



LEEDS CITY CENTRE, TOWN AND LOCAL CENTRES STUDY

CARRIED OUT ON BEHALF OF:



JULY 2011

PREPARED BY:

COLLIERS INTERNATIONAL

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COLLIERS INTERNATIONAL UK PLC

Company registered in England and Wales no. 4195561
Registered Office:
9 Marylebone Lane
London W1U 1HL

Tel: +44 (0) 20 7935 4499
www.colliers.com/uk

Graham Connell MRTPI
Colliers International
15-16 Park Row
LEEDS
LS1 5HD

Tel: 0113 200 1800 (switchboard)
Tel: 0113 200 1864 (DD)
Fax: 0113 200 1840
Email: graham.connell@colliers.com



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APPENDICES – BOUND SEPARATELY



1 INTRODUCTION

1.1 Colliers International (CI) was instructed by Leeds City Council (LCC) in June 2010 to produce a report on Leeds' centres, and retail issues in particular, to form part of the evidence base to be used in the preparation of its Local Development Framework (LDF). Information was also to be used as the basis for making other decisions through the planning system from a sound evidence base, although this study is not an assessment of specific proposals. The Project Brief set out a number of areas for investigation and analysis in accordance with Planning Policy Statement 4 (PPS4) "Planning for Sustainable Economic Growth", together with its accompanying Practice Guide.

1.2 Requirements of the Brief included:

- Identification of existing patterns of use of and demand for retail and leisure uses;
- Consequently, and taking into account the impact of other growth strategies for longer timescales, to assess both quantitative and qualitative need to 2016 and forward to 2026;
- To carry out a healthcheck of existing centres and consider whether they exceed/meet/fail their appropriate role in the hierarchy, taking account of the judgement of the extent of the catchment area they serve;
- Identify options to meet any identified requirements within the centres;
- To consider deficiencies and overall provision to advise where new centres might be required;
- In all respects, judgements on the above matters were to be informed by market views and considerations.

1.3 The Brief also required advice relating to the future of Kirkgate Markets in Leeds City Centre, the appropriate floorspace thresholds for requiring impact assessments as indicated in PPS4 (Sections EC3.1d and EC16.1) and the identification of locally important potential impacts on particular centres (PPS4 Sections EC3.1e and EC16.1f) and the balance between retail and leisure uses in the City Centre.



- 1.4 It was confirmed that LCC's own updated Employment Land Review would provide the basis for assessing issues relating to office development, although CI have added a market dimension to this information.
- 1.5 Issues on leisure, arts, culture and tourism uses have also been considered, but in light of existing, recent and proposed facilities, a detailed new study of these was not required, although they form part of the overall assessment of the Centres.
- 1.6 This report is set out under the following headings:
- Section 1: Introduction
 - Section 2: Planning Policy Context
 - Section 3: Retail Context
 - Section 4: Leeds in its Sub-Regional Context
 - Section 5: Leisure and Cultural Facilities
 - Section 6: Leeds Office Market Summary
 - Section 7: Healthchecks: Assessment of Current Roles, Function and Hierarchy
 - Section 8: Qualitative Retail Need: Data Source and Assumptions
 - Section 9: Quantitative Retail Need: Methodology and Assessment
 - Section 10: Assessment
 - Section 11: Summary and Conclusions
- 1.7 The current Development Plan Policies in Leeds are those set in the Regional Spatial Strategy (RSS) for Yorkshire and the Humber (2008) and the Leeds Unitary Development Plan (UDP) Review 2006. However, that Review was a partial one only and in relation to the issues to be addressed by this Study, the strategy and policies remained generally unchanged from the original Leeds UDP adopted in August 2001. More significantly, much of the basic survey analysis and indeed policy development date from the late 1980's and early 1990's.





- 1.8 This is not to say that the general thrust of the policies had become outdated so as to render them obsolete as key strands in the policy approach were and remain consistent with changing national planning policy guidance. Moreover, as detailed subsequently, a number of proposals in the UDP aimed at meeting identified deficiencies in shopping provision for particular communities were enshrined in the UDP and have been brought forward through it subsequently.

- 1.9 The strategy was underpinned by a retail study carried out by Bernard Thorpe in 1987. This informed the decisions of the City Council on a series of major out of town retail developments. Subsequently, a wider Bernard Thorpe Study was carried out for the other West Yorkshire Districts in 1988.

- 1.10 Subsequently, in 1999, Colliers Erdman Lewis carried out a "Retail Capacity Study" for the West Yorkshire Planning Forum, although the timing of this was such that it did little to inform the UDP policies.



2 PLANNING POLICY CONTEXT

- 2.1 The following provides a review of the current key national, regional and local planning policy, which will guide future retail development in the City.

NATIONAL PLANNING POLICY

- 2.2 The broad thrust of national planning policy is to encourage sustainable patterns of development. The objective is that there should be a Plan led planning system based on a sound evidence base which will assist in the creation of “quality development needed to further sustainable development and secure sustainable communities”. (PPS1, Section 7). General planning policy guidance follows from this broad principle and the principal guidance in relation to the subjects of this Study is summarised below.
- 2.3 The Government’s overarching objective is for sustainable economic growth, achieved through the building of prosperous communities by improving the economic performance of cities, towns, regions, sub regions and local areas. Sustainable patterns of development are supported which reduce the need to travel especially by car.

Planning Policy Statement 4 (PPS4): Planning for Sustainable Economic Growth (December 2009)

- 2.4 PPS4 was published in December 2009. The document sets out planning policies for economic development which includes development within the ‘B’ Use Classes, public and community uses and main town centre uses. The main town centre uses defined in the PPS and to which policies within it apply are retail development, leisure, entertainment facilities, offices and arts, culture and tourism development.
- 2.5 Annex B of PSS4 defines, city town and other centres, with regard to town centres, the document states;



'Town centres will usually be the second level of centres after city centres and, in many cases, they will be the principal centre or centres in a local authority's area. In rural areas they are likely to be market towns and other centres of similar size and role which function as important service centres, providing a range of facilities and services for extensive rural catchment areas. In planning the future of town centres local planning authorities should consider the function of different parts of the centre and how these contribute to its overall vitality and viability.'

- 2.6 The definition of a district centre is clear in the document which states;
'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.'
- 2.7 PPS4 advice aims to promote the vitality and viability of town and other centres as important places for communities. To do this, the objectives are that:
- New economic growth and development of main town centre uses be focused in existing centres
 - Competition between retailers and enhanced consumer choice should not be constrained
- 2.8 Policy EC1 of PPS4 highlights the crucial role of an up to date and sound evidence base to plan positively for town centre uses.
- 2.9 At the local level, Policy EC1 advises that the evidence base should be informed by regional assessments and should assess the detailed need for floorspace for main town centre uses. This includes the following:
- Identifying any deficiencies in the provision of local convenience shopping and other facilities which serve peoples day to day needs. The evidence base should also assess the capacity of existing centres to accommodate new town centre development, taking account of the role of changes in the hierarchy and identifying centres in decline where change needs to be managed;



- When assessing the need for retail and leisure developments, local planning authorities are advised to take account of the quantitative and qualitative need for different types of retail and leisure developments;
- In deprived areas which lack access to a range of services and facilities, give additional weight to meeting these qualitative deficiencies;
- When assessing quantitative need, have regard to relevant market information and economic data;
- When assessing qualitative need, assess whether there is provision and distribution of shopping and other services which allow genuine choice to meet the needs of the whole community; and
- Take into account the degree to which shops may be overtrading and whether there is need to increase competition and retail mix.

2.10 Policy EC3 deals with the planning for centres. As part of their economic vision, local authorities should set out a strategy for the management and growth of centres over the plan period.

2.11 The policy clearly differentiates between the role of regional planning bodies and local planning authorities in their assessments and the policy provides a checklist to determine the scope of such assessments.

2.12 Policy EC4 reinforces the Government's objectives of achieving sustainable economic growth. The policy sets out some of the issues which should be addressed in preparing and evaluating town centre strategies and translating these into their Local Development Framework (LDF).

2.13 The policy requires local planning authorities to identify sites in the centre or on edge of centre to accommodate new development where needed. Policy EC5 sets out the approach to which local planning authorities should adopt to identify where future need and therefore future sites should be accommodated.



THE DEVELOPMENT PLAN

The Yorkshire and Humber Plan – RSS to 2026 (adopted May 2008)

- 2.14 The Yorkshire and Humber Plan RSS to 2026 guides development throughout the region over the next 15-20 years. The Government has stated its intention to abolish the RSS through the Localism Bill placed before Parliament on 13 December 2010. At present however, the RSS remains part of the Development Plan for the City and the Authority has to have regard to it. Moreover, the key elements are consistent with national guidance in PPS4 and, insofar as town centre strategies and policies are involved, it is not expected that abolition would have a profound effect on either policy development or the assessment of specific proposals.
- 2.15 The RSS was adopted in May 2008 and sets out the aims and objectives for the region. The principal vision is for the region to have more sustainable patterns and forms of development, investment and activity and a greater emphasis on matching needs with opportunities and managing the environment as a key resource.
- 2.16 Policy YH1 sets out the overall approach and key spatial priorities stating that plans, strategies and investment decisions should aim to manage and spread the benefits of continued growth of the Leeds economy as a European centre of business and financial services.
- 2.17 Policy YH3 refers to how the region should work together and that plans, strategies, investment decisions and programmes should be based on effective collaboration between areas within the region.
- 2.18 Policy YH4 refers to how the regional cities and sub-regional cities and towns should be the prime focus for development, including shopping, leisure and employment.
- 2.19 Leeds is classed as one of four regional cities within the Yorkshire and Humber region. The regional cities and sub-regional cities are identified as being the prime focus for housing, employment, shopping, leisure and so on. The Leeds sub-region is the largest in the region and contains 48% of its population and the RSS states that potential job growth could be around 18,000 jobs a year and household growth around 14,000 a year from 2008 over the Plan period.



- 2.20 Policy YH5 refers to the role of Principal Towns as accessible and vibrant places which should be the main focus for housing, employment, shopping and leisure. The policy states that plans should aim to enhance Principal Towns by improving accessibility and public transport links, and enhancing the vitality and viability of town centres.
- 2.21 The RSS identifies Wetherby along with a number of other Principal Towns on the Key Diagram and Part C of the policy states that these towns should be included in LDF's. The policy states that other towns may also be included in LDF's where they meet a number of criteria set out within the policy.
- 2.22 Policy YH6 states that Local Service Centres will be protected and enhanced as attractive and vibrant places. Plans should aim to retain and improve local services, achieve a high standard of design and support economic diversification.
- 2.23 Policy LCR1 refers to the Leeds City Region which comprises the districts of Bradford, Calderdale, Kirklees, Leeds and Wakefield in West Yorkshire, the whole of Barnsley in South Yorkshire, the Unitary Authority of York and in North Yorkshire, Selby, Craven and Harrogate districts. The principal aim of the policy is for the region to realise its economic growth potential and ensure that the benefits are spread more equally both within the city region and in the wider region. The policy also states that the role of Leeds as a regional City should be developed and that the City should continue to improve its offer of high order shops and services.
- 2.24 Policy E1 refers to creating a successful and competitive regional economy stating that plans and strategies should deliver a range of benefits including:
- The potential of the "non-business class" sectors, including health, sport, retail, leisure, tourism and education as key economic and employment generators
 - Investment in locations where it will have maximum benefit and secure competitive advantage, recognising the role of regional cities and sub-regional cities and towns as key drivers of productivity
 - Improved links between job opportunities, skills development, business productivity and investment



- 2.25 Policy E2 states that plans and strategies should strengthen the role and performance of existing city and town centres. It goes on to state that the centres of regional cities and sub-regional cities and towns should be the focus for offices, retail, leisure and entertainment. It states that district centres within regional and sub-regional cities and towns should be the focus for local services and facilities.
- 2.26 The policy continues to states that development of environmental enhancements, accessibility improvements and town centre management should take place to create distinctive, attractive and vibrant senses of place and identify for each centre. Part C of the policy states that no further development of new or large scale expansion of existing out of centre shopping centres should be permitted.

Leeds Unitary Development Plan (UDP) 2006

- 2.27 The Leeds UDP Review was adopted in July 2006 and was a partial review to update the 2001 Adopted Plan in relation to the sequential release of housing land. The majority of the policies, including those relating to centres, in the Plan are therefore based on analysis and policy development dating from the late 1980's and 1990's.
- 2.28 The strategy adopts eight key principles to achieve the goals and aims identified for the city, including that priority should be given to the maintenance and enhancement of the City Centre and town centres, and that the role of the City Centre will be enhanced by a planned approach to the expansion of uses within the defined City Centre boundary, improved urban design and transport improvements.
- 2.29 In terms of the local economy, the UDP identified the need for 560 ha of additional employment land, broad locations and sites for new development are identified on the Proposals Map. It was estimated that 160 ha of land for B1 business development would be required up to 2016, including about 305,000 sq m of prime office space in the office quarter over the Plan period. The City Centre was identified as the principal location for prime office development in addition to areas identified on the fringe of the City Centre.
- 2.30 Policies E16 and E17 state that office development of an appropriate scale will normally be acceptable in locations well related to the town centres and office development will be encouraged in 12 town centres identified.



- 2.31 Chapter 9 sets out the policies required to achieve the strategic principle of giving priority to the maintenance and enhancement of existing city and town centres.
- 2.32 The UDP retail strategy aims to sustain and enhance the retailing strength of the district. The policies are based on the evidence and conclusions of two major retail studies carried out by Bernard Thorpe for Leeds in 1987 and West Yorkshire in 1988. The reports led to the West Yorkshire Retail Strategy, approved by the five Yorkshire districts in 1989 as a basis for the UDP strategic policy.
- 2.33 In addition, the policies take account of national guidance which was contained in PPG6, Town Centres and Retail Developments (1996), which placed a greater emphasis on town centres than had earlier versions of this guidance.
- 2.34 Policy S1 states that the role of the City Centre as the regional shopping centre will be promoted and enhanced. Policy S2 refers to the vitality and viability of the 28 identified town centres, stating that centres will be maintained and enhanced in order to secure the best access for all sections of the community to a wide range of retailing and other services. The policy continues to state that retail development will be encouraged in these centres unless it would undermine the vitality of the City Centre or any of the other identified town centres.
- 2.35 Policy S3 refers to how enhancement and maintenance of the centres mentioned in Policy S2 will be promoted and co-ordinate public and private sector initiatives in order to secure amongst others:
- Support for redevelopment of existing retail premises
 - Maintenance of principal shopping areas
 - Environmental improvements
 - Retention of larger development/redevelopment sites where suitable for large unit retailing
- 2.36 Policy S3a states that priority will be given for the refurbishment and enhancement of ten identified centres to secure further expansion of the range of facilities.



- 2.37 Policy S4 refers to how the vitality, viability and availability of shopping services in defined centres will be maintained. The policy states that proposals to change the use of an existing retail unit to a non-retail use will be subject to additional policy tests.
- 2.38 Policy S5 states that major retail development will not be permitted outside the defined centres unless a sequential assessment is carried out and the proposals address qualitative and quantitative issues.
- 2.39 Policy S6 identifies a number of areas where modern convenience retailing proposals would be supported including Farnley, Burley-Kirkstall-Hyde Park-Woodhouse, Harehills and Richmond Hill.
- 2.40 Policy S8 refers to the maintenance and enhancement of neighbourhood shopping through support for refurbishment, expansion and redevelopment of the existing premises, as well as environmental improvements including enhanced car parking provision, improvements to pedestrian movement and improvements to landscaped areas.
- 2.41 Policy S9 refers to smaller retail development stating that they would not normally be permitted unless the development cannot be accommodated within the existing defined centres.
- 2.42 Chapter 10 of the UDP addresses leisure and tourism. Policy LT1 states that priority will be given to the provision and siting of new leisure facilities and the retention and enhancement of existing facilities in areas accessible to all sections of the community.
- 2.43 Policy LT3 refers to the retention and enhancement of existing visitor attractions, including the built heritage of the City Centre and states that the creation of new attractions and facilities will be supported as opportunities arise.
- 2.44 Chapter 13 sets out the objectives and aims in order to enhance the City Centre. The chapter contains policies relating to the growth of the City Centre, environmental and transport strategies.



- 2.45 With regard to the primary activities, Policy CC19 states that office development will be supported as the principal use within the identified prime office quarter and prestige office development supported in the identified prestige development areas.
- 2.46 Policy CC21 states that shopping development will be supported as the principal use within the identified prime shopping quarter. Outside the identified quarter, the policy states that ancillary development will be acceptable.
- 2.47 Policy CC22 refers to the detailed shopping frontage policies contained in the Appendix of the document.
- 2.48 Appendix 12 provides details of policies relating to proposals to the change of use of shops and to other non-retail uses within identified centres. The objective of the policy is to prevent non-retail uses from dominating shopping frontages in a way that undermines the retail function and general availability of shopping facilities.

EMERGING LEEDS DEVELOPMENT FRAMEWORK (LDF)

Core Strategy Preferred Approach (CSPA) Summary October to December 2009

- 2.49 This sets out the Council's preferred approach for future development of Leeds over the next 20 years and in its' final form will be the main document in the LDF, the new Development Plan for Leeds. The CSPA addresses a wide range of environmental, social and economic considerations, in order to address the challenges and opportunities which Leeds faces in the future.
- 2.50 The CSPA consultation was held in October 2009 with 186 comments received relating to town centre issues. Consultation Responses to the Preferred Approach will be used to work up the final version of the Core Strategy. Policies within the CSPA are therefore subject to change and so weight should be attached to them accordingly. The document is expected to be submitted to the Secretary of State in 2012.
- 2.51 The CSPA provides a summary of Leeds district and sets out its settlement hierarchy. The City Centre is at the heart of the main urban area and is surrounded by a number of freestanding market towns and smaller settlements.



Complementing and overlaying the broad settlement hierarchy is a hierarchy of town centres, local centres and neighbourhood shopping parades, which provide shopping, leisure and a range of other facilities.

- 2.52 The CSPA states that the long term vitality of these centres is integral in achieving the long term development of sustainable communities across the district. Later in this report the hierarchy is considered and suggestions made.
- 2.53 The overarching approach of the CSPA is to ensure that Leeds continues to develop as a successful and thriving European city through the provision of a framework which promotes amongst others, a competitive economy with a skilled labour force, a healthy and socially inclusive population and quality of place and environment.
- 2.54 As a framework to deliver the RSS and vision for Leeds' priorities, the CSPA identifies a series of themes, which are supported by a series of spatial objectives which provide a framework for the strategy and policy approaches. The themes include Leeds as a distinctive place, green infrastructure and sustainable communities and shaping the future, managing the needs of a growing city, managing environmental resources and a well-connected city.
- 2.55 A strategic priority of the CSPA is to ensure that Leeds has sustainable communities which offer a high quality of life and a strong sense of place for the people who live and work in them.
- 2.56 Policy SC1 sets out the regeneration priority areas within the City, the policy continues to state that the areas will be defined further and taken forward in the LDF through Area Action Plans and other regeneration plans.
- 2.57 Policy SC2 identifies the hierarchy of centres within the City in order to promote their vitality and viability. The hierarchy identified comprises the City Centre first, town centres, local centres, neighbourhood shopping parades, defined smaller settlements with an aspiration for a cluster of local facilities or a neighbourhood shopping parade.



- 2.58 The CSPA states that the specific boundaries of the centres will be identified in the Site Allocations DPD, which will update the current UDP boundaries.
- 2.59 The CSPA clarifies the definition of town centres used in the strategy stating that it incorporates the description formerly used in the UDP of both town and district centres.
- 2.60 The CSPA makes specific reference to out of centre retail parks and states that the shopping centres / retail parks at Owlcotes, White Rose, Colton and Killingbeck are not considered to be town centres. The out of centre developments are considered to lack a broad range of facilities and national and regional policy does not support the expansion of such centres, particularly for retail uses. It should be noted that both Colton and Killingbeck were regarded as developments which would serve to meet needs identified in UDP Policy S6.
- 2.61 The strategy recognises that the current function of the shopping centres / retail parks cannot be overlooked, however, any attempt to diversify the function or role of the parks will not be supported.
- 2.62 The Crown Point Shopping Centre is included within the wider City Centre boundary of the UDP. However it raises similar issues to out of centre retail parks and shopping centres and the CSPA states that any change in the role or function of this centre should not be to the detriment of the City Centre or nearby town and local centres. Indeed, the Preferred Options of the City Centre Action Area Plan (AAP) aims to consolidate the boundary of the park which in reality acts more as a shopping centre in competition to the main city centre shopping.
- 2.63 Policy SC3 refers to the uses in centres and identifies those uses to be directed towards the appropriate level of hierarchy of centres.
- 2.64 Policy SC4 sets out the criteria to consider the creation of new centres, including:
- The proposal should not undermine the vitality and viability of the City Centre or town or local centres
 - There is a need for additional facilities to serve an increase in local population
 - The centre must have good pedestrian and cycle access and good public transport links



- 2.65 The policy continues to state that small scale new retail, leisure and community facilities will be supported in small settlements identified under Policy SC2.
- 2.66 Policy SC5 refers to edge of centre developments and sets out a number of criteria that must be met for edge of centre proposals.
- 2.67 Policy SC6 refers to health, education, cultural and leisure facilities and states that the Council will continue to promote and improve the provision of such facilities.
- 2.68 Policy H1 refers to the sequential preferences for housing location within the City, the strategy states that there is a requirement for 4,300 dwellings per year from 2008. The policy identifies the City Centre and main urban area as the preferred location for new housing, followed by locations within the major towns, extensions to the main urban area and extensions to major settlements.
- 2.69 Policy EC1 refers to the economic development priorities and states that the Council will support and grow the economy in Leeds at the heart of the city region.
- 2.70 Policy EC2 refers specifically to the economic role of the City Centre and states that its role as economic driver for the district will be maintained and enhanced through a number of aims and objectives.
- 2.71 Policy EC4 refers to the location of office development within the district. It states that the City Centre will be the main focus for office development, setting a minimum target of 550,000 sq m for the City Centre and an additional 50,000 sq m is apportioned to other centres across Leeds over the Plan period.
- 2.72 The policy continues to state that town centres will be promoted as locations for office development of a small and medium scale to provide employment opportunities in the heart of local communities. The policy states that the Site Allocations DPD will identify sites within and on the edge of town centres which are suitable for office development. Small scale offices are also identified as being appropriate within defined local centres, subject to the development relating well to the size and function of the centre.



3 RETAIL CONTEXT

3.1 This section considers the national retail and town centre trends.

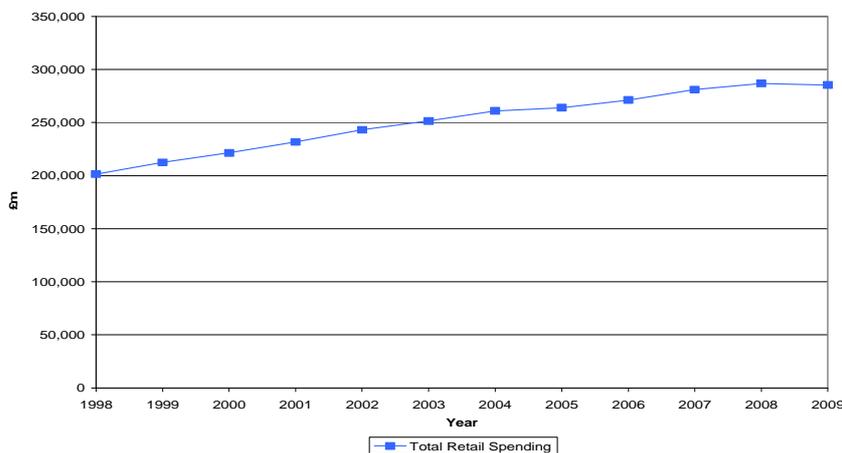
Retail – Trends and UK Context

3.2 It is useful to set the shopping markets within Leeds in the context of long term national trends. Retailing is a dynamic industry and the way they evolve will have important implications for all parts of the UK, including for Leeds.

Retailing - Periods of Rapid Change

3.3 During the 1980s and 1990s the UK retailing industry underwent a radical transformation. Fired by a growing volume of consumer spending, a considerable economic boom occurred. Between 1998 and 2008, for example, retail spend rose by £85 billion (**Figure 3.1**). This rapid increase was due to the easy availability of credit, a booming housing market and increasing consumer confidence, which translated into consumer expenditure.

Figure 3.1 Annual Retail Sales, 1998–2009 at Current Prices



Source: Verdict, UK Out of Town Retailing, October, 2010.

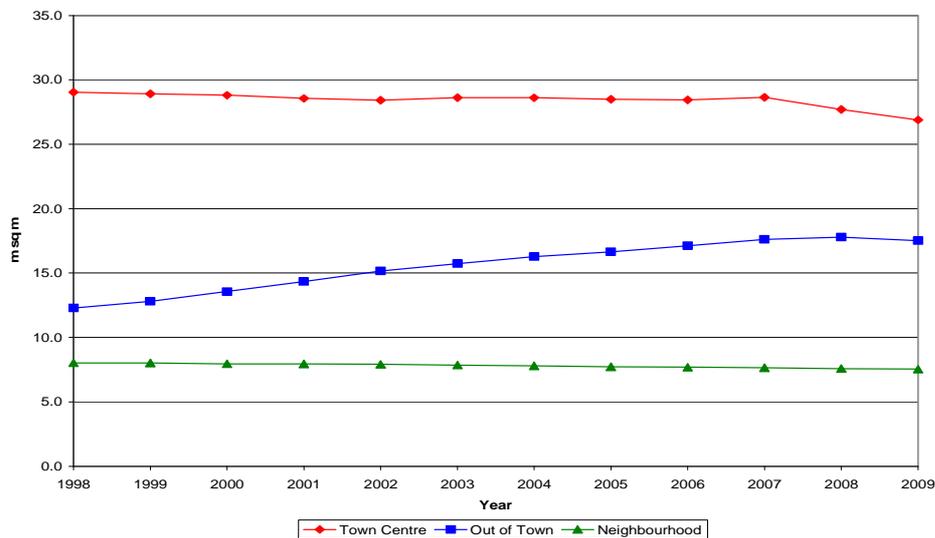


- 3.4 This general buoyancy and healthy consumer demand was underpinned by important changes on the supply side, notably:-
- the advance of superstores and multiple retailers;
 - achievement of larger economies of scale;
 - introduction of attractive new store designs and systems of product presentation; and
 - superior systems of stock control and replacement.
- 3.5 A new generation of consumers was courted by new retailers focusing heavily on design and market segmentation (e.g. Next, Tie Rack and The Body Shop). The aggressive expansion of new retailers added further pressures to a widespread demand for a limited resource, i.e. prime sites on the high street and in shopping centres. However, this was confined almost entirely to large towns and cities, rather than smaller centres.
- 3.6 The 1980s and 1990's also saw a period of financial deregulation. High Street sites were in competition and eagerly acquired by such service providers as banks, building societies and estate agencies.
- 3.7 All these market changes put upward pressures on the level of shop rents as a consequence of the "race for space". Between 1984 and 1988 rents nationally increased by over 60%. This large increase was vastly in excess of the underlying growth in retail sales and consumer expenditure (25% and 23% respectively). As retailer demand continued to fuel rental growth, new shopping developments in town centres and out of centre became viable. This took the form of major centre schemes, retail parks and smaller "courtyard" developments, sometimes in secondary locations in the larger centres.
- 3.8 Between 1987 and 1996 the quantity of out of centre floorspace in the UK grew by over 87% (an increase of almost five million sq m), whereas the equivalent figure for in-town retail floorspace showed a growth of only 0.7% (less than 0.2 million sq m).
- 3.9 Thus in floorspace terms virtually the whole of the net additional growth in the UK retail sector between 1987 and 1996 was out of centre.



3.10 During this time migration of the main out of centre sectors from the high street created space into which the more traditional high street retail uses expanded. By the end of 2000 out of centre shopping accounted for 27% of total retail space and 28% of retail sales, with both these figures rising to 34% and 31% respectively by 2009. **Figures 3.2 to 3.4** below summarise changes in the quantum of retail sales and retail floorspace by physical location over the past decade and the relationship between the two indicators (sales densities).

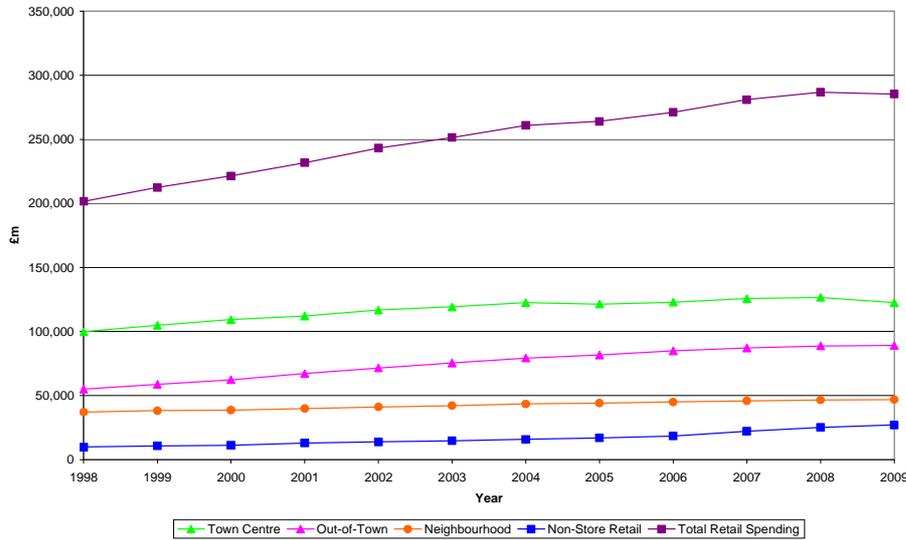
Figure 3.2 Retail Floorspace by Location, 1998-2009



Source: Verdict, UK Out of Town Retailing, October 2010.

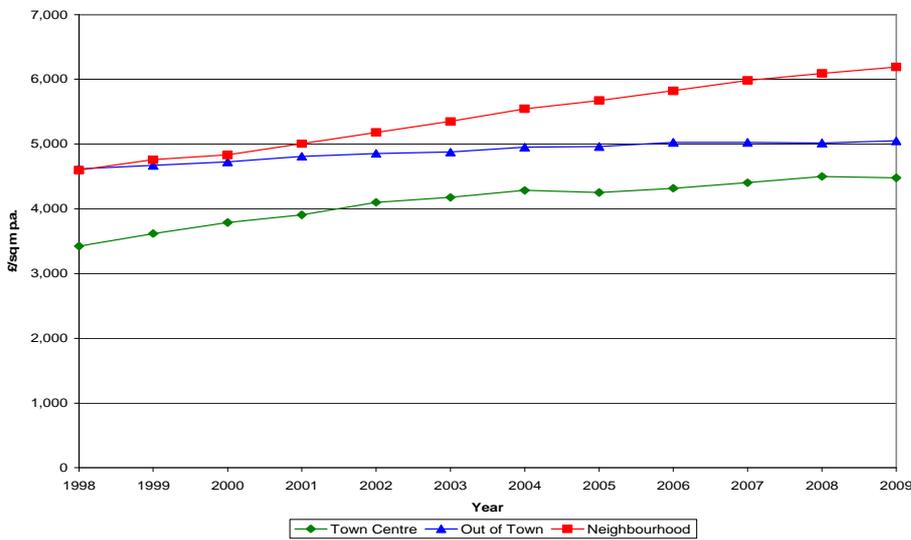


Figure 3.3 Retail Sales by Location at Current Prices, 1998-2009



Source: Verdict, UK Out of Town Retailing, October 2010.

Figure 3.4 Retail Sales Densities by Location at Current Prices, 1998-2009



Source: Verdict, UK Out of Town Retailing, October 2010.

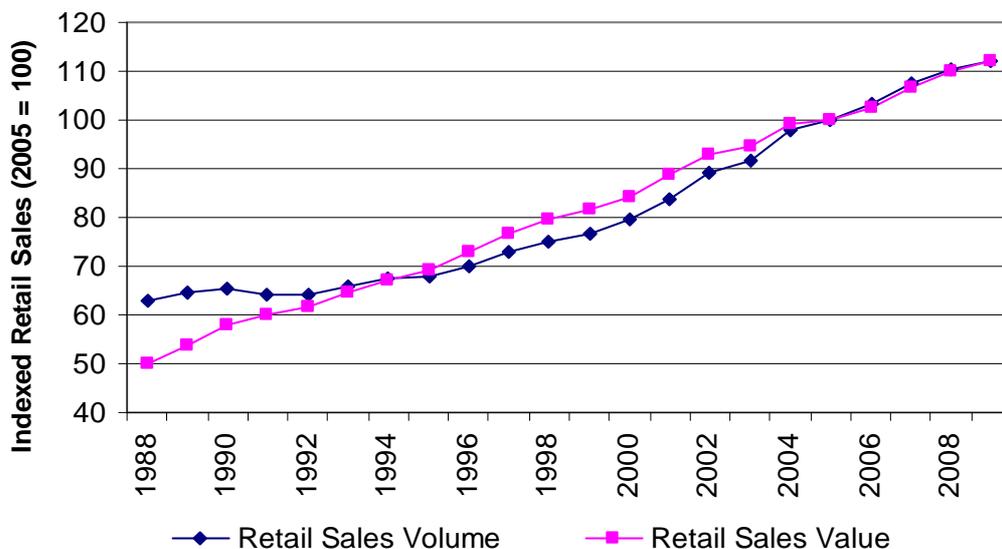


3.11 In relation to high street retail the 1980s and 1990s saw an increasing concentration of shopping provision within the UK's largest city and town centres. By 2000, for example, the top 100 locations accounted for an estimated 36% of (town centre) floorspace and 58% of sales.

Early 1990s Recession

3.12 The results of the onset of the recession at the end of the 1980s / early 1990s are well documented - a virtual standstill in retail sales and a sharp decline in the fortunes of high street stores. From 1989 to the end of 1992, the general trend in retail sales at constant prices (i.e. discounting for inflation) was static (see **Figure 3.5**) in marked contrast to the expectations on which some retailers' business plans at the time was based.

Figure 3.5 Retail Sales Values vs Volumes, 1988 - 2009



Source: Experian Forecast, August 2010.

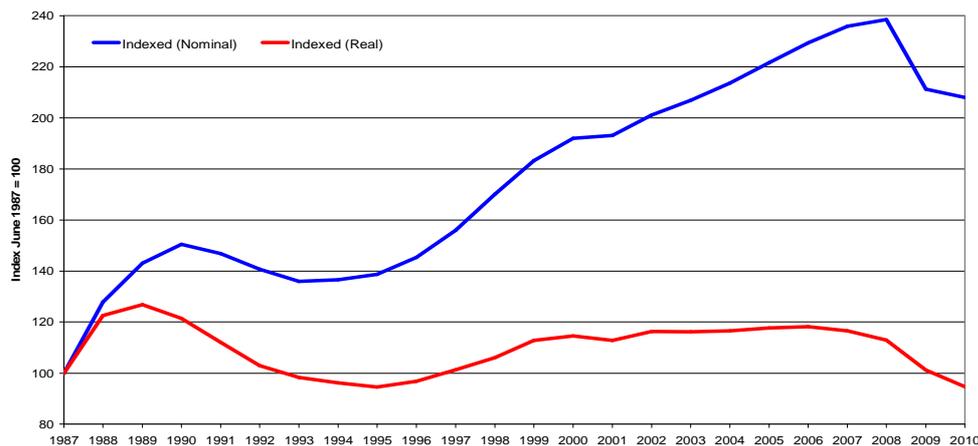


3.13 High rents and low sales resulted in many retailers (multiples and independents) having a particularly difficult time. Some retailers closed down or down-sized their holdings considerably. This period also saw the growth of the “discounters” (food and non-food) as consumers became very cost conscious. In addition, charity shops proliferated as landlords tried to recoup lost income from voids arising from the downturn. This period was characterised as being very much a tenants market as occupiers had substantial negotiating clout resulting from the downturn.

Retail Evolution since the Mid 1990s

3.14 From 1996, until relatively recently, growing consumer confidence had led to increasing retail spend, which in turn encouraged retailers to expand with strong competition for prime sites and a resultant increase in prime rents (see **Figure 3.6** overleaf). Although prime rents rose each year from 1993-94 to 2007/08, in real terms (i.e. after taking inflation into account) values remained lower than those achieved more than a decade earlier. In absolute terms, the average GB prime rent rose from £592 per sq. m in 1987 to £883 per sq. m in 1990 before falling back to £797 per sq. m in 1993. Since then, the average rent increased annually to reach £1,400 per sq m in May 2008 before declining once more to £1,227 per sq m in May 2010.

Figure 3.6 Great Britain Prime Rental Performance, Nominal & Real Values (June 1987 to June 2010)



Source: Colliers International.



- 3.15 The general confidence in retail markets since 1996, until quite recently, has been the result of a buoyant national economy, resulting in increasing consumer affluence and confidence. Positive economic indicators included a growth in Gross Domestic Product (GDP), relatively low inflation and falling unemployment. This confidence in the economy saw improvement in rents across all property sectors. Property also witnessed a significant increase in investment from institutional investors.
- 3.16 Retailers responded to these emerging consumer needs by focusing more on the establishment of larger shops that were able to provide the full range of their products at a competitive price. According to Verdict, high street stores are now 25% larger than a decade ago as retailers such as Marks & Spencer and Next strive to expand floorspace to accommodate broader ranges and services. Typically, these new “mega” shops are located in the larger “quality” regional centres where catchment populations are considerable and affluent, and where retailers can maximise market share through a more focused branch network.
- 3.17 Retailing is also becoming more and more about branding and specialisation. The retail generalists, such as W H Smith and Boots, are finding it difficult to maintain market share, especially as the supermarkets move increasingly into non-foods. The buying power of these operators now enables them to undercut most high street retailers on price.
- 3.18 There is also a growing element of convergence between retailing and leisure. Both retailing and leisure have a developing synergy so that the shopping trip is now increasingly seen as a “day out” rather than a regular routine or chore. An example of this trend is the shopping trip which in itself is undertaken as a leisure activity. This is particularly well illustrated by the new breed of factory outlet centres which have opened throughout the UK, where research which we have undertaken shows that up to 75% of visits are essentially leisure based trips and are “net additional” to regular visits made to the high street.



- 3.19 There has been growing pressure and competition from café, snack bar, restaurant and licensed retail operators (e.g. JD Wetherspoon), responding to the trend of people choosing to eat out more regularly and contributing to the concept of the evening economy.
- 3.20 In key centres, international retailers have also been very active. The best example of this is central London, where locations such Oxford Street, Bond Street and Regent Street have attracted an influx of major names including Armani, Donna Karan, Louis Vuitton and Gianni Versace. However, demand from overseas retailers has also been healthy in a number of the other major regional centres such as Manchester, Glasgow and Leeds.
- 3.21 However, early 2009 saw the UK slide into economic recession once more and a number of the trends of the 1990's recession are therefore being repeated. Woolworths and MFI were among the early retail casualties of the present downturn.

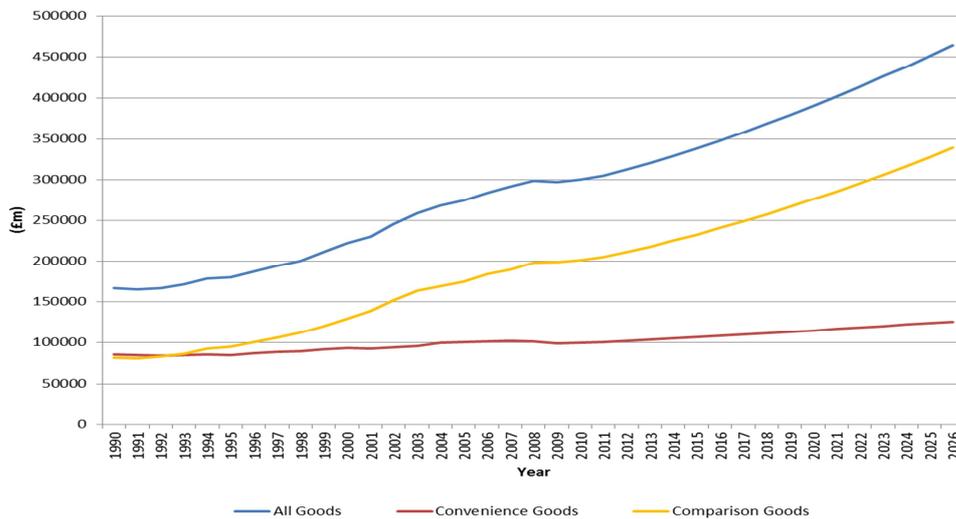
Out of Town Retailing

Food and Other Convenience Goods

- 3.22 Food and convenience goods retailers continued to expand through the recession of the early 1990s, particularly in out of centre locations.
- 3.23 The slow growth in convenience goods expenditure (illustrated in **Figure 3.7**) contributed to the expansion plans of food retailers by forcing them to fight for market share and to benefit further from economies of scale. The logic appears to be that to increase market share and profits, there is a need to increase floorspace.



Figure 3.7: Consumer Retail Expenditure by Goods Type for the UK (Constant 2006 Prices), 1990 to 2026



Source: Experian Forecast, August 2010.

3.24 In the past, increasing floorspace was achieved mainly through new superstore development, especially out of centre. However, with government planning policy curtailing opportunities out of centre, the major operators are increasingly looking to extend their existing stores. Extensions are used to accommodate non-food ranges which have lower sales densities (than food) but generate better margins. Larger stores also enable food store operators to diversify into services or to accommodate in-store service use concessions (e.g. coffee shops, dry cleaners, shoe repairers and photographic processing).

3.25 Smaller store formats have been devised by a number of major food store operators and this has also spearheaded the movement back to town centres. An example of one of the new formats is Tesco with its “Metro” and “Express” concepts. The promotion of town centre living, along with the growth in one person households as well as an increasingly ageing population, has created a market for in-town supermarkets.





3.26 The growth in the number of larger superstores (**Table 3.1** overleaf) has been at the expense of smaller supermarkets and other food specialists. The net effect of the expansion of the superstores has been a loss of more than 36,000 food shops over the past 13 years.



Table 3.1: Total Grocery Store Numbers by Retail Type, 1997-2010

<i>Year</i>	<i>Superstores</i>	<i>Supermarkets and Smaller Grocers</i>	<i>Food Specialists</i>	<i>Off-Licenses & Tobacconists</i>	<i>All stores</i>
1997	1,084	34,438	41,493	27,667	104,682
1998	1,117	33,766	39,407	25,691	99,981
1999	1,150	33,586	37,996	22,480	95,212
2000	1,180	33,228	36,157	20,756	91,321
2001	1,235	33,040	34,240	19,208	87,723
2002	1,292	32,785	33,155	17,644	84,876
2003	1,319	32,523	30,856	16,349	81,047
2004	1,351	32,423	28,963	14,194	76,931
2005	1,385	32,288	28,244	13,373	75,290
2006	1,434	32,138	27,750	12,540	73,862
2007	1,463	31,953	27,123	11,760	72,298
2008	1,490	31,857	26,309	11,125	70,781
2009	1,513	31,729	25,467	10,546	69,255
2010	1,539	31,666	24,856	10,019	68,080
%Change 1997-2010	+42	-8	-40	-64	-35



Non-Food

- 3.27 Following many years of rapid growth, the out of town retail warehouse sector suffered a down-turn at the end of the 1980s. By the mid 1990s it had recovered and the market remained strong through to around 2005. This 10 year renaissance derived from a series of innovations which, when combined, created the modern purpose-built retail park. Schemes built in the early 1980s began to be examined critically and some were redeveloped or extended. Free-standing (“solus”) units started to become outmoded. Some units were reduced in size from that typically required by DIY operators to meet the new range of retail warehouse or “showroom” occupiers.
- 3.28 The retail warehouse market continues to segment as it matures. Prime rents are generally paid for space on purpose built retail parks which are accessible by a large catchment population and which benefit from an “open” (non-food) retail planning consent (the first tier - “superprime”). In other locations, premiums can be paid by a wider range of retailers (typically for smaller retail warehouses) – on parks having such a planning consent (the second tier). With the increased use of planning conditions to restrict the use of out of town retail warehouses to “bulky goods”, a third tier has developed in investment terms.
- 3.29 During recent years there has been a polarisation in the retail warehouse market between bulky goods (weak demand) and open A1 (relatively healthy demand). There is currently a huge total of second hand space on the market and most of this is bulky goods restricted and often large and difficult to sub-divide. The weak bulky goods market is typified by major events such as the collapse of Courts at the end of 2004, which resulted in 70,000 sq m gross of vacant space coming onto the market, and the down-sizing of B & Q. Added to this are the residual units from the more recent collapse of Alders, Furnitureland, Durham Pine, Textile World, MFI etc. and on-going disposals from a number of other retailers. Running in parallel to this, nationally, there has been the development of new retail warehouse floorspace that has never been occupied.



E-Tailing

- 3.30 In 2002, the value of online retail spending was just £3.8 billion, representing 1.6% of all UK retail sales. By 2008, however, it had grown to £18.4 billion (6.4%). Online sales have therefore risen rapidly to become an integral part of the UK retail market, and in many cases it is now the strength of retailers online sales that is helping to counter the weaker in-store performance.
- 3.31 Consumer confidence in online retailers has risen as shoppers have tested out the internet and found websites increasingly easy to navigate, credit card use to be secure and delivery to be convenient and reliable. The ease of comparing the price of goods and services has also led sales to soar, as has the increasing availability and falling price of broadband.
- 3.32 It is important to note that not all of the growth in online sales impacts directly on spend available to the high street. Nevertheless, online sales are now well beyond the point where growth is simply cannibalisation of more traditional home shopping formats. E-tailing is therefore now capturing more of the consumer spend that previously flowed to bricks and mortar retailing.
- 3.33 This implies that internet sales are drawing trade away from the UK's high streets. In practice, however, some retail operators run both traditional and online operations; for example, Argos and Tesco. Therefore, internet shopping does not necessarily mean high street retailers are losing out. In the case of some retailers, electronic orders are fulfilled out of existing stores, so growing online sales may even increase the need for retail property in certain cases.
- 3.34 The forecasts for e-tailing suggest that online sales will continue to increase rapidly over the next five years, after which rate of growth is expected to slow. Perhaps of more importance to retailers is the expectation special forms of trading (mainly internet shopping) is expected to capture an increasing share of all retail goods sales, rising to around 12.6% by 2016 according to Experian. Experian expects e-tailing to follow the s-curve profile of a slow start, rapid take-off (the present position) and an eventual plateau. They expect the market share of e-tailing as a proportion of total retail to stabilise from 2016 onwards.

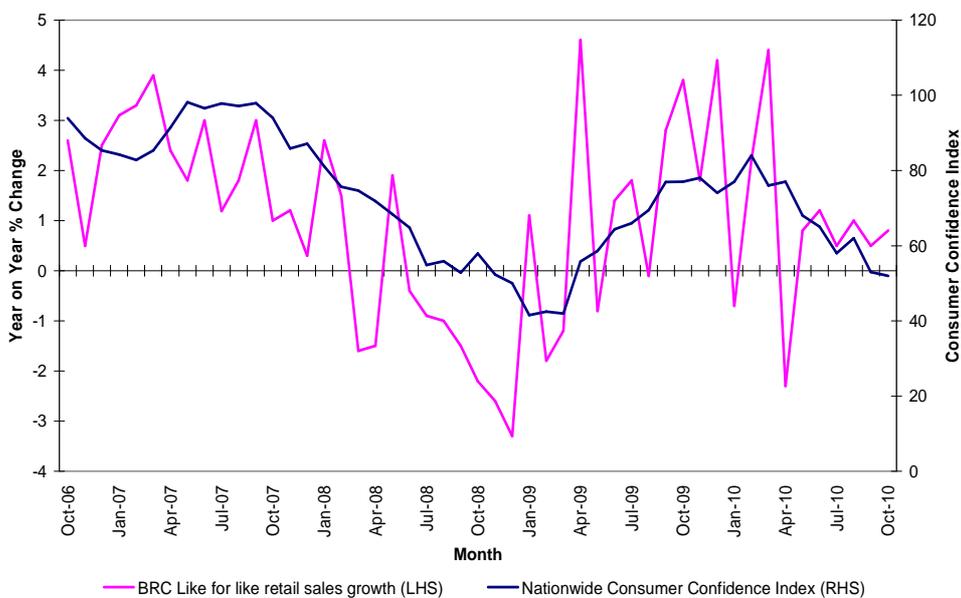


The Credit Crunch and its Effects on the Retail Economy

- 3.35 The year, 2008, was one of the most turbulent years for the global economy in history, primarily caused by the US sub-prime mortgage market, whereby banks around the world were exposed to bad debts.
- 3.36 The actual start of the “credit crunch”, however, can be pinpointed to 9th August 2007 when investment bank BNP Paribas closed two of its funds because it could not value the assets in them. This was followed in September 2007 by the collapse of Northern Rock and the biggest run on a British bank in more than a century.
- 3.37 Throughout 2008 a number of major events rocked the UK and global economy. On 15th September, Lehman Brothers became the first major bank to collapse with the warning that more would follow. This was followed by one of Britain’s biggest mortgage lenders Bradford and Bingley being nationalised and the government taking control of £50bn worth of mortgages and loans. In an unprecedented move six central banks around the world including the Bank of England, US Federal Reserve and European Central Bank all cut interest rates by half a percentage point on October 8th. This came hours after the UK government announced details of its rescue package for the banking system including a cash injection of £50bn and the offering up to £200bn in short-term lending support. Days later the government announced further plans to save the British banking system by effectively nationalising three UK banks, RBS, Lloyds TSB and HBOS injecting a total of £37bn of taxpayers’ money into them. 2008 saw the FTSE 100 fall 31.3%, the biggest decline in its history.
- 3.38 As a result of the economic downturn, the retail sector also took a severe battering. A string of high profile retailers went into or filed for administration including MFI, Land of Leather, Zavvi, and most significantly Woolworths, resulting in a number of changes on the high street.
- 3.39 Consumer confidence fell sharply over 2008 (see **Figure 3.8** overleaf) despite efforts by the government to get consumers spending. VAT was cut from 17.5% to 15% at the end of November 2008 in an attempt to instil some confidence, whilst in March 2009 the latest in a line of interest rate cuts saw the Bank of England base rate set at 0.5%, the lowest in its history.



Figure 3.8 Retail Sales -v- Nationwide Consumer Confidence



Source: British Retail Consortium / Nationwide Buildings Society

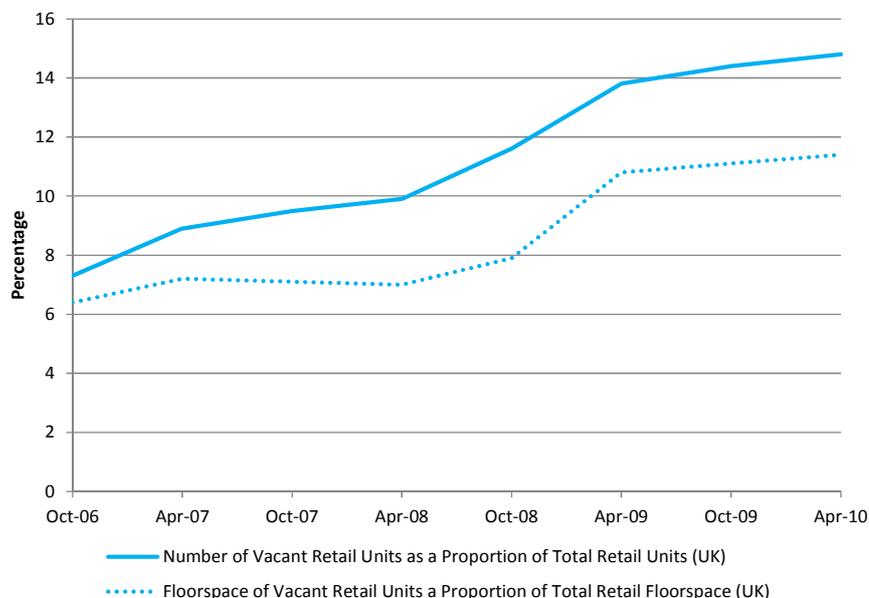
3.40 Confidence in the retail sector remained weak throughout 2009 and into 2010, although sales held up better than many forecasters predicted. The food store operators and value retailers in particular bucked the trend and continued to perform well.

3.41 Due to the economic downturn, vacant retail floorspace across the country has risen steadily for the past four years and is around double what it was in 2006 (see **Figure 3.9** overleaf). There are recent signs that the rate of growth in voids may be slowing, but future trends will depend largely on economic conditions and consumer retail expenditure growth.

3.42 CI's in-house research (based on a sample of 15 sample town centres) has shown that rising vacancy rates are now being driven entirely by the obsolescence of secondary space, with void floorspace in prime shopping areas already falling, albeit slowly.



Figure 3.9 Increase in UK Retail Vacancy Rates, October 2006-October 2010



Source: Colliers International.

Current Market Conditions and Outlook

- 3.43 The UK has experienced the worst economic recession since the 1930s. Although GDP figures indicate that the country has recently moved out of recession the recovery is expected to be long and fragile. The Coalition Government's measures to drastically reduce the deficit, which included a hike in VAT to 20% in January 2011, and huge public spending cuts, are expected to further dampen consumer retail expenditure over the coming months.
- 3.44 The recession took a heavy toll on the **high street** with capital values for some retail properties falling by up to half, eradicating many investors' equity and making banks the owners of many shopping centres and high streets. However, the large number of retail failures during late 2007/early 2008 has largely been stemmed and although there may be further casualties, occupier demand has been surprisingly buoyant. The key issue is the terms upon which retailers are prepared to take a unit.



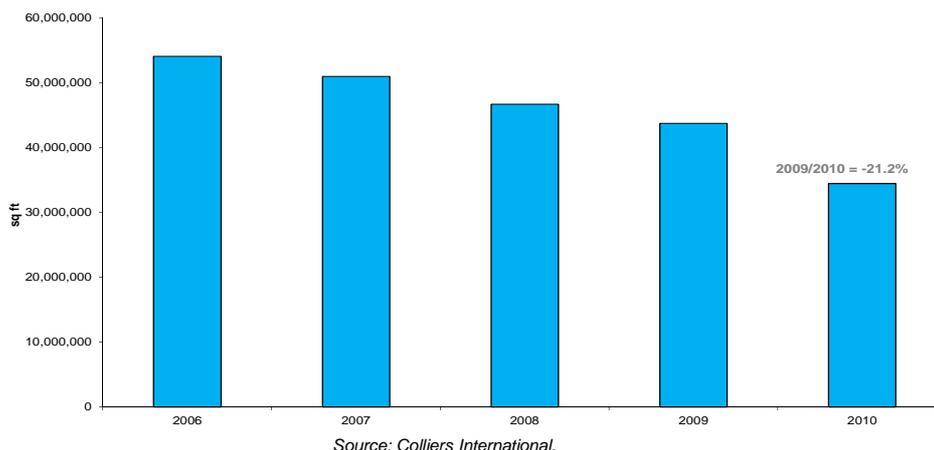
- 3.45 Landlords these days are often prepared to keep units occupied almost on any terms, encouraged to do so by the Government's implementation of full vacant rate payments. Rent free periods and/or incentives equal to two or three years are commonplace with there being extreme examples of five or even six years free being accepted. Short term leases on a turnover basis are often being entered into but at least the occupancy of a unit helps maintain vibrancy and a feeling of well-being in the nation's high streets and shopping centres.
- 3.46 In the **out of town retail market**, vacancy has increased significantly in recent years as a result of a series of administrations, particularly during 2008/09 (e.g. MFI, Land of Leathers and Allied Carpets). This caused rents to fall (up to 40% in some instances), the first significant reverse in the out of town market since its emerged 30 years ago. Many of these voids remain unlet, especially on the bulky goods retail parks. Accordingly, rental levels can no longer be held up by incentives and landlords are having to adopt a more pragmatic (flexible) approach to lettings, use of units and potential occupiers to keep parks occupied. However, this does mean that there are attractive opportunities for existing retailers and new retailers to expand.
- 3.47 The out of town sector is currently experiencing the lowest level of retail warehouse development ever seen. From a high of 440,000 sq m developed in 1997, 2010 will only see 46,000 sq m built. New construction has been hit in recent years by rising yields, and increasing build costs, but the major factor has been that active retailers have been able to source better terms taking existing vacant properties.
- 3.48 However, as the lack of a development pipeline combines with the take up of existing units, the super deals are beginning to dry up and retailers are turning to developers to deliver the space they need. Mothballed schemes are being dusted down in readiness for a new wave of construction. We expect 90,000 sq m of new retail warehouse space to come on stream nationwide in 2011, double the level of 2010.
- 3.49 The **food store sector** remains healthy despite the economic downturn with like for like sales growth being achieved. The big four operators – Tesco, Sainsburys, Asda and Morrisons – continue to do well, whilst the likes of Waitrose and the Co-op also seek to expand market share through the acquisition of existing stores or new store openings.



- 3.50 Convenience stores, in particular, are generating a lot of activity as retailers seek new formats and new ways of securing extra trading space without having to wait the typical three to five year timescale required to open a main store. The discounters are also expanding on the back of changing consumer food shopping preferences with more emphasis being placed on value.
- 3.51 In terms of the UK **shopping hierarchy**, Central London and the large dominant in and out-of-town regional centres, together with the much smaller market towns are faring the best as they did back in the economic downturn of the early 1990's. Discount retailers and those with very strong brands are also trading much better than those occupying the middle market who cannot appeal on price and/or quality in an ever more discerning market. Retailers with an effective website also continue to trade well despite the adverse economic conditions.
- 3.52 Whilst 2007 and 2008 were the years of yield weaknesses and falling capital values, 2009 was characterised by a decline in retail rents. Our data indicates that the Great Britain average prime retail rent fell by 12.2% during the year to May 2009, the biggest annual fall since we began our rental series in 1987. This average figure masks a big variation in performance with many centres experiencing much larger rental falls of up to 55%. Rents fell by a further 1.5% over the year to May 2010 and are expected to slip back even more over the next 12 months.
- 3.53 **New retail development** has slowed right down – only 230,000 sq m of new shopping centre floorspace opened in 2010 - whilst the longer term pipeline has slipped back from five million sq m in 2008 to 3.2 million sq m today (a fall of one-third) (see **Figure 3.10**). However, only 11% of this pipeline is under construction, so the majority may be subject to delay or cancellation, reducing the pipeline even more. This will place a significant break on new retail accommodation over the next few years which, combined with an expected recovery in occupier demand, could lead to a relatively quick contraction of concessions and a steep rise in rents in around two to three years' time in prime areas and/or key centres.



Figure 3.10 Total Amount of Floorspace in the UK Shopping Centre Development Pipeline October, 2006-October 2010



3.54 For many secondary shopping locations, however, the return to buoyancy may be more difficult to achieve. The larger regional centres are capturing that once a month 'big shop', with the convenience stores and the supermarkets catering for the majority of consumers local needs.

3.55 Whilst market towns serving rural catchments will continue to prosper, those middle market locations which do not offer convenience, inexpensive parking and/or the full consumer experience will face a struggle to maintain their current levels of vitality and viability.

Medium to Long Term Trends

3.56 In the medium to longer term the UK retail property market is likely to be impacted by a number of important national trends, the most important of which are:

- the potential effect of internet shopping – e-tailing in the UK has grown rapidly in recent years. Economic forecasters expect its rate of growth to level-off in around five years' time.



However, should these forecasts prove wrong and spending on-line continues to gather pace in the medium to longer term, this will clearly divert even more spending away from 'bricks and mortar' shops to the detriment of all city and town centres:

- a rapidly ageing population – by 2016 it is estimated that there will be 2.1 million fewer people aged under 40, but 3.5 million more people over 40 years of age;
- a declining share of consumer expenditure – although disposable incomes have risen every year for more than a decade, the proportion of expenditure which is spent on retailing goods has fallen from 38.3% in 1997 to 34.4% in 2007 and is expected to fall to 31.3% by 2012;
- an increasing proportion of retail activity is becoming concentrated in the largest towns and cities – in the 1960's it took 200 retail locations to account for 50% of all UK non-food sales but today this same proportion of turnover is channelled through less than 80 retail centres and the number is forecast to decrease even more.

3.57 The retail and leisure sectors have been subject to significant changes when looked at over the medium term. The recent economic downturn has added to the dynamic. These shifts and trends should not be ignored. Operators are constantly monitoring changing trends in fashion and demographics in order that consumer demand is satisfied. Retail and leisure are both evolving processes with operators constantly adapting to demand and increasingly analysing and targeting their customers. These continual changes have important implications for property and business location, which in turn are related to policy. It is therefore important that local authorities regularly monitor the retail and leisure sectors in order to ensure that their policies are both up to date and appropriate to the needs identified.



4 LEEDS AND ITS SUB-REGIONAL CONTEXT

- 4.1 This section provides a healthcheck of Leeds City Centre carried out in accordance with the indicators set out in PPS4.
- 4.2 The household survey has provided an assessment of the current pattern of shopper behaviour, enabling those centres which compete most with Leeds district to be identified and the section continues to review the current positions of the centres competing with Leeds.
- 4.3 Leeds is located in the west of the Yorkshire and Humber region and forms one of four main urban areas in the region. The RSS identifies Leeds City Region as being critical in improving economic performance within the region.
- 4.4 Leeds and Bradford are the largest settlements and are both regional cities, there are six sub-regional cities and towns: Barnsley, Halifax, Harrogate, Huddersfield, Wakefield and York. A plan showing the location of Leeds within its sub-region is included at **Appendix 4A**.
- 4.5 While all these centres are within the Leeds City Region, it is noted that no local authority area or centre acts as an island in retail terms as retailing is a dynamic industry and shopper behaviour has no regard to administrative boundaries.

Leeds City Centre

- 4.6 The place of Leeds City Centre within the Regional hierarchy remains strong: its place in the Leeds hierarchy is unchallenged as would be expected. The relationship with the freestanding White Rose Centre raises the most issues of potential concern as is discussed in more detail at Section 10.



However, it is considered that in terms of hierarchy of centres as defined in PPS4, Leeds City Centre as a retail, leisure, employment and cultural centre remains dominant with Yorkshire and the Humber Region as set out in the hierarchy of the RSS.

- 4.7 The accessibility of the location by a range of means of transport has been and remains a major contributor in this regard. The emergence and confirmation of the City as a major business, financial and legal centre, further supports the development of the City Centre on all regards.
- 4.8 The early location of Harvey Nichols in the City and the continuing interest of John Lewis Group to establish a department store within the Centre, recent and on-going major developments such as Broadgate, the re-modelling of the Core and Trinity, all appear as good signs that this role in the hierarchy will continue and indeed it appears the City Centre has the ability to continue to perform that role.

Diversity of Main Town Centre Uses

- 4.9 Leeds City Centre floorspace is estimated at approximately 350,000sqm (3.7m sqft) comprising 1,302 outlets (convenience, comparison, service, vacant and miscellaneous) according to the Experian Goad Centre Category Report of April 2009. The Goad reports relate to the Goad centre boundary definition, this relates closely to but not exactly to the Leeds UDP centre boundary. **Table 4.1** below provides a category breakdown of the outlets and floorspace within the city. The Goad boundary largely corresponds with the primary shopping quarter boundary discussed in detail in paragraph 4.11 below. It is noted however that the Goad boundary does include some peripheral areas including parts of the Prime Office Quarter (PSQ) which accounts for the higher than average national figures for miscellaneous floorspace in the table below which includes approximately 24,000sqm (255,000sqft) of office floorspace.



Table 4.1: Goad Category Breakdown

	Number of units	%	National Average (%)	Floorspace sqft	%	National Average (%)
Convenience	79	6.07	11.48	313,800	8.31	11.48
Comparison	377	28.96	29.24	1,050,500	27.82	29.44
Service	522	40.10	46.95	1,595,900	42.27	43.6
Vacant	241	18.51	10.41	477,300	12.64	8.3
Miscellaneous	83	6.37	5.64	338,400	8.96	7.18
Total	1,302	100	100	3,775,900	100	100

Source: Experian Goad Centre Category Report April 2009.

Amount of Floorspace in Edge of and Out of Centre Locations

- 4.10 The City Centre is the focal point for the whole city and indeed the wider district and is defined on the UDP as the area running from Woodhouse Lane in the North to Quarry Hill in the east, almost down to the M621 in the south and where the railway line crosses Whitehall Road in the west.
- 4.11 The PSQ is defined as the land within the boundaries of Boar Lane, Lower and Upper Basinghall Street, Merrion Way in the north and St Peter's Street in the east. It contains the majority of retail floorspace and benefits from extensive areas of pedestrianised streets and enclosed shopping centres, such as The Merrion Centre, St Johns Centre, The Core, Leeds shopping Plaza and the Trinity shopping centre which is undergoing redevelopment. The PSQ has distinctive historic characteristics and much of it lies within the City Centre Conservation Area which contains both the Victorian and Edwardian arcades, the Corn Exchange and Kirkgate Markets. The presence and form of these listed buildings and Conservation Area has influenced the growth and evolution of the City Centre over time.
- 4.12 However, in addition to the PSQ, the City has an area of retail warehousing, notably Crown Point Retail Park, which is located to the south of the PSQ off Great Wilson Street A653/A61. Crown Point Retail Park offers approximately 26,000 sq m (280,000 sq ft) of bulky and non-bulky comparison goods floorspace.



Retailer Representation

- 4.13 The City Centre has major retailer representation with M&S, Harvey Nichols, Debenhams and House of Fraser. Units within the historic elements such as the Victorian Quarter and Edwardian arcades generally have smaller floorplates and are not suitable for large stores but improvements and, in the case of the former remodelling, have established suitable space and a reputation for a good range of upmarket and high fashion retailers, including Austin Reed, Vivienne Westwood, Reiss, Molton Brown, Diesel and a range of other fashion and independent boutique and specialist retailers.
- 4.14 Other key multiples in the city are located within the traditional prime area defined by Commercial Street between its junction with Albion Street and Lands Lane. The Headrow forms the northern boundary of the core shopping area, but St John's and Merrion Centres and The Light extend the shopping area further.
- 4.15 **Table 4.1** above suggests that the city has a below average for the convenience provisions. However, it is noted that the Goad survey was carried out in 2009 and convenience offer has improved in recent years, most recently with the introduction of Waitrose on Lands Lane. The city also includes a Tesco Metro off Albion Street, Sainsburys both on Woodhouse Lane and The Headrow and Wm Morrisons store which marks the northern limit of shopping.

Potential Capacity for Growth or Change

- 4.16 A search by UK Promis suggests that Leeds falls below average for the volume and quality of retail provision relative to the size and affluence of the shopping catchment population and this may partly be due to the shortfall in provision of modern retail floorspace and it lies behind other major cities such as Glasgow, Manchester and Birmingham. This shortfall in space is likely to be rectified in part by the current development of the Trinity Arcade which will provide 32,700 sq metres (352,000 sq ft) of modern floorspace. The scheme has already lined up tenants including French Connection, Gap, New Look, and Superdry and is expected to be completed 2013. The development of Trinity will create some vacancies in other premises as re-locations take place but this may in turn attract new retailers.



Agents have advised that at the time of writing, nearly half of the new centre has been pre-let, although many of the potential tenants are believed to be former tenants that traded in the arcades or retailers that are already represented in the city who will take the opportunity to occupy a larger store.

4.17 However, any significant new scheme results in a period of readjustment and assimilation as was the case following the development of the Bond Street Centre, now Leeds Shopping Plaza. This Centre has high pedestrian flows and is to be refurbished as part of the Trinity development. The Core Shopping Centre is based on three levels and occupies a position at the heart of the main shopping area just off The Headrow. A refurbishment was completed in 2010 to create larger units and improve the general layout of the scheme.

4.18 A further major scheme is the Hammersons project for Eastgate. This received planning permission in 2007 for a mixed use development providing 130,000 sq m (1.4m sq ft) of additional retail floorspace to be anchored by a John Lewis department store. Whilst preparations began on the site in 2008, this has been delayed in view of difficult market conditions. A new planning application has recently been submitted which revises the proposals reflecting current circumstances although the retail element remains generally of the same scale.

Retailer Representation

4.19 As discussed above, the retail representation in the City is strong with most major national multiples represented in addition to a number of department stores and smaller, independent boutique retailers.

4.20 In terms of rental demand, a requirements report is attached in **Appendix 4B**. Whilst the report is relatively long, some of the requirements date back to 2009 and it is noted that they cover the whole district for city, town, district and out of centre requirements. CI considers that requirements have stalled in recent months with retailers awaiting the completion of Trinity Leeds in 2013. **Table 4.2** below supports this thinking with Retail Focus showing that up to 2009, Leeds ranked 1st for retailer demand/requirements, but this has dropped to 4th in 2010.



Table 4.2: Retail Requirements Rankings

No. of Requirements	Ranking (1 st highest)	Date
• 142	• 4	• Jan 10
• 139	• 1	• Apr 09
• 202	• 1	• Jan 09
• 201	• 1	• Oct 07
• 200	• 1	• Apr 07
• 195	• 2	• Oct 06
• 207	• 2	• Apr 06
• 222	• 2	• Oct 05
• 221	• 2	• Apr 05

Source: Focus April 2011

Shopping Rents

4.21 **Table 4.3** below shows historic prime Zone A rental levels from June 2000. Rents increased from £225psf in 2000 to £310psf at its peak in June 2005 where they remained until June 2008. Rents are then shown to decline in June 2009 to £260psf, this is considered to be reflective of the wider economic downturn at this time. Indeed CI estimate that Zone A rents increased again in 2010 up to £280psf, however recent transactions on Briggate suggest that rents have decreased once again to £220psf.

4.22 This decline in rental levels is considered to be due to both the wider economic downturn, but also importantly due to the retailers awaiting the completion of Trinity Leeds in 2013 which will provide new units and create churn in the centre.

Table 4.3: Prime Zone A Rents

Date	Rent psf (£)
• Jun 09	• 260
• Jun 08	• 310
• Jun 07	• 310
• Jun 06	• 310
• Jun 05	• 310
• Jun 04	• 270



• Date	• Rent psf (£)
• Jun 03	• 270
• Jun 02	• 270
• Jun 01	• 250
• Jun 00	• 225

Source: Focus April 2011

Proportion of Vacant Property

4.23 **Table 4.1** above shows that there 239 vacant units in the City Centre providing 477,300 sq ft of vacant floorspace according to the Goad Centre Category Report of April 2009. These levels are higher than the national average, with vacant units comprising 18.5% of the total number of units within Leeds compared to a national average of 10.4%. With regard to floorspace this equates to 12.6% of the overall floorspace within Leeds being vacant compared to the national average of 8.3%.

4.24 Although these vacancy levels seem relatively high, it is noted that the 2009 report contains a number of units that were undergoing refurbishment at that time and these have now been renovated and reopened, notable examples include the units in the Corn Exchange and The Core. In addition, a number of the vacant units identified are as a result of the refurbishment of the Trinity Leeds redevelopment.

4.25 It is considered that the vacant levels recorded in the 2009 Goad report are perhaps higher than currently exist within the centre. However, it is noted that the opening of the new Trinity Leeds development will have a significant impact on the vacant levels within the City. Initially, it is considered that a number of units will be left vacant whilst retailers relocate into the scheme, however, in time these units are likely to be occupied by new retailers locating in the City, in addition to other retailers relocating within the City.

Commercial Yields

4.26 Commercial yields are based on the evidence of transactions where properties are bought and sold (calculated as annual rent/capital value). Because individual properties vary, evidence is interpreted to allow comparison on a like for like basis between different towns and over time.





The level of yields expressed as a percentage, broadly represents the markets evaluation of the risk and return attached to the income stream of a property. Broadly speaking, low yields indicate that investors believe a town is attractive and as a result, is more likely to attract investment than a town with high yields.

4.27 The VOA Property Market Report, July 2008 provides yield data for Yorkshire and the Humber. Yields for 2008 in Leeds are recorded at 4.75%. This compares well with other centres within the region, with Harrogate recorded at 5.75%, Bradford at 7%, Doncaster 5.5%, Halifax 7% and York 5.75%. **Table 4.4** below provides a breakdown of yields for Leeds and the competing centres from 2000.



Table 4.4: Breakdown of Yields for Leeds and Competing Centres from 2000

Shopping Centre	1/10/00	1/4/01	1/10/01	1/4/02	1/10/02	1/10/03	1/1/04	1/7/04	1/1/05	1/7/05	1/1/06	1/7/06	1/1/07	1/7/07	1/1/08	1/7/08
Leeds	5	5	5	5.75	5.75	5.5	5	5	5	5	4.75	4.5	4.5	4.25	4.25	4.75
Harrogate	6.25	6.75	6.75	6.5	6.25	5.75	5.5	5	5.5	5.5	5.5	5	5	5	5.25	5.75
York	5	5	5	5	5	5	5	5	5.5	5.5	5.5	5	5	5	5.25	5.75
Wakefield	8	8	8	8	8	8	7.5	7	7	7	6.25	6.25	6.5	6.75	6.75	6.75
Huddersfield	8	8	8	8	8	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7	7	7	7
Bradford	7	7	7.5	7.5	7.5	7.5	7.5	7	7	7	7	6.5	6.5	6.25	7	7
Halifax	9	9	9	9	9	9	9	8	8	8	8	8	7.5	7.5	7.5	7.5

Source: VOA Property Market Report July 2008



4.28 The report shows that yields in Leeds peaked in 2004 and 2005 at 5.75%, but these decreased to 4.25% in 2007. Whilst yields have increased slightly between 2007 and 2008 and indeed CI now estimates yields at around 5%, the yield is still relatively low and is considered to reflect a centre that is performing well.

Land Values and Key Sites

4.29 Key sites within the City have been discussed previously in this report, namely the Trinity Leeds development and the Eastgate development on the Edward Street and George Street car parks. CI does not believe there are any other available key sites within the City and due to the stage that these sites have reached in the planning or development process, land values have not been investigated.

Pedestrian Flows

4.30 A pedestrian flow survey has not been carried out. However, recent visits to the area have confirmed that the pedestrianised areas of Briggate, Commercial Street, King Edward Street, Kirkgate, Albion Street and Bond Street have the highest footfalls. The Headrow is also identified as having high footfall levels and the shopping centres of the Victoria Quarter, County Arcade and the Merrion Centre are also identified to have relatively high pedestrian flows.

4.31 The former Trinity Shopping Centre that is currently being redeveloped was noted to have suffered some decline in pedestrian footfall due to the ongoing building works and vacant units. The new Trinity scheme will provide an extended M&S, a new Next, River Island and smaller retailers, including Apple. Footfall in this part of the PSQ is therefore expected to increase given these large draws within the scheme. However, it is believed that the scheme will have a number of entrance and exit points out of Trinity and that therefore the existing routes through this area of the quarter will remain and indeed will encourage footfall to continue along Briggate and Commercial Street as a means of access to the Trinity scheme.

Accessibility

4.32 Leeds City Centre is easily accessible by a choice of transport modes. The bus station is located to the east of Kirkgate Markets and bus routes and stops are located around the perimeter of the PSQ.



Leeds Railway Station is located to the south west of the PSQ, with easy pedestrian access from the station onto Boar Land and beyond into the PSQ. Access by car is good with the Inner Ring Road (A58) and the City Centre Loop Road providing access around the centre to various surface and multi-storey car parks.

- 4.33 As discussed above, access by pedestrians is considered to be good within the centre, particularly within the PSQ as a result of the large pedestrianised areas.

Customer Views and Behaviour

- 4.34 A household survey carried out has identified Leeds City as the most popular centre for non-bulky and bulky goods. Over 50% of respondents stated that the centre is their main choice for clothing and footwear shopping due to the choice and range of stores. 38% of respondents stated that the centre was close to home and convenient to get to, with 4% stating it was close to their place of work. Just over 1% of respondents referred to parking and public transport being reasons as to why they use Leeds City Centre as their main centre for shopping.

- 4.35 In addition to this household survey, it is also noted that Leeds City Council have recently carried out a survey of Leeds Markets which found that the relatively short opening hours of Kirkgate Markets and the available car parking were barriers for a number of people in choosing to shop at this location.

Town Centre Environmental Quality

- 4.36 The City Centre and PSQ provides a generally attractive environment which has been enhanced in recent years with the resurfacing of the pedestrian areas and the introduction of attractive street furniture to create pleasant areas of public realm.
- 4.37 The historic buildings and shopping arcades off Briggate provide the City with a distinctive environment for shoppers.
- 4.38 The City Centre is considered to have a good shopping environment overall.
- 4.39 Town centre leisure and cultural uses are considered in detail in Section 5 of this report.



Safety and Occurrence of Crime

4.40 Crime statistics are available for West Yorkshire from the Crime Mapping website, beatcrime.info. **Table 4.5** below provides a breakdown of the crime by type for February 2011 compared to the previous 12 months. The data shows that total crime has increased by 12.3 % in the past 12 months from February 2011 within the City Centre. While the crime figures suggest that crime within the City is high, a comparison with other city centres suggests that the figures are relatively typical for the region. **Appendix 4C** contains the figures for the other centres within West Yorkshire.

Table 4.5: Breakdown of Crime by Type in Leeds City Centre

	<i>February 2011</i>	<i>Previous 12 Months</i>
Homicide	0	1
Most serious violent crime	0	0
Less serious violent crime	145	1,824
Total violent crime	145	1,824
Sexual offences	5	79
Burglary Dwelling	5	38
Burglary Elsewhere	41	481
Robbery	15	114
Drugs Offences	38	365
Theft From Vehicle	53	647
Theft Of Vehicle	3	62
Other Theft	442	5,579
Fraud & Forgery	26	320
Handling Stolen Goods	1	15
Criminal Damage	41	639
Other Crime	19	343
Total Crime	834	10,507

Source: beatcrime.info



Harrogate

4.41 Harrogate is situated approximately 21 km (13 miles) north of Leeds in North Yorkshire. The town is one of the principal tourist centres for the region and benefits from good access by road and rail. Harrogate town centre is estimated to have a total ground floor footprint of approximately 140,000sqm (1.5million sqft) comprising 595 outlets. The centre category breakdown is shown in **Table 4.6** below.

Table 4.6: Goad Category Breakdown

	Number of units	%	National Average (%)	Floorspace sqft	%	National Average (%)
Convenience	36	6.05	11.48	141,700	9.27	11.48
Comparison	255	42.86	29.24	533,700	34.92	29.44
Service	231	38.82	46.95	710,600	46.49	43.6
Vacant	45	7.56	10.41	86,800	5.68	8.3
Miscellaneous	28	4.71	5.64	55,600	3.64	7.18
Total	595	100	100	1,528,400	100	100

Source: Experian Goad Centre Category Report July 2010

4.42 The table shows that the number of comparison shopping units in the town is significantly above average at over 40% compared to approximately 30%. This is also true of comparison floorspace although the gap between the figures is less.

4.43 The town centre includes the Victoria Shopping Centre which was opened in 1992 and comprises approximately 8,000 sq m (91,000 sq ft) of floorspace. Key stores in Harrogate town centre include Debenhams, M&S and Hoopers.

4.44 In addition to the town centre, Harrogate is supported by three retail parks providing retail warehousing and bulky goods. The retail warehouse supply is estimated at 25,000 sq m (271,000 sq ft) by UK Promis. Harrogate Retail Park comprises furniture, DIY and other bulky goods, Plumpton Park comprises electrical and DIY stores and St James Retail Park in Knaresborough comprises a number of furniture and home furnishing stores, fashion and electrical.

4.45 In leisure terms, the town benefits from a cinema located in the town centre, an independent bingo hall on Skipton Road and a number of night clubs and health and fitness gyms.



4.46 CI estimate prime retail rates in the centre at £13psm (£140psf). Retailer requirements from the Property Data Report for the past 18 months include All Bar One, Anne Summers, Hobby Craft, Aldi and a number of food and drink operators.

York

4.47 York is a historic cathedral city and a principal commercial and retailing centre for North Yorkshire and is located approximately 40 km north east of Leeds.

4.48 Town centre floorspace is estimated to comprise 1,016 outlets providing just over 186,000 sq m (2m sq ft) of floorspace at ground level. The category breakdown of floorspace and outlets are shown in **Table 4.7** below. The figures suggest that the city has contains above average comparison offer with vacant units below the national average.

Table 4.7: Goad Category Breakdown

	Number of units	%	National Average (%)	Floorspace sqft	%	National Average (%)
Convenience	70	6.89	11.48	73,800	3.16	11.48
Comparison	379	37.30	29.24	802,300	34.34	29.44
Service	457	44.98	46.95	1,124,400	48.13	43.6
Vacant	63	6.20	10.41	132,300	5.66	8.3
Miscellaneous	47	4.63	5.64	203,500	8.71	7.18
Total	1,016	100	100	2,336,300	100	100

Source: Experian Goad Centre Category Report November 2009

4.49 According to Promis data, the city has a below average representation of fashion retailers in comparison to other regional centres. However, it does have a strong offer at the upper middle/quality end of the fashion spectrum. There are three department stores in the city, Fenwicks which has a large number of upmarket fashion concessions, Debenhams and a local independent store, Browns of York. The Coppergate Centre provides 15,000 sq m (160,000 sq ft) of retail floorspace and is anchored by Fenwicks. Proposals for a second phase of Coppergate have not yet progressed. Other occupiers include M&S Home, Top Shop/Top Man and Miss Selfridge. In addition to the Coppergate Centre, the city has large pedestrianised areas which add to the attractive retail environment.



- 4.50 The historic nature of York City Centre restricts modern retailing and a number of retail parks were developed in the late 1980's and early 1990's. The retail parks provide an estimated 140,000 sq m (1.5m sq ft) of retail floorspace.
- 4.51 Clifton Moor is one of the largest retail parks in the city and is located 3km north of the City Centre. The centre comprises a mixture of large retail warehouses alongside smaller units and offers a mixture of bulky and non-bulky goods in addition to leisure uses. Retailers include Comet, Currys, Alders at Home, Matalan and Tesco and Netto and the leisure element includes ten pin bowling, cinema and restaurants/fast food outlets.
- 4.52 Monks Cross Shopping Park is situated to the east of Clifton Moor and Provides 27,000 sq m (290,000 sq ft) of retail floorspace. The centre benefits an open A1 consent and accommodates over 25 units occupied by high street retailers including BHS, Boots, Laura Ashley, Monsoon and H&M. In addition, a Sainsbury superstore, TK Maxx and Argos are situated adjacent to Monks Cross which further attracts shoppers to the destination.
- 4.53 CI estimate prime retail rates for the centre at £17psm (£185psf). Current retailer requirements identified by property data in the past 18 months include Hobby Craft, Bargain Book Time, 99p Store, Panasonic, JoJo Maman & Bebe, in addition to a variety of convenience and A3 operators

Wakefield

- 4.54 Wakefield is located approximately 13 km (8 miles) south of Leeds. The city benefits from excellent access provided by the M1 and M62. In May this year the Trinity Walk retail scheme opened.
- 4.55 The information contained in the Experian Goad Centre Category Report of July 2010 has now been superseded by the opening of the Trinity Walk scheme although it is still of interest. The Goad report states that Wakefield city centre comprises 627 units providing approximately 121,000 sq m (1.3m sq ft) of floorspace at ground floor level according. The category breakdown is shown in **Table 4.8** below which shows that the city has below the national average of convenience floorspace but comparison offer is above the national average. The number of vacant units and floorspace are above the national average.



Table 4.8: Goad Category Breakdown

	Number of units	%	National Average (%)	Floorspace sqft	%	National Average (%)
Convenience	40	6.38	11.48	132,700	9.95	11.48
Comparison	187	29.82	29.24	457,100	34.27	29.44
Service	286	45.61	46.95	548,700	41.15	43.6
Vacant	96	15.31	10.41	159,700	11.97	8.3
Miscellaneous	18	2.87	5.64	35,500	2.66	7.18
Total	627	100	100	1,333,700	100	100

Source: Experian Goad Centre Category Report July 2010

- 4.56 Key stores in the town are BHS, M&S and Primark and the town comprises a small shopping centre, The Ridings, comprising 32,000 sq m (345,000 sq ft) of floorspace.
- 4.57 The Trinity Walk scheme has added 44,000 sq m (471,000 sq ft) of new floorspace to the City. This significantly boosts the shopping offer in the town with Debenhams, Sainsburys, Next, H&M and New Look amongst others occupying the new units.
- 4.58 In addition to the City Centre, Wakefield is supported by a number of retail parks, including significant space at the fringe of the City Centre, providing retail warehousing, leisure and superstores. The retail warehouses are estimated to provide 61,000 sq m (660,000 sq ft) of floorspace by UK Promis and comprise a number of bulky goods and non-bulky operators including B&Q, Comet, Currys, Mothercare, Laura Ashley and Argos.
- 4.59 In leisure terms, Wakefield has two main leisure parks, Westgate Leisure Park and Castleford. Westgate Leisure Park is a traditional park providing leisure entertainment for Wakefield anchored by a multiplex cinema and supported by restaurants and a Gala Bingo.
- 4.60 Castleford Xscape was developed in 2003 on the site of a former major coking plant as the first purpose built extreme sport leisure destination under one roof. The scheme includes a ski slope with real snow, ice climbing wall, rock climbing and skate park. The extreme sports are supported by a range of other uses, including a cinema, bowling, the Glasshoughton Outlet Centre, with a number of restaurants and a hotel.



A new ASDA has also been developed replacing an outdated and smaller store which had been located nearby.

- 4.61 The park is located at Junction 32 of the M62 and has a regional rather than district catchment, said to attract over 2 million visitors each year.
- 4.62 CI estimates prime retail rates for Wakefield City Centre to be £9psm (£100psf). Retailer requirements identified by property data in the past 12 months including Hawkins Bazaar, Subway and a number of bars and food outlets.

Huddersfield

- 4.63 Huddersfield is situated 24 km (15 miles) south west of Leeds. The town benefits from good communications, being situated approximately 3 km (2 miles) from Junction 23 of the M24 and M60 motorway.
- 4.64 Town centre floorspace in Huddersfield is estimated at approximately 185,000 sq m (2m sq ft) of floorspace at ground floor level comprising 717 outlets according to Experian Goad Centre Category Reports, 2010. **Table 4.9** below shows that convenience goods floorspace is above the national average despite outlet numbers below average. Comparison floorspace and units are slightly above average. Vacant units are above average, although the corresponding floorspace is below average.

Table 4.9: Goad Category Breakdown

	Number of units	%	National Average (%)	Floorspace sqft	%	National Average (%)
Convenience	51	7.11	11.48	307,400	14.84	11.48
Comparison	223	31.10	29.24	642,000	30.98	29.44
Service	309	43.09	46.95	824,500	39.80	43.6
Vacant	105	14.64	10.41	169,000	8.16	8.3
Miscellaneous	29	4.04	5.64	129,100	6.23	7.18
Total	717	100	100	2,072,000	100	100

Source: Experian Goad Centre Category Report March 2010

- 4.65 The town centre comprises three small shopping centres and key stores include House of Fraser, Marks and Spencer, BHS, Tesco and Sainsbury.



- 4.66 In addition to the City Centre, Huddersfield is supported by a number of retail parks providing retail warehousing, leisure and superstores. The retail warehouse supply is estimated at 48,000 sq m (515,000 sq ft) by UK Promis and comprises four retail parks. Huddersfield Retail Park comprises a number of bulky goods retailers, including B&Q, SCS, Staples and Comet. Great Northern Retail Park comprises bulky and non-bulky comparison goods, including Boots, Carpetright, Currys, Homebase, Mothercare and Next, whilst Gallagher Retail Park provides convenience goods.
- 4.67 Huddersfield Leisure Centre, located to the south west of the City Centre, provides a range of uses, including night clubs, bowling, casino and bingo. Huddersfield benefits from multiplex cinema out of the town centre associated with the football ground and driving range and associated restaurants.
- 4.68 Other notable operators within Huddersfield include Dunelm Mill, Halfords, Mamas and Papas, Matalan and Wickes.
- 4.69 CI estimate prime retail rates for the centre at just under £8psm (£95psf). Retailer requirements from the Property Data Requirement Reports for the past two years have included Costa Coffee, Panasonic, Trespass, Subway and Maplin Electronics.

Bradford

- 4.70 Bradford is located approximately 18 km (11 miles) west of Leeds. The city benefits from good road and rail communications with the M606 motorway linking the city to the M62 and further to the M1/A1M.
- 4.71 Experian Goad Centre Category Report from July 2010 states that Bradford town centre comprises 599 units providing approximately 185,000sqm (2m sqft) of floorspace as shown in **Table 4.10** below. The figures show that the city has below average convenience provision but comparison and service provision is in line with the national average. The city has above average vacant floorspace and in particular the number of vacant units is high above the national average.



Table 4.10: Goad Category Breakdown

	Number of units	%	National Average (%)	Floorspace sqft	%	National Average (%)
Convenience	27	4.51	11.48	135,900	6.80	11.48
Comparison	173	28.88	29.24	540,200	27.02	29.44
Service	248	41.4	46.95	900,800	45.06	43.6
Vacant	123	20.53	10.41	247,500	12.38	8.3
Miscellaneous	28	4.67	5.64	175,000	8.75	7.18
Total	599	100	100	1,999,400	100	100

Source: Experian Goad Centre Category Report July 2010

- 4.72 Bradford has a hilly central retail area comprising many narrow pedestrianised streets. Whilst **Table 4.10** shows that the centre has average numbers and floorspace of comparison goods, the centre has a weak representation of national multiples for a city of its size and the central shopping area generally lacks cohesion with many of the key stores scattered throughout the centre as a whole.
- 4.73 The centre lacks modern retail development with the main floorspace for the City Centres retailers provided in the Kirkgate Centre which opened in 1973. Tenants include Argos, Primark, Boots and W H Smith.
- 4.74 In addition, Bradford has a relatively short prime pitch of only 14 units in a pedestrianised section of Darley Street, tenants here include M&S, Top Shop/Top Man, Primark, H Samuel and Boots.
- 4.75 The lack of modern retail floorspace and general poor structure and cohesion of the retail offer in the city led to proposals for a large new shopping centre redevelopment planned by Westfield on a central site within the city bounded by Broadway, Forster Square, Charles Street and Hall Ings in March 2004. The development has hit repeated delays and is now on hold, leaving a large vacant site within the middle of the centre, with space occupied by some major retailers having been demolished.
- 4.76 The planned scheme is for a total of over 55,000 sq metres (nearly 600,000 sq ft), anchored by Debenhams and M&S along with 100 additional shops and restaurants. The future of the scheme is now uncertain with the developer Westfield apparently wishing to secure sufficient pre-lets before recommencing construction.



In the meantime the 9ha site is being used as a temporary garden for the City. However, there are recent reports that a scaled down but still significant scheme will be recommenced shortly.

- 4.77 The delay in this retail scheme and general weak representation of national multiples and particularly fashion stores within Bradford since 2004 has led to residents and shoppers looking elsewhere for their retailing needs. White Rose Shopping Centre and Leeds City Centre both approximately 15 km away provide extensive retail offers. As discussed later in this report, White Rose Shopping Centre has drawn extensively from the City.
- 4.78 Bradford City Centre is supported by a number of retail parks, namely Forster Square Retail Park which is located immediately to the north of the City Centre. The park provides a very good mix of both high street and bulky goods retailers with TK Maxx, Next and Mothercare all trading alongside bulky goods retailers such as Comet and Currys. In addition, six other retail parks out of the City Centre offer bulky goods, non-bulky goods and leisure services, including B&Q, Gala Bingo, Matalan, Cine World and Hollywood Bowl.
- 4.79 CI estimate prime retail rates for this city at £8psm (£95psf). Current retailer requirements identified on the Property Data Report include Peacocks, Hobby Craft, Aldi and Subway.

Halifax

- 4.80 Halifax is located approximately 24 km (14 miles) south west of Leeds City Centre. The town has relatively good access to the M62 which provides access to the wider area.
- 4.81 **Table 4.11** below details the category breakdown of the floorspace within the town centre according to Experian Goad Centre Category Report, March 2010. The figures show that Halifax has below average convenience offer and above average service units and associated floorspace. Whilst the number vacant units is more than the national average the floorspace associated with these is less, although it is noted that the floorspace figures provided are ground floor only.



Table 4.11: Goad Category Breakdown

	Number of units	%	National Average (%)	Floorspace sqft	%	National Average (%)
Convenience	36	6.77	11.48	158,600	10.93	11.48
Comparison	139	26.13	29.24	437,900	30.19	29.44
Service	270	50.75	46.95	709,500	48.91	43.6
Vacant	69	12.97	10.41	99,200	6.84	8.3
Miscellaneous	18	3.38	5.64	45,400	3.13	7.18
Total	532	100	100	1,450,600	100	100

Source: Experian Goad Centre Category Report March 2010

- 4.82 The Town Centre contains one managed shopping centre, Woolshops Centre which comprises 24,000 sq m (253,000 sq ft) of floorspace. Key stores in the centre include M&S, Boots, Top Shop/Top Man and New Look. Analysis by UK Promis concludes that the town has broadly the right volume and quality of retail provision for the site and affluence of the population.
- 4.83 However, the town has one notable scheme under development, Broad Street Plaza in the Town Centre which proposes 18,000 sq m (193,000 sq ft) of primarily leisure space, including a cinema and Premier Inn, which will provide much needed leisure attractions. It also includes major modern office space and multi-storey car parking.
- 4.84 In addition to the Town Centre, Halifax has approximately 45,000 sq m (479,000 sq ft) of retail warehousing floorspace provided in four retail parks within the district which provide a range of bulky and non-bulky goods. Retailers include Home Bargains, TK Maxx, B&Q, Currys and Argos.
- 4.85 CI estimate prime retail rates for the centre at £8psm (£95psf). The property data information shows that retailer requirements over the past 18 months are mainly from convenience and food and drink operators including Aldi, Farmfoods, Iceland, Subway and Pizza Hut in addition to Maplin Electronics.



Conclusions

- 4.86 The survey confirms the pre-eminence of Leeds within its sub-regional hierarchy. No other identified city or town centres attract a significant proportion of comparison trade from Leeds and indeed, none approach the position of the White Rose Shopping Centre. On the other hand, Leeds City Centre clearly figures importantly as an attractor for the populations of the surrounding districts. This is consistent with national policy, and indeed with the approach in the RSS, part of the Development Plan at the time of writing.
- 4.87 However, it does also appear that a number of the other centres have not progressed as quickly as Leeds. Most significant among these is Bradford where the stalling of the city centre redevelopment and continuing uncertainty is likely to have significant implications for the future of the city. The Trinity Walk scheme in Wakefield has been brought back online and its opening in Spring 2011, even if associated with some relocations from existing space, will represent a significant qualitative improvement in the city centre offer, with a major new Debenhams store. This could well enable the City Centre to regain trade lost to other centres, including White Rose, and thus also its past position in the sub-regional hierarchy.
- 4.88 Huddersfield and Halifax either have or are both experiencing new developments, but the indications are that this is at a level and of a character which is necessary to maintain their position in the hierarchy rather than represent a step-change.
- 4.89 Harrogate and York both have distinctive retail and leisure offers, but again do not appear to represent significant competition to Leeds City Centre.



5 LEISURE AND CULTURAL FACILITIES

- 5.1 This section assesses the historical and emerging trends for town centre leisure and cultural uses in Leeds, setting these first within the national context (detailed information is contained in **Appendix 5A**).
- 5.2 The 1990s saw an expansion of major leisure parks located on edge or out of town centres where there is good road access, these locations were supported by planning policy at the time.
- 5.3 The leisure parks were often anchored by a multiplex which provided footfall for the rest of the users of the leisure facilities which included bowling, bingo, nightclubs, health and fitness clubs, themed destination restaurants and budget hotels. However, growth in this sector has slowed in recent years with many areas reaching saturation levels and the introduction of new government planning policy, initially within Planning Policy Statement 6 (since superseded by PPS4) which has introduced the sequential approach to site selection.
- 5.4 In general, commercial leisure facilities will draw the main part of their trade from residents within a 20 minute drive time. Major leisure facilities such as multiplex cinemas, ten-pin bowling centres, ice rinks and family entertainment centres require a large catchment population, and often benefit continually from locating together on a large out of centre Leisure Park.
- 5.5 In recent years the leisure property sector has seen a period of consolidation and this trend is expected to continue, although the public appetite for the 'leisure offer' continues to grow. Expansions in the cinema, bowling and bingo sectors are generally highly selective. In relation to health and fitness clubs the focus is now on smaller wellness and/or spa facilities either associated with hotels or as standalone operations.



- 5.6 A number of city centre urban entertainment centres have opened over the past few years (e.g. The Light) in which leisure occupiers largely tap into urban dwellers, office workers and students. This is creating a polarisation effect with the established out of town leisure park, which retains a more family orientated customer base.
- 5.7 The leisure industry is expected to continue its period of churn in response to changing leisure needs and developments in technology. Cinemas have recently been doing very well as people turn to it as a good value escape during the recession and this trend is forecast to increase slightly. PPS4 will continue to focus new cinemas in the city centre which is creating smaller operations compared to the large multiplexes of the 1990's.
- 5.8 The bowling and bingo sectors are expected to continue to decline, bowling being an occasional leisure activity with little prospect of supply growth. Admission and revenues for Bingo have been declining since 2007 and this trend is expected to continue as the online sector expands. A similar outlook is forecast for Casinos where the increase in expenditure is set to continue although this is largely due to the growth in the online sector compensating for the continued decline in land based values.
- 5.9 Prospects for the health and fitness sector remain positive but it is unlikely the sector will experience the growth it had in the 1990's and early 2000 due to the number of suitable sites diminishing and the focus on smaller facilities as a result of PPS4.
- 5.10 Leeds has a large catchment population which has reasonable access to, in addition to those within Leeds, major leisure facilities in other towns and cities such as York, Harrogate, Bradford, Huddersfield and Wakefield, together with a range of out of centre facilities. However, Leeds does, as set out below, offer a range of facilities reflecting its role as a major Regional centre.

Cinemas

- 5.11 There is currently one cinema within the centre of Leeds, the Vue Cinema located within The Light on the Headrow, although this is a multiplex. The Trinity Leeds development, expected to be open in 2013, will provide the first Everyman Cinema outside of London.



5.12 Out of the centre of Leeds there is another Vue Cinema located within the Cardigan Fields leisure complex on Kirkstall Road. There are also 2 smaller independent cinemas located outside of the centre of Leeds, the Cottage Road Cinema in Headingley and the Hyde Park Picture House in Hyde Park. Both of these cinemas benefit from the large number of students and young professionals that live in these areas. An Odeon multi- screen, combined with a Health and Fitness club is located at Mid Point, on the western edge of Leeds District, adjoining Bradford.

5.13 Outside of Leeds, Centre 27 Leisure Park is located to the south west of Leeds near Birstall Shopping Park and Junction 27 Retail Park. The Leisure Park is anchored by a Showcase Cinema. A large Cineworld is located to the south east of Leeds at Xscape which is situated at Junction 32 of the M62. In addition there is a small cinema located within Wetherby, the Wetherby Film Theatre.

Bingo

- 5.14 There is currently one bingo hall within the centre of Leeds, the Mayfair Club on New York Street. Outside of the City Centre there are 5 bingo hall, these are:
- Mecca Bingo, Balm Road, Hunslet – out of centre;
 - Mecca bingo, Cross Gates Road – in Cross Gates centre;
 - The New Western Bingo Hall, Eyres Avenue, Armley – edge of Armley centre;
 - Pasadena Bingo Hall, Lowtown, Pudsey - in Pudsey centre;
 - Gala Bingo Club, Stone Bridge Lane, Wortley.

Ten Pin Bowling

- 5.15 There are currently two ten pin bowling alleys located in Leeds; one in the centre:
- AMF Bowling, The Merrion Centre;
 - and one out of centre;
 - Hollywood Bowl, Cardigans Fields, Kirkstall Road.

Casino

- 5.16 There are currently four casinos in Leeds City Centre, these are the Grosvenor Casino on Merrion Way and the Alea Casino at the Boulevard. Napoleons Casino on Bingley Street and Gala Casino on Wellington Bridge Street lie at the western edge of the centre.



Health and Fitness

5.17 Several commercial Health and Fitness clubs currently operate within Leeds City Centre, these are:

- Puregym, Cloth Hall Street;
- Esporta Health Club and Gym, The Light;
- Virgin Active, Great George Street;
- Living Well Health Club, Neville Street;
- Spirit Health Club, Wellington Street;
- The Forum Leisure Centre, Quarry House, Quarry Hill;
- Bodyline Natural Gym, Macaulay Street;
- The Gym Group, The Core Shopping Centre;
- Esporta, Cookridge Hall, Leeds.

5.18 The City Council operate a number of sports and leisure centres across the City, some of which form part of centres and some are freestanding. There are also a number of health and fitness centres outside of the centre of Leeds, including:

- The Physique Fitness Centre, York Road;
- The Gym Health and Fitness Ltd, Cowper Road;
- Cowper Road; Virgin Active, Cardigan Fields, Kirkstall Lane;
- Guiseley Fitness Centre, Otley Road;
- Esporta (combined with Odeon), Dick Lane, Thornbury;
- David Lloyd Leisure, Tongue Lane.
-

Performing Arts

5.19 There are currently 6 theatres within Leeds City Centre, these are

- West Yorkshire Playhouse, Playhouse Square, Quarry Hill;
- Leeds Grand Theatre, New Briggate;
- The Carriageworks Theatre, 3 Millennium Square;
- The City Variety Music Hall, Swan Street;
- Leeds Met Gallery and Studio Theatre, Civic Quarter;
- Phoenix Dance Theatre, St Cecelia Street, Quarry Hill.

5.20 The Grand Theatre has undergone major refurbishment and improvement while the City Variety Music Hall is currently undergoing refurbishment but is expected to re-open later in 2011.



Nightclubs

5.21 There are currently a large number of nightclubs within Leeds City Centre which in addition to the large number of pubs and bars attract residents from across the district and the wider region. Nightclubs in the city include:

- Oceana, Woodhouse Lane;
- The Cockpit, Bridge End House, Swinegate;
- Hi-Fi Club, Central Road;
- Birdcage, Boar Lane;
- Club Mission, Heaton Court;
- Mint Club, Harrison Street;
- Tiger Tiger, Woodhouse Lane;
- The Space, Hirst's Yard;
- Wardrobe, St Peter's Street;
- The Warehouse, Somers Street;
- Smokestacks, Briggate;
- Wire, Call Lane;
- Gatecrasher 7, New Briggate.

5.22 Outside of Leeds City Centre there are two nightclubs which are located close to the Universities to cater for the students in these localities; these are:

- Halo, Woodhouse Lane;
- The Faversham, Springfield Mount.

Museums and Galleries

5.23 The Leeds City Museum occupies the refurbished and partly renovated Leeds Mechanics Institute, former home of the Civic Theatre. The City is also home to the Royal Armouries which is one of three locations housing the National Museum of Arms and Armour. It is a major national facility and so contributes significantly to the overall role of Leeds City Centre.

5.24 The City has a number of other museums of local and regional significance (Thackray Medical Museum, Armley Mills Industrial Museum, Thwaite Mills and Abbey House Museum at Kirkstall), but these are not related to any centre. Similarly, there are number of stately homes/country houses which perform a comparable service, such as Harewood House, Temple Newsam, Lotherton Hall and Bramham House.



However, these are, by definition, not located in centres and so not relevant to the general aims of this study.

- 5.25 The City Centre also has the Leeds Art Gallery which also incorporates the Henry Moore Institute.

Conference Halls and Conference Facilities

- 5.26 Leeds has a wide range conferencing facilities within the city centre and the wider district. Within the centre, the majority of conference facilities are provided in the many hotels with meeting rooms and conferencing facilities ranging from a capacity of 30 up to 600. The largest venue in the city is the Tiger Tiger nightclub which has a maximum capacity of 2040.
- 5.27 Venues within the wider district include some of the more unusual venues such as Leeds United Football Club which has a maximum capacity of 1600, The Royal Armouries Museum, capacity 1000 and Headingley which has a capacity of 350. In addition, conferencing is available at Wetherby racecourse which has a capacity of 500. There are also a number of hotels within the surrounding town centres and on the edges of the green belt which provide conference facilities.
- 5.28 Out of Leeds conferencing is provided in hotels associated with competing centres. Xscape at Castleford, Junction 32 of the M62 also provides conferencing facilities for up to 200 people.
- 5.29 The City has a good variety of conference facilities with the majority of venues attached to hotels within the city centre which provide a good range of capacity size and the venues are easily accessible by a range of transport. The venues out of centre provide more unusual conference spaces with readily available car parking.

Hotels

- 5.30 Leeds benefits from a large hotel market providing a range of budget, standard and boutique accommodation. The city centre is the main location for hotels supporting business users and visitors to the city.





5.31 As discussed above, Leeds has a varied number of attractions including its role as a regional shopping destination, cultural attractions and a vibrant nightlife provided by the large number of bars, restaurants and nightclubs in the city. All of the factors add to the attraction of Leeds as a weekend break destination served by the large hotel market.

5.32 In addition, Leeds boasts a number of country hotels and hotels in the wider district and supporting town centres. These venues serve the immediate surrounding area and in addition to conferencing and wedding venues.

Leeds Arena

5.33 Detailed planning permission for Leeds Arena was granted in November 2010 on a site off Claypit Lane to the north of the Primary Shopping Quarter of the city centre. Leeds has lacked a large music and entertainment venue losing trade to venues in Manchester and Sheffield.

5.34 The location of the arena on a 2ha site at the northern end of the city within the Inner Ring road will encourage movement and activity within the city as people arrive in the train station and bus station in the south of the city.

5.35 Construction on the 12,500seat (13,500) capacity multi-purpose arena began in February 2011and is expected to take two years to build. The gross internal floor space of the building is 24,500sqm and includes retail concessions, restaurant and bar facilities. The arena is expected to attract an extra million visitors and around £25.5m a year to the city's economy with additional people coming to the city for weekends and evenings.

5.36 A number of owners with schemes nearby are reacting to this scheme by proposing further investment in and/or changes in response to the change that the Arena will represent. These include possible improvements to the Merrion Centre, the Podium and the Tower North Central offices.

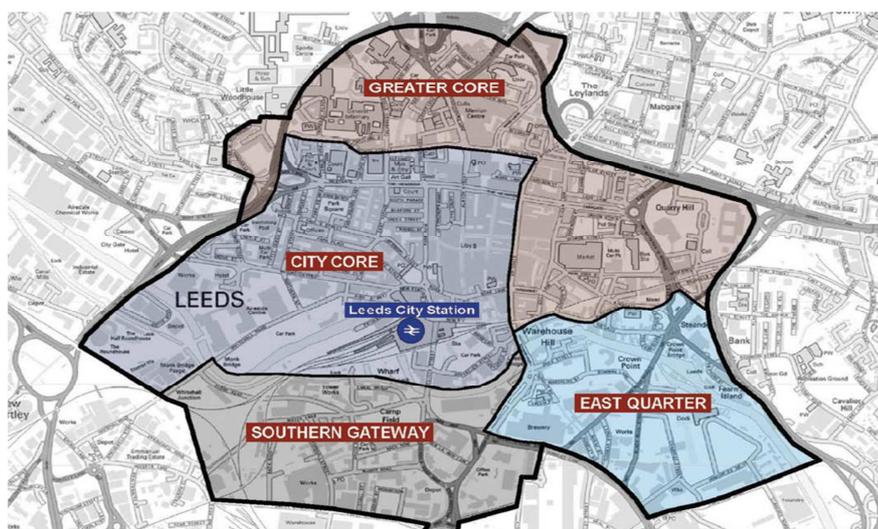


6 LEEDS OFFICE MARKET SUMMARY

Background

- 6.1 Leeds is the key economic driver for the Yorkshire region and forms part of the Big 6 Market Areas which includes Manchester, Birmingham, Bristol, Glasgow and Edinburgh. The City provides an important base for banks and building societies, commercial law firms, public services sector and utility companies with major office occupiers including Leeds City Council, BT, Direct Line Insurance, First Direct and HBOS.
- 6.2 The City has a traditional office core “City Core” situated within easy walking distance of the train station, in the area bounded by Park Row, Wellington Street, The Headrow and Westgate. Development opportunities within the area have proved to be rare in the past, leading to development opportunities in edge-of and out-of-centre locations to the south of the river initially in the 1990’s and later along Whitehall Road in the late 1990’s/2000’s. As a consequence of a number of successful developments in these locations and good occupancy levels, these areas are now viewed as part of the city centre market.

Figure 6.1 Leeds City Centre Zones



- 6.3 The Leeds City Centre office market now operates in four zones; City Core, Greater Core, East Quarter and the Southern Gateway, as outlined in the figure below, although the City Core is still considered the prime area. Headline rents across the City Centre are £27psf, average rents across all grades are £18psf.
- 6.4 The City Core has suffered most in respect of the recession with an estimated 28,000sqm of floorspace being vacated between 2008 and 2010 across all grades of office space. This is partly due to the Core area being occupied by a large majority of financial and business service sectors which have been hit hard by the recession. In addition, the area has seen a large amount of redevelopment with new floorspace coming onto the market. This has distorted the figures somewhat. The Eastbank Quarter and the Southern Gateway have experienced an increase in activity over the same period. The table below sets out the market activity for 2010. In summary at the end of 2010 the Leeds City Centre market had 200,097 sq m of office space available and whilst 13,934 sq m was occupied through new deals, the closing position meant that there was an increase in vacant floorspace of 16,049sqm during the period of July to December 2010.

Table 6.1: Leeds Office Market Activity 2010

Submarket	Availability SQM	Net Stock Absorption SQM	Take Up SQM	
	2010 H2	2010 H2	2010 H1	2010H2
City Centre Core	135089	-14911	8666	9755
Greater Core	22188	-1826	943	275
Eastbank Quarter	33451	799	2157	2388
Southern Gateway	9369	-111	621	1516
Total	200097	-16049	12387	13934

- 6.5 In terms of take up rates for Grade 'A' space within the city centre market, as expected, activity has decreased in recent years. The ten year average is approximately 53,450sqm per annum, however take up rates in 2009 and 2010 reduced to 14,700sqm and 7,350sqm respectively.



6.6 In addition to the City Centre a number of out of centre business and office parks have been developed over the last 15 years which have boosted the office space in the city by 8.8m sq ft. The parks have focused on locations at the junctions of the motorway network to the south and east of Leeds including:

- Thorpe Park – M1 Junction 46;
- Temple Point Office Park – M1 Junction 46;
- White Rose Office Park – M621 Junction 1;
- City West Office Park – M621 – Junction 1;
- Leeds Valley Park – M621/M1 Junction;
- Turnberry Office Park – M62/M621 Junction;
- Capitol Park – M62 Junction 28;
- Fusion Point Garforth – M1 Junction 47;
- Howley Business Park – M62 (between Junctions 27 and 28).

6.7 The business parks headline rents are £18.50psf with an average across all grades of £12.70psf. Whilst business parks do attract many occupiers, most businesses want city centre or fringe city locations. In order to compete, modern business parks are having to provide good quality amenity space to retain and attract tenants/staff. In addition, business parks are required to provide good parking ratios and good public transport access. The most successful business park in Leeds offering all these amenities is the White Rose Shopping Centre, followed by Thorpe Park.

6.8 The UDP 2001 Review (2006) has guided office development over the past 10 years and recognised three broad categories of office development:

- 1 **Prime Office** - Financial, professional and administrative-type uses requiring a location in close proximity to like businesses, and preferring strategic and accessible locations in the City Centre - representing the City Centre office market for purposes of analysis;
- 2 **Prestige Office** - Office developments in a variety of employment sectors requiring large sites, highly visible for company image purposes. Central locations are most often preferred, but some out-of-City Centre sites are in demand for prestige type developments. Typically, these are business headquarters or regional offices. This sector is largely supply-led - development will only occur if appropriate sites are available;



3 Other B1 Offices - After the Prime and Prestige Offices, the remainder of the B1 Offices office category. A distinction can be made between B1 office use in business parks and in other locations attractive to B1 offices.

6.9 It is considered that this spatial approach has been successful and enabled the wide spread regeneration and expansion of the city centre office market, in addition to the successful creation of the key business and office parks which envelop Leeds on the surrounding motorway network. The policy has helped increase the office stock by 59% between 1990 and 2010, well above the average of 40% for the other Big 6 centres.

Future Policy Direction

6.10 Since the adoption of the UDP there have been significant changes in national planning policy which has impacted on the forthcoming spatial policies throughout England and Wales.

6.11 The key national policy is PPS 4: Planning for Sustainable Economic Growth which seeks to return new economic development (including offices) to designated town centres and move away from the trend of out-of-centre development. The policy promotes the sequential approach aiming for in-centre development followed by edge-of-centre locations. If no centre or edge-of-centre sites are available, only then can out-of-centre sites be considered.

6.12 The CSPA looks at the period 2009 to 2026 and broadly reflects the aims of PPS4 and the sequential approach. The document promotes the city centre as the focus for major new office development (Policy EC2) in order to maintain its position as the region's largest office location. The continued promotion of the city centre for major office development will assist with supporting the other services such as retail, leisure, hotel accommodation and employment.

6.13 Draft Policy EC4 of the CSPA takes on board the floorspace development targets set out in the Regional Spatial Strategy (2008-2026) advising that 550,000sqm be provided within the city centre and 50,000sqm within other defined centres. The draft policy also advises that existing permissions which lapse will be reconsidered against the relevant policies, specifically the sequential approach set out in PPS4.



This approach reflects the change in spatial policy and may result in a number of existing permissions becoming obsolete and land being promoted for alternative uses.

Draft Employment Land Review March 2011 (ELR)

6.14 UDP policies were based on land requirements and identified a need for 560ha of employment land including 160ha of B1 business development use schemes outside the City Centre.

6.15 PPS4 requires the evidence base for the LDF to assess the need for land or floorspace for economic development. The ELR refers specifically to office floorspace requirements and states that the use of land requirements are counterproductive by way of underestimating the contribution high density development on small centre sites can make in terms of providing new jobs, in addition to unnecessarily encouraging out of centre development.

6.16 The ELR identifies a requirement for the provision of 805,000sqm of office floorspace for the period to 2026 based on regional economic model forecasts of employment growth in Leeds and the wider region. The ELR figure is higher than the CSPA requirement and is calculated as follows:

Table 6.2: ELR Office Floorspace Requirement

New Office Jobs Created	16,405
Space required per job/person	15 sq m
Total office space required for new jobs	245,000 sq m
Office space lost to other uses per annum	23,000 sq m
Total office space lost to other uses during period	370,000 sq m
Additional 5 year supply requirement	190,000 sq m
Total Office Floorspace Requirement	805000 sq m

6.17 The ELR defines existing supply as sites with an extant planning permission at the base date. Existing supply excludes UDP Policy E18 allocations which do not have planning permission as they have yet to be tested sequentially against alternative sites both within and on the edge of centre as required by PPS4.



6.18 The ELR identifies an adequate existing supply, 950,000 sq m, of office floorspace to meet the employment requirements of the city to 2026, based on sites with extant planning permission. Approximately 52% of the identified supply is located within the City Centre and 45% in out-of-centre locations. Only 2% are situated in edge-of-centre locations and just 0.5% are situated in other designated town centres.

6.19 The ELR concludes that on the basis of the requirement there is no strategic need to identify new sites for office development, sites with extant permission which will provide at least ten year supply (645,000 sq m) should be identified on the Proposals Map

6.20 The table below denotes the distribution of the existing supply of office land, including mixed use schemes.

Table 6.3: Distribution of Existing Supply of Office Land

Zone	Total Area HA		Area to Retained		Area to be Determined through LDF		Area to be Removed	
		Ha	%	Ha	%	Ha	%	
1. Inner East	27.92	20.77	74.39	6.07	21.74	1.08	3.87	
2. Inner North East	1.89	0.05	2.65	0	0.00	1.89	100.00	
3. Inner North West	21.87	6.51	29.77	6.5	29.72	8.86	40.51	
4. Inner South	66.863	57.17	85.50	7.31	10.93	2.383	3.56	
5. Inner West	2.02	0.49	24.26	0	0.00	1.53	75.74	
6. Outer East	144.94	61	42.09	73.77	50.90	10.17	7.02	
7. Outer North East	1.42	0.1	7.04	0	0.00	1.41	99.30	
8. Outer North West	8.87	7.64	86.13	0	0.00	1.23	13.87	
9. Outer South	13.53	10.11	74.72	0	0.0	3.42	25.28	
10. Outer West	7.32	7.32	100.00	0	0.00	0	0.00	
TOTAL	296.643	171.16	57.70	93.65	31.57	31.973	10.78	

6.21 The table shows which sites (in ha's) will be retained and allocated on the LDF Proposals Map. The sites which are to be determined through the LDF process, are being promoted through the SHLAA for residential development or considered for alternative developments.

6.22 Zone 6 (Outer East) will provide the main focus for new office floorspace with 61ha of land being retained for the period to 2026, closely followed by Zone 4 (Inner South) with 57ha, Zone 1 (Inner East) with 20.77ha and Zone 9 (Outer South) with 10.11 ha.





6.23 To summarise, given that the existing supply is sufficient to meet the identified requirement for office floorspace to 2026, development will continue in a similar manner as achieved through the current UDP, although with an emphasis on new development in the city centre.

6.24 The majority of new floorspace will be situated within the city centre and the bulk of the remainder arising from out of centre development on existing business/office parks with extant permissions.

6.25 There appears to be limited opportunity for office development within the defined town centres, though it must be noted that the ELR only looks at sites with an area of 0.4ha or greater, and many town centre sites are likely to be smaller. It is therefore likely that small office opportunities will arise in these centres which are likely to meet the needs of local small businesses.



7 HEALTHCHECKS: ASSESSMENT OF CURRENT ROLES, FUNCTION AND HIERARCHY

- 7.1 The pattern of centres within Leeds is generally a consequence of historical growth of the main urban area and outlying towns, with the majority being based on town or suburban centres established through this process. However, as the City has grown and more particularly as the nature of retail provision and shopper expectations have changed over the last 40 years in particular, then the ability of centres to perform the role expected of them has changed.
- 7.2 Important elements of the Study are to identify deficiencies and needs and capacity for meeting those needs and consequently, an assessment of how the centres perform is particularly important. The analysis of the household survey in particular in this regard provides an indication of the function of the various centres and this section sets out how it is considered they perform their roles within the hierarchy.

Town Centres

- 7.3 The CSPA sets out a proposed hierarchy of centres within Leeds. Policy SC2 sets out a hierarchy of the City Centre, town centres, local centres, neighbourhood shopping parades, with an aspiration for a cluster of local facilities or a neighbourhood shopping parade in smaller settlements and areas with deficiencies. The figure in **Appendix 7A** shows the proposed Leeds hierarchy which consists of the City Centre, 31 town centres and 58 local centres. It lists 12 smaller outlying settlements where smaller scale retail exists or should be encouraged.
- 7.4 A healthcheck assessment has been undertaken for each of the UDP town centres. In preparing these assessments, consideration has been given to the town centre healthcheck indicators as contained in Appendix D of PPS4. Leeds town centres are identified on the Plan at **Appendix 7B**. The healthchecks were carried out in September 2010 and comprise information gathered from a site visit as well as CI market information, updated to the time of writing. The detailed information is included at **Appendix 7C**.



- 7.5 **Armley** is a centre which appears to operate well locally providing a good focus for local residents. The centre has a range of facilities, with a new sport and leisure centre being recently completed. While it does not, at present, contain a large foodstore, there is a planning permission for such a store on a site at Carr Crofts. The development of this site would represent a significant improvement to the retail offer available and bring it to a level comparable with most other town centres.
- 7.6 The policy aspiration of accommodating a modern scale foodstore is longstanding and it is not considered that this should change. It is considered that the Council will need to consider options for attracting a comparable but alternative scheme if the permitted scheme is not delivered within a reasonable timescale.
- 7.7 **Boston Spa** is defined as a town centre in the UDP and in the CSPA. While Boston Spa is a sizable settlement, and there is a range and mix of retail units and other services in the centre, it is concluded that it does not meet the definition of a town centre. The household survey supports this view with no store in the centre attracting a significant share of total spend on convenience goods. It also reflects the commercial assessment of the centre. This report subsequently suggests a two-tier approach to local centres and it is suggested that Boston Spa should be re-categorised.
- 7.8 **Bramley** town centre is based on a purpose built scheme which incorporates a range of retail outlets, supplemented by more recent development to its north east. The Centre as defined suffers from changes in levels and the orientation of the purpose built scheme which backs onto areas at a lower level and consequently integration of the different areas is difficult. Further development within the existing boundaries at the lower level to the north east should not be ruled out but it will be difficult to integrate the different areas and uses. The boundary might be extended to reflect existing uses south west of Town Street and north east of Waterloo Lane. The main scheme owners have investigated various ways of improving both the environment and overall offer and it is considered that such suggestions should be encouraged and supported as far as possible.



- 7.9 There is land within the existing centre boundary which could accommodate further new development. Some might be small scale development integrated with the existing centre, but the larger opportunities lie to the north east of the main development. Further growth should be supported.
- 7.10 **Chapel Allerton** is another historic suburban centre which is limited in terms of its physical capability to meet major foodstore or other larger footprint shopping requirements. The centre has a relatively small foodstore (Somerfield on Stainbeck Lane/School Lane), with a limited number of other convenience units. However, the centre has a wide range of other facilities and provides a good facility for its community.
- 7.11 The commercial view is that the centre could support additional development and the estimates of need would support this. However, physical constraints have precluded expansion over many years and unless early investigations of any potential sites throw up development opportunities it is considered more likely that the centre will maintain its current level.
- 7.12 The nearby Montreal Avenue local centre has had some recent development, including a Lidl supermarket and it is likely that the town and local centre complement one another to some extent for the local community.
- 7.13 **Cross Gates** centre has been and remains based on the Arndale Centre. While there are a number of small foodstores in the centre, it lacks a major supermarket or superstore, but has strong comparison goods offer as demonstrated by the household survey results. Outside the Arndale Centre there are a number of smaller parades although the roads running through it are busy and so limit integration. Nonetheless it attracts a significant number of visitors and is an important focus for its community.
- 7.14 **Dewsbury Road** is a centre located within an area of Leeds within which easy access to major foodstores would normally be considered particularly important. The centre in many regards falls short of the offer that would be expected from a town centre, although it has a range of retail and service units, together offering a variety of employment opportunities. In commercial terms, it is perceived as declining.



However, its future as a town centre serving both its immediate residential area and an appropriate wider catchment is a key issue going forward as discussed subsequently because of the relatively low level of provision and limited current opportunities for addressing this issue.

- 7.15 **Farsley** is a traditional centre within an area which has been absorbed by the growth of the main urban area. Its topography, the pattern of development with residential and mill space closely mixed in has traditionally constrained the scope for any large footplate retail development. Moreover, it is a centre which is away from major routes. Consequently, while it provides a focus service for the immediate local community, it is not a main centre for major weekly shopping requirements.
- 7.16 In both commercial terms and in relation to expenditure, it is a centre which could be expanded. There are no apparent in-centre opportunities of any significance, but opportunities to expand the boundary to incorporate areas with development potential should be investigated.
- 7.17 **Garforth** town centre has always been constrained physically by development close to the back of Main Street. Residential development is the main constraint, rising up to the rear of retail and service properties and has never provided opportunities for any significant redevelopment. It is for this reason that planning permission was granted for the out of centre store, now Tesco, which is not related to the centre.
- 7.18 The town centre has a range of facilities which enable it to function as a service centre for Garforth, but it is not the main shopping destination and its future place in the hierarchy and the role it will be able to play, particularly taking into account potential growth in this area, may need significant reassessment and opportunities to expand the centre assessed.
- 7.19 **Guiseley** centre, running along Otley Road, has been significantly extended by the Morrisons superstore and Guiseley retail park. Indeed, it was these developments that raised Guiseley to town centre status. The general area has a strong retail offer which is supplemented by a range of other services and facilities. There is expenditure capacity and this is a sustainable location, with rail as well as bus access. The scope to extend the boundaries should be investigated.



7.20 **Halton** has expanded and its role has been emphasised by development of a significant comparison goods outlet, together with a small supermarket. It has a range of other small units providing comparison and service uses as well as a variety of service and employment opportunities. While its catchment area is relatively restrictive, it performs a town centre role for its immediate community.

7.21 The commercial view is that expansion could be supported. No further opportunities are apparent within the centre while residential development seems to constrain the boundaries. However, there is merit in investigating whether there is any further scope for extending the boundaries.

7.22 **Harehills Lane** is a centre identified in the Core Strategy Preferred Options as a potential new town centre. While it has many of the characteristics of Harehills Corner in terms of constraints posed by residential development, it is far less divided by traffic. Moreover, while it is an extensive linear centre, there seems to reasonable levels of pedestrian movement through it and associated with various sporting facilities. Perhaps most significantly, the centre has had new supermarket developments at both its north and south edges.. This not only consolidates the centre itself, but as discussed later, goes a significant way to replacing the role originally envisaged for Harehills Corner in terms of meeting convenience shopping needs.

7.23 While the commercial view has been that the centre will not grow, the Morrisons and Netto developments have run counter to this, demonstrating convenience operator view of the local demand. The quantitative analysis supports this and, particularly given views on Harehills Corner centre, it is considered this status is merited. The relative newness of the supermarkets suggests that there is a time for the centre to consolidate and adjust to what will be a new role within the hierarchy. Consideration should be given to redrawing the centre boundaries to reflect these new developments.

7.24 **Harehills Corner** has been identified as a town centre to serve the inner north east/east suburbs of Leeds since the original development plan. It had been envisaged that the centre, along with other similar centres in other parts of Leeds would be the subject of comprehensive redevelopment during the 1960's to provide "modern" shopping centres.



However, this never proceeded but the centre retained its status into the UDP. While there had been aspirations that it might be expanded to accommodate a relatively large convenience goods store, no such proposals emerged. This is not surprising given that it is another centre which is heavily constrained by close knit residential development around it. It is also constrained by the fact that the main Roundhay Road runs directly through it with a number of junctions for cross town traffic which serve to increase vehicular congestion and inevitably detract from environmental quality.

7.25 Recognising this, the City Council have granted a series of planning permissions for stores designed to meet the needs of this part of the City: the Tesco within an expanded Oakwood, ASDA at Killingbeck as part of a mixed use development and more recently Morrisons and Netto at Harehills Lane. At the same time, retail and other facilities at Harehills Corner have been less and less able to meet more than day to day needs of the local community. It has nonetheless retained its nominal status within the hierarchy. It is suggested that it is now appropriate to redefine it as a large local centre, still encouraging and providing policy protection for the independent outlets and specialist offer which dominate the centre to continue and hopefully thrive. The support to alternative and independent retailers in this location is particularly appropriate as both Oakwood and, increasingly, Harehills Lane provide the range of retail and other facilities which meet town centre status, serving needs in this part of Leeds.

7.26 **Headingley** is a centre which appears to have adjusted to a particular role with a strong local community base, as well as significant presence of students in the area whose shopping habits will be rather different to main family groupings. It is a centre with a good range of employment uses and a variety of service and leisure facilities. There does not appear to be room for expansion, but it appears to have consolidated its position in this part of the City.

7.27 The commercial view is that additional development could be supported, although the requirements are leisure orientated. It is not considered that there are further opportunities for physical extension.



The Waitrose development at Meanwood and Morrisons at Kirkstall Lane, to some extent, addressed the large convenience store issue with the Sainsburys in Headingley Arndale, providing a good quality local facility.

- 7.28 **Holt Park** centre was developed to meet particular needs and new development in that sector of north west Leeds. However, over the years the nature of the centre has changed with the ASDA store occupying a number of the smaller units, the remaining small units becoming marginal and employment uses declining. The leisure centre and school combine with the store to make it a strong community focus, but it is somewhat tired and unwelcoming and does not have the range and number of units of many of the historic suburban centres. While it is considered to play an important town centre role, its limitations are clear, and its town centre shopping role is limited. The ASDA site however clearly serves an important function.
- 7.29 There would appear scope to extend and/or reconfigure the centre and it is considered that this should be investigated further given capacity in this area. LCC will wish to consider its position as land owner.
- 7.30 **Horsforth** was once a freestanding town centre with a wide range of shops and service uses. It contains a Morrisons superstore, which despite internal re-modelling and improvements has not changed significantly. It does, clearly from the household survey, play an important function in its community. It plays an important role within the hierarchy, it is seen as positive in commercial terms and is within a sector with convenience capacity.
- 7.31 However, the centre appears wholly constrained by established residential areas and so expansion does not seem practical. There may be scope for redevelopment within the centre, but this would be brought forward by a commercial developer. It is suggested that Church Road could form the north western boundary of the centre.
- 7.32 **Hunslet** centre is the major centre in south Leeds and this is reflected by the level of use. The purpose built centre anchored on a superstore has been added to by a number of fringe developments. The retail offer plus a number of community elements make this an important centre in south Leeds.



A major ASDA superstore at Middleton has planning permission and this will inevitably result in changing shopping patterns in south Leeds, although the town centre role and function of Hunslet should remain unchanged.

- 7.33 **Kippax** town centre is limited essentially in terms of its retail offer. The household survey shows that it performs a relatively limited function. However, its historic character and the range of services and facilities therein suggest that it maintains a role of something of a focus for the local community, albeit it is not seen significantly as a significant shopping centre
- 7.34 It is not considered that it meets the PPS4 criteria for a town centre in its current form, notwithstanding its historic importance as a "village" centre and it is consequently recommended that it should be re-categorised.
- 7.35 **Kirkstall** had historically been a centre of a traditional character and relatively small units based around the Commercial Road/Kirkstall Lane/Bridge Road. It became a more significant centre with the development of a supermarket with a post office and other small units through the development east of Commercial Road and south of Kirkstall Lane.
- 7.36 However, the size of the main store was not able to compete with larger stores being developed and the development began to decline. This was subsequently accelerated by the development of Morrisons and associated development at Savins Mill Way.
- 7.37 In recent years the redevelopment of the original centre and adjoining land has been explored and planning applications submitted in 2005. No scheme has yet been progressed by the developer. The defined centre is extensive, including units in the 'island' site between Bridge Road and Savins Mill Way, the leisure centre in the north east sector of the main junction and smaller units further east. Most significantly within the town centre is the former Clover and then Alders Department store, currently BHS, to the north of Bridge Road. This property has the benefit of a planning permission to increase the floorspace to increase retail and food and drink provision and also to aim to integrate better with the other parts of the defined centre.



7.38 It is a very dispersed centre with no strong focus. Pedestrian flows around it appear limited and it appears to be a centre which, if it does function as such, does so through reliance on private vehicle movements. In considering applications for parts of the defined Town Centre it does appear that the City Council has recognised the need to attempt to address these issues and increase integration. The scope for any new development or redevelopment to assist in improving pedestrian linkages around the centre should be explored. We would also advise that any redevelopment proposals of land or premises should be assessed very carefully in relation to implications for the place of Kirkstall within the hierarchy. We would advise that any applications should be required to address this specifically and to consider possible individual and cumulative impacts.

7.39 **Meanwood** town centre has very recently been changed significantly by the introduction of the Waitrose supermarket replacing a smaller Co-Op store with a number of small units. The centre has an outdated 1960's precinct which adds to the range of services and facilities and also includes a retail park with a range of retail units. If anything, the role of Meanwood serving north west Leeds has increased over the years and the effect on its role of the Waitrose development will need to be assessed. The centre is generally constrained by residential development which seems likely to limit the scope for further growth.

7.40 **Middleton** centre has been the subject of two recent planning applications for superstores. The City Council has resolved to grant permission to one of these to meet identified needs and deficiencies which were set out in the UDP. It is understood that the development is considered highly likely to proceed and this will have a significant effect on the district centre and the role it is able to play.

7.41 **Moor Allerton** town centre has a relatively short history but has nonetheless changed significantly. The original relatively modest supermarket has now been replaced by a major Sainsburys store with limited other retailing but including large comparison units, Homebase and Comet. To the south of the ring road is a major leisure facility which is not within the boundary. Moor Allerton is relatively limited in the range of facility normally required to justify town centre designation. However, it functions as a major retail destination, but the smaller units and other services are limited and the location is not perceived as attractive to independent retailers.



- 7.42 **Moortown Corner** was an identified district centre to be the focus for significant expansion during the 1960's, but this was not delivered and the Moor Allerton centre emerged as a consequence to meet needs in this part of the City. However, it has consolidated much of its function in terms of services and supporting retail while the development and extension of the Marks and Spencer Simply Food provides a foodstore. It does not meet weekly shopping needs with this function having been taken by Moor Allerton notably, but its range of facilities, noting shoppers perception of the importance of its financial services, may justify it taking on a town centre definition.
- 7.43 However, it is considered here, and noting our views on the scope for sub-division of local centre status, that town centre definition is not appropriate.
- 7.44 **Morley** town centre was traditionally one of the largest freestanding town centres in Leeds. It has a traditional core with a thriving privately owned market with a good superstore acting as anchor. It has continued to function and survive, within an area of significant apparent local loyalty, despite an out of centre Asda of long standing and more recently the White Rose development. However, it seems clear that these developments, and particularly the latter, have constrained growth which might otherwise have taken place in Morley town centre. However, it is a strong town centre performing an important function to a very distinctive community.
- 7.45 **Oakwood** centre is one whose role has been changed significantly as a consequence of edge of centre development, in this case both convenience and comparison goods development initially on the site immediately to the south of this historic centre. The traditional centre contained a range of retail and service uses, while the major superstore, albeit not maximising the physical linkages for encouraging linked trips, thus enables the centre to play a significant role. This centre over recent years, together with the new development at Harehills Lane, has in effect served to meet requirements which had been expected originally to be met at Harehills Corner.
- 7.46 **Otley** town centre is one of the historic freestanding towns with a very distinctive character. It has a recent medium sized Sainsbury supermarket within the defined town centre, an edge of centre Waitrose and out of centre Netto. The centre itself is constrained by its historic character and the consequent relatively small unit sizes which have restricted the interest in the centre of national multiples.



Otley has a good street market and a range of supporting community facilities, including a new library.

- 7.47 The historic form and character of the town centre constrains redevelopment, but there are opportunities behind the Kirkgate and Westgate frontages and to the north of Westgate which might accommodate retail development more suited to modern requirements and it is considered that the principle of these should continue to be supported. The town centre boundary should be re-assessed to reflect the current extent of retail and other town centre uses.
- 7.48 **Pudsey** shares a history of development with other outlying towns, it is more constrained by its setting and has never had the extent of retail offer of most of those towns. There does not appear to be significant opportunity for this position to change, but its historic range of functions means that it will continue to play this role. It is not a major location for convenience shopping, but has continued to consolidate its current role, despite a number of freestanding developments in the sector of the City. Consequently, there is considered to be scope for further development, but no physical scope for significant development is apparent.
- 7.49 **Rothwell** is a freestanding town and is one which has been anchored for many years by a Morrisons superstore. A replacement store has recently been developed and this development has improved the centre. This investment appears to have increased shopper and commercial confidence.
- 7.50 It is suggested that the effect of this on commercial perceptions over the short term should be assessed and this may, as the economy generally improves, provide a catalyst for the investigation of further redevelopment opportunities.
- 7.51 **Seacroft** town centre has been the subject of whole scale redevelopment. In retail terms, the centre has the appearance of a retail park with a large Tesco store with a number of supporting retail units. The configuration of the redevelopment has resulted in the community facilities being located behind and so not ideally integrated with the retail units.



7.52 **Wetherby** town centre identified in the UDP as one where opportunities for new retail development, and particularly a new foodstore, were to be sought. In centre opportunities were limited by the historic character of the town while the scope to extend was limited by the River Wharfe and existing development and uses. Consequently the UDP suggested the then apparently nearest opportunity on a redundant site immediately south of the town centre beyond the river. This site was not brought forward for development and indeed was redeveloped for housing, the retail need having been met by the redevelopment and extension of the former Co-op store to provide premises for Morrisons. This store now provides a strong anchor to the town centre.

7.53 The commercial view is of a strong centre, but where the historic character limits in-centre redevelopment and the constraints of surrounding development limit expansion opportunities.

7.54 **Yeadon** town centre is one of the outlying centres which grew to meet its own community needs. Its retail offer has modernised, together with a good range of services, it continues to perform this role. The current town centre definition includes edge of centre elements along Town Street that would provide an appropriate opportunity for redevelopment. The local topography provides challenges in terms of integration for easy pedestrian links with the High Street which would need to be considered in the context of the scale and function of the centre.

Local Centres

7.55 Local centres are not identified in the adopted UDP, although the Proposals Map does indicate a number of these to be centres with defined frontage policies. It is considered that based on this differentiation within the UDP it would be appropriate to have a two-tier approach to local centres.

7.56 The centres are looked at individually in the healthcheck in **Appendix 7D**, with proposed boundaries shown in **Appendix 7E**.



8 QUALITATIVE RETAIL NEED: DATA SOURCE AND ASSUMPTIONS

Objectives

- 8.1 A major objective of this study is to estimate the need for additional **retail** floorspace within Leeds District through to 2026. The assessment has been undertaken for the two main categories of retailing – convenience goods and comparison goods. Although the assessment of retail floorspace need is necessarily detailed and relatively complex, we have at all stages sought to achieve transparency in our calculations. We have followed a traditional approach to estimating retail floorspace need and have incorporated the latest published data and the results of a specially commissioned household survey. This should ensure that our assessment is up to date, comprehensive and robust.
- 8.2 Section 9 of this report describes our approach to quantifying retail floorspace need, whilst we present the results of the assessment, together with our retail planning policy recommendations, in Section 10. In this section, we introduce the methodology, summarise the role of the household telephone survey and (for convenience) set out in one place the main assumptions and definitions which we have used and our principal sources of data.

Retail Need Methodology

- 8.3 The need for additional retail floorspace within a centre (or area) is dependent on the future relationship between the demand for and supply of space, ideally after taking into account the extent (if any) of any over/under trading that is occurring at the base year. The demand for floorspace is then determined by assessing the likely growth in the volume of consumer retail expenditure, while an assessment of floorspace supply involves quantifying the extent to which proposed changes in the location, quality and quantity of retail floorspace will meet the forecast increases in expenditure. Any monetary shortfall of supply relative to demand in the future indicates there is the need for more retail floorspace in quantitative terms.



8.4 The scale of additional retail provision is then determined by converting any excess of consumer expenditure (or headroom expenditure) into a retail floorspace need by applying appropriate sales densities. In practice, because shopping patterns are complex and vary for different types of goods, the methodology utilises survey data to determine base year shopping patterns.

8.5 Our methodology for estimating retail floorspace need is presented diagrammatically in **Appendix A**. The key steps are set out below.

Step 1 Catchment Area Definition

8.6 The catchment area should be defined with regard to the study objective. For this study it covers Leeds District and its shopping hinterland.

Step 2 Analyse Consumer Demand

8.7 This involves multiplying population by consumer retail expenditure per head for the base and forecast years. This should include resident population, but also, where it is likely to occur, any in-flow retail expenditure from residents and tourists living outside the survey area.

Step 3 Analyse Retail Supply

8.7 This step comprises an assessment of the turnover of the retail floorspace stock at the base year. This will involve a household survey to estimate the actual retail turnover of centres and stores, and a comparison with estimated benchmark turnover.

Step 4 Retail Demand Vs Retail Supply at the Base Year

8.8 At this stage, the adequacy of the existing retail provision in quantitative terms is assessed.

8.9 For example, if actual turnovers assessed in Step 3 exceed the benchmark turnovers, it could be argued that the floorspace is over-trading and, therefore, there may be an existing need for additional retail floorspace. Alternatively, if actual turnovers are less than benchmark levels then the floorspace may be assumed to be under-trading, signalling a potential over-supply of existing retail floorspace



Step 5 Changes in Retail Demand and Retail Supply through to the Forecast Year

8.10 This step projects forward total available expenditure in the catchment area and the turnover of existing and committed retail floorspace. In simple terms, the difference between the forecast totals of available expenditure and benchmark retail turnover gives a measure of the need for additional retail floorspace. If there is an expenditure surplus, this is converted into potential floorspace by dividing by an appropriate sales density. Similarly, if there is an expenditure deficit, a floorspace over supply may exist.

The Household Telephone Survey

Objectives of the Survey

8.11 The household survey forms an important role in the assessment of retail floorspace need since it provides important information on the current pattern of shopping activity throughout Leeds District and the surrounding area. As such, it forms the foundation upon which the retail need estimates are built.

8.12 A major aim of the survey is to generate quantitative data on consumer retail expenditure flows between areas or zones (where people live) and retail centres (where they spend their money). This has been carried out for the following three types of shopping:-

- convenience goods;
- non-bulky comparison goods; and
- bulky comparison goods.

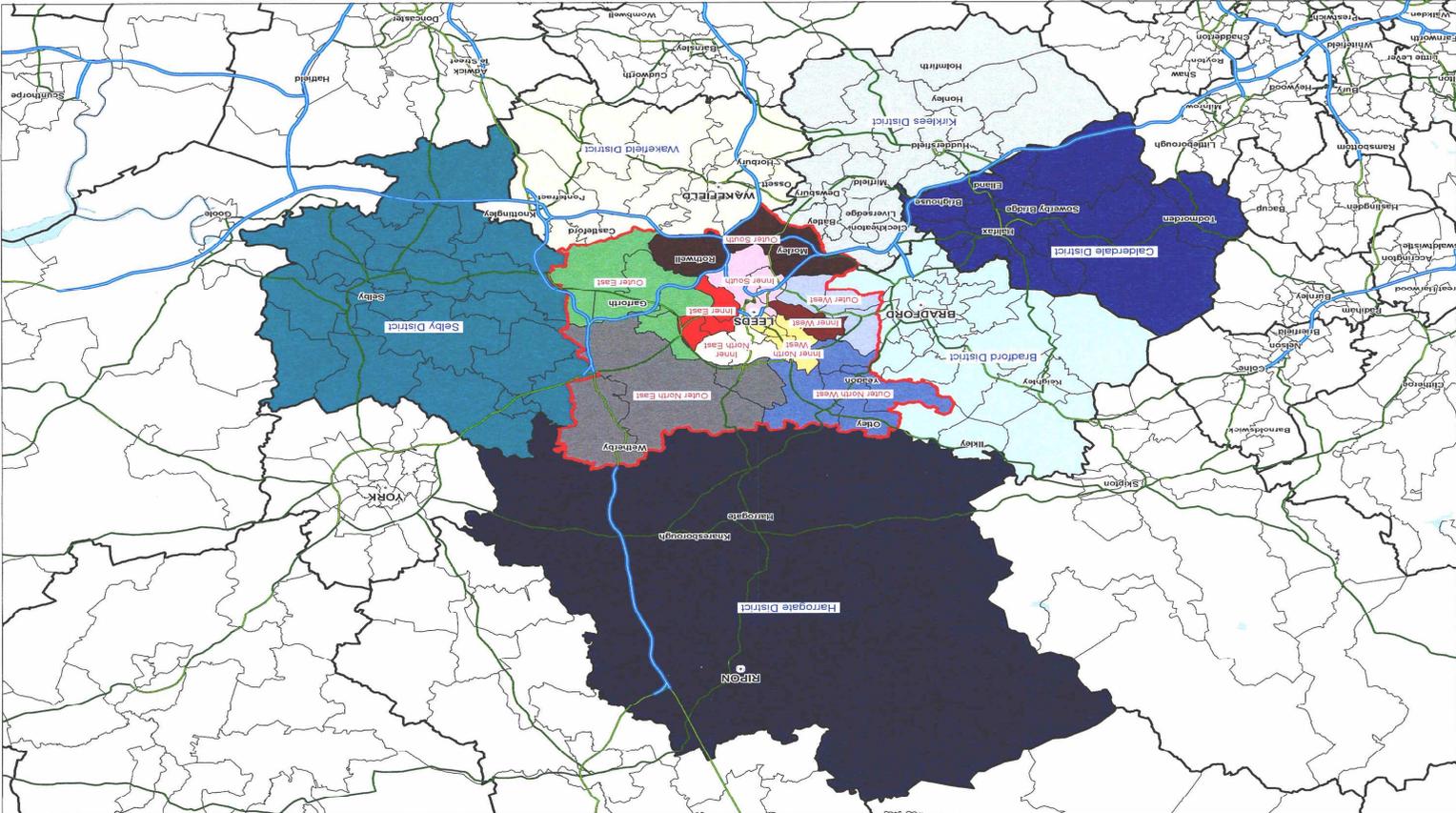
Definition of Survey Area

8.13 We reached agreement with Leeds City Council on the outer boundary of the household survey area. The survey area is shown in **Figure 8.1** overleaf. It has been drawn to encompass the shopping catchment areas of all the major centres within Leeds District.

Definition of Expenditure Zones

8.14 For the purpose of sampling and analysis, the survey area has been divided into 16 zones. These zones are defined on the basis of ward boundaries and each zone comprises one or more wards. In broad terms they relate to natural shopping activity areas on the ground and to the size and location of retail centres.





8.15 The locations and general configuration of the 16 zones throughout the survey area. These were agreed with the Council prior to the survey being carried out. Zones 1 to 10 inclusive cover Leeds District, whilst zones 11 to 16 inclusive cover the rest of the shopping catchment area. The zones within Leeds District equate to areas defined by the Council for planning purposes, whilst each of the six zones covering the shopping hinterland relate to a single local authority administrative area.

Sampling

8.16 In consultation with the Council an overall target sample of 1,600 completed interviews was agreed which equates to 100 interviews per zone. Within each zone the interview sample was drawn randomly and in proportion to the distribution of population. This ensures the results of the survey for each zone reflect the density of population on the ground. At the analysis stage of the survey, individual zone samples are then weighted to their appropriate representation within the survey population to produce an overall result which is representative of the survey area as a whole. Without this weighting, the less densely populated zones would have a disproportionately large effect on the overall survey results, contrary to their population size.

8.17 The whole principle of weighting therefore allows the characteristics of less densely populated zones to be represented without the unnecessary cost of a grossly inflated sample. **Appendix 8B** provides a more detailed statistical synopsis of the sampling methodology and the degree of confidence which can be attributed to the survey results.

The Survey Questionnaire

8.18 The survey questionnaire was drafted in consultation with Leeds City Council and their agreement was obtained prior to the commencement of interviewing. A copy of the questionnaire is reproduced as **Appendix 8C**. Fieldwork for the household survey was carried out between 23rd July and 15th August, 2010.

Survey Analysis and Results

8.19 Insofar as we use the survey results to inform our assessment of retail floorspace need, the key data which the survey generates is the percentage market share (in terms of expenditure) of towns and other centres/stores within each of the 16 zones.



8.20 This is analysed separately for convenience goods and non-bulky and bulky comparison goods shopping. Using this quantitative information, it is possible to build-up a detailed picture of existing shopper behaviour within the survey area as a whole. In particular, the data allows the existing catchment areas and retail turnovers of centres within Leeds District to be determined for each broad category of goods, the results are shown in **Appendix 8D**.

Principal Data Sources

8.21 The retail need assessment utilises four major sources of data. All of the sources are **new** to this study. The data sources are as follows:

Data on shopping trips patterns and consumer retail expenditure flows

Source: We have incorporated the results from a new household telephone survey carried out during July and August 2010. This has been described at paragraphs 8.11 to 8.19 above.

Data on population and population projections

Source: For each of the 10 zones that make up Leeds District, current population estimates and projections to 2026 have been provided by the City Council under two different scenarios – low and high population growth projections. For zones 11 to 16 inclusive outside the District, we have used the latest ONS population projections for English local authority districts (one set of figures only).

Data on consumer retail expenditure per head

Source: Data on average convenience goods and non-bulky and bulky comparison goods expenditure per head for 2008 has been derived for the resident population living within each of the 16 zones. The zone expenditure data are a combination of actual and estimated Experian-based spend per head figures. The methodology for generating the expenditure data is set out in **Appendix 8E**.

Data on existing retail floorspace/retail floorspace commitments

Source: Retail floorspace data for Leeds District has been provided by the City Council for existing centres and retail commitments.



8.22 Where appropriate, we have cross-checked this information with that from other sources such as GOAD, and also used data published by the Institute of Grocery Distribution (for food stores) and our in-house retail parks database (retail warehouses). This detailed retail floorspace audit – an important element of our report – is set out in full in **Appendix 8F**. Existing and pipeline retail floorspace is disaggregated between convenience and comparison goods, and also by location and zone.

Interpretation and Definitions

8.23 In addition to the principal sources of data, there are a number of further definitions, assumptions and forecasts which we have adopted throughout this study. We hope that grouping them together below will assist the reader in understanding the technical analysis.

Study Centres

8.24 In this study, at the request of the Council, we assess the need for additional retail floorspace for:

- Leeds District as a whole
- Sub-areas of the District (10 in total¹)

Composition of Main Retail Goods Categories

8.25 In this study, in order to address the requirements of the City Council, we undertake separate retail need assessments for convenience goods and comparison goods floorspace. The Glossary defines the detailed types of goods which comprise each goods category.

Base Year

8.26 We adopt a base year of 2010, which is when the household telephone survey was carried out that establishes the base line pattern of shopper behaviour and consumer retail expenditure flows.

¹ These 10 areas are consistent with the 10 household survey zones within the District.



Forecast Year

8.27 The City Council has requested that we forecast retail floorspace need to 2026.

Price Base

8.28 All monetary figures in this report are given in **constant 2008 prices**. This is the price base for the consumer expenditure per head data obtained from Experian.

Future Growth in Consumer Retail Expenditure Per Head

8.29 Future spending levels have an important bearing on the need for additional retail floorspace. The assumptions used are therefore critical to the validity of the overall assessment and it is vital that up to date, realistic and robust sources are used.

8.30 In this study, we adopt the latest available (August 2010) UK expenditure forecasts published by Experian. These are set out in full at **Appendix 8G** and incorporate the move by the Office of National Statistics (ONS) in 2003 to an annual chain linking approach to producing constant price economic aggregates. These forecasts take into account the recent major downturn in the UK economy.

8.31 Experian's expenditure forecasts are estimates of future spending based on an economic model of disaggregated consumer spending. They differ from expenditure projections published by Experian (and also Pitney Bowes²) that are estimates of future spending based on the extrapolation of past trends. Experian advise that when carrying out longer term retail need assessments, the use of forecasts is preferred to projections, particularly given the UK's present position in the economic cycle. This is because all of the projections extrapolate past time periods, characterised (in the main) by buoyant economic growth, whereas the UK has recently experienced economic recession and any recovery is still fragile and uncertain. Thus the use of projections is likely to materially over-state the growth in consumer retail expenditure over the coming years, whereas forecasts will better reflect the weaker economy, the recent fall in spend and the modest growth rates expected over the next few years.

² Previously known as MapInfo.



8.32 Experian recommends, therefore, that:-

“economic forecasts are to be preferred over the projections for planning for future demand growth”.

8.33 Following the advice of Experian, we therefore adopt their latest UK wide expenditure per head forecasts through to 2026. These are set out in **Table 8.1** below.

Table 8.1: Expenditure Per Head Growth Forecasts (% Per Annum)

Goods Category	Time Period						
	2008	2009	2010	2011	2012	2013-17	2018-27
Convenience Goods	-1.6	-2.9	0.3	0.0	0.4	0.8	0.9
Non-Bulky Comparison Goods	1.9	-1.2	0.9	1.1	2.5	2.6	2.8
Bulky Comparison Goods	6.9	0.5	-0.5	1.3	2.4	2.8	3.0
All Comparison Goods	3.7	-0.6	0.4	1.2	2.4	2.7	2.9

*Source: Experian Forecasts, August 2010. Retail Planner Briefing Note 8.1. See **Appendix 3C** for full details.*

In-Flow Expenditure

8.34 By extending the household telephone survey area to well beyond Leeds District (see **Figure 8.1**), the objective was to capture virtually all trips made into the District for shopping purposes. This approach is borne out by the pattern of market shares generated by the household survey. Even for Leeds City Centre – the principal retail destination - trade penetration falls off rapidly in the more distant zones due to competition.

8.35 Although, a little retail spending will occur in Leeds District from people living outside the survey area (eg. from tourists), it is impossible to qualify and is likely to be negligible in relation to the expenditure generated within the survey area. We have therefore excluded inflow spend from our needs assessment.



Special Forms of Trading and E-tailing

- 8.37 It is normal practice in the preparation of retail need studies to make deductions from the consumer retail expenditure per person figures adopted to allow for expenditure by 'special forms of trading' (SFT). This is retail expenditure that does not take place in shops, such as that via mail order houses, door to door salesmen and stalls and markets. It also includes spending using digital TV and over the internet.
- 8.38 Recent evidence suggests that e-tailing sales are increasing as a proportion of total retail expenditure, although perhaps not at the rate many commentators forecast at the height of the dot.com boom. Much of the initial growth in e-tailing was achieved through the cannibalisation of retail expenditure on traditional catalogue-based mail order. However, with this source almost 'exhausted', further gains in e-tailing have fed directly through into an increase in retail sales through SFT. Accordingly, we feel it is prudent to take this into account in our retail need assessment.
- 8.39 In preparing this study, we have examined a range of published material on the subject of e-tailing. However, in our view, the most appropriate and up to date research paper available on the topic has been prepared by Experian³ and this is reproduced in full in **Appendix 8H**. This paper takes into account the new methodology for calculating the value of internet sales announced by the Office for National Statistics (ONS) in February 2010, which resulted in a large increase in estimated internet retail sales and their share of the total retail market.
- 8.40 The upward revision reflects the inclusion in the new methodology of all sales made over the internet by individual businesses using information derived from the monthly ONS Retail Sales Inquiry (RSI⁴).
- 8.41 Experian note that after a slow start, the UK now appears to be in the rapid growth phase of the spread of e-tailing, although growth is expected to begin to plateau from around 2016. The company publish separate projections of the future market share for SFT (including e-tailing) through to 2027 for convenience goods and comparison goods shopping.

³ Source: Experian Retail Planner Note Briefing Note 8.1, August 2010.

⁴ The RSI covers 5,000 businesses in Great Britain accounting for 95% of the retail section in terms of turnover.



8.42 It must be stressed that the Experian forecasts are only estimates, since it is very difficult to predict precisely what will happen, particularly over a long time frame. Moreover, Experian themselves note that:

“the non-store retailing figures include supermarkets and other retailers that source internet goods sales from store space”.

8.43 For this reason, the ‘headline’ rate for the share of non-store retailing is likely to be over-stated if the focus, as in this report, is purely on physical shop units. This is particularly the case for convenience goods, where a number of major operators, including Tesco, supply some of the goods their customers purchase online direct from their (physical) stores. To reflect these operational factors, Experian have published a parallel series of SFT forecasts that are adjusted for internet sales from stores. Experian SFT forecasts are set out in **Table 8.2** below. In this report, we adopt these ‘adjusted’ forecasts.

Table 8.2: Estimated Share of Consumer Retail Expenditure Accounted for by Special Forms of Trading

Year	Convenience Goods		Comparison Goods	
	SFT (%)	SFT (Adjusted for sales from stores)	SFT (%)	SFT)Adjusted for sales from stores)
2008	5.0 (A)	2.5	8.2 (A)	6.2
2010	7.4	3.7	11.7	8.8
2016	9.6	4.8	13.9	10.4
2021	10.1	5.0	13.6	10.2
2026	10.7	5.4	13.3	10.0

Source: Experian (A = actual. All other figures are Experian estimates and forecasts).



Turnover Allocation for Existing Retail Floorspace

8.44 It would, in our view, be wrong to assume that all of the increase in available retail expenditure within the survey area is available to support additional retail floorspace. This is because it is appropriate that some of the forecast growth in expenditure should be allocated to existing retailers because the evidence confirms that existing retail shops, in general, achieve real and necessary gains in sales productivities year on year. Rising sales densities are driven by a number of factors including growth in floorspace efficiency and changes in trading hours, net to gross ratios and the mix of goods. Rapidly rising costs also mean existing retailers must grow their sales densities in real terms to remain viable.

8.45 Consequently, to avoid making a turnover allowance for existing retailers would, in our view, lead to a “double-counting” of future available retail expenditure and thus an over-estimation of the need for additional retail floorspace (i.e. the consumer spend required by existing retail floorspace would be used to justify the need for new retail floorspace).

8.46 Experian has recently published a Retail Planner Briefing Note which provides their latest forecasts for changes in retail sales densities. This is set out in **Appendix 8I**. The forecasts take into account likely changes to the stock of retail floorspace, which is Experian’s “recommended” method. The forecasts are summarised in **Table 8.3** below, and show declines from 2009 to 2011, prior to a return to positive average growth from 2012 through to 2027.

Table 8.3: Retail Sales Densities: Forecasts (% Per Annum)

Goods Category	2009	2010	2011	2012	2013-1	2018-27
	Convenience	-3.4	-1.3	-0.5	0.00	0.4
Comparison	-0.5	0.4	1.5	2.3	2.2	2.3

Source: Experian, Retail Planning Briefing Note 8.1, August 2010.



8.47 Experian further advise that for centres where there is a material over-trading at the present time, it is likely that the potential for real gains in sales productivity in the future will be less than the UK averages set out in paragraph 4.40. Similarly, in centres where there is currently significant under-trading, there is likely to be potential for gains in sales productivity in excess of the national average. However, if the monetary effects of (any) over-trading and under-trading in the base year are fully taken into account in the retail assessment – as is the case in this study – then it brings the centre retail economies into a retail equilibrium position akin to the UK average and consistent with Experian’s forecasts on the growth in store productivities. This link is important and has been established in discussions we have had with Experian. Consequently, it is perfectly reasonable to apply the Experian store productivity forecasts set out in **Table 8.3** above to the benchmark turnovers of existing convenience and comparison goods floorspace within the centres in Leeds District.

Benchmark Turnovers

8.48 In order to assess the scale of any over or under trading of the existing retail floorspace stock in centres at the base year (2010), we compare estimated actual retail turnovers, which are derived from the results of the household telephone survey, against estimated benchmark turnovers. Benchmark turnover has been estimated for each broad category of goods and for each centre/retail park/solus store. The turnover estimates are built-up using published statistics on company average sales densities¹ as applied to major stores, and on the basis of our professional judgement. Data on turnover of existing stores, and particularly relating to smaller independent retailers has not had a survey derived base for some time. Consequently generalised assumptions are used and there is general agreement regarding appropriate levels to be used where no Company data is available. The benchmark turnovers for existing retail floorspace in Leeds District are set out at **Appendix 8J**.

Forecast Sales Densities

8.49 Sales density measures the relative efficiency with which floorspace is used by retailers to convert sales floorspace into retail turnover. We use forecast sales densities at two stages in our retail floorspace need assessment:-

- to estimate the turnover of retail commitments; and
- to convert the available residual headroom expenditure at each of the forecast years into a need for additional retail floorspace.

¹ For example, as published in UK Retail Rankings 2010, Mintel.



8.50 In considering what are the most important sales densities to use it is necessary to bear in mind the following:

- that sales densities relating to new food-based stores (which will open in the future) are likely to be higher than those which apply to all of the existing convenience goods floorspace stock in a centre at the base year (2010) – existing stock is all space including that which is, by modern standards, poorly located or inefficiently laid out for example;
- that sales densities vary widely between different goods categories - being generally higher for convenience goods floorspace; and
- that sales densities for both convenience goods and comparison goods retailers will increase over time due to the real increases in store productivity which we apply to all retail floorspace (see paragraph 8.43).

8.51 In selecting what we consider to be the most realistic sales densities to adopt, we have had regard to the characteristics of the retail economies of the centres in Leeds District, as well as published sources which give the average sales densities for leading retail operators.

8.52 Our assumed sales densities for estimating the turnover of retail floorspace in the development pipeline and for converting available headroom expenditure into a need for additional floorspace are set out in **Table 8.4** below.



Table 8.4: Assumed Forecast Sales Densities (£ psm net)

Goods Category	Base Year		Forecast Years	
	2010	2016	2021	2026
All Comparison Goods	5,000	5,636	6,408	7,285
Convenience Goods	10,000	10,110	10,355	10,617

Note: The sales densities are higher in 2016, 2021 and 2026 because they include appropriate real increases in store productivities as set out in Table 8.3. For Leeds City Centre only, we adopt an average comparison goods sales density of £7,000 psm at 2010, and £7,890, £8,971 and £10,200 psm net at 2016, 2021 and 2026 respectively.

Net to Gross Ratios

8.53 Where actual gross and net floorspace figures have been available (generally from material submitted with applications, either directly from the applications or provided by LCC)we have used them. However, where it has been necessary to convert from gross to net (or vice versa) we have used the following net to gross ratios for different categories of goods and retail formats:-

Convenience goods	65:100 All locations and formats
Non-bulky comparison goods	65:100 City and District Centres
	90:100 Retail Warehouses (Out of Centre)
Bulky comparison goods	65:100 City and District Centre
	90:100 Retail Warehouses (Out of Centre)

Metric Conversion

8.54 Where necessary, we have converted square feet into metres (and vice versa) using the following formulae:-

$$1 \text{ sq m} = 10.764 \text{ sq ft}$$

$$\text{sq ft} = 0.093 \text{ sq m}$$

VAT

8.55 All expenditure and sales/turnover figures in the retail need assessment includes VAT.



9 QUANTITATIVE RETAIL NEED: METHODOLOGY AND ASSESSMENT

Objectives

- 9.1 This section describes our approach to estimating the quantitative need for additional retail floorspace within Leeds District. The quantitative assessment is carried out separately for convenience goods and comparison goods.
- 9.2 Our methodology assumes that the market share of the Leeds District retail economy (as estimated at the base year of 2010) will remain constant through to the end date of 2026. Under this scenario, the market shares of all the centres within Leeds District and beyond also remain the same. We therefore assume for the purposes of the statistical analysis that the present retail attractiveness of Leeds District as a whole and its constituent centres continues through into the future as far as 2026. This is a standard starting point for analysis, and indeed is referenced in the “Practice guidance on need, impact and the sequential approach” companion to PPS4. This guidance also confirms that where considered appropriate or necessary, policy can be devised to develop a strategy to change market shares to reduce polarisation into higher order centres and/or ensure delivery of additional development to meet particular needs more sustainably. (Part 3 - ‘Identifying needs’). Consequently the outcomes in our statistical tables provide the basis for policy development and should not be taken to confirm definitive requirements for new retail development.
- 9.3 The analysis estimates the amount of over/under trading at the base year (2010) by comparing actual (survey-based turnover) against benchmark turnovers and taking any expenditure “surplus” or “shortfall” into account in determining the available headroom expenditure at the forecast years of 2016, 2021 and 2026. We consider this to be a realistic approach, since it reflects the variability in the present retail performance of centres (and sub-areas) across Leeds District.
- 9.4 For both broad categories of goods (convenience and comparison), need estimates have been produced for two different scenario’s which reflect alternative projections of population within the District prepared by the Council.



9.5 The Council has provided 'low' and 'high' projections and for each we provide detailed quantitative need assessments. The methodology that follows describe the tables linked to the 'low' projection, but the same approach applies to the 'high' projections. All monetary figures given in the quantitative assessment are at **constant 2008 prices and include VAT**.

9.6 The assessment provides the following information:

- Estimates of total available retail expenditure within Leeds District (and sub-areas) at the base year of 2010 and the forecast years of 2016, 2021 and 2026 (these years having been agreed with the Council);
- Estimates of the retail turnover likely to be 'retained' by Leeds District (and sub areas) at each of the forecast years;
- Estimates of "headroom" expenditure and therefore retail floorspace need within the centres at the forecast years; and
- Quantitative retail floorspace need disaggregated into convenience goods and comparison goods retail floorspace.

9.7 Our understanding is that the results of the need assessment will be used by the Council to inform future retail policies and strategies for Leeds District. The results should also assist the Council in responding to any emerging retail proposals, although the study is essentially strategic in scope and therefore doesn't refer to any individual site, scheme or development proposal.

Our Approach to Retail Floorspace Need

9.8 Our broad approach to estimating retail need comprises of seven main steps, which in aggregate cover the three main stages of analysis:

- (i) Forecasting consumer demand;
- (ii) Forecasting retail supply; and
- (iii) The conversion of (any) surplus retail expenditure into a retail floorspace requirement.



- 9.9 We have sought to provide an analysis that is transparent and which, at the same time, seeks to be robust. The assessment is also presented in a way that enables it to be updated in the future as more up-to-date statistics become available and the emerging pattern of shopping activity becomes more established.
- 9.10 We carry out separate quantitative retail need assessments for comparison goods and convenience goods. Each is supported by a number of tables (spreadsheets) which are reproduced as **Appendices 9A and 9B respectively**. In addition, the assessment refers to a number of key assumptions which have already been discussed in Section 8.

Comparison Goods Need Assessment

Step 1: Calculate Total Available Expenditure in the Survey Area

- 9.11 The household survey area (**Figure 8.2**) has been defined to encompass the shopping catchment areas of all the main centres in Leeds District. Within this area the quantum of comparison goods retail expenditure generated is derived by multiplying population by average annual expenditure per head. This calculation is carried out for each of the 16 zones which comprise the survey area.
- 9.12 Population estimates by zone and for the survey area as a whole are set out in **Appendix 9A, Table 1**. In addition to estimates for 2010 (the base year), population forecasts for 2016, 2021, and 2026 are also included.
- 9.13 **Appendix 9A, Table 2** gives the average annual expenditure per person on comparison goods for residents living in each of the 16 zones comprising our survey area. These figures have either been obtained directly from Experian or estimated by Colliers so as to be consistent with the Experian expenditure data (see **Appendix 8C** for details). We have projected the per person expenditure estimates forward to the forecast years of 2016, 2021 and 2026 by adopting Experian's latest 2009 – based expenditure forecasts.
- 9.14 At **Appendix 9A, Table 3** we make deductions to the per person expenditure estimates to account for retail expenditure which does not take place in shops such as that on mail order shopping, door to door salesmen and market and road-side stalls.



This form of expenditure also includes e-tailing and is generally known as “special forms of trading” (SFT).

9.15 In presenting expenditure forecasts through to 2026, we are aware that there are currently a number of electronic shopping formats which, should they become even more widely established, could reduce significantly the proportion of retail expenditure that is now spent in conventional shops. We have reviewed the recently published research on the future growth in **e-tailing** expenditure and concluded that SFT is likely to increase as a proportion of total consumer retail expenditure over the next five years or so before levelling off. This important assumption is built into our quantitative need assessment. However, we would stress that this assumption should be reviewed from time to time, since, were it to change significantly, it could have a material impact on future levels of retail floorspace by either reducing or increasing the need for additional shopping provision.

9.16 Our estimates of total available consumer retail expenditure on comparison goods at the base year (2010) are set out in **Appendix 9A, Table 4**. Forecasts are also given for the forecast years of 2016, 2021, and 2026. The increases in available expenditure are due to:

- The forecast growth in catchment population;
- Real annual increases in consumer comparison goods expenditure per head.

9.17 Available expenditure on comparison goods within each zone at the base year of 2010 is disaggregated into spend on non-bulky and bulky comparison goods by applying appropriate proportions reflecting expenditure by consumers on those detailed product categories which constitute each broader goods category. This sub-division of expenditure by zone is set out in **Appendix 9A, Table 5**. This disaggregation is necessary at this stage in order to take into full account the results of the household telephone survey of Leeds District and its shopping hinterland.



Step 2: Application of “Market Shares” to Determine Amount of Retained Expenditure

- 9.18 As a consequence of increases in the volume of consumer expenditure per head running in tandem with population growth, we estimate that the “pool” of available expenditure on comparison goods within the survey area will increase by some £4,760 million between the base year (2010) and the latest forecast year of 2026 (**Table 4**).
- 9.19 However, not all of this growth in consumer expenditure will be spent within Leeds District and is available to support new retail floorspace in the District. This is because competitor centres to those within Leeds District also lay claim to the same growing “pool” of expenditure. This requires us to quantify the “market share” of Leeds District.
- 9.20 Existing “market shares” for non-bulky and bulky comparison goods shopping have been derived from the household telephone survey. The survey provides essential information on the geographical extent of catchment areas and trade penetration around existing centres by quantifying the pattern and volume of retail expenditure flows from each of our defined zones (where people live and money is generated) to a range of centres and out of centre stores (where people spend their money).
- 9.21 In addition, and of **critical** importance, our assessment also takes into account the distribution and volume of locally available consumer expenditure (or spending power) so as to ensure that **our retail turnover estimates are balanced against available retail consumer expenditure**.
- 9.22 The base year (2010) patterns of “market shares” are set out in **Appendix 9A, Tables 6A and 6B** for non-bulky and bulky comparison goods shopping. These market shares have been produced by amalgamating the individual market shares generated by the separate retail floorspace components making up each sub-area. The “market shares” are then applied to the 2010 “pools” of available comparison goods expenditure (as set out in **Table 4**). **Tables 7A and 7B** give the monetary amounts of non-bulky and bulky comparison goods expenditure flowing to Leeds District (and each sub area) by zone. The addition of these expenditure totals for each of the 16 zones gives the total amount of non-bulky and bulky comparison goods spend flowing to each sub area (as set out in **Table 5**).



In **Appendix 9A, Table 8**, the base year (2010) monetary flows of consumer non-bulky and bulky comparison goods expenditure to sub-areas are combined in order to produce all comparison goods spend flows to sub-areas by zone. These amalgamated spends are then in turn converted into all comparison goods centre market shares (for 2010) by zone at **Appendix 9A, Table 9A**.

Step 3: Determine Whether the Existing Retail Economy is Trading at Equilibrium

- 9.23 At this stage of the assessment we consider whether the existing comparison goods retail economy of Leeds District (and each of its 10 sub-areas) is broadly trading at equilibrium or not. This is important because if the amount of consumer retail expenditure flowing to an area is high in relation to the stock of available retail floorspace and this appears to be causing problems to retailers and / or shoppers, then the area's retail offer may be described as over-trading. Conversely, if the expenditure flows are low relative to available retail floorspace, then this can result in under-trading of the retail offer.
- 9.24 If over-trading is occurring in an area (or centre) then it is commonly assumed that the turnover in excess of the equilibrium position is potentially available to support new shopping provision. If this occurs, then this element of expenditure should be added to the headroom expenditure which we later estimate from the future growth in the retail economy. Conversely, if an area (or centre) is under-trading at present, then it is also logical to deduct the amount of turnover shortfall relative to the equilibrium position from the defined headroom expenditures associated with the future growth in the retail economy (PPS 4 defines any over or under trading at the base year as a component of qualitative need).
- 9.25 The problem with this kind of analysis is determining whether an area (or centre) is trading in equilibrium or not. There are two principal difficulties. First, retailers need to achieve a certain trading level to be viable. However, this trading level varies substantially for individual retailers and for the same retailers for different centres across the UK, reflecting differences in type of business, profit margins, site, costs (e.g. rents), size, financial structure and other factors, as indicated previously at 8.45. Without detailed financial data on all individual traders in an area it is virtually impossible to determine what the average equilibrium trading level is.



The second major difficulty is that even if it can be proven that an area is trading above its retail equilibrium position, this does not automatically mean that problems associated with over-trading occur; these may include retailer operating difficulties, in-store congestion, over-busy streets leading to pedestrian safety and security problems, and congested car parks.

9.26 In estimating whether the Leeds District retail economy (and each of its sub-areas) is in retail equilibrium at present in relation to comparison goods shopping, we have been handicapped by the unavailability of sales floorspace and trading data on individual shops in each centre.

9.27 Nevertheless, we have attempted to be as robust as possible, since material conditions of over or under-trading in the base year do suggest there is an under or over-supply of retail floorspace already. In theory, in order to provide an accurate “benchmark” average sales density for a centre, one would require knowledge of the appropriate sales per square metre of each shop comprising the centre. Since this information is not available, we must derive broad estimates based on a range of criteria including:

- Published company average sales per sq m for individual retailers;
- The breadth and depth of retailers in a centre;
- The number of multiple traders present;
- The size of a centre (retail floorspace) and its position in the retail hierarchy;
- Rental levels and
- Comparable sales density estimates adopted for centres elsewhere in the UK.

9.28 Our benchmark (or retail equilibrium) comparison goods turnover estimates for each of the sub-areas within Leeds District are set out at **Appendix 9A, Table 8**.

9.29 For comparison goods shopping, the results of the household telephone survey suggest that the retail floorspace in Leeds District as a whole is currently over-trading by around £1,700 million per year, indicating that the actual turnover is far higher than that required for retailers in the area to achieve “benchmark” sales levels. This estimated expenditure ‘surplus’ is added to the forecast headroom expenditures later on in the assessment.



Given that our over and under trading figures are only 'estimates' and that it may be argued that over and under-trading is more a feature of qualitative rather than quantitative need, in Section 10 we present 'need' information including and excluding any over and under-trading within Leeds District (and each sub-area). In practice, the assessments of over/under-trading are made for each of the 10 sub areas within Leeds District and any base year expenditure 'deficits' or 'surpluses' are deducted or added on an area by area basis.

9.30 At **Appendix 9A, Table 9B** we present the base year market shares without any adjustments. We have examined in some depth the current levels of expenditure retention in Leeds District and the patterns of expenditure leakage, and conclude that it will be unrealistic to either increase or decrease any of Leeds market shares in the future. This important assumption underpins Leeds existing regional role in the shopping hierarchy and is also, in our view, consistent with the government's sustainability objectives.

9.31 This is not to say that market shares achieved and balances of trade between the various West Yorkshire centres will not vary. The market shares of Leeds City Centre and, as the household survey suggests, of the White Rose Centre will have increased while those of Bradford and Wakefield Centres for example will have decreased as key developments within those stalled. However, the relative positions and market shares can be expected to continue to adjust. The Wakefield scheme is now trading and there are indications that a modified scheme for Bradford may also start. At the same time, the Trinity Leeds scheme is progressing well while a revised Eastgate scheme is before the Council with the developer confident of a relatively early start on site. The policy implications of this approach for the major centres is discussed subsequently.

Step 4: Calculate Growth in Retained Expenditure through to the Forecast Years

9.32 Having determined the base year (2010) "market shares" and levels of retained comparison goods expenditure within Leeds District as a whole and its sub-areas, we use the principle of market shares to calculate how much more spending or trade Leeds District (and its sub areas) could expect to attract in the future as a result of the forecast growth in available catchment area expenditure.



9.33 For each of the forecast years we apply the **same** market shares to the increased “pools” of available expenditure in each zone. The base year (2010) market shares from **Appendix 9A, Table 9A** are therefore represented in **Table 9B**, prior to being applied to the available expenditure totals at the forecast years. The calculations for the forecast years of 2016, 2021, and 2026 are set out in **Appendix 9A, Tables 10, 13 and 16** respectively. Due to the increase in demand (as a result of population growth and rising consumer expenditure per head) the assessment produces at 2016 higher retail turnover potentials for Leeds District and its constituent sub-areas than in the base year (2010). Similarly, the turnover potentials are even higher for the forecast years of 2021 and 2026.

Step 5: Determine Level of Potential Headroom Expenditure at the Forecast Years

9.34 It would be wrong to assume that all of the increase in turnover potential within Leeds District (and its sub areas) will be available by the forecast year(s) to support additional comparison goods shopping. This is because some of the forecast growth in expenditure must be allocated to existing retailers because the evidence confirms that they increase their sales productivities in real terms over time.

9.35 In **Appendix 9A, Table 11** the turnover allocation for existing retailers is deducted from the 2016 turnover potentials for Leeds District as a whole and each sub area. This calculation produces an estimate of residual turnover potential for each sub area and for Leeds District. The base year (2010) turnovers are then subtracted from the 2016 residual turnovers to determine the quantum of potential headroom expenditure available in 2016 in each sub area and for the Leeds District as a whole. Similar analyses are carried out in relation to comparison goods for the forecast years of 2021 (**Table 14**) and 2026 (**Table 17**).

Step 6: Determine Level of Residual Headroom Expenditure in the Forecast Years

9.36 **Appendix 9A, Table 12** sets out our calculations to estimate the residual headroom expenditure for Leeds District (and sub areas) at the forecast year of 2016 for comparison goods floorspace. The same assessment is carried out for the forecast years of 2021 (**Table 15**) and 2026 (**Table 18**).



- 9.37 The first task is to adjust the potential headroom expenditures calculated for 2016 by taking into account the extent (if any) of any over or under-trading that is occurring within each sub area and in Leeds District as whole at the base year (2010). This is necessary because the headroom expenditures set out so far assume that the sub areas and Leeds District as a whole are currently trading in retail equilibrium. We have already commented upon the fact that this assumption may be viewed as unlikely.
- 9.38 Despite the difficulties of determining the extent of any over or under-trading within Leeds District and its sub areas, we consider that including such estimates makes our need assessment more reliable and robust than ignoring them. We use the over/under-trading estimates determined at **Appendix 9A, Table 8** to “adjust” our headroom expenditure totals. In practice, if a sub area is estimated to be under-trading at the present time, this will reduce the quantum of headroom expenditure at the forecast year(s) since some of the growth in expenditure should be set-aside to bring the existing retail stock up to a retail equilibrium trading position. Alternatively, if a sub area is over-trading, this will increase the quantum of headroom expenditure at the forecast year(s) since the ‘surplus’ sales are assumed to be available to support additional retail floorspace.
- 9.39 **Appendix 9A, Table 12** sets out our calculation for making this adjustment to the 2016 headroom expenditures for comparison goods. **Tables 15** and **18** repeat the calculations for the forecast years of 2021 and 2026 respectively.
- 9.40 At this stage, in order to convert the adjusted headroom expenditures into residual headroom expenditures at the forecast years of 2016, 2021 and 2026, we make further (if applicable) deductions to account for that quantum of retail expenditure which is likely to be soaked up by retail floorspace commitments within Leeds District (commitments are retail developments in the pipeline, which are either under construction or have planning consent).
- 9.41 From information supplied to us by the Council, we have produced a schedule of retail commitments within Leeds District disaggregated by sub area. This schedule is reproduced in **Appendix 9C**. The schedule also gives our estimate of the retail turnover of each commitment⁵ - these are given for each of the forecast years.

⁵ The turnovers of commitments are also assumed to grow in real terms over time and so appropriate store productivity increases are applied.



These turnovers are then deducted from the headroom expenditure totals for sub area, as appropriate. This calculation is set out in **Appendix 9A, Tables 12, 15, and 18** for the forecast years of 2016, 2021 and 2026 respectively.

9.42 In our view these residual headroom expenditure totals are important because they provide an estimate of the amount of potential turnover which will be available to Leeds District as a whole and each of its sub areas by 2016, 2021 and 2026. In Section X, we describe the last step of the assessment, which is to convert these residual headroom expenditures into retail floorspace requirements. However, the output of this last step is dependent on the application of average sales densities and these, in practice, are likely to vary enormously depending on the type of development that is proposed. For example, city or town centre stores comprising non-bulky comparison goods shopping typically trade at much higher average sales densities than retail warehouse style developments selling mainly bulky comparison goods. We would therefore recommend that appropriate weight is attached to the **residual headroom expenditure** totals, since these are not open to the same levels of interpretation as are the retail floorspace requirements set out in Section 10.

Convenience Goods Need Assessment

9.43 Our retail need assessment for convenience goods floorspace follows the same approach as that for comparison goods. The detailed calculations underpinning the analysis are reproduced in full in **Appendix 9B, Tables 1 to 16** inclusive.

Step 1: Calculate Total Available Expenditure in the Catchment Area

9.44 At **Appendix 9B, Tables 1 to 4** inclusive, the total available convenience goods expenditure by zone is determined for the base year (2010) and the forecast years of 2016, 2021 and 2026. The analysis incorporates Experian's estimates of average annual spending per head on convenience goods within each zone, together with their latest expenditure growth forecasts. We again exclude expenditure by "special forms of trading", although the Experian allowance is much less than for comparison goods shopping.



Step 2: Application of “Market Shares” to Determine Amount of Retained Expenditure

9.45 Using the results of the household telephone survey we derive the base year (2010) market shares for Leeds District and its sub areas within each of the 16 zones¹. This assessment is set out in **Appendix 9B, Table 5**. Applying the market shares to the total “pools” of available expenditure within each zone in the base year (2010) (**Table 6**), gives the monetary flows of consumer spending from each of the 16 zones to Leeds District and its sub areas. Since convenience goods shopping is undertaken locally, we do not allow for any inflow resident or tourist spend into Leeds District from beyond the survey area. The addition of the expenditure flows from each zone gives the total estimated convenience goods turnover of Leeds District as a whole and its constituent sub areas at the base year of 2010.

Step 3: Determine Whether Existing Retail Economy is Trading at Equilibrium

9.46 For convenience goods shopping, we now replicate the analysis carried out earlier in relation to comparison goods, and calculate the extent of any over or under-trading within Leeds District and its sub areas at the base year (2010). In estimating the equilibrium convenience goods retail turnover in the base year we have taken into account the overall quantity, quality and location of the existing retail offer in each sub area. **Appendix 9B, Table 6** confirms that, on our estimates, convenience goods floorspace in Leeds District as a whole is over-trading by some £319 million in the base year (2010).

Step 4: Calculate Growth in Retained Expenditure through to the Forecast Years

9.47 We do not believe that there is any justification at the outset for adjusting any of the convenience goods market shares in any of the sub areas in Leeds District going forward. We consider this approach is consistent with the Governments sustainability objective to reduce the number of distance or car journeys for shopping. **Appendix 9B, Table 7** therefore replicates the centre market shares in **Table 5**, which in turn have been derived from the household telephone survey. We apply the same market shares to the higher pools of available expenditure within Leeds District and its sub areas at each forecast year. These calculations are set out in **Appendix 9B, Tables 8, 11 and 14** for the forecast years of 2016, 2021 and 2026 respectively.

¹ This involves grouping together the expenditure flows to individual named food stores in order to establish the overall market share of a centre.



9.48 However, in considering possible strategies for future provision for convenience shopping needs we do consider the merits of suggesting development which would in effect adjust market shares where it is considered that this is appropriate to better and more sustainably meet needs.

Step 5: Determine Level of Potential Headroom Expenditure at the Forecast Years

9.49 At **Appendix 9B, Tables 9, 12, and 15** we determine the levels of potential headroom expenditure within Leeds District and its constituent sub areas at the forecast years of 2016, 2021, and 2026 respectively. As for comparison goods, it is necessary to set aside a little of the expenditure growth for existing retailers to account for their real gains in sales productivity over time.

Step 6: Determine Level of Residual Headroom Expenditure in the Forecast Years

9.50 To convert the potential headroom expenditure figures into residual headroom expenditure estimates, we first take into account any under/over-trading that currently exists in Leeds District and its constituent sub areas in the base year (2010). Where under-trading exists, some of the expenditure growth is set aside to bring the existing retail offer up to a retail equilibrium trading position. For any over-trading, the surplus spend is added to the headroom expenditure determined later on in the assessment.

9.51 The adjusted headroom expenditure totals for Leeds District as a whole and each constituent sub area for the forecast years of 2016, 2021 and 2026 are set out in **Appendix 9B, Tables 10, 13 and 16** respectively.

9.52 Lastly, we take into account any existing convenience goods retail commitments within Leeds District. Full details of the retail commitments including their turnover estimates are set out in **Appendix 9C**. The calculations to produce the residual headroom expenditure totals for the forecast years of 2016, 2021 and 2026 are also set out in **Appendix 9B, Tables 10, 13 and 16** respectively.



Step 7: Estimate Capacity for Additional Retail Floorspace in the Forecast Years

9.53 In Section 10 we convert these adjusted residual headroom expenditures into retail floorspace requirements (step 7) but, as with comparison goods, these floorspace estimates are entirely dependent on the average sales density applied to the floorspace. For this reason, we therefore recommend that appropriate weight is attached to the forecast quantum's of residual expenditure available at the forecast years in relation to convenience goods.

Summary

9.54 The main purpose of this section has been to assess in quantitative terms the likely retail expenditure capacity within Leeds District and its sub areas through to 2026. It must be stressed, however, that any quantitative analysis over such a long time-period (16 years from the base year of 2010) may be subject to a significant margin of error, particularly in the later years, since it is based on a number of assumptions which are difficult to forecast accurately.

9.55 In addition, there are two further key assumptions which have a material bearing on the forecast levels of residual headroom expenditure. These are as follows:

- Special Forms of Trading – we have assumed Experian's forecasts for the growth in non-store retail sales through to 2026. However, if actual growth were to exceed these rates, which is entirely possible, then the projected levels of retail floorspace need would be less than those forecast in this report.
- Over / Under Trading at the base year – our household survey results indicate that Leeds District as a whole is currently over-trading in both convenience goods and comparison goods, and we have taken this into account in our quantitative need assessment. We accept that it is difficult to establish what the true retail equilibrium position is. However, we do not feel it is appropriate to ignore an under supply of existing retail floorspace. Clearly if we have over-estimated the amount of over-trading, for example, the retail expenditure need estimates will be lower than those which we calculate; conversely, if we have under-estimated the amount of over-trading the need estimates will be higher. Lastly, PPS 4 (Policy EC1.4, d (ii)), refers to over trading as being a component of qualitative need rather than quantitative need.





We therefore present our need estimates inclusive and exclusive of the contributions of any over/under trading estimated in the base year (2010), in order that qualitative factors (in PPS 4 terms) may be correctly interpreted.



10 ASSESSMENT

- 10.1 Although the Brief for the Study required assessments to go to 2016, 2021 and 2026 and calculations have been carried out on this basis, it is considered appropriate to focus in terms of strategy on potential retail floorspace at 2016. This is because it is considered that a cautious approach should underpin the assessment not only because of current economic conditions which may well be relatively short term, but perhaps more significantly because the growth in expenditure and therefore floorspace needs arises to a significant extent from the forecasts provided to CI of population growth. LCC have provided low and high population projections, but it is understood that officers will wish to reassess the position through the preparation of the LDF. Consequently, our strategy relates to the low population projections at 2016. However, if reference is had to the higher projections and the longer dates shown in **Appendices 10A and 10B**, it will be seen that these are proportionately limited in terms of their effect when compared to even the low forecast.

THE NEED FOR ADDITIONAL COMPARISON GOODS RETAIL DEVELOPMENT

A) Leeds City Centre

- 10.2 The market share approach to quantification of retail need generally results, as the PPS4 Practice Guide highlights to the identification going forward of greatest floorspace capacity in the most successful centres or stores. This is particularly the case in relation to centres at the high end of the hierarchy and to particularly successful developments. However, the advice in the Practice Guidance is clear that it is the role of policy formulation to consider whether intervention might be necessary to meet needs more sustainably and/or to address other policy objectives, such as needs to bolster and improve other centres.
- 10.3 The need for floorspace to 2016 is calculated to be 24,404 sq m. net (Table 12). This includes provision to reflect calculated over-trading. However, the City Centre is not considered to be showing any detrimental signs of over-trading.



- 10.4 Moreover, the capacity assessment takes as commitments not only the Trinity development currently progressing and expected to be open in 2013, but also the major commitment of the planning permission for the mixed use redevelopment of Eastgate (It is noted that a new application for this redevelopment has been submitted which departs in terms of range of uses and full extent from the extant permission, but in retail terms, at a strategic level, there is no real difference).
- 10.5 In light of these circumstances alone it is not considered that there is at the present time an imperative to plan for further expansion of the City Centre despite the market share indications of capacity. The two schemes, individually and certainly cumulatively, will result in restructuring and re-organisation of retailers and other operators in the City Centre. The experience of past schemes, such as the Bond Street Centre, has demonstrated that in the assimilation of new development, the inevitable retailer relocations that occur to take advantage of the most modern quality retail space and the re-occupation of the resulting space, can take some time.
- 10.6 It is therefore considered unlikely that developers would feel confident enough to bring forward any significant development in addition to Trinity and Eastgate Harewood until both of those schemes have been developed and established their trading position within the City Centre. It is however reasonable to assume that there will be scope for and opportunities to remodel existing floorspace as the redevelopment of the former Lewis/Alders and the remodelling of The Headrow Shopping Centre to form The Core have demonstrated. This may be particularly the case as retailers relocate into the new developments and existing landlords seek to modernise their space to meet particular requirements.
- 10.7 Given the Promis assessment of the deficiencies in Leeds space compared to other major regional centres, notably lacking in larger scale footplates for modern retailers, the two major developments should play a significant role in providing the City Centre with modern scale and quality retail space which will enable it to continue to perform an appropriate function in the hierarchy and maintain at least its current market share. This is considered to be appropriate notwithstanding the recent opening of Trinity Walk in Wakefield, which as well as attracting new retailers is likely to result in significant restructuring in that City, and the indications that a downsized version of Westfield's scheme for Bradford may emerge soon.



- 10.8 The more significant consideration relates to the scale of the theoretical capacity that the market share approach apportions to Outer South zone, essentially the White Rose Centre (100,012sqm net, **Table 12**). The advice in the PPS4 Practice Guidance is considered to be particularly relevant here as if development of the scale the market share approach suggests was to be planned for it is considered that it would be likely, over the period of the LDF, to have an impact on the City Centre which could prejudice its role in the hierarchy, as well as denying trade to established town centres where improvement should be encouraged in accordance with national policy guidance and the strategies of adjoining districts. While this impact might perhaps not be as great on Leeds City Centre as on other main town and city centres in the West Yorkshire catchment, it would undoubtedly affect future investment necessary to secure the position over the longer term. Indeed, any suggestion through the next stages of LDF preparation that this is an approach being considered could undermine the confidence in bringing the Eastgate scheme forward. PPS4 is clear that freestanding centres should not be seen as the focus for meeting future growth at the expense of city and town centres. (Capacity in Outer South is discussed further below)
- 10.9 Within the Inner South Zone, the City Centre is clearly predominant. Crown Point Retail Park is no longer an essentially 'bulky goods' development and accommodates many main stream retailers. It self-evidently trades well although its overall market share is very small. However, it is not a defined town centre and it is considered that there is no reason why it should become one.
- 10.10 Consequently, it is not considered that at this stage in the LDF there is a need to consider any further growth or expansion for Leeds City Centre shopping area. If the Eastgate development goes ahead, it will significantly extend the shopping centre and will no doubt cause a period of transition comparable to that which the City Centre has successfully experienced previously.
- 10.11 The prospects beyond the short term are particularly difficult to assess with confidence at the present time. The forecast growth in available expenditure and consequent need for additional floorspace arises significantly from population growth.



We are aware that Officer views are of caution in this regard, and uncertainties over the depth and length of the economic effect of the credit crunch and impacts on consumer retail confidence and expenditure mean that a cautious approach is warranted in our view. This approach is supported by the expectation that in a number of sectors for the next two years or so, there will be a decline in spending as discussed in section 4 above.

10.12 It is in light of these considerations also that the low level population forecast base has been used as the basis to recommend strategy. Essentially, Leeds City Centre performs a pre-eminent regional role based not only on its retail offer but also its combination of leisure, cultural and employment uses. We consider that this combination will continue to safeguard the City Centre. Leeds has attracted retailers and new development significantly above levels of the other West Yorkshire cities and towns and also those competing centres in North Yorkshire, notably York and Harrogate. It is apparent from the household survey (**Appendix 8D**) that the more distant regional shopping centres such as Meadowhall and the Trafford Centre have not had any material impact into the Leeds City Region. While developments are coming forward in other centres in the City Region, they are generally following rather than being in advance of developments and changes to Leeds City Centre. It is not considered that this position is at risk, subject to appropriate policy safeguards and strategies for other comparison goods development to which this report now turns.

B) The Town Centres and elsewhere

10.13 The household survey (**Appendix 8D**) highlights that the dominant centres within Leeds for comparison shopping are the City Centre attracting 59% of spend and the White Rose 20.4% of spend on non-bulky comparison goods. Remaining comparison shopping is undertaken at a variety of other locations, including the smaller town centres (of which Cross Gates is significant because of the Arndale Centre), a number of freestanding retail parks, such as the Crown Point Retail Park in Leeds and Birstall at M62 Junction 26 in Kirklees, together with a number of town centres outside the City, of which Harrogate is the most notable, but still only at 3.1%.



- 10.14 Spend on bulky goods comparison shopping is dominated in Leeds by the White Rose (13%), Crown Point retail park (18%), Junction One Retail Park(10.2) and Birstall Retail Park (14%). Only small amounts of spend are directed to other locations, including the smaller town centres.
- 10.15 This data indicates the limited comparison role played by the town centres particularly the suburban centres although this no doubt remains important, particularly for those who rely on those centres and do not have easy access elsewhere. However, the position of White Rose, commented on above in relation to the City Centre, warrants further consideration in relation to provision outside Leeds City centre.
- 10.16 The White Rose Centre attracts 20.4% of non-bulky comparison spend (clothing and footwear, books, minor electrical items, small housewares for example) from within Leeds, but this constitutes only 36.7% of the total shopper spend to White Rose. Moreover, within Leeds, its market penetration is focused on relatively few zones, these being Inner and Outer South (17% and 22% respectively) and Inner and Outer West (14.6% and 13.4%). However, the White Rose centre is a very significant draw for trade from adjoining districts: from Kirklees with nearly 23% of the zones spend, Wakefield with just over 30%, Calderdale at 19% Bradford at 15.9%.
- 10.17 The household survey indicates the success of the development both commercially and in providing a quality of offer that shoppers seek. However, the extent to which this may have discouraged or delayed significant development primarily in the main other cities and towns of the Leeds hinterland but also in Leeds' own town centres can only now be a matter of speculation. Given national guidance and the general strategy within Leeds, however, there is no prima facie planning case either to protect the position of White Rose or to encourage its further development. Consequently, the capacity for additional floorspace which the market share approach apportioned on first principles to White Rose, would more appropriately, in terms of planning strategy, be apportioned to those centres which historically have served those areas from where White Rose trade is drawn, both within and beyond Leeds.



- 10.18 The assessment of 'need' reflects significant estimated over-trading. In policy terms there is no requirement for this to be taken into account when considering a freestanding shopping centre. The market share of the White Rose has emerged over a relatively short period of time, and over a period when major developments underpinning the strategies of a number of local planning authorities in their development plans have stalled. It is clearly appropriate to ensure and await the delivery and consolidation of such schemes, such as Trinity Walk, Wakefield and the Leeds City Centre developments.
- 10.19 The reassessment of need for further comparison goods development can subsequently take place through the development plan process although there is no reason to expect that this would be met other than through a town centre strategy.
- 10.20 It is considered that any proposals for additional comparison goods development at (i.e. within or on the edge of) defined town centres should be supported. This approach is consistent with general principles of sustainability. It is not considered likely that the scale of such proposals would be significant but the City Council through its Annual Monitoring Reports should re-assess this position if cumulatively within any zone the scale of floorspace exceeds significantly the estimated needs set out in **Table 12 (Appendix 9A)**.
- 10.21 However, the market share approach shows significant capacity related to the White Rose. It would be expected that Trinity Walk at Wakefield will act as a partial counter-balance, and if Bradford City Centre schemes do re-emerge then this will be increased. Nonetheless, it is considered that the scope for centre, centre related and potentially additional development in Inner and Outer South and Inner and Outer West zones, to accommodate and attract additional comparison goods development should be investigated. This would be likely to help to strengthen town centres by becoming places which residents will value and in turn will attract shoppers to carry out a higher proportion of their shopping.
- 10.22 Moreover, this might be beneficial in relation both to the urgent need to identify opportunities, notably related to Dewsbury Road, for new development. Given convenience potential related to such locations there would seem to be scope to investigate broader proposals than has previously been the case.



THE NEED FOR ADDITIONAL CONVENIENCE SHOPPING GOODS RETAIL DEVELOPMENT

- 10.23 Policies EC1 and EC3 of PPS4 make it clear that up to date assessments of need for additional or replacement floorspace for town centre uses is fundamental to policy development. It is clear from the PPS and its practice guide that both quantitative and qualitative need elements are relevant in reaching the overall judgement regarding the scale and form of development which should be promoted through Development Plans. The quantitative need is that set out in our statistical analysis, although even in this regard, it is important to be fully aware of the characteristics of the market share approach and how judgements are needed using and interpreting the statistical outcomes.
- 10.24 PPS4 Practice Guidance provides the relevant advice and it is used in this report. Qualitative need inevitably involves more subjective measures and our town centre healthchecks, with both a planning and a market perspective within them, are important in this regard.
- 10.25 Our quantitative analysis has been carried out on the basis of zones used for survey purposes and based on Leeds City Council's own neighbourhood areas. It is important to bear in mind that the need figures which arise are to some extent artificial as they are based on administrative areas. There is no retail policy logic to their boundaries and it would not be appropriate to consider them in any way either as self contained areas or areas which should be self sufficient. The quantitative assessments are inevitably based on those areas, but their interpretation, particularly when coupled with qualitative issues means that those market share based need calculations should not be taken as defining the appropriate scale and location of growth.
- 10.26 In qualitative terms, it is generally acknowledged that many shoppers, carry out their main food and grocery shopping, at whatever frequency, at a major supermarket or superstore. The household survey demonstrates that this is indeed the case in Leeds with visits to major stores predominating.



10.27 Consequently, those areas of the City lacking or compromised in such provision have been considered in terms of the qualitative need. There are a number of centres which lack a major store, but where the general area is served by established out of centre facilities. However, this does not address qualitative deficiencies in existing centres and there are twelve identified town centres in the UDP/Core Strategy Preferred Options where there is no such large store. Consequently consideration needs to be given to whether the centres are capable of accommodating such a store and indeed whether it is important that such opportunities are sought. These are considered in turn below, following a brief comment on the City Centre convenience offer.

10.28 Neither the quantitative nor a qualitative assessment points to a need in the City Centre. In recent years, the convenience offer in the City Centre has improved in its range and quality, with Morrisons, Sainsbury, Tesco and Waitrose (opening after our household survey) all now present. While Kirkgate Markets does not emerge as a significant destination for main shopping this is not unexpected given its focus on fresh food. In this regard, together with its wider offer, it still plays an important role.

10.29 The increased convenience provision in the City Centre is has been important given the growth of residential development within the City Centre itself and the immediately adjoining inner areas. The household survey indicates that it is the Morrisons store which plays the widest role with significant proportions of shoppers from Inner North West, Inner North East and Inner East zones using it. (The scope for "local" provision within those inner areas is a matter addressed subsequently) The other stores, and Morrisons, will also be important in meeting needs of not only City Centre residents but also those employed within it.

Town Centres Lacking a Major Food Store

10.30 The study has identified 12 town centres which CI believe lack a major anchor foodstore. That is for the purposes of this study a foodstore that is unlikely to serve as a main weekly foodstore for the majority of shoppers and that is unlikely to attract residents from outside the immediate area/ zone of the centre.



- 10.31 **Armley**, in the Inner West zone, does not have a large foodstore although there is an undetermined planning application for development of this type. The household survey demonstrates that Armley is not a significant destination for major convenience shopping. While it appears to be a reasonably busy town centre, the lack of such a store is considered to be a qualitative deficiency. It is one that has been apparent, and that the City Council has been addressing, for some time. The application at Carr Crofts lies within the town centre but because of the nature of the area, a number of detailed technical matters have been of concern to the local community and the local planning authority. At the time of writing, resolution of these issues to the satisfaction of the LPA appears to be drawing closer. However, there is no planning permission as yet nor has the developer identified an operator.
- 10.32 The granting of planning permission and attraction of an operator is clearly a key consideration in relation to the strategy for this part of Leeds. If this is not delivered within a reasonable period of time in PPS4 terms, then the local planning authority should in our view consider whether there are other edge of centre opportunities. Alternatively, it might be concluded that Armley, like other centres with similar histories (Headingley and Harehills Corner for example) cannot accommodate such a store.
- 10.33 This does not inevitably suggest that it does not operate as a town centre although this would need to be re-assessed. Alternatively it might be concluded that it functions at a different level and provision for the main convenience shopping needs of residents should be, and indeed are being, met elsewhere. The household survey does indicate the importance of a number of major out of centre stores in meeting needs in the western areas of the City (Morrisons at Swinnow, ASDA at Owlcotes) and so it may be that if the current proposal is not delivered, then an alternative is not considered necessary. However, and of course subject to the resolution of the outstanding development management issues, the strategy should support the delivery of the existing proposal.



- 10.34 **Boston Spa (Outer North East)** is the next identified town centre which does not have a large foodstore. The healthcheck has concluded that town centre is not an appropriate definition for Boston Spa. Whilst it does have a range of activities along its main street and, as a relatively large village, has a reasonable range of shopping and other community facilities, it is not considered that its role in the hierarchy is that of a town centre. It is noted that Boston Spa is suggested as a “major settlement” in the settlement hierarchy in the Core Strategy Preferred Options, but this does not change the conclusion that the centre is not and will not function as a town centre in the PPS4 sense or relative to other town centres within Leeds.
- 10.35 Whatever decision the authority takes on this point, it is not considered that it would appropriate to seek to identify an opportunity for a large store development at Boston Spa as the historic and constrained nature of the defined centre and the immediate surrounding areas seem incapable from an initial assessment of accommodating this form of development.
- 10.36 **Chapel Allerton** (Inner north east zone) is a suburban centre with a good range of uses and facilities. It is physically constrained and despite its town centre status, no suitable development or redevelopment opportunity has been identified to provide for expansion of the centre. It is also perhaps significant that the local centre at Montreal Avenue has had more recent expansion when the Lidl development was accommodated. Whilst there is physical separation between this local centre and the main town centre, in terms of serving the catchment they are likely to complement one another and so they do need to be considered together. The overall conclusion is that while Chapel Allerton offers limited opportunity for main weekly shopping needs, given the physical constraints of the centre it is probably not capable of so doing. However, its protection, given the existing shopping facilities available, together with other facilities and its accessibility are considered to merit town centre status. If an opportunity should arise which meets edge of centre definition through the site search and allocation process, then this would merit very careful investigation.



- 10.37 **Cross Gates** (inner and outer east) is a main suburban centres based on its Arndale Centre development which incorporates a reasonably sized supermarket. However, this is another centre constrained by a suburban setting and surrounded by residential developments. The scope to accommodate a large store has been investigated historically, including proposals to build above the railway line, although these have not proved practical. The centre operates as an important facility with a range of uses and if an opportunity for a large store can be identified, then it will be worth reinvestigation. However, the absence of this does not mean that it fails to meet town centre criteria, particularly as it provides a good comparison offer relative to other town centres.
- 10.38 **Dewsbury Road** in the Inner south zone appears to be a busy focus for activity, but self-evidently fails to have the facilities that would underpin a town centre. The healthcheck highlights that the centre comprises small and outdated units and agent perceptions are that the centre may contract further in the future. The shopper survey found that respondents would like to see a wider choice and variety of shops. The business survey in particular demonstrates that respondents consider the centres offer is too down market and has got worse in the past 5 years. Respondents stated that additional new floorspace, better parking and enhancing the appearance of the centre would help to promote and enhance the centre in the future.
- 10.39 Consequently, It is considered that an urgent priority should be a site search for an opportunity to extend the centre definition or identify an appropriate and available edge of centre site which could accommodate development which could transform and upgrade this centre. If this cannot be done in a reasonable time period, then Dewsbury Road centre should be redefined as a local centre.



- 10.40 **Farsley** (Outer west) has historically been constrained by topography and existing built form. The local highway network also appears to be a further likely constraint to any major traffic generating development. The town centre status is based on the accommodation of retailer and service facilities available and it is considered that potential site opportunities for additional development should be sought through site search and allocations process. However, this is a town centre which seems to have maintained its function and character despite changing shopping preferences and major developments. It does not exhibit full town centre characteristics but its overall character and services and history suggest there is merit in maintaining town centre status.
- 10.41 **Garforth (Outer East)** lies in an area where there may be potential for significant housing and population growth. Moreover, the CSPA indicate Garforth itself as a potential housing growth area. The household survey shows that the out of centre Tesco at Garforth and Sainsbury at Colton are the most significant destinations within the zone currently. If Garforth is to accommodate significant housing growth then it is considered that it would be consistent with principles of sustainability to improve the convenience shopping offer of the town. However, the scope for growth of the town centre has been limited by adjoining residential areas hence the permission granted for an out of centre store now operated by Tesco. It would therefore be necessary to investigate edge of centre opportunities which would inevitably involve land beyond the existing centre.
- 10.42 The shopper survey found that the majority of shoppers (82%) bought convenience goods at the centre compared to only 11% purchasing comparison goods. The majority of shoppers considered the layout of the centre was acceptable although 21% did state that it was too compact and could get congested at times.
- 10.43 In addition the business survey found that the majority of businesses considered the centre to be good in terms of the range and quality of goods and its market position. Parking was identified as poor along with the number of places to eat and drink. Whilst there was no agreement amongst business owners on whether new retail floorspace would be good or bad for the centre, agents perceptions are that the centre has the potential to expand in the future as a result of requirements from retailers along with relatively low yields.



- 10.45 Combining this information it appears that there is a case for investigating opportunities in the immediate vicinity of Main Street, which could accommodate major new retail development. The scope and extent of this should be considered and the town centre and general retail benefits need to be taken into account and weighed against Green Belt and environmental issues. The extent of population growth through new housing development at the town is likely to be the determining factor.
- 10.46 **Halton** (Outer East) has experienced a number of developments within the centre limits and it now has supermarkets and non-food units but it does not possess a large convenience goods store. Vacancy levels in the centre are low and agent perceptions within the healthcheck suggest the centre is improving and could expand in the future as a result of identified retailer requirements. However, given its location in this sector of the city and noting the proximity of ASDA Killingbeck and also the Sainsbury at Colton, it is unlikely that there will be a justification for additional development particularly given the physical constraints.
- 10.47 **Harehills Corner (Inner East)** is a long standing town centre definition which has not been able to accommodate a shopping offer of the scale envisaged and expected due to the physical constraints of the centre. The majority of shoppers visiting the centre bought convenience goods in the centre and these were identified as being the most important shops within the centre. However, respondents considered the centre contained too many independent shops and not enough large/ multiple stores.
- 10.48 The business survey reached similar conclusions, with the centre shopping offer considered too down market and parking and pedestrian access considered poor. However, the majority of respondents stated that they would not be in favour of additional floorspace being provided and considered that improvements to the appearance of the centre would help to improve the centre in the future.
- 10.49 The extension of Oakwood to accommodate the current Tesco and the more recent extension of Harehills Lane to accommodate Morrisons, serve to address the convenience deficiency. Moreover, identification of the site of ASDA on York Road was originally designed also to address elements of that need.



- 10.50 Given these changes in circumstances and the physical constraints of the centre along with the findings of the business survey, it is considered that Harehills Corner should be modified to local centre status.
- 10.51 **Headingley** (Inner north west) is a long standing town centre with a major route running through it. It has significant employment space and so while it is considered unlikely that any new development opportunities of any scale will be capable of being identified, it operates successfully and provides an important facility in its current form. The Arndale Centre has been refurbished and the centre generally provides a good range of town centre uses, notwithstanding the loss of its cinema some years ago.
- 10.52 **Kippax** (Outer East) is one of the outlying town centres that has always been more limited in terms of retail and other facilities than the majority of such settlements. The household survey indicates that the residents visit one of the nearby more dominant stores, either Tesco at Garforth or Sainsbury at Colton, for their shopping needs. This is reflected in the healthcheck which identifies relatively high vacancy levels and a lack of services within the centre. Consequently it is concluded that Kippax should be re-designated as a local centre in the retail hierarchy.
- 10.53 **Moortown Corner (Inner north east)** is a relatively small centre providing retail services. Whilst the centre benefits from a small convenience store the household survey shows that residents visit the Tesco on Roundhay Road for their main shopping needs. The centre lacks any community facilities and it is therefore concluded that it should be re-designated as a local centre in the hierarchy.
- 10.54 **Pudsey (Outer west)** town centre, notwithstanding the fact that the settlement is contiguous with the main Leeds built up area, retains much of its character from its' origins as a freestanding centre. It has a range of community facilities and services within the town centre all of which are identified as being well used in the shopper survey. However, its retail offer is and has been significantly constrained historically by the lack of redevelopment opportunities and more recently by the proximity of Owlcotes.



It is not expected that this position is likely to change, although the Business and shopper survey concluded that additional new retail floorspace could improve the centre and this should therefore be considered in the site search and allocations process.

Conclusions on deficiencies in existing centres

- 10.55 The analysis of centres and the survey results indicates a significant number of town centres where there are qualitative deficiencies in their facilities for meeting main weekly foods shopping needs. . This applies to ten centres which are considered to remain appropriate for definition as town centres. It is noteworthy that in analysing the household surveys, only five of the 19 most dominant stores meeting main grocery shopping needs are located out of town centres. It is also noteworthy that in the majority of these out of centre cases, their development has in part at least been predicated on the inability of one or more of the town centres in that part of the City to be able to provide large store convenience shopping facilities.

Meeting deficiencies

- 10.56 The situation described above as it has emerged over the decades, combined with the information on need for new floorspace based on the market share analysis, raises important questions regarding how convenience shopping need is most appropriately being met and to be met in the future without harming the general principles underpinning the network and hierarchy of defined town centres particularly where they provide a broad range of facilities and function as PPS4 town centres for their local communities, and also in relation to local centres.
- 10.57 It is not considered likely that a combination of public and private sector development will, for the foreseeable future, be able to deliver the new development which meets the PPS4 definition of a town centre. Definitions of town centres / district centres involve a range of services complementary to retail function, including service uses and public facilities. It is difficult, particularly in the current economic climate, to envisage the delivery of this form of comprehensive development within the existing settlement hierarchy. Indeed, looking at developments since the UDP introduced policies to address identified needs, the developments have been in the form of almost exclusively retail development.



This applies to Colton, to the ASDA and related development at York Road, Killingbeck and to the unimplemented permission at Stonebridge Mills, Wortley, none of which have been identified as town centres. Indeed, they do not offer the range of services and facilities which would meet the definition.

- 10.58 Moreover, the redevelopment of the Seacroft centre, whilst representing a significant improvement in shopping facilities as the previous 1960's town centre shopping needs successfully, does not integrate the full range of town centre uses easily.
- 10.59 However, the CSPA already identifies two possible new town centres. Harehills Lane has been addressed previously and its designation is soundly based and meets the criteria for a town centre. It has a linear form because of the history of the former local centre development. However, it does offer a range of facilities and the development of the two new stores are considered likely to increase its attractiveness.
- 10.60 The second is All Saints, Richmond Hill. Whether or not this would meet full town centre definition depends on the range of uses that can be delivered. However, inner east Leeds has long been identified as an area of deficiency and our latest quantitative assessment confirms capacity. Consequently it is considered that this opportunity merits further investigation.
- 10.61 We now turn to consider what other provision for main convenience needs might be justified. One option would be to consider the areas where the most significant levels of population growth is expected, and in this regard we can only rely on the CSPA and subsequent published changes to the strategy. However, even this cannot simply relate to zones used in this study (which as explained are administrative based for survey purposes) but needs to take account of more particular locations.
- 10.62 However, as Tables 10, 13 and 16 in **Appendix 9B** show, the market share approach does not necessarily highlight additional capacity in areas of population growth if the current market share of that zone is low. It is therefore necessary for policy documents to identify locations for future growth in accordance with PPS4 and considering the wider requirements of the city. An aspiration could then be to supplement the main retail offer with a range of other uses, including community uses.



However, it is considered that the probable consequence would be the development of 'shopping centre' schemes of the Seacroft / Moor Allerton scale, depending on site availability, detailed assessment of need and assessment of impact on existing centres. In retail terms alone, such centres could raise impact concerns.

- 10.63 An alternative approach would be to look at the network of local centres and indeed even smaller neighbourhood parades within the areas where quantitative capacities and/or qualitative deficiencies have been identified and consider whether a different approach to meeting needs can be identified. It is apparent that all the major providers of weekly shopping needs are now providing a wide range of retail offers, with all now promoting stores of a range of sizes. While it would be inappropriate for policy to be too precise regarding the scale and character of such stores, the predominance of convenience goods sales and an appropriate scale of building to reflect the local centre setting and function of such developments would need to be secured.
- 10.64 Reference has been made previously to the position at Garforth. In relation to development in the urban areas, the potential new centre at Richmond Hill has also been addressed. Potential housing growth in the south west sector of the City suggests that the scope for expanding the opportunity of the facility of Stone Bridge Mills merits consideration. In relation to outer areas of South Leeds, the effects of the ASDA scheme at Middleton will need to be considered further.
- 10.65 North West Leeds Centres show significant signs of overtrading and there is also potential housing growth. While in the outer areas of the District, it is possible that the relatively recent planning permission granted on appeal for a major Tesco store at Ilkley will draw trade, the outer Leeds suburbs are overtrading. Moreover, a number of the established town centres have relatively old stores. It is suggested that scope to enhance or redevelop warrants investigation and engagement with operators.
- 10.66 The next area of change relates to the Aire Valley and the recent changes in City Council position which suggest that it is the area to the east of the M1 (Skelton Gate) where there will be significant housing development in addition to new housing in Hunslet and the inner east, being promoted as an eco settlement.



It is considered that it would be unsustainable for such development not to be accompanied by retail development, but the extent and nature of this cannot be determined until the scale and phasing of any such housing development is determined.

10.67 The main areas of search for the second, local centre based approach would be:

1. Inner east Leeds should the All Saints Richmond Hill option for a town centre/shopping centre be undeliverable;
2. outer north east, should no expansion for Garforth be identified;
3. outer north west, within which zone there is significant capacity arising from significant over trading and population growth.

Comment [LU1]: Disagree with basing the search on areas of overtrading. Need to direct development towards areas where there is migration out of the area to another – more sustainable.

10.68 In addition, in areas where current aspirations are not delivered within a reasonable period of time (relating to Dewsbury Road and Armley in particular, but also perhaps to Middleton) this alternative approach could also be considered.

Town Centres with Existing Major Stores

10.69 The potential approaches to existing centres have been indicated previously in relation to the healthchecks, but we summarise below the approach we consider to be appropriate for the remaining 15 town centres, taking account of assessment of qualitative issues and also the issues of overtrading and capacity emerging from our quantitative assessment.

10.70 **Bramley** – the topographical constraints and limitations imposed by the orientation of the current centre have been set out previously. The centre is considered to be operating at an appropriate level with a good anchor store and it is suggested that any further development here should be market led and apart from minor redrawing of the town centre boundary, there is no requirement for significant identification of new development opportunities.

10.71 **Crossgates** – is considered to be a relatively robust centre based on a strong comparison offer and range of other services. There would be merit in the context of potential population growth from urban extension of the City in this vicinity to consider whether there are opportunities for edge of centre of large foodstore developments, but history suggests that this is unlikely.



- 10.72 **Guiselley** – is a well established centre with new development added onto a historic linear centre. It is not considered that new development opportunities need to be established here, although there may be scope on the ground. Scope for integrating such areas with the existing centre would need to be considered carefully.
- 10.73 **Holt Park** – this centre is showing definite signs of ageing and as indicated previously, it is considered that the City Council both as planning authority and land owners should investigate the scope for development which would modernise facilities at this location.
- 10.74 **Horsforth** – this town centre has a relatively limited main store (despite internal improvements), although the historic town centre continues to provide a reasonable range of services and facilities, albeit in small scale units. Once again, and noting the extent of overtrading in North West Leeds, it is suggested that the Council here as planning authority, might engage with the retailer to consider scope for extension, further modernisation and enhancement.
- 10.75 **Hunslet** – this centre operates well with its Morrisons store and associated precinct, complemented by more recent development. It will inevitably be affected by the ASDA development at Middleton, and it is suggested that its future should be reassessed in light of that store having traded for a number of years.
- 10.76 **Kirkstall** – is a very extensively drawn centre comprising the traditional centre to the east of Commercial Road and the larger retail developments to the west. The boundaries of the centre include both these areas although the healthcheck identifies that movement between them and across Commercial Road are limited. The healthcheck identifies the former shopping centre to the south of Kirkstall Lane as vacant and the site has been subject to planning applications previously for mixed use schemes including retail. The key issue for the local planning authority therefore could be to consider whether development proposals that might be brought forward within the defined boundary would be such as to change the character and nature of Kirkstall beyond that envisaged within the shopping hierarchy. There is no need to identify additional development opportunities.



- 10.77 **Meanwood** – this centre has improved significantly by the Waitrose development and the effect on this centre in the coming years should be assessed before any further requirements are identified.
- 10.78 **Moor Allerton** – a centre brought forward to replace a 1970's approach for Moortown Corner. Essentially a large footprint retail scheme but an important shopping centre. No need for further expansion considered necessary.
- 10.79 **Morley** – generally this town centre would seem to have suffered as retailers have been drawn to the White Rose Centre. However, it remains an important centre. Scope for further improvements should continue to be investigated and encouraged.
- 10.80 **Oakwood** – this town centre will be changed by the likely redevelopment of the Tesco and Homebase sites to provide a larger Tesco store and no further provision or site requirements are identified.
- 10.81 **Otley** – this town centre suffers from the constraints imposed for modern comparison goods retailers of its historic character and consequent unit sizes. The opportunity to bring forward key development sites within the town centre should be actively promoted.
- 10.82 **Rothwell** – this town centre has experienced a recent Morrisons redevelopment and it is considered that it needs time to adjust before consideration is given to whether additional development opportunities should be considered.
- 10.83 **Seacroft** – this town centre is clearly an important shopping destination whose role is likely to strengthen as a result of the anticipated population growth in East Leeds. However it is considered that the current shopping offer is adequate and there is no need for further development until the scale and phasing of any such housing development is identified.
- 10.84 **Wetherby** – this town centre is a well established centre which is consolidated by the Morrisons store. Housing development in this sector would relate more to peripheral development to the City, rather than at Wetherby itself and so no quantitative or qualitative need emerges from this study in relation to Wetherby town centre.



11 SUMMARY AND CONCLUSIONS

11.1 This report has been prepared by CI on the instruction of Leeds City Council who requested the preparation of a study:

“To provide an up to date, comprehensive picture of current and future capacity for retailing and related town centre uses across the District and to project the future retail need. The study will assess the existing hierarchy of designated centres in the Leeds District in terms of their function and effectiveness, examine the proposed hierarchy within the emerging Core Strategy and identify any gaps within the provision of retail and related town centre uses.”

11.2 The objectives of the study are stated as follows:

- Contribute towards the evidence base to support the LDF, (Core Strategy, Infrastructure Delivery Plan and the future Site Allocations Development Plan Document) and assist in determining planning applications. The study will also inform a number of other key Leeds city council documents including the Community Strategy, Economic Strategy (Agenda for Improved Economic Performance) Regeneration Plan for Leeds and the Local Economic Assessment.
- Provide a quantitative and qualitative assessment of the need for new floorspace for comparison (including bulky goods), convenience goods and leisure developments up to 2016. This should include an assessment of net 'leakage' of retail expenditure from Leeds to competing retail centres, catalogue shopping, and internet shopping.
- Assess the appropriate level of retail and leisure floorspace needed to support the Core Strategy growth proposals including consideration of city centre requirements up to 2026.
- Undertake a 'health check' on the vitality and viability of the city centre and town centres in accordance with the advice set out in PPS4. This should include an evaluation of whether centres are performing well, functioning adequately, performing poorly or are "at risk". In this context guidance is required on the appropriate balance between retail and leisure uses in the city centre to maintain retail vitality and promote the evening economy.
- Assess the ability to meet identified need, within the city, town and local centres based on pipeline development and assessment of capacity available.



- Advise on the need to expand or contract centres within the district based on Core Strategy proposals.
- Advise on the need for new centres, to support any identified gaps in the retail hierarchy and provide an indication of the catchment area for different levels of the hierarchy for comparison and convenience goods.
- Provide a view on the centres hierarchy and planning policy for centres outlined in the Core Strategy Preferred Approach and recommend where changes would be appropriate.
- Provide a market view on retailer representation, including independent retailers and market facilities; retailer demand; rental values within centres and key retail trends relevant to the Leeds district. In this context a market view is required on the appropriate scale and function of Kirkgate market in Leeds city centre.
- Confirm or suggest modifications to the appropriate boundaries of the city centre and town centres in the Leeds district identified by Leeds city council, and advise on appropriate local centre boundaries. Identified boundaries are intended to inform the Site Allocations DPD and will be used as a material consideration in determining planning applications.
- Advise on whether a lower impact assessment threshold is appropriate for the scale of edge of centre and out of centre development (PPS4 EC1d).
- Provide input into defining any locally important impacts on centres (PPS4 EC31e)

11.3 The current local Development Plan Policies in Leeds are those set in the Leeds Unitary Development Plan (UDP) Review 2006, although these were in effect generally unchanged from the original Leeds UDP adopted in August 2001, based on survey analysis and a national policy context dating from the late 1980's and early 1990's.

11.4 However, as the national policy context has sustained a number of key themes the UDP policies have retained a broad consistency with the general thrust of national policies. Moreover, a number of proposals in the UDP aimed at meeting identified deficiencies in shopping provision for particular communities and also proposals with comparable aims brought forward developments to address those deficiencies.



- 11.5 However, the preparation of the LDF clearly necessitated the re-assessment of policy against an up to date evidence base and so in order to underpin the assessment an extensive household survey, together with supporting street surveys of shoppers and surveys of businesses within a number of defined centres were carried out. This survey information was used together with population projections provided by the City Council and the standard retail and expenditure projections to forecast future needs. All this information was then used to inform our assessment of current circumstances and potential future requirements and suggestions as to an appropriate strategy going forward.
- 11.6 The retail and leisure sectors have been subject to significant changes when looked at over the medium term. The recent economic downturn has added to the dynamic. These shifts and trends should not be ignored. Operators are constantly monitoring changing trends in fashion and demographics in order that consumer demand is satisfied. Retail and leisure are both evolving processes with operators constantly adapting to demand and increasingly analysing and targeting their customers. These continual changes have important implications for property and business location, which in turn are related to policy. It is therefore important that local authorities regularly monitor the retail and leisure sectors in order to ensure that their policies are both up to date and appropriate to the needs identified.
- 11.7 Moreover, these events have implications for analysis and assessment. The current economic and particular retailing circumstances means that there are clear uncertainties over short term prospects and potentially longer term uncertainties over prospects for retail generally and high streets in particular.
- 11.8 The scope to meet significant needs by bringing forward the development of new 'town centres' must be questionable given limited potential for public sector investment in key constituents of the overall town centre offer.
- 11.9 However, local planning authorities are still required to produce their Development Plans and to address these matters and our advice is based on the most appropriate information. However, these broad uncertainties have contributed to what we consider to be advice which is based on a relatively cautious approach, reflecting also national planning policy guidance as currently stated.



Hierarchy

- 11.10 **Leeds City Centre** is not only the main centre within Leeds, but also across a wide region. This relates not only to its shopping function but also to its status as a major regional office centre. Our comparisons with other major centres confirm this and notwithstanding recent and emerging proposals within other major city and town centres, we are confident in concluding that the role of Leeds City Centre in the regional shopping hierarchy is not at risk and its status as the major centre in employment terms is secure.
- 11.11 This is not only evidenced by the current overall facilities in the City Centre and its role as an employment centre, but also by developments underway and schemes being promoted. In particular, the well progressed Trinity Leeds scheme and the Leeds Arena will each address in part some of the main deficiencies when compared with other regional centres. The proposals for the Harewood Quarter provide, albeit over a slightly longer timescale, still further retail space of the type that the City has been lacking, notwithstanding the reduced scale of the scheme.
- 11.12 Given the significant commitments for both retail and leisure in the City Centre, it is not considered that further allocations or specific proposals need to be made at this time. Clearly, the need to produce annual monitoring reports to review Development Plans will result in on-going reassessment, but given the scale of schemes under construction and permitted, it is considered that the City Centre will undergo some years of readjustment and consolidation and any further significant development or strategies should emerge after that period.
- 11.13 This does not in any way preclude the reconfiguring and remodelling of existing floorspace and clearly proposals to modernise and improve space and facilities should be encouraged. However, the UDP Shopping Quarter will accommodate this significant committed growth and no expansion of it is considered necessary. The defined City Centre retains scope for additional office development but delivery and take up will also need to be monitored to assess need for further allocations given the strengthened PPS4 advice on the location of office development.



- 11.14 Cultural and leisure facilities have also experienced significant recent improvements and on-going developments respectively. The City Museum has a new home providing hugely improved facilities over those offered previously in the converted former Civic Theatre while the Grand Theatre has had extensive remodelling and refurbishment which allow it to continue to accommodate not only high quality drama but also facilities for music and dance. The provision of modern and permanent homes for dance and music at Quarry Hill have supplemented this. The City has been notable for its lack of a major performance venue for many years but the development of the Leeds Arena off Claypit Lane should remedy this deficiency.
- 11.15 In relation to **town centres** we have reviewed the existing and proposed lists that the City Council have suggested through the LDF process. We have confirmed agreement to most of the town centre designations, but have recommended that certain centres should be downgraded now to local centre status (Boston Spa, Harehills Corner and Kippax, with Moortown Corner remaining as a local centre). It will be necessary to continue to review the place of other town centres within the hierarchy. In some cases, and we have highlighted Dewsbury Road which we consider is significantly dependant on the identification and delivery of development opportunities to address deficiencies, if any centre cannot be shown to be operating at an appropriate level within the hierarchy, then their place within the hierarchy should be adjusted accordingly.
- 11.16 There are a number of other centres which do not perform as major locations for weekly shopping needs, one of the functions previously attributed to the defined town and district centres. However, many continue to provide other town centre facilities or operate as very much a focus for specific local communities – Armley, Farsley, Chapel Allerton, Cross Gates and Headingley in their different ways for example. Given that town centre status should reflect the overall role there is no need to redefine these although again the position should be reviewed as part of any general review in accordance with Guidance.
- 11.17 It would be appropriate however for site and allocations assessments in the LDF process to consider whether there are appropriate development opportunities within or more likely on the edge of these centres to accommodate new foodstore developments which would add to the functions of these centres.



This will not always be possible, sometimes because of physical constraints and sometimes because there may be no commercial prospect of delivery, perhaps in light of existing freestanding stores in the local area.

- 11.18 There are also several centres based on large foodstores but where these might be considered either limited or outdated. The need and scope to revitalise these centres through refurbishment or redevelopment warrants discussions with relevant retailers.
- 11.19 We have assessed **local centres** and advised on appropriate boundaries. We have advised that there are instances of previously identified local centres where this designation is no longer appropriate, generally because current retail and/or service provision is extremely limited. These locations may, however, be appropriate for future small scale development, as discussed below, which might reinstate past provision. We have also suggested that this level of the hierarchy be separated into large local centres and small local centres. It is considered that there are clear differences in scale among the local centres and we believe that large local centres can provide, or there may be within them or on their edges, opportunities for developments at an appropriate scale to meet local convenience needs, including the various new “convenience store” formats operated by many of the major retailers. These are stores up to 372sq m (4,000 sq ft) gross to benefit from more flexible trading hours (not restricted to six hours Sunday trading for example) . Even some of the smaller local centres have been defined to incorporate land or properties which may provide opportunity for redevelopment which could accommodate such convenience store developments to address deficiencies or enhance provision. While PPS4 does set a 200 sq metres threshold at which the sequential test must be applied, the threshold for impact assessment is considerably higher. The scale of such stores is not considered likely to have any impact on town centres while the different role of local centres – meeting even more basic needs – may often be provided by such stores and in a sustainable manner. Consequently we suggest that applications for such stores should be favourably considered in the context of opportunities to re-establish or enhance local centres. Moreover, a key objective of his report, consistent with PPS4 advice, is the need for the LDF to address deficiencies. We believe that access to convenience shopping facilities within at most 500 metres walking distance seems reasonable and should be a policy objective in the interests of sustainability and minimising the need to travel by motor vehicle.



11.20 Consequently, proposals for new convenience goods stores of 372 sq metres or below which would meet a deficiency measured against that criterion should also be supported, subject to normal development management considerations. Control of scale or proposals will also need to be ensured by condition, in accordance with PPS4 advice: this is particularly important as other Regulations may change and the City Council would need to consider carefully any increase in threshold for such stores above 372sq metres.

Comparison shopping

11.21 Comparison shopping facilities in Leeds are dominated by Leeds City Centre, but the White Rose Centre also provides significant floorspace. There are a number of retail parks also and particularly where these have become diluted from original concepts as bulky goods destinations, the shopper survey indicates that they play a relatively limited role, although it is possible that they may have effected investment in comparison goods development in established town centres.

11.22 The role of the White Rose Centre, not a defined centre and lacking the range of facilities and character which would enable it to become designated as one, does raise issues. The quantitative assessment is based on the market share approach which is acknowledged as appropriate in Government guidance. However, this approach as its name suggests, simply projects existing market shares forward. This can mean that the most significant centres will become increasingly more dominant. The extent to which this is desirable and whether and how adjustments should be made is a matter of policy consideration. Given national guidance, the currently extant RSS and Leeds' own policy, together with the aims and objectives relating to established town centres in neighbouring Districts, there is in our view no prima facie case that additional development at White Rose Shopping Centre should be supported.

11.23 The City Council have comparatively recently permitted some additional development on the basis that it was argued to be less than might otherwise have taken place under permitted development rights, but it is not considered that any further development can be justified in the current policy context.



11.24 Our assessments were made at a time when Trinity Walk in Wakefield was still under development, but that has now opened and the aspiration is that it will clawback significant trade to Wakefield City Centre (currently lost to White Rose). The long stalled Westfield development in Bradford shows signs of remerging. A revised, but downsized scheme has been presented to the City Council. It would clearly be contrary to an overall strategy for development at White Rose to prejudice the possible development of this significant regeneration scheme. Moreover, as stated previously, Leeds City Centre is itself having new development underway while new proposals are emerging and it would be inappropriate for development to take place at the White Rose Shopping Centre which might deter investment in committed City Centre schemes.

11.25 It is also considered that it could be that interest in developing additional comparison goods floorspace in particular in the southern and western sectors of Leeds could be encouraged by maintaining this approach. It is acknowledged that the comparison shopping offers of many town centres are relatively limited, particularly in these sectors of Leeds.

Enhancement of those town centres and the delivery of emerging proposals to meet convenience deficiencies are a priority. It is considered that the scope to encourage comparison goods development, perhaps by assessing the scope for larger footplate developments within or on the edge of these centres, could help meet those objectives.

Convenience Shopping

11.26 The definition of the town centre hierarchy is related significantly to the pattern of shopping for main convenience goods needs. This should not be the sole criterion for 'town centre status', as advised previously, but it is a consideration which carries weight. Main convenience shopping needs in Leeds are met in a number of ways.

They range from:

1. Relatively large stores accommodated within or on the edge of long established centres.
2. More recent developments based on relatively large foodstores, some of which clearly meet town centre definitions, but others where there is some compromise and others which are simply shopping destinations.
3. Centres which incorporate relatively large foodstores, albeit these may be somewhat dated.



4. Freestanding stores.

11.27 There are relatively few freestanding stores in Leeds – ASDA, (York Road, Owlcotes and Howley Park), Morrisons (Swinnow Road), Sainsbury (Colton) and Tesco (Garforth). However, a number of foodstore developments have taken place on the edge of centres, as centre redevelopments or where centre upgrades have been identified as the appropriate response to meeting needs.

11.28 The quantitative analysis shows that there are a number of centres where overtrading is taking place and there are other opportunities where expected population growth might justify new provision. More generally, it is considered that there is scope to enhance accessibility through facilities for everyday shopping needs without requiring development of a scale which could prejudice town centres or incorporate the sale of a range of goods which would be expected at such town centres.

11.29 The key conclusions relating to meeting convenience shopping needs are as follows:

1. Urgent investigations should be made to attempt to identify opportunities for relatively large store developments to meet specific deficiencies particularly where centres have not developed as expected. Dewsbury Road is the most notable example, but less urgent investigations should also be made at Chapel Allerton, Cross Gates and Farsley: there is a commitment at Armley, the delivery of which should also be monitored. In addition, the scope for new town centres or significant foodstore-based development in Inner East Leeds such as the proposal at All Saints and in Inner West around Stonebridge Mills should be considered further. In both cases the scale and nature of any proposals would need to be assessed to demonstrate that they would not have adverse impacts, particularly on committed or planned investments in existing centres..
2. The position at Armley should be monitored closely and if the current proposals are not deliverable, then alternatives will need to be investigated.
3. Requirements relating to potential significant population growth should also be investigated, although the timescales within which that population growth is likely suggests that these are not urgent.



4. The scope for redevelopment, refurbishment or improvement of stores anchoring established town centres should be explored with operators and the local authority should consider adopting a pro-active approach to delivering such improvements. There are sectors of the Leeds where our assessments indicate that existing centres, or more accurately, stores, are overtrading. The national and current development plan policy context set town centres as the preferred locations to address such needs. Where recent development has been limited and development opportunities may be also, it is considered that in accordance with PPS4 it is necessary for the local planning authority to seek to identify opportunities.
5. It is considered that opportunities for stores selling convenience goods up to, say, 1,858 sq metres gross (20,000 sq ft) could remedy particular deficiencies. These would best be associated with large local centres but particular circumstances might allow greater flexibility. We would suggest that the local planning authority engage with retailers to investigate this potential prior to introducing it as a policy initiative. The matters to address with retailers might include:
 - a) the appropriate size threshold;
 - b) need to limit the range of goods to be sold as these would be to address convenience shopping needs in a sustainable manner;
 - c) consideration of sectors of Leeds where this approach would assist in meeting needs in accordance with the principles of sustainable development.

11.28 We have been asked to advise on whether there are locally important considerations and thresholds to take into account when considering proposals for new development.

11.30 Development within centres should normally be within capacities used in LDF preparation and so it is assumed that generally no further assessments are required. However, we consider that the PPS4 advice on hierarchy is important and would suggest that any planning application which would increase floorspace in any defined centre by 10% should be subject to assessment. The level of detail will depend on the nature of the scheme, the centre within which it locates and the character of those centres most likely to be affected. The scope of and need for such studies should be confirmed with the local planning authority in pre-application discussions. The 10% figure is a guide and current consumer expenditure expectations might justify a lower figure.



- 11.31 PPS4 suggests a threshold of 2,500 sq metres gross for assessment of impacts for proposals out of centre and not identified in a development plan. Given our suggestion that there may be opportunities for smaller stores to meet identified convenience shopping needs we would suggest a lower threshold of 1,500 sq metres gross would be appropriate.
- 11.32 The PPS4 thresholds are considered appropriate for non-food and leisure proposals.
- 11.33 Finally we were asked to comment on Kirkgate Markets. Since starting our work the City Council embarked on more specific investigations of costs, issues and opportunities relating to the Markets and consequently it was agreed with officers that we would make broad comments only while that separate work progresses. Kirkgate Markets are clearly an important landmark and provide a distinctive retail offer within the City. However, our survey reflects the character of the Markets – they do not meet the full range of convenience shopping needs but offer excellent range of fresh produce, including speciality goods. The comparison goods offer is more wide ranging but complements the City Centre generally.
- 11.34 The open market area has been diversified to accommodate a variety of activities and this seems well attended generally by traders and shoppers, although we have no information on viability. Subject to those considerations this would appear to be reasonably successful and appropriate.
- 11.35 The covered market is a difficult mixture. The historic fabric warrants retention in its own right and the front market hall (the 1904 building) both internally and externally is spectacular. There are historic elements behind but the maintenance and suitability issues will no doubt be featuring significantly in the Council's other assessments.
- 11.36 However, between the historic building and the open market are the utilitarian buildings which were erected following the fire. Our overall impression is that the indoor market provides more space than is required by both businesses and shoppers. This area might provide the opportunity for more radical intervention, particularly if the Eastgate development progresses which would be expected to change fundamentally the character of the area, bringing surface car parking into economic use and generally improving retail space. The City is expected to undergo a period of readjustment and pedestrian flows will be changed significantly.





11.37 The opportunities that arise from this change could support such an approach in the future.



GLOSSARY OF TERMS

Population projections

Estimates of future population based on the most recent Census and/or ONS population estimates, and applying ONS population trends.

Plan-led population forecasts

Population projections adjusted to take account of extant planning permissions, and future housing growth estimates and housing land allocations in development plans.

Expenditure projections

Estimates of future expenditure obtained by projecting past trends in expenditure by means of a recognised statistical extrapolation technique.

Expenditure forecasts

Assessments of future expenditure based on applying stated growth rates which are not necessarily projections of past trends.

Convenience goods expenditure

Expenditure (including VAT as applicable) on goods in COICOP categories: Food and non-alcoholic beverages, Tobacco, Alcoholic beverages (off-trade), Newspapers and periodicals, Non-durable household goods.

Comparison goods expenditure

Expenditure (including VAT as applicable) on goods in COICOP Categories: Clothing materials & garments, Shoes & other footwear, Materials for maintenance & repair of dwellings, Furniture & furnishings; carpets & other floor coverings, Household textiles, Major household appliances, whether electric or not, Small electric household appliances, Tools & miscellaneous accessories, Glassware, tableware & household utensils, Medical goods & other pharmaceutical products, Therapeutic appliances & equipment, Bicycles, Recording media, Games, toys & hobbies; sport & camping equipment; musical instruments, Gardens, plants & flowers, Pets & related products, Books & stationery, Audio-visual, photographic and information processing equipment, Appliances for personal care, Jewellery, watches & clocks, Other personal effects.



Special forms of trading

All retail sales not in shops and stores; including sales via the internet, mail order, TV shopping, party plan, vending machines, door-to-door and temporary open market stalls

Gross ground floor footprint floorspace

The area shown on the Ordnance Survey map or other plans as being occupied by buildings and covered areas measured externally.

Gross retail floorspace

The total built floor area measured externally which is occupied exclusively by a retailer or retailers; excluding open areas used for the storage, display or sale of goods.

Net retail sales area

A new set of definitions for retail planning has been prepared by the National Retail Planning Forum (NRPF). The definition for all retail shops and stores other than foodstores was widely supported during initial consultations by the NRPF, and is as follows:

The area within the walls of the shop or store to which the public has access or from which sales are made, including display areas, fitting rooms, checkouts, the area in front of checkouts serving counters and the area behind used by serving staff, areas occupied by retail concessionaires, customer services areas, and internal lobbies in which goods are displayed; but not including cafes and customer toilets.

For foodstores, an alternative definition of 'net retail sales area' has been put forward by the Competition Commission, and is supported by the majority of major foodstore operators. This is as follows:

The sales area within a building (i.e. all internal areas accessible to the customer), but excluding checkouts, lobbies, concessions, restaurants, customer toilets and walkways behind the checkouts.

The NRPF's definition could be applied to all shops and stores including foodstores, but differs from the way in which the majority of major foodstore operators currently publish details of their store sizes. The Competition Commission's alternative definition is believed to reflect the latter more accurately.





For retail planning purposes, the main consideration is to ensure that comparisons of floorspace and published sales densities are on a like for like basis.

Net to gross ratio

The ratio of net retail sales area to gross retail floorspace in a stated retail location.

Retail sales density

Convenience goods, comparison goods or all goods retail sales (stated as including or excluding VAT) for a specified year on the price basis indicated, divided by the net retail sales area generating those

Floorspace efficiency factor

The percentage by which a retail sales density is assumed to increase annually in real terms over a stated period.

Design year

The design year should be selected to represent the year when the proposal has achieved a 'mature' trading pattern. This is conventionally taken as the second full calendar year of trading after opening of each phase of a new retail development, but it may take longer for some developments to become established.

Retail employment

The number of full time equivalent jobs within a store, shopping centre or other retail facility, based on a stated ratio of full-time to part-time jobs. Consideration should be given to the net effects of proposals on overall employment, having regard to possible displacement of jobs arising as a consequence of their impact.

Source: PPS4 Planning for Town Centres, Practice Guidance on Needs, Impact and the Sequential Approach, Appendix A

Major Foodstore

Foodstores identified in the household survey as locations where residents carry out their main shop. For proposed stores PPS4 definitions contained in Annex B should be used, (stores over 2,500 square metres).

Defined by Colliers International





CONTACT DETAILS

Tel: 0113 200 1800
Dir: 0113 200 1864
Fax: 0113 200 1840
graham.connell@colliers.com

Colliers International
Planning department
15-16 Park Row
LEEDS
LS1 5HD

www.colliers.com/uk