for each SUE location will therefore be minimal and confined to provision within the local centre or foodstore if these are identified as required.

Land North of Birstall

10.11 Potential strategic development in this area will fall into expenditure zone 6 but will have overlap with expenditure Zone 5. An SUE of 4,000 dwellings could be accommodated in this location. This location would be close to Thurmaston District Centre and the associated Asda store. It would also be served by the smaller district centre at Birstall.

10.12 We would not envisage that an SUE of 4,000 households will create the need for a new district centre. The SUE in this location would be well served by both Thurmaston and Birstall both of which are currently healthy and trading well. There will be scope for the provision of a local centre within the SUE to compliment the District Centres' role.

10.13 In terms of foodstore development there is evidence to suggest that the Asda store at Thurmaston is currently overtrading. This increases the scope for new convenience floorspace. The Somerfield in Birstall has a healthy market share from its local catchment attracting 9.79% market share from the residents of Zone 6. It is therefore likely that new foodstore floorspace will be needed in the form of a single larger store. There may be further residential growth taking place within the Leicester City boundary in this area, and it is possible that foodstore provision to serve both this and new population in the south of Charnwood borough may be provided within Leicester City's area. If such provision is not forthcoming and the location is selected to accommodate

major residential growth in Charnwood then we would envisage the need for a large new foodstore in this area.

Land North of Glenfield near Anstey

10.14 Potential strategic development in this area will fall into expenditure zone 6. An SUE of 2,462 dwellings could be accommodated in this location. Anstey District Centre is performing well with a lack of vacancies and a diversity of uses. We therefore do not see the potential for another District Centre in this location given the close proximity of Anstey to the development site.

10.15 However there is a limited provision of foodstores in this area, this is reflected by the good trading performance of the Co-op at Anstey which attracts 6.87% of the market share from Zone 6 residents. This is high given the centre is on the boundary with Leicester City. In addition the Tesco store at Beaumont Leys is also trading well, being popular with residents around Anstey as well as those within Leicester City boundary. An SUE of 2,462 new homes in this location would be likely to generate a requirement for new convenience floorspace.

10.16 The Council may wish to thoroughly examine the potential for provision of new floorspace within or on the edge of Anstey District Centre in the event that significant scale residential development is brought forward in this area. If no such site is available then the foodstore could be developed along with a local centre of a scale that would not detract from the health of Anstey District Centre.

Land East of Thurmaston/North of Hamilton

Three Options

10.17 There are three potential options for the location of an SUE in this area, however all three will fall into expenditure zone 5 and all three could accommodate 4,875 dwellings. Therefore all of the options in this area will have the same requirements in terms of additional floorspace.

10.18 The site is close to the three existing District Centres of Thurmaston, Birstall and Syston. Although, as per our recommendation in Section 9, Thurmaston could potentially be reclassified as a Retail Park rather than a District Centre, we would still recommend that the development of a further District Centre could harm the vitality and viability of both Birstall and Syston.

10.19 Development in this area would be close to the Tesco store at Hamilton and the Asda store at Thurmaston. Smaller stores operated by Somerfield and Co-op at Syston and Birstall also serve the area. We would therefore not anticipate that a residential

development of 4,875 houses in this area would result in a requirement for a new foodstore, however we would anticipate the need for one new local centre.

Land South of Loughborough Towards Quorn

10.20 The majority of development in this area would fall within expenditure zone 6 but also partly within expenditure zone 4. However an SUE in this area would be close enough to the boundary with Zone 1 to fall within the catchment area of Loughborough Town Centre. An SUE of 2,100 dwellings could be accommodated in this location

10.21 If significant residential expansion takes place around Loughborough such as in this location it is in our view very likely that most or all of the new comparison and convenience floorspace requirement, will need to be provided in the town. This is because (i) the scale of residential expansion will in itself generate some significant demand for new facilities and (ii)in terms of convenience floorspace, existing provision of foodstores serving the town, and Tesco at Shelthorpe in particular, would appear to be trading well and thus have has limited capacity to absorb significant levels of additional trade.

10.22 Accordingly significant new residential development around Loughborough is likely, during the course of the study period, to generate the requirement for up to two large new foodstores in or around Loughborough town centre and would support new comparison floorspace with the centre as identified in the masterplan.

10.23 Due to the size of the SUE and its proximity to Loughborough town centre, we would not envisage the need for a new local centre in this location.

Land to the Southwest of Loughborough

10.24 The majority of development in this area would fall within expenditure zone 6 but also partly within expenditure zone 1. As with the site above, an SUE in this area would fall within the catchment area of Loughborough Town Centre. An SUE of 1,240 dwellings could be accommodated in this location

10.25 We repeat the advice for above which is that most or all of the new comparison and convenience floorspace requirement, will need to be provided in the town. This is because (i) the scale of residential expansion will in itself generate some significant demand for new facilities and (ii)in terms of convenience floorspace, existing provision of foodstores serving the town, and Tesco at Shelthorpe in particular, would appear to be trading well and thus have has limited capacity to absorb significant levels of additional trade.

10.26 Accordingly significant new residential development around Loughborough is likely, during the course of the study period, to generate the requirement for up to two large

new foodstores in or around Loughborough town centre and would support new comparison floorspace within the centre as identified in the masterplan.

10.27 Due to the size of the SUE and its proximity to Loughborough town centre, we would not envisage the need for a new local centre in this location.

Land to the Northwest of Loughborough

10.28 Development in this area would fall within expenditure zone 3. An SUE in this location could accommodate 4,875 dwellings.

10.29 In respect of this location we would re-iterate our advice to that above. Development in this location would generate the requirement for up to two large new foodstores in or around Loughborough town centre and would support new comparison floorspace within the centre as identified in the masterplan.

10.30 Development in this location of 4,875 new dwellings would require the provision of a local centre.

Land East of Loughborough towards Cotes

10.31 This site falls within expenditure zone 4. An SUE of 4,875 dwellings could be accommodated in this location

10.32 Again as with the sites above we believe the comparison and convenience floorspace requirements from a development in this location should be directed towards Loughborough Town Centre. However development in this location would require the provision of a local centre.

Land East of Loughborough including Wymeswold Airfield

10.33 This site falls within expenditure zone 4. An SUE of 4,875 dwellings could be accommodated in this location

10.34 Again as with the sites above we believe the comparison floorspace requirements from a development in this location should go towards Loughborough Town Centre.

10.35 However if large scale development takes place here it is likely that new foodstore provision will be needed locally given the relative isolation of this location and its distance from the existing main stores in Loughborough. We would also expect this development to be anchored by a local centre or a small district centre with a foodstore.

Development West of Shepshed

10.36 Development in this location would fall within expenditure zone 3. An SUE of 4,788 dwellings could be accommodated in this location

10.37 Development in this area could help with the regeneration strategy for Shepshed District Centre. We would not anticipate a major increase in the amount of comparison floorspace, but it could provide the impetus for existing floorspace to be reconfigured to provide modern units which are more attractive to potential occupiers.

10.38 Large scale development to the west of Shepshed would also generate a requirement for a new foodstore in that area. Development in this area would create the need for a medium to large size store in the centre particularly given the distance to existing main stores in Loughborough and existing limited provision in Shepshed itself. The Council may wish to fully examine the potential to meet needs arising at locations within or on the edge of Shepshed town centre itself.

Summary

10.39 Our analysis so far has indicated that the requirement for growth in comparison floorspace should be directed towards Loughborough town centre, regardless of where the SUE's are located. This factor is less sensitive to the location of new housing than the convenience floorspace analysis, as Loughborough town centre has the potential to serve many comparison goods requirements arising across the Borough as a whole.

10.40 Accordingly we conclude that the SUE scale and location will not be likely to have a significant effect on the requirement for and location of new large scale comparison retail development.

10.41 In terms of convenience retail there is likely to be scope for two major new foodstores in the Borough to 2026. At least one should be in Loughborough to alleviate the over-trading. The second should be in or around Loughborough if major residential growth takes place in this area, or in conjunction with some of the SUE locations if these are to be in locations more distant from Loughborough town centre.

10.42 The majority of the SUE locations will require the need for a small local centre providing the area with local facilities such as a newsagent, pharmacy or food and drink uses. The only exceptions to this are the SUE's located on the southern boundary of Loughborough which are small in size and well related to existing facilities and development to the west of Shepshed which should focus on regenerating Shepshed District Centre.

10.43 As noted above, however, it will be necessary to fully review this initial advice once the scale of new housing growth and the potential distribution between different locations for growth has been determined.

11 CONCLUSIONS AND IMPLICATIONS

Current Conditions and Recent Trends

11.1 Shopping provision in Charnwood reflects trends in shopper behaviour and patterns of development which have occurred across the UK in recent years, resulting in significant change in the appearance and role of town centres. The continued increase in the proportion of shopping for food and convenience goods which takes place in supermarkets, often in out-of-centre locations, has reduced the viability and representation of the smaller, traditional independent food shops in town centres and so reduced the footfall of shoppers. At the same time, spend on comparison shopping has grown significantly but is increasingly concentrated in the larger town centres where more modern shop units, larger stores and “high street names” are represented.

11.2 These trends are related to increasing use of the car to travel to towns and shops and require easy road access (and shoppers often look for cheap or free parking). This poses significant issues in attempting to plan for more sustainable patterns of development and ensuring access to goods and services for many people in local communities who cannot afford or otherwise do not have access to a car.

11.3 Loughborough is clearly established as the largest centre within Charnwood, with an attractive and lively core retail area which includes a range of shops and other facilities. Positively a significant proportion of visits to Loughborough Town centre are made on public transport or by foot. This and the survey data also indicates that the majority of shoppers are local to Loughborough, and its immediate catchment is limited to the area surrounding it. This is appropriate for its role as a Main Town in the retail hierarchy.

11.4 Loughborough has a strong convenience and comparison goods offer but the centre performs below the national average in the service sector largely as a result of the lack of food and drink establishments. This is an area the Council could be seen to relax on particularly given the expenditure in this sector identified in Section 9 of this report.

11.5 The centre has an above average number of vacant units, this is an issue we discuss in more detail later in this section but is a key area the Council needs to address.

11.6 The District Centres, as defined in section 10, vary in size and function and complement the main centre, fulfilling a valuable role at the lower end of the retail hierarchy. They are all functioning reasonably well and the level of vacancies is low. Shepshed and Sileby are in need of some investment and could be helped by the proposed large urban extensions.

11.7 Most of the area centres have a diversity of uses including a range of service uses and at least one small supermarket, suggesting that they meet the day-to-day needs of the surrounding local catchment reasonably well, although we acknowledge that many local residents will have to travel elsewhere for their main shopping provision.

Need

Comparison Retail Sector

11.8 Our quantitative capacity work illustrates that there is a goods based capacity for additional comparison sector sales floorspace up to 2026 in the range of 19,409 sq.m to 39,122 sq.m, we have provided a more realistic mid range figure of 25, 975 sq m.

11.9 However we would advise that it is the short to medium terms figures that are most relevant in preparing a Retail Strategy. The most relevant figures under consideration will be the short term requirement to 2011 of 626 sq m and the medium term requirement from 2011-2016 of 3,674 sq m. Combined this equates to a comparison net sales floorspace requirement to 2016 of 4,300 sq m.

11.10 For the purposes of our forecasts, we assume a constant retention rate, which we regard as an appropriate objective as explained in paragraphs 7.9 – 7.10 above. Nevertheless, it should be noted that long-term forecasts, whilst valuable for strategic planning purposes, should be regarded as subject to increasing uncertainty in the later parts of the study period and should be kept under regular review.

Convenience Retail Sector

11.11 As a result of forecast expenditure and population growth, there is a relatively modest requirement for further convenience goods floorspace in the period up to 2026 in the range of 3,782 sq m to 6,636 sq m.

11.12 As stated above the short to medium term forecasts are the most reliable in preparing a strategy and in this case the need in the short term is very small at between 57 to 100 sq m increasing to 622 to 1,092 sq m from 2011 to 2016. When combined this creates a requirement up to 2016 of between 679 sq m and 1,192 sq m. This floorspace requirement can be increased to allow for the overtrading occurring at the Tesco in Loughborough.

11.13 Again the market share is kept constant as we believe that 61 per cent for the whole of the catchment area is realistic, given that there are large foodstores located right on the periphery of the catchment area.

Commercial Leisure Sector

11.14 Spending on leisure in the Charnwood catchment area is forecast (using local data and national growth projections) to grow by 49 per cent (a gain of £268m) in the period

from 2008 to 2026. How this growth might be expended locally depends very much on what opportunities the market supplies – thus, current spending patterns can only provide a guide to what might happen in the future.

11.15 Capturing a sizeable proportion of this growth in expenditure through the provision of a better and more appealing choice of restaurants, cafés and bars/pubs will be vital to the future health of the various centres within the catchment, some of which fulfil a dual retail-tourism role.

11.16 The rest of the expenditure growth will go to a wide mix of activities (for instance, bingo halls and cinemas), with no single activity capturing any significant market growth. Even so, there does appear to be scope for some additional entertainment-type leisure development, including at least one bingo club and several cinema screens.

11.17 As we have stressed, the approach to the assessment of quantitative need in the leisure sector is less well developed than in the retail sector and so the quantitative 'needs' that we have identified should be treated as an indicative guide. Furthermore, the sector is dynamic, changing and operator-led. If an investor feels capable of attracting customers by diverting spending from other facilities, the planning system does not prevent additional development provided it meets other criteria for vital and viable town centres.

Summary and Implications

11.18 The planned growth in residential population of the district, along with forecast increases in domestic spending over the plan period, provide the potential for small increases in retail floorspace up to 2016.

11.19 As a general principle it is taken as read (from national policy through to existing regional, sub-regional and local planning objectives) that new retail development should take place, wherever possible, within town centres or, following a "sequential approach, on the edge of centres; and should be planned in combination with public transport, car parking provision, environmental improvements and measures to ensure a balance and diversity of use in the town centres. Within these general principles, we consider that it is particularly important to support and enhance the role of Loughborough as the largest town centre in the Borough. We would therefore recommend focusing future comparison floorspace growth in Loughborough Town Centre. We believe there is scope to provide additional convenience floorspace in the District Centres, where this will help with their regeneration and where the sustainable urban extensions area proposed.

11.20 It is particularly important to consider ways to strengthen the retail "offer" of Loughborough given the competition offered by centres in adjacent districts and trends

of polarisation, as larger centres tend to get larger. This trend tends to promote even greater use of the car, and longer journeys, to go shopping; it also tends to undermine the overall vitality and viability of a centre such as Loughborough, weakening its ability to attract investment and businesses creating employment, and weakening its role as a centre of services and facilities for district residents.

11.21 It is also important to consider policies for growth in leisure spending, as these contribute significantly to the viability of town centres and can support development which secures a stronger role for the towns. Loughborough could strengthen its role through provision for this sector. Our estimates suggest the potential for significant levels of growth, with a consequent need for new floorspace.

11.22 We note however, that the opportunities to develop more retail floorspace in Loughborough town centre are relatively limited, and it will therefore be important to focus effort on those sites which may be capable of delivering the appropriate scale of development over the plan period and to resist pressures for other retail development elsewhere in the town. We particularly focus on the existing vacant units and the sites identified in the masterplan.

11.23 At the same time, while it is important to support the existing roles of the District Centres we note that there are only limited opportunities to provide new floorspace within the existing retail areas and indeed there is only likely to be limited potential to attract new shopper spend into District Centres of this size. The critical issue is to ensure that all of these District Centres are attractive and lively, using existing floorspace to support patterns of local shopping and providing diversity and choice. In general, therefore we would not expect to see significant increases in the total amount of floorspace in these centres, but would encourage measures which strengthen the existing retail areas.

Sites

11.24 As stated above we believe the majority of the forecast new retail floorspace should be directed to Loughborough to ensure it maintains its current market share, particularly in light of the new retail developments in Derby, Leicester and Nottingham which will be competing for a greater market share to support them.

11.25 In the first instance the letting of the current vacant units in the Rushes will accommodate much of the need in the short term up to 2011. We would suggest the remainder of the identified need up to 2011 and the residual up to 2016 can be accommodated in the sites identified in the masterplan. These sites already include an element of retail floorspace, and we elaborate on these sites below.

Devonshire Square and Granby Street Car Park

11.26 This site is not only included within the masterplan but is also identified as an opportunity site within the adopted Local Plan.

11.27 The Devonshire Square frontage is within the identified Core Area on the adopted Local Plan, this is currently in retail use but the units are very poor quality. We would suggest that this is the appropriate site for any retail development on this scheme. This would then link the site with the rest of the Core Area.

11.28 Retail development could also be accommodated on the Granby Street frontage. This would allow for a substantial, consolidated retail area also providing linkages to Queens Park. We would suggest that the Core Area be amended in this location to reflect this aim.

Former General Hospital and Aumberry Gap

11.29 This site is also included within the masterplan and the adopted Local Plan as an opportunity site for development.

11.30 In the adopted Local Plan this site falls outside the Core Area but the masterplan includes the area fronting onto the High Street, which is within the Core Area. Again we would recommend that retail uses would be appropriate as part of the mixed use development of this site. Any retail uses should firstly be focused in the Core Area and secondly onto road frontages where vitality can be maintained.

Other Development Sites

11.31 The masterplan identifies other development sites within Loughborough and we are also aware of schemes coming forward that include an element of retail development. In the short to medium term (up to 2016) we would advise the Council to be very cautious in allowing 'ad hoc' retail development to occur, particularly in areas outside the identified core area.

11.32 As our analysis of need illustrates there is limited need for new retail floorspace up to 2016 for the whole of the catchment area. We would advise that the need will be taken up in the main by the vacancies and the masterplan sites. Allowing retail development on other sites outside the Core Area will absorb that need and will not allow the market to fill the existing spaces or provide the commercial demand that is necessary for the development of the masterplan sites.

Central Area and Shopping Policies

11.33 In this section we set out additional advice on other matters relating to existing policy approaches and designations in relation to the retail hierarchy as a whole and Loughborough town centre in particular, including:

(i) existing local plan designations (including the hierarchy of centres)

(ii) an assessment of the scope of town centre boundaries taking into account recent changes, and designations in Loughborough (including the Town Centre Service Area and Business Area);

(iii) policy in relation to uses in existing frontages.

11.34 First, in relation to the hierarchy of centres, we would advise that the emerging LDF should incorporate a hierarchy of centres as set out in section 10 of this report. On this basis the centre of Sileby would be re-instated as a district centre, which we believe is the appropriate status for a centre of its role and function.

11.35 In relation to existing boundaries, in our assessment the Core Area and Outer Area policies appear to be working satisfactorily and containing the majority of key shopping uses within the Core area whilst allowing complimentary uses on the periphery. However, we would suggest that the Core Area is amended to include the Rushes Shopping Centre and to include the proportion of Granby Street that is within the masterplan site boundary. The Outer Area boundaries should also be amended in locations if necessary to ensure consistency with the masterplan aspirations and proposals.

11.36 We do have concerns in relation to the Service Area policy – CA/6. This area is widely drawn at present and indicates acceptance of a very wide range of uses, including A1 shops. The policy currently only applies one of the PPS6 criteria in allowing A1 uses in what is essentially an edge of centre location. The policy should accord with PP6 guidelines in order to protect the vitality and viability of the town centre. Given the extent of the boundary we would recommend that the Council does not encourage unrestricted A1 use within the area and that that either this use is removed from the range of acceptable activities identified in the policy or all of the relevant PPS6 criteria are applied.

11.37 The range of uses that are acceptable under the terms of the Business Area policy – CA/5 – is more limited and poses less of a risk to the continued success of the core retail area of the town centre itself.

11.38 The policy on core retail frontages will need to be reviewed in the future Development Plan Documents.

11.39 Finally, we would suggest that the policy position on food and drink uses is reviewed. In comparison with national averages Loughborough Town Centre is under represented in relation to these uses. Moreover, some activities within the relevant use classes such as coffee shops have seen strong occupier demand in recent years and

can make a valuable contribution to town centre vitality and viability. One potential way forward is a relaxation of local plan policy CA/2 to allow for the 20% level in key frontages to rise to 30%[34]. In addition we would suggest that the first criteria (criteria (a) of the existing policy is deleted as national restaurant/coffee chains can often provide an attractive use in a key location. It will be for a later DPD to determine how this broad recommendation could be implemented.

Monitoring Indicators

11.40 In order for the Council to keep the study up-to-date and enable informed decisions to be made on any retail or leisure proposals. PPS6 advises, in Chapter 4, that comprehensive, relevant and up-to-date monitoring is essential to the effective planning and management of town centres. Such monitoring can enable early signs of change in town centres to be identified and appropriate action to be undertaken.

11.41 Our suggested Monitoring Framework is provided in Appendix 9. We have grouped the indicators within the '4As' categories, which is Attractions, Accessibility, Amenities and Action

11.42 The 'Attractions' indicators are those for which quantitative data is most likely to be available. Other indicators are based on more subjective/qualitative indicators, which will require a degree of judgment. Given their more qualitative nature, monitoring of these indicators is likely to require on-foot surveys of the centres, attitudinal surveys of pedestrians, discussions with town centre stakeholders, and so on.

11.43 As indicated in the Framework provided at Appendix 9, we recommend that the majority of the indicators are reviewed annually. Many of the indicators overlap with one another and therefore cannot be viewed in isolation. An annual review allows the Council to have an up to date picture of the health of the centres which can help inform decision making. We further suggest that the indicators be monitored at the same time of year if possible, to assist with comparability and compatibility of data.

11.44 The indicators that we have assessed in our health checks – and which therefore form the basis of our Monitoring Framework – cover the majority of the indicators advocated by Section 4 of PPS6.

[34] GOAD data indicates that the national average for service uses in town centres is 33%