

Melton Borough Retail Study 2015

Volume 1

On behalf of **Melton Borough Council**



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1 Introduction

1.1.1 Melton Borough Council ('MBC') commissioned Peter Brett Associates LLP ('PBA') in April 2015 to undertake an assessment of the retail and leisure needs within the Borough over the period to 2036. The study comes at an important time, when town centres are facing increasing challenges and customers becoming increasingly discerning about their shopping habits. There is a widespread consensus that many town centres will need to adapt to 'futureproof' their long-term vitality and viability.

1.2 Purpose of the Study

1.2.1 The purpose of this study is to provide up-to-date and robust evidence to inform MBC's emerging Local Plan in relation to the requirements for comparison goods and convenience goods retail; food and drink uses; and commercial leisure floorspace. The specific terms of reference, as agreed with MBC, include the following requirements:

- Analysis of current national retail and town centre policy and the implications that these policies have for this retail study;
- Analysis of current and emerging national and local trends in retailing and town centres, and the implications that these trends may have for the Borough in terms of retail and commercial leisure needs during the plan period;
- Assess the existing supply of retail and leisure within the Borough and review the performance of defined town centres: Melton Mowbray, Asfordby and Bottesford, and consider how competing higher-order centres interact with these centres;
- Identify spending patterns across the Borough for both retail (food and non-food) and leisure activities
- Assess the need (both quantitative and qualitative) for new retail and commercial leisure floorspace to 2036 informed by up-to-date demographic data provided with MBC;
- Provide a set of core recommendations:
 - strategies to accommodate future retail and commercial leisure needs, including potential development sites within defined town and rural centres, out of centre locations and new Strategic Urban Extensions (SUEs);
 - identify a Borough-wide hierarchy of centres taking into account how competing higher order centres interact with the hierarchy;
 - consider the logical boundaries of defined town and rural centres and consider whether these centres are likely to grow or reduce in size over the plan period, additionally for Melton Mowbray town centre consider the optimum primary and secondary shopping frontages;
 - propose development management policies to address suitable local impact assessment thresholds across the Borough and to manage food and drink uses (Class A3/A5) in Melton Mowbray town centre;
 - propose monitoring framework for assessing the effectiveness of retail policies and the health of centres;

1.2.2 The methodology used by PBA to forecast floorspace needs is robust and up to date. Furthermore, in determining the recommendations, this study is undertaken in accordance

with the NPPF and the PPG as well as other evidence base studies that underpin the emerging Local Plan.

1.3 Study Structure

1.3.1 This retail study is provided in three volumes as follows:

- **Volume 1** – this is the main study report, setting out key findings and recommendations;
- **Volume 2** - sets out appendices to Volume 1, including detailed health check assessments, and quantitative retail and leisure capacity forecasts; and
- **Volume 3** - sets out the full results of a household telephone survey of shopping patterns, undertaken in support of this study by NEMS Market Research.

1.3.2 In response to our terms of reference the remainder of this report (Volume 1) is set out as follows:

- **Section 2** sets out the national and local planning policy context within which this study has been prepared. It provides an overview of recent research, together with PBA's informed view of the economic context and how retailing and town centres are changing; this context will frame the rest of the study and inform the recommendations.
- **Section 3** sets out a summary of existing retail provision and leisure facilities in the Borough's defined centres with a defined shopping function, namely: Melton Mowbray, Asfordby and Bottesford, including a health check of their current performance. A summary of out-of-centre retail facilities is also included. The section then provides a review of the wider retail and leisure geography of the region.
- **Section 4** sets out a summary of where residents from across the Borough are currently undertaking spending on convenience and comparison goods. This draws on evidence collected through the household survey commissioned in support of this study.
- **Section 5** sets out the quantitative and qualitative need for additional retail floorspace split between convenience (food) goods and comparison (non-food) goods.
- **Section 6** comprises the leisure needs assessment. The section reviews current patterns and market shares of the Borough's centres and competing destinations, considers available expenditure growth across the study area and whether this need should be met within the Borough.
- **Section 7** considers the planned SUEs and the potential implications in terms of the need for any retail or other town centre uses as part of these extensions.
- **Section 8** sets out a series of key recommendations which are both Borough-wide and centre specific based on the findings of the previous sections. These recommendations are as follows:
 - strategies to accommodate future retail and commercial leisure needs, including potential development sites within defined town centres, out-of-centre locations and new SUEs;
 - identify a Borough-wide hierarchy of centres taking into account how competing higher-order centres interact with the hierarchy;
 - consider the logical boundaries of defined town centres and consider whether these centres are likely to grow or reduce in size over the plan period, additionally for

Melton Mowbray town centre consider the optimum primary and secondary shopping frontages;

- propose development management policies to address suitable local impact assessment thresholds across the Borough and to manage food and drink uses (Class A3-A5) in Melton Mowbray town centre;
- propose a monitoring framework for assessing the effectiveness of retail policies and the health of centres;

1.3.3 This report is supported by Volume 2 which contains the following appendices to the study:

- Appendix A contains the inset proposals maps covering Asfordby and Bottesford;
- Appendix B provides a settlement hierarchy plan which shows existing town centres and rural service centres in the Borough, together with competing centres outside Melton;
- Appendix C provides full health checks for Melton Mowbray and the primary rural service centres;
- Appendix D summarises the technical inputs and assumptions that inform the quantitative retail capacity calculations;
- Appendix E sets out population, retail expenditure and leisure expenditure growth over the study period;
- Appendix F provides a summary of comparison shopping patterns on a category and zone-by-zone basis;
- Appendix G encloses a plan of major foodstores in the Borough;
- Appendix H sets out the quantitative retail capacity tables;
- Appendix I provides a summary of the quantitative retail need methodology;
- Appendix J sets out the quantitative leisure capacity tables;
- Appendix K provides the recommended primary shopping area and town centre boundary for Melton Mowbray; and
- Appendix L provides a summary of stakeholder engagement.

1.3.4 Volume 3 provides the detailed household survey results which inform this study.

2 Study context

2.1 Introduction

2.1.1 The study is being prepared in the midst of a renewed focus on the changing role and function of town centres. It is widely accepted that the traditional role of town centres has been undermined by the continued attraction of out-of-town retail locations, the growth in popularity of multi-channel shopping, the recent economic downturn and associated decline in expenditure growth.

2.2 Policy context

NPPF & PPG

2.2.1 The National Planning Policy Framework (NPPF) was published in March 2012 and. It sets out the Coalition government's planning policies for England.

2.2.2 Section 2 of the NPPF relates to town centres. In respect of ensuring the vitality of town centres, paragraph 23 states that *'planning policies should be positive, promote competitive town centre environments and set out policies for the management and growth of centres over the plan period'*.

2.2.3 Paragraph 23 requires local planning authorities to, inter alia, *'define a network of centres that is resilient to anticipated future economic changes'* and *'promote competitive town centres that provide consumer choice and a diverse retail offer and which reflects the individuality of town centres'*.

2.2.4 The sixth bullet point under paragraph 23 states that *'it is important that needs for retail, office and other main town centre uses are met in full and are not compromised by limited site availability'*. Whilst paragraph 161 states that local planning authorities should assess *'quantitative and qualitative needs for all foreseeable types of economic activity over the plan period, including for retail and leisure development'*.

2.2.5 Section 8 of the NPPF relates to healthy communities which, given the rural nature of large parts of the Borough, has relevance in shaping retail and town centre policies. Specifically, paragraph 70 relates to the formulation of planning policy (and decision making) to enable the delivery of 'social, recreational and cultural facilities and services' to meet the needs of the community through:

- Positive planning for more sustainable communities through the provision of shared spaces, community facilities including local shops, public houses, cultural buildings, and other local services;
- Protecting *'against the unnecessary loss of valued facilities and services, particularly where this would reduce the community's ability to meet its day-to-day needs'*;
- Allowing *'established shops, facilities and services'* to sustainably modernise and be retained for the benefit of the community; and
- Adopting *'an integrated approach'* to the location of housing, economic uses and community facilities and services.

2.2.6 In support of the NPPF, the National Planning Policy Guidance (NPPG) has been published (March 2014) as an online document. This study has been prepared in a way that is consistent

with the NPPG. In particular, PBA note the requirement for a strategic vision for town centres (paragraph 002 of the NPPG) and the guidance on the need for a town centre strategy (paragraph 003 of the NPPG).

Development Plan

2.2.7 The Development Plan for Melton comprises of policies from the Melton Local Plan (1999) saved under a Direction under Paragraph 1(3) of Schedule 8 to the Planning and Compulsory Purchase Act 2004 issued by the Secretary of State on 27 September 2007. MBC had previously prepared a new Core Strategy; however, this was withdrawn from examination in April 2013. The Council is now progressing with the preparation of a new Local Plan to cover the period from 2011 to 2036 which this study will inform.

The Melton Local Plan

- 2.2.8 The Local Plan sets out its retail and town centre uses policies in Section 8 'Shops and Offices'. MBC's key objective for Melton Mowbray town centre is to retain its primary shopping function and to attract a variety of complementary town centre uses that will improve the viability of the centre. A summary of the saved town centre and retail policies is provided below.
- 2.2.9 Saved Policy S1 'Proposed Retail Allocations' identified two town centre sites as being capable of accommodating large-scale retail development. Both these sites (Town Station and Land at Thorpe End) have now been developed.
- 2.2.10 Saved Policy S3 'Primary Shopping Frontages' seeks to maintain ground floor shop units for A1 purposes within the primary shopping frontages as identified on the Proposals Map. The policy restricts change of use away from A1 use that result in either:
- greater than 12% of the whole primary frontage being within A2 and A3 uses; or,
 - continuous frontage of non-A1 uses exceeding three shop units or 15m in length.
- 2.2.11 Saved Policy S4 'Secondary Shopping Frontages' seeks to encourage a variety of uses along the secondary shopping frontages as identified on the Proposals Map, provided that;
- the proportion of non-retail uses does not exceed 50% of any length of secondary street frontage; or,
 - that no continuous length of non-retail frontage exceeding three shop units or 15 metres would be created.
- 2.2.12 Saved Policy S6 'Village and Neighbourhood Centres' supports the provision of local shopping facilities within village boundaries provided that development proposals comply with the criteria of Policy OS1.
- 2.2.13 Saved Policy OS1 'Development within Village and Town Envelopes' sets out the overall strategy for development for the Borough. It permits new development within the defined town and village boundaries subject to the development being appropriate in terms of its impact on residential amenity and the character and appearance of the historic environment.
- 2.2.14 Policy S7 'Retailing in Asfordby and Bottesford' seeks to concentrate new retail development within the existing central areas of these villages, as identified on the corresponding proposals maps (Appendix A).

Changes to Permitted Development Rights

- 2.2.15 On 15 April 2015, the Town and Country Planning (General Permitted Development) (England) Order 2015 (the GPDO 2015) came into force. This drew together the permitted development rights set out in the previous 1995 Order and the subsequent series of piecemeal amendments to that Order issued as recently as 2014. As well as consolidating previous legislation, the GPDO 2015 introduced a number of new tools. This represents the culmination of the previous Coalition Government's drive to reduce 'red tape' in the planning system whilst at the same time promote development, including measures that seek to bolster high streets.
- 2.2.16 The permitted development rights now enshrined in the legislation of relevance to town centres and main town centre uses are as follows:
- Allowing the change of use from shops (A1), financial and professional services (A2) (limited to 150 sqm), betting offices, pay day loan shops and casinos to restaurants and cafes (A3), subject to prior approval;
 - The removal of betting offices and pay day loan shops from the A2 se class and reclassification as sui generis. They will continue to benefit from the permitted development rights to change to A1 and A2 uses and certain temporary changes of use for a period up to two years. Prior approval not required;
 - Allowing the change of use from shops (A1) to financial and professional services (A2). Prior approval not required;
 - Permitting up to 200 sqm of shops (A1) and financial professional services (A2) to change to assembly and leisure uses (D2), subject to prior approval;
 - Making permanent the existing time limited rights for extensions to shops, offices, industrial and warehouse buildings. Prior approval not required.
 - Permitting one click and collect facility per retail premises (maximum 4m height and 20 sqm gross floorspace), subject to prior approval; and,
 - Allowing retailers to modify the size of existing shop loading bays by up to 20%, subject to prior approval;
 - Continuation of the change of use between offices (B1(a)) and residential (C3) subject to prior approval and for a limited period up to 31 May 2016.
- 2.2.17 Whilst the majority of these changes are subject to prior approval, the Coalition government was careful to clarify that as prior approval applications are not planning applications, they are not required to be determined against the development plan. Instead, the legislation sets out a limited few points including traffic and flooding matters against which applications are considered. In relation to the uses above, a test of the impact on 'key shopping areas' is included.
- 2.2.18 This provides local authorities some scope to consider impact on existing centres but the ethos of allowing greater flexibility within town centres to ensure their longevity sitting behind the legislation is clear and represents a sea change from the policies still in place in many local authority areas which seek closely control the mix of uses, particularly the proportion of A1 retail uses within designated town centres.

Emerging policy

Local Plan

- 2.2.19 The Issues and Options draft of the Local Plan was published for consultation in September 2014. In relation to town centre matters, the consultation document posed a series of questions and sought views, primarily relating to Melton Mowbray:
- What measures could be introduced in the Local Plan, in relation to retail and leisure, to ensure people use Melton Mowbray town centre;
 - What the Local Plan support should be given to growing tourism in the Borough'
 - Whether the currently defined town centre boundary and shopping frontages were correct or needed change;
 - How to ensure an appropriate mix of uses within the town centre i.e. whether a prescriptive approach in relation to frontage policy should be adopted or a more flexible approach based on an application's individual merits should be adopted;
 - Whether to incorporate a policy on shopfronts to enable continued restoration/improvements.
- 2.2.20 300 responses were received and the Preferred Options is being prepared for consultation in autumn 2015. It is anticipated that the Local Plan will be adopted in mid-2017.

Neighbourhood Plans

- 2.2.21 Whilst four neighbourhood plan areas have been designated in Melton Borough (Asfordby, Bottesford, Waltham on the Wolds and Thorpe Arnold, and Wymondham and Edmondthorpe. Two further applications have been made (Hoby, Rotherby, Brooksby and Radgate, and Croxton Kerrial and Branston). However, only Asfordby have made substantive progress on preparing their Neighbourhood Plan. A consultation on the draft Asfordby plan ran from 2 February to 16 March 2015.
- 2.2.22 The draft Asfordby Neighbourhood Plan sets out Policy A19 which relates to the Bradgate Lane Shops. The draft policy, which defines Bradgate Lane as 'a Local Centre that serves the local catchment area' covers the following elements:
- Allowing planning applications which 'ensure that the Local Centre continues to provide a diverse range of Local Centre Uses which appeal to a wide range of age and social groups;'
 - Retaining the dominance of A1 and resisting overconcentration of other uses. Non-Local Centre Uses will not be permitted; and
 - Local Centre Uses are defined as A1, A2, A3, A4 and A5.

2.3 Other studies and evidence

Melton Mowbray Town Centre Masterplan

- 2.3.1 The Melton Mowbray Town Centre Masterplan is a non-statutory planning document which was published in December 2008 to inform the development of a strategic vision for the town centre. The Masterplan identifies the retail, office and other uses needed to contribute to regeneration; and, considers the scope of the town centre to accommodate new development. Although the document is now somewhat outdated, it does still provide important context and

evidence for this report. The plan does not however reflect recent town centre developments, including:

- New Council offices at the Town Station site
- Sainsbury's supermarket on the former Council offices site, Nottingham Road
- Lidl supermarket the former Crown House office site, Scalford Road

2.3.2 The Masterplan sets out that Melton Mowbray is a characteristic example of a medieval market town, where the overall structure and urban grain has remained- the pedestrianised areas of Market Place, Nottingham Street and High Street provide wide thoroughfares to accommodate open street markets which still operate on Tuesday, Wednesday and Saturdays. The markets are deemed to play an important role in contributing to the uniqueness of the centre so that new development should contribute to them.

2.3.3 The Masterplan sets out a strategic vision for the future of Melton Mowbray which focuses on the requirement to differentiate Melton Mowbray town centre from competing centres. The town's unique selling points (USPs) are identified as follows:

- Internationally renowned Cattle Market;
- Family day out (linkage to TwinLakes);
- Genuine market town centre in which to stay overnight;
- Strong brand image: food;
- Centre for creative industries (performing arts); and
- Circuits – themed areas – quarters.

2.3.4 The Masterplan sets out several objectives which provide a framework to guide future development of the centre. These are summarised below:

- i. Developing complementary roles; leisure, residential, specialist shopping, Cattle Market, culture, office and industry which will support the main retail use.
- ii. Build upon the 'Rural Capital for Food' brand; match this image with the attraction of the town to achieve wider recognition. This could include holding regular food and drink festivals as well as related culture and art shows, creating a food and drink heritage centre and involving the local restaurants.
- iii. Create opportunities for larger floorspace retail and offices whilst protecting existing important employment area and discouraging out of centre retail floorspace.
- iv. Address conflicts between cars and pedestrians in order to improve pedestrian linkages from the Railway Station and the Cattle Market to the retail core.
- v. Improve connections from residential and employment areas into the Town Centre.
- vi. Connect up the town's distinct district areas through safe, accessible shopping routes and attractive gateways.
- vii. Develop a tourist role for Melton Mowbray based upon heritage attractions: 'Whole day experience'.

- 2.3.5 The framework identifies the following key sites as areas of change which are identified for development:
- i. St. Mary's Way and King Street - potential to create a leisure and cultural destination that complements the existing leisure and cultural provision.
 - ii. Burton Street - opportunity to develop a commercial led mixed-use scheme on what is at present an underused and unattractive approach to the town.
 - iii. Wilton Road – the consolidation of facilities at Melton Brooksby College will create an opportunity to create a hotel and residential area overlooking the park or possibly to provide a leisure building on the River Wreake to support new water activities.
 - iv. Sherrard Street – potential enhanced local centre for a growing residential population with a focus for smaller scale services and specialised shops.
 - v. Scalford Road – potential new vehicular access for the Cattle Market along the disused railway line to ease the congestion caused by the Cattle Market.
 - vi. Nottingham Road - focus of the office/business quarter.
 - vii. Norman Way – enhanced as the industrial/employment heart of the town.

2011 Retail Study

- 2.3.6 The previous Borough-wide retail evidence base was published in 2011 and prepared by GVA. This study examined shopping provision in the Borough and provided forecasts of capacity for new floorspace over the period 2016 to 2026. The assessment of baseline shopping patterns was based on the 2009 household telephone survey conducted by research consultancy Research & Marketing (R&M) on behalf of Sainsbury's. This survey was initially commissioned in 2009 to provide the evidence base for the application for the new Sainsbury's store on Nottingham Road. As such, it does not address leisure usage in the Borough.
- 2.3.7 The GVA study identified the main strengths of Melton Mowbray's town centre as the shopping market, general environment and the wide range of services all supported by the strong independent retail offer, particularly in the convenience sector, which underpins the town's role as the Rural Capital for Food. The study also identified a number of weaknesses which, if not addressed, would inhibit the ability of the town centre to take advantage of economic growth and could lead to decline in the health of the centre. These weaknesses included the limited comparison shopping offer, limited leisure offer and indications of declining demand from retailers.
- 2.3.8 Out-of-centre retail provision was identified as being limited to warehouse units located on the periphery of the town centre.
- 2.3.9 The analysis of the local property market, undertaken in 2011 identified that prime zone A rents have decreased between 2006 and 2009 to 2005 levels of £538 per sqm. Although this was a negative trend, it was reflective of falling rents across the retail sector nationally following the recent recession. Likewise, commercial yields on non-domestic property decreased 1.5% gradually between 2006 and 2008 demonstrating a positive trend; however, yields increased by 0.5% in 2009. Again, this is considered to be a reflection of the recession which has reduced investor confidence in the national UK retail sector.
- 2.3.10 The GVA study identified both Asfordby and Bottesford as performing well in terms of fulfilling their localised roles of providing top-up food shopping opportunities and meeting day-to-day service requirements for local residents. The study confirmed that both main village centres

were vital and viable with no vacancies in either and appeared to be well-utilised during site visits.

- 2.3.11 In terms of retail capacity projections the study did not identify any surplus residual expenditure to support additional convenience floorspace in the Borough over the period to 2026. The study did identify expenditure to support an additional 2,496 sqm net comparison floorspace in the Borough by 2026.

Table 2.1 - 2011 Melton Borough Comparison Goods Capacity Forecasts

	2016	2021	2026
Residual Expenditure (£m)	-2,569	5,440	16,148
Floorspace Capacity (sqm net)	-484	928	2,496

Source: GVA Retail Study 2011

- 2.3.12 It was concluded that Melton Mowbray faces competition from higher-order centres in the catchment area and the 2011 Retail Study identified that the town only retained 35% of comparison expenditure. The main competing centres include: Leicester, Nottingham, Grantham, Peterborough and Loughborough.

Employment Land Study

- 2.3.13 To inform the emerging Local Plan, MBC have also commissioned BE Group to undertake a new employment land review for the Borough. This will be published as part of the next round of consultation on the draft Local Plan.
- 2.3.14 The ELS identified a need of 57 ha of employment land in the period up to 2036 and, on that basis, the need for MBC to identify a further 38 ha of employment land in addition to the current realistic supply in order to meet that overall need. To that end, the ELS explores a number of options, the majority of which are located in or near to Melton Mowbray.

Leicester and Leicestershire Strategic Housing Market Assessment

- 2.3.15 The Leicestershire authorities commissioned GL Hearn to provide a SHMA for the housing market area which includes Melton Borough. The SHMA identified an overall housing need, at the upper end of the range, of an additional 245 units per annum up to 2036. This equates to annual population growth of 0.8% per annum. This need is premised on the highest employment growth scenario modelled.

2.4 Research

- 2.4.1 Since the recent economic downturn a considerable number of independent studies have been published considering the future role and function of town centres. Most notable of these include the following:
- The Portas Review (2011)
 - The Grimsey Review (2013)
 - Redefining the Shape and Purpose of Town Centres - Beyond Retail (2013)
 - 21st Century High Streets - British Retail Consortium (2013)
 - Digital High Street 2020 Report - Digital High Street Advisory Board (2015)

- 2.4.2 The key messages from each of these studies are summarised below and are followed with a review of the economic context and key trends which are likely to influence the demand for new retail and commercial leisure floorspace over the study period.

The Portas Review

- 2.4.3 In May 2011, retail expert Mary Portas was appointed by the Government to lead an independent review into the future of the high street in response to the decline of town centres nationally, seen as a consequence of reduced spending on the high street. The report supported the call to strengthen planning policy in favour of 'town centre first' and includes 27 separate recommendations to tackle the further decline of the high street.
- 2.4.4 The core recommendations included measures to strengthen the management of high streets, improvements to the business rates system, reducing car parking charges, placing greater onus on landlords proactively manage their assets or face the use of compulsory purchase powers by local authorities, and to increase community involvement in town centres.
- 2.4.5 The Coalition government published its formal response to the Portas Review in 2012, which accepted virtually all of the recommendations and secured funding for 24 'Portas Pilot' towns to trial the recommendations. The Coalition government established the future High Street Forum to implement Portas's recommendations and provided funding to establish business improvement districts (BIDs) and a 'Future High Street X Fund' (renamed the High Street Renewal fund) to reward towns delivering innovative plans to rejuvenate their town centres.

The Grimsey Review

- 2.4.6 Bill Grimsey, the former managing director of DIY chain Wickes and food retailer Iceland published his report 'The Grimsey Review: An alternative future for the High Street' in 2013 as an 'alternative response' to the recommendations of the Portas Review. The report made a total of 31 wide-ranging recommendations, including encouraging more people to live in town centres, appointing a High Streets Minister, and freezing car parking charges for a year.

Beyond Retail: Redefining the Shape & Purpose of Town Centres (2013)

- 2.4.7 Arising from the key recommendations in the Portas Review, the Government supported the establishment of an industry 'task force' to analyse retail property issues relating to town centres. The findings of the task force's report were presented in the 'Beyond Retail' report.
- 2.4.8 One of the report's key observations was that the trend towards market polarisation has resulted in three broad types of town centre offer: strong centres with a wide retail and leisure offer; convenience food and service-based centres with an element of fashion and comparison goods; and, localised convenience and everyday needs-focused centres).
- 2.4.9 The report makes a number of recommendations, including:
- Strong and dynamic leadership, led at the local authority level also including business and community involvement, to bring about long-term change in town centre functions;
 - Undertake bold, strategic land assembly, to assemble redevelopment opportunities of scale and worth;
 - Provide greater flexibility in the planning system to enable redundant retail premises to be converted to 'more economically productive uses';
 - Consider the mechanisms to address funding gaps to encourage local authorities to commit to long-term planning for town centres;

- Town centres must take advantage of technology to assist in marketing, driving footfall, and assisting independents and SMEs; and,
- The business rate system should be reviewed, and new retail valuation guidance should be published.

21st Century High Streets

2.4.10 In 2013, the British Retail Consortium published the second '21st Century High Streets' report as an update to the original report published in 2009. This sets out key policy recommendations to help secure 'flourishing 21st Century high streets' under six key topics:

- **'A unique sense of place'** - Local partnerships, authorities and retailers must create a brand for the town centre to engender consumer loyalty through differentiation and informative marketing.
- **'An attractive public realm'** - Local partnerships and authorities must actively manage the public realm creating attractive public spaces.
- **'Planning for success'** - Local authorities should develop a clear strategic vision focused on the role of the town centre and cooperate with neighbouring authorities to maintain viable and complimentary retail destinations.
- **'Accessibility'** - Local authorities should manage accessibility holistically and responsively and should provide adequate parking to assist in driving footfall.
- **'Safety and security'** - Local police should work with retailers to better understand the impacts of retail crime to promote town centres as safe, secure and effectively managed trading locations.
- **'Supportive regulatory and fiscal regimes'** – Central government should reform the Business Rate Multiplier to reduce the cost of operating and investing in town centres.

Digital High Street 2020 Report - Digital High Street Advisory Board

2.4.11 The Digital High Street Advisory Board was established following the work of the Future High Streets Forum to consider the revolutionary impact of digital technologies on future success of high streets. The wide-ranging recommendations proposed in the above reports have two overall aims, namely:

- To increase footfall and expenditure in town centres - to improve store turnover and to increase vitality and viability of town centres.
- To reduce costs of operating and investing in town centres – to improve store turnover and to level the playing field between physical 'bricks and mortar' and online retail businesses.

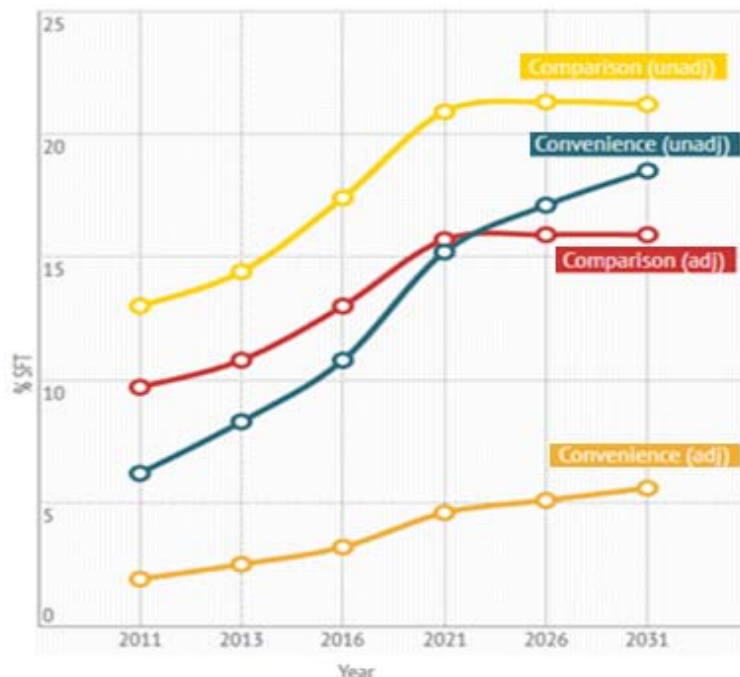
2.5 Economic Context

2.5.1 The prolonged downturn in the economy had a number of clear effects on the retail landscape in the UK, with a series of high-profile retailers entering administration, and a general trend towards discount retailers increasing their representation; both in the comparison goods sector (e.g. Poundland, 99p Stores and Wilko) and the convenience goods sector (e.g. the continued expansion and strong trading performance of 'deep discount' retailers such as Aldi and Lidl). The downturn also affected consumer spending, with a greater reluctance to spend amongst consumers on non-essential goods. As a result, forecast levels of growth in consumer

spending have only now started to recover and short-term forecasts remain generally subdued.

- 2.5.2 It has been widely documented that online shopping has increased at a rapid pace in recent years, particularly in the comparison goods sector. Online shopping is perceived to offer a number of significant advantages over 'traditional' town centre shopping, including: lower prices as there are lower operating overheads for online retailers compared with those in a town centre; a wider variety of choice; and the ability for customers to easily search out bargains including second hand goods.
- 2.5.3 Overall, internet sales have been rising much more rapidly than general retail sales in recent years. The average value of weekly retail sales on the internet was forecast at £844m in December 2012. The ONS forecast that online sales accounted for 9.4% of all retail sales in October 2012, which increased to 10.5% in October 2013 (equivalent to a year-on-year increase of 1.1 percentage points).
- 2.5.4 Experian consider that Special Forms of Trading (SFT), driven primarily by the increasing use of the internet, will continue to outpace traditional retail sales for several more years. However, Experian consider that at the turn of the next decade, growth in online shopping is expected to begin to plateau, stating that they expect *'the SFT market share [to] continue to increase over the forecast period although the pace of e-commerce growth will moderate markedly after about 2020'* (Retail Planner Briefing Note 12.1).

Figure 2.1 — Forecast of non-store retailing ('Special Forms of Trading') market share to 2030



Source: Experian Retail Planner Briefing Note 11, October 2013, Appendix 3. SFT includes spending on online shopping, mail order / catalogue shopping, and markets. 'Adjusted' figures include a reduction for store-picked online transactions.

- 2.5.5 The outputs of this study specifically take into account this anticipated growth in online shopping; based on the most up-to-date Experian guidance the proportion of total expenditure which is expected to be diverted towards online shopping is removed before presenting the final updated quantitative floorspace requirements for the Borough¹. Figure 2.1 shows the

¹ The figures used are Experian's 'adjusted' comparison (non-food) and convenience (food) goods forecasts, which make a deduction on Experian's 'baseline' figures in order to take account of internet goods sales from store space (such as through

projected growth in online comparison and convenience goods shopping over the course of period to 2030, based on the forecasts provided by Experian. For reference, both the 'unadjusted' and the 'adjusted' figures are shown², although for the purposes of this study the latter set of figures are used.

2.5.6 While unfavourable economic conditions are forcing many retailers to scale back on physical retail space, their online operations allow them to reach a much wider customer base. However, the competition is not as straight forward as 'online shopping versus town centres'; new technologies are promoting an integration between the two shopping channels, to the point where a town centre that embraces digital technologies can find itself in a strong position. The forecast growth in online spending does not equate to a redundant future for 'bricks and mortar' stores. There is a role for physical outlets to act as 'showrooms' for online retailers³. A physical presence on the high street improves the visibility of businesses; 12 out of the top 20 e-commerce businesses in the UK have a physical presence on the high street (Figure 2.2).

Figure 2.2 — Top 20 e-commerce websites in the UK (2013)



Source: IMRG Experian Hitwise Hot Shops List, 2013

2.5.7 The growth in the 'click and collect' method of online shopping is a further relatively new trend, but one which looks set to play an increasing role over future years. Like 'showrooming', it is also one where the physical outlet of the store can still be used to drive footfall. The click and collect concept is such that a customer orders and pays for the desired product online, and then collects the product from the nearest large branch of the retailer in question. This approach is being rolled out by an increasing number of retailers. Recent research by the British Retail Consortium indicates that 60% of click and collect transactions result in an additional purchase in the store.

2.5.8 Recent trends indicate that major retailers are becoming more willing to embrace the challenge posed by online and mobile technology putting into place technology such as click and collect, better mobile websites, free in-store Wi-Fi, or in-store technology points where a customer can order a product online which may not available within the store. This may be particularly applicable for smaller town centres where many retailers' stores are quite small and may not be able to carry the full range of products available.

¹'Click & Collect', as discussed in paragraph 2.4.7). For comparison goods, Experian apply a discount of 25% to calculate the 'adjusted' figure, and for convenience goods this figure is 70%. The latter figure is particularly high because many online food shopping transactions placed with Sainsbury's, Tesco, Asda and Waitrose are 'picked' from the shelves of the nearest large store of the retailer. Convenience goods retailers are increasingly choosing to instead fulfil orders from warehouses known as 'dark stores', although this trend remains in its infancy.

² See footnote to Figure 1

³ This is where customers visit 'bricks and mortar' stores to look at / try on a product, before using technology such as smartphones to check whether the product is available elsewhere (in another store, or online) for a cheaper price.

- 2.5.9 There is still a role for ‘bricks and mortar’ stores, but there is an acute challenge for middle-order centres which will need to be embraced. The evidence suggests that medium-order shopping centres will need to become more multi-functional in order to remain vital and viable.

2.6 Key trends in retail and leisure

- 2.6.1 The market context for town centres, and retail in particular, is evolving. The role of the town centre is not as clearly defined as it has historically been, and indications are that the town centres which have best weathered the recent economic downturn (discussed further below) are those which have a diverse range of uses. In this section the key changes in the retail and leisure market which are considered likely to have the biggest implications on centres in the Borough over the study period are discussed. These include:

- Polarisation to higher-order centres
- Growth and restructuring of the convenience goods sector
- Growth of commercial leisure sector

Key trend: polarisation to higher-order centres

- 2.6.2 The ‘polarisation trend’ refers to the preference for comparison (non-food) retailers to concentrate trading activities within larger schemes in larger retail centres. Retailers recognise that greater efficiency can be achieved by having a strategic network of large stores offering a full range of their products, rather than a network of smaller-format stores which are only able to offer a limited range of products. The economic downturn and the growth in online shopping have further amplified the need for retailers to have fewer physical stores. The polarisation trend is also driven by customers, who have become more discerning and are increasingly prepared to travel further afield to larger centres with a wider or better quality offer. There is therefore a concentration of comparison goods expenditure in a smaller number of larger centres.
- 2.6.3 This trend means that smaller centres may be required to potentially refocus their role and function away from solely being shopping destinations to incorporate a much broader retail, leisure, culture and residential offer. The result of this trend, according to Deloitte, is that retailers are beginning to reassess their store portfolios:

‘The increasing costs of operating stores, changes in consumer behaviours, and the growing online opportunity, coupled with the rise of shopping centres with larger catchment areas and improvements in infrastructure facilitating travel suggest that retailers will need fewer stores in the future’⁴

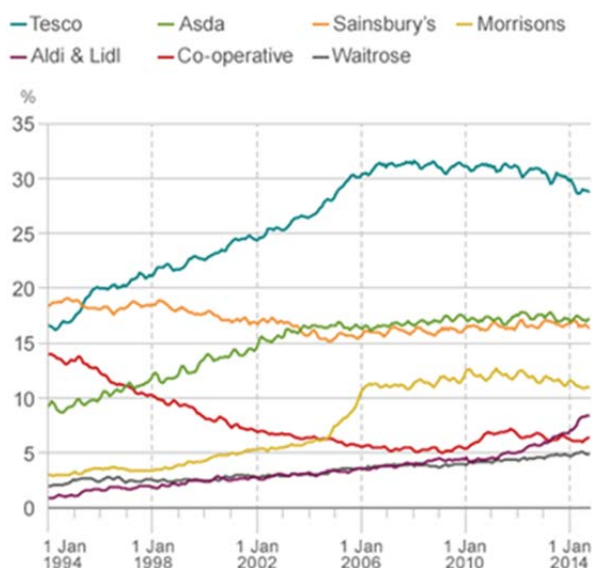
- 2.6.4 The implications for this on town centres is that many retailers will, in the medium to longer term, seek to downsize their portfolios, particularly in smaller centres by measures such as non-renewal of expiring leases. Deloitte consider that this will have three principal impacts on retail property:
- Firstly, increased availability of property as vacancy rates increase;
 - Secondly, decreasing prime retail rents (with the exception of central London); and
 - Thirdly, increased flexibility in rental terms, with retailers demanding better terms, including shorter leases, rent-free periods, earlier break clauses, and monthly rental arrangements.

⁴ Deloitte

Key trend: growth and restructuring of the convenience goods sector

- 2.6.5 The convenience goods sector has, during the economic downturn, become a key driver of growth. The sector has traditionally been dominated by the 'Big Four' supermarket operators of Asda, Morrisons, Tesco and Sainsbury's, but increasingly both higher-quality operators (Waitrose, Marks & Spencer) and discount retailers (Aldi, Lidl) are making inroads into the market share of the 'big four'. The discount retailers have posted significant year-on-year growth in recent years and are beginning to emerge as important forces in the convenience goods market. These retailers are expected to continue to take market share from the Big Four supermarket operators in future years (Figure 2.3).
- 2.6.6 The sector has often been the beneficiary of floorspace becoming available in town and city centres as a result of comparison goods retailers entering administration. For example, Iceland acquired 57 former Woolworths stores in early 2009, and recently Morrisons acquired a number of stores formerly operated by Blockbuster as part of their 'M Local' network of smaller-format stores.

Figure 2.3 – UK supermarkets market share 1994-2014



Source: Kantar Worldpanel

- 2.6.7 Large foodstores (i.e. stores with a net retail area of at least 25,000 sqft/2,300 sqm) have historically been the primary driver of growth in the convenience goods sector. However, there is evidence of an increasing move by convenience goods operators away from opening larger-format stores towards smaller supermarkets and establishing a network of 'top up' convenience goods shopping facilities (often referred to as 'c-stores'), often located in town centres, or district/ neighbourhood shopping parades.
- 2.6.8 Tesco Express, Sainsbury's Local, and Waitrose have significantly expanded store numbers in recent years. Indeed, both Sainsbury's and Tesco now have more c-stores than large supermarkets and the Big Four operators appear to be favouring these formats over large supermarkets. In January 2015 Tesco announced that they would be closing 43 unprofitable stores the majority of these were large foodstores. At the same time Tesco also announced that they would abandon the development of 49 'very large' foodstores. Added to this, both Sainsbury's and Morrisons have sought to rein in their development pipeline and to this end have withdrawn from a number of large store format development scheme over the last year.

Figure 2.4 - 'C store' formats operated by Tesco, Sainsbury's and Morrisons



- 2.6.9 Verdict consider that the proportion of convenience goods floorspace which will be accounted for by 'smaller stores' will increase from 37.6% in 2007 to 41.6% by 2017. Verdict explains this trend as follows:

'The second dip of the double-dip recession in 2012 has knocked consumer confidence and shoppers are sticking more tightly than ever to their budgets. They are shopping little and often ... increasing fuel prices, deterring out-of-town trips, and the move towards online food shopping each feed into this trend towards top-up shopping. Out-of-town space is increasingly difficult for grocers to make profitable.'

- 2.6.10 Looking forward to 2017 Verdict predict that the majority, 53% of floorspace will continue to be accounted for by 'superstores', with 'food specialists' and off-licences continuing to have their market share reduced. Industry body IGD predicts that the convenience goods market will grow by 29% between 2012 and 2017, from £33.9bn to £43.6bn, and the main retail operators are responding quickly by opening new stores.

Key trend: growth in commercial leisure

- 2.6.11 Most commentators predict that commercial leisure, such as cafes, bars, restaurants and cinemas, will constitute a growing share of town centre floorspace. This is partly a replacement activity generating as a consequence of the reduced demand for space for traditional retail, and partly driven by the increase in leisure expenditure as discretionary household expenditure rises.
- 2.6.12 When considering leisure expenditure available to households, spending on food and drink typically accounts for more than 50% of total leisure spending, compared to around 15% on 'cultural services' (e.g. going to the cinema, theatre, art galleries or live music) and under 10% on hotels, 'games of chance' (such as bingo) and recreation/sporting services.
- 2.6.13 There is scope for town centres to capitalise on this, redefining their function as 'destinations' in their own right. This, in turn, can have wider positive implications on the performance of the town centres in question through increased footfall: residents and visitors spend longer in the centre, undertake 'linked trips' between retail, leisure and other uses, and increase their dwell-time in the centre. The development of a strong commercial leisure offer can also help to increase footfall outside of retail hours, for example in early evenings, particularly if the leisure offer also includes facilities such as cinemas and restaurants. Recent examples include the cinema, restaurant and hotel-led scheme at Southwater, Telford and the development of a cinema and restaurant offer on Victoria Street (London).

2.7 Implications for Melton

- 2.7.1 The combined effects of polarisation and the growth of internet shopping presents both an opportunity and a threat for town centres, particularly small market towns like Melton Mowbray which are competing for expenditure with higher-order comparison-led centres. There is a threat if Melton Mowbray fails to respond positively to these changes. However, there is also

significant opportunity if Melton Mowbray succeeds in harnessing the benefits of omnichannel retailing such as promoting click and collect schemes and allowing showrooming to effectively increase the retail offer and drive footfall in the town centre.

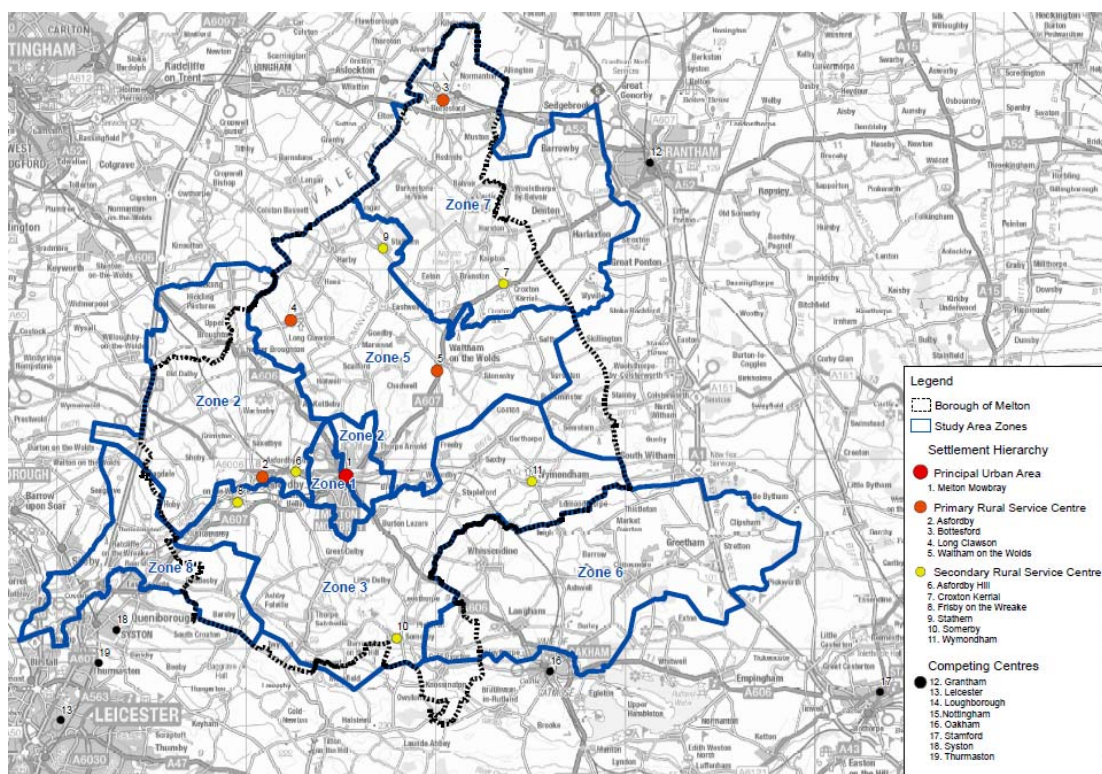
- 2.7.2 Added to this, trends such as the rise of commercial leisure are particularly relevant to centres like Melton Mowbray which is defined not just in terms of its retail function but is also known and promoted as a visitor destination as Rural Capital for Food. There is a role to be played by local authorities in ensuring that the strategy adopted is appropriate to each individual centre: for example by achieving the right balance of retail and leisure provision in each centre to enable it to fulfil its role and meet the needs of its catchment. At a national level, the NPPF provides the framework for these strategies but the Government continues to emphasise the importance of local issues in formulating local policy. In light of the recent raft of permitted development changes (GPDO 2015) which introduce further flexibility within A Class Uses, having a robust and up-to-date evidence base on retail and leisure matters is particularly important in order to support these locally-formulated policy solutions.
- 2.7.3 With regard to the smaller centres in the Borough, the shift in convenience shopping patterns may have implications for shoppers' expectations on the offer these shops should provide. The increasing dominance of the Big Four in the c-store market has significantly improved the quality and range of offer. Where existing provision fails to match this improved offer, there is a risk that people will divert to other shops in other centres to meet their needs. If this trend is sufficiently pronounced, it poses a risk to the longevity of such stores and therefore the overall role of smaller centres in meeting the day-to-day needs of the rural catchment.

3 Hierarchy of centres and existing retail and leisure provision

3.1 Introduction

3.1.1 This section provides an overview of the hierarchy of centres identified in Melton Borough which are shown on Figure 3.1 (Appendix B). Melton Mowbray sits at the top of the settlement hierarchy as a Principal Urban Area. This is supported by a number of primary and secondary rural centres, including Asfordby and Bottesford as the more significant villages.

Figure 3.1 – Melton Borough town and village centres



3.1.2 This section provides a summary of the performance of Melton Mowbray, Asfordby and Bottesford. Full health checks of the centres against the indicators set out below in Figure 3.2 are provided at Appendix C of this study. Summary health checks of the other primary and secondary rural service centres identified on Figure 3.1 are also provided within this section.

3.1.3 The health checks have been prepared with reference to the PPG key indicators which are set out in Figure 3.2 below. In relation to the smaller centres, because there is inherently less retail market activity, there is limited, if any, information available on factors such as retailer requirements, commercial yields and retail rents. In relation to these smaller centres, the health checks therefore focus on the diversity uses, vacancies, pedestrian flows, accessibility and environmental quality.

Figure 3.2 – PPG town centre vitality and viability key indicators

Vitality and viability of town centres: key indicators
<ul style="list-style-type: none">• Diversity of uses• Proportion of vacant street level property• Commercial yields on non-domestic property• Customer views and behaviour• Retailer representation and intentions to change representation• Commercial rents• Pedestrian flows• Accessibility• Perception of safety and occurrence of crime• State of town centre environmental quality

3.2 Health check summaries

Melton Mowbray

3.2.1 Melton Mowbray town centre is the highest order centre in the Borough under current Development Plan policy. The centre is focused around the semi-pedestrianised Market Place, with retail and other town centre uses concentrated on Nottingham Street and Sherrard Street, as well as to a lesser-extent Leicester Street, High Street and Burton Street (GOAD plan provided in Volume 2). The Market Place and the southern part of Nottingham Street, together with a number of the side streets, comprise historic and largely well-maintained buildings which add to the overall attractiveness of the town centre. Sherrard Street has a somewhat different character and is dominated by more modern buildings.

Figure 3.3 – Melton Mowbray town centre



Diversity of uses and retailer representation

3.2.2 The in-centre supermarket-led convenience offer is very limited to a small Londis store on Sherrard Street. However, there is a much wider range of independent and specialist food stores including those associated with Melton Mowbray's market positioning as Rural Capital for Food (Ye Olde Pork Pie Shoppe and the Melton Cheese Board), as well as butchers, greengrocers, bakeries throughout the centre.

3.2.3 The supermarket offer is located on the edge of and out of the town centre, including edge-of-centre Morrisons (Thorpe End, 2,383 sqm net sales) and Iceland stores (High Street, 450 sqm net sales), and out-of-centre representation from Co-op (Scalford Road, 1,738 sqm net sales), Tesco (Thorpe Road, 1,789 sqm net) and a new Sainsbury's on Nottingham Road (3,516 sqm net sales).

net sales). In addition, the Council granted planning permission for the redevelopment of the former Crown House office site on Scaford Road to provide a new Lidl food store (1,286 sqm net) which opened in June 2015.

- 3.2.4 In relation to representation from multiple operators, of the Experian GOAD Key Attractors, the town centre has eight of the identified 30. National comparison operators include Boots, Clarks, Wilko, Peacocks, Superdrug, M&Co, Poundland, WH Smith and Argos.
- 3.2.5 Within the comparison sector, the clothing and footwear offer in the centre is limited and those retailers that are present either occupy small premises or are positioned at the value end of the market. Overall, the comparison offer in the centre is oriented towards to the middle market, with independent retailers accounting for the majority of the offer.
- 3.2.6 The retail offer supported by the weekly and very extensive agricultural, cattle and farmers market located in the north of the centre. In addition, there is a street market comprising c.80 pitches within the town centre itself which operates on Tuesdays and, in a reduced form, on Wednesdays and Saturdays. The cattle market element forms an integral part of the town's positioning as the Rural Capital for Food; and whilst the offer of the street market is more mixed (specialist food, alongside lower-value everyday comparison goods), it clearly seeks to capitalise on the increased footfall in the town centre on market days.
- 3.2.7 The leisure offer in terms of A3 to A5 operators is relatively well-developed, albeit with relatively limited representation from national operators beyond Pizza Express, Caffè Nero, Costa and Wetherspoons. Provision is therefore primarily through independent operators and tends to cater to the lower end of the market. Furthermore, it includes a significant proportion of A4 and A5 operators.
- 3.2.8 There is a recently-refurbished independent cinema (The Regal) which is positioned as providing a 'luxury boutique' offer and is located on King Street, behind the Market Place. The leisure offer is supplemented by the Brooksby College-owned Melton Theatre on Asfordby Road. In relation to private gym operators, there is no provision in the town centre and instead the residents are reliant on a range of out-of-centre facilities.
- 3.2.9 The Focus Costar database recorded market interest from six occupiers: four retailers, a gym and a budget hotel chain (Travelodge). In relation to the retailers, two are from bulky goods operators (Bensons for Beds and Screwfix) for larger floorplate units; one is from a national clothing retailer (Select – although it is also noted they have just vacated to the town centre) and the final from a charity shop. It is also understood that Aldi have submitted an application (June 2015) to build a new food store on the site of the former ambulance station on Leicester Road.

Vacancies

- 3.2.10 Table 3.1 shows a trend towards increasing levels of vacancy within the town centre. Whilst it remains below the national level (12% Experian GOAD, April 2015), there is some cause for concern when the location and clustering of vacancies is considered. The majority of the units in the Bell Centre are not occupied; furthermore, there are vacancies in key locations on the Market Place.

Table 3.1 – Melton Mowbray vacancy levels

	2009	2010	2011	2012	2013	2014
Occupied	96.0%	97.0%	95.0%	92.3%	93.1%	93.0%
Vacant	4.0%	3.0%	5.0%	7.7%	6.9%	7.0%

Source: People & Places Melton Town Benchmarking Reports 2013 & 2015

Commercial rents and yields

- 3.2.11 The level of commercial rents and yields provide indicators of the market strength of a town centre. Table 3.2 shows that Melton Mowbray is achieving comparable yield levels to the national level for similarly-sized towns and although data is not available at a regional level for comparably-sized small towns, it can be seen that Melton Mowbray is performing at a similar level. The town centre has maintained this level of yield since 2010.
- 3.2.12 With regard to rents, the town centre achieves a higher level than is typical of centres of its size but is lower than the level achieved within larger towns in the region. The latter difference is not considered to be symptomatic of weakness and links into the wider trends identified by Deloitte in Section 2.6. Indeed, it is notable that overall rent levels in the town have remained constant over the period since 2010.

Table 3.2 – Melton Mowbray rents and yields comparison

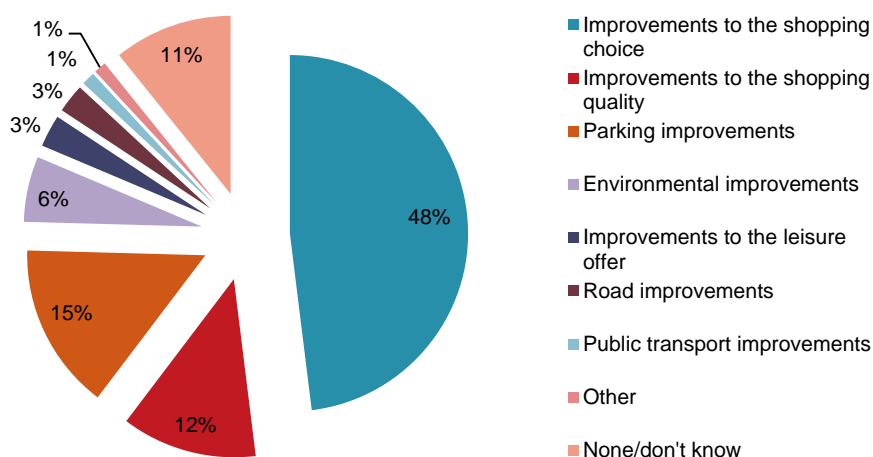
	National small towns	East Midlands large towns	Melton Mowbray
Zone A rents (£/sqft)	£27	£54	£40
Non-domestic yields	7%	7%	7%

Source: People & Places Melton Town Benchmarking Reports 2013 & 2015

- 3.2.13 Recent discussions with agents confirm the above figures; however, it is worth noting that outside the prime areas, the rents achieved drop significantly. This is equally applicable to yields, albeit to an extent this is balanced out by yields within the core retail area where there is a good covenant and reasonable unexpired term which is likely to result in improvements to the average level for the centre.

Customer views and behaviour

Figure 3.4 – Improvements to Melton Mowbray town centre



Source: NEMS household survey 2015 Q32A

- 3.2.14 The household survey, undertaken in support of this study and discussed in more detail in the proceeding section, included questions to understand local residents' opinions of the centres in the Borough and specifically sought to understand how people who currently use those

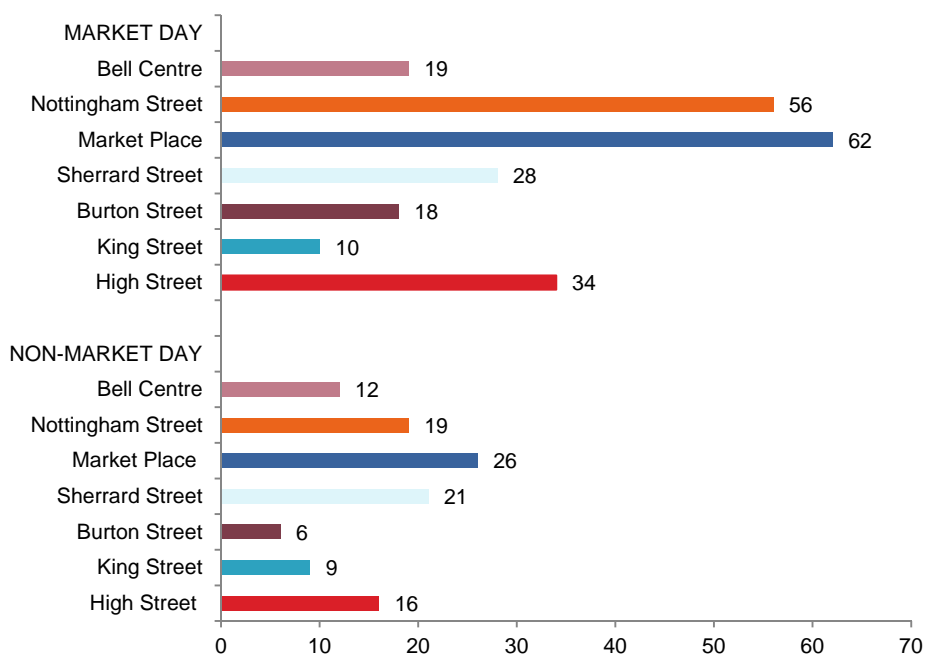
centres felt that they could be improved. Figure 3.4 clearly shows that improvements to the shopping offer in terms of choice and quality substantially outstrip all the other views expressed and combined accounts for the majority of responses. This suggests that amongst those who currently use Melton Mowbray there will be expenditure going to other centres simply because the current offer is failing to fulfil shoppers' needs.

Environmental perception and safety

- 3.2.15 The town centre is characterised by small traditional shop units concentrated along Nottingham Street, Market Place, Sherrard Street and High Street. Although many of the buildings are historic, there are a number of less attractive modern units within the centre, notably on Sherrard Way and towards the upper end of Nottingham Street where the built environment is subject to poor quality buildings and greater fragmentation.
- 3.2.16 The quality of overall street scene considered to be relatively high and is enhanced by the limited vehicular access on Nottingham Street and to the Market Place. That said, flows of traffic along Sherrard Street and through the southern side of the Market Place to Leicester Street detract from the quality of the centre.
- 3.2.17 On market days, stalls are located on Nottingham Street and Market Place. Whilst the market itself is an attractive and active addition to the centre, the converse to this is the reduced visibility of retail units in these locations because of the narrow streets and the position of the stalls.
- 3.2.18 There was no obvious evidence of crime or littering within the centre.

Footfall

Figure 3.5 – Average footfall in Melton Mowbray



Source: MBC footfall survey 2014

- 3.2.19 Surveys undertaken by MBC confirm that Market Place and Nottingham Road experience the highest levels of footfall, followed by High Street and Sherrard Street, in the town centre. The differences in footfall within the centre are much more pronounced on market days (Tuesdays)

versus non-market days when not only is the overall level pedestrian activity lower but there is a more even spread of activity between the Market Place, Nottingham Street and Sherrard Street.

Accessibility and car parking

- 3.2.20 The town centre is highly accessible by a range of bus services which link Melton Mowbray with the rural village in the surrounding area, as well as providing links to the higher order centres located outside the Borough. The bus station is located centrally, on St Mary's Way, and provides easy access to the main shopping offer.
- 3.2.21 The town centre is also accessible by train, with the station located a short walk from the main shopping core. Hourly rail services link Melton Mowbray with Birmingham, Leicester, Oakham, Stamford, Peterborough, Cambridge and Stansted Airport. Both bus and trains are subject to more limited services in the evenings (last train c. 8pm) and at weekends (first trains c. 11am).
- 3.2.22 Car parking is available across the centre, with a number of car parks located off St Mary's Way (c. 220 spaces), on King Street (80 spaces), as well as the fringes of the centre off Wilton Road and as part of the Morrisons store (both 150 spaces). Surveys undertaken in September 2014 by MBC demonstrate the difference between market and non-market days in Melton Mowbray, with car parks achieving 85% occupancy on market days compared to 59% on non-market days.
- 3.2.23 Stakeholder feedback indicates that certain car parks are only extensively used on market days, such that pressure on those car parks that are closer located to the town centre remains high even on non-market days. Furthermore, there is no dedicated coach parking within the town centre which, given the number of coaches travelling to the centre on market days, creates additional pressure on car parking space and has consequent impacts on traffic flows.
- 3.2.24 Anecdotal evidence provided by stakeholders indicates that local residents that use Melton Mowbray for everyday shopping and services do not frequent the centre on market days because of the car parking and traffic issues within the town.

Summary

- 3.2.25 Melton Mowbray is considered to be relatively healthy. It is clearly buoyed by the role of the cattle market and street market in attracting people to the town centre such that, on non-market days, it is substantially less vibrant. Key areas of weakness include persistent vacancies within the town centre, as well as the limited supply of larger floorplate units and higher-quality comparison and leisure operators.

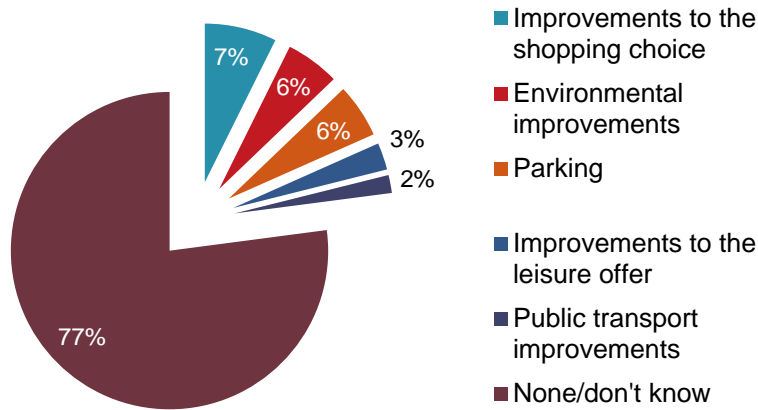
3.3 Village centres

Asfordby

- 3.3.1 Asfordby is located 5km west of Melton Mowbray town centre and 20km east of Loughborough town centre. The 2011 Retail Study identifies its predominant function as a local top-up food shopping and service destination. The centre contains a small shopping precinct located on Bradgate Lane serviced by a small car park opposite.
- 3.3.2 The convenience offer comprises a Co-op village store, a newsagents and a butcher and the comparison offer includes a Boots pharmacy and a kitchen shop. Service uses include two public houses, two takeaways and an Indian restaurant. Asfordby is accessible by bus services which link the village to Melton Mowbray, Loughborough and Grantham.

3.3.3 The household survey identified that the vast majority of those who use Asfordby, which is a relatively limited proportion of residents in the study area and is confined largely to Asfordby's home zone, do not consider there is any need for improvement to the centre.

Figure 3.6 – Improvements to Asfordby village centre



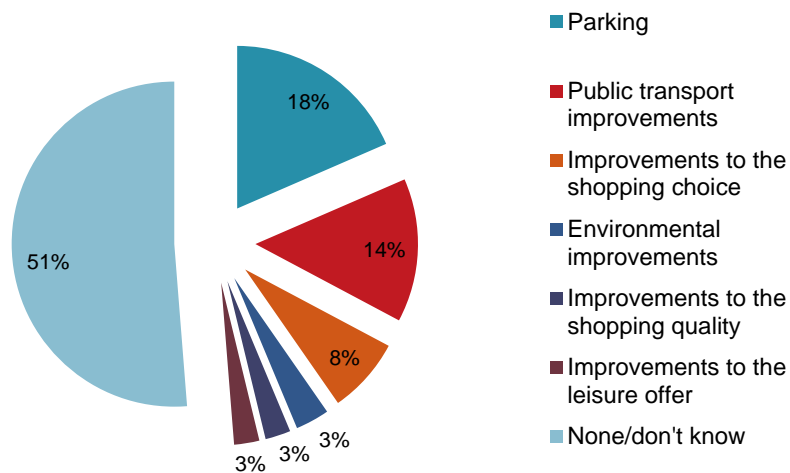
Source: NEMS household survey 2015 Q33A

Bottesford

3.3.4 Bottesford village centre is located 26 km north of Melton Mowbray and 13km west of Grantham. The 2011 Retail Study identified its predominant function as a local top-up food shopping and leisure service destination and there is no evidence to suggest that this function has changed.

3.3.5 Retail and service units are located along Queen Street, High Street and Market Street. The convenience offer comprises Co-op and Spar food stores, a butcher, a greengrocer and a delicatessen. The centre has a good service offer including three public houses, a restaurant, a café, two takeaways and two hair salons. In addition, there is a Post Office but this is separated from the rest of the retail/service offer.

Figure 3.7 – Improvements to Bottesford village centre



Source: NEMS household survey 2015 Q34A

- 3.3.6 The household survey indicates that whilst just over half of those using the village did not identify any areas for improvements, nearly 50% did. The key areas of improvement were in terms of improving car parking and public transport in village.
- 3.3.7 Bottesford is served by five bus services which provide links to Grantham, Melton Mowbray and Bingham station.
- 3.3.8 Overall the centre is considered to be performing well in relation to its current function in the settlement hierarchy. There is limited evidence from shoppers to suggest that there is a need to enhance its offer.

3.4 Rural centres

Long Clawson

- 3.4.1 The village centre is located around Sands Road in the centre of the village. The retail units are located in a row, adjacent to the local surgery and a small car park. A public house is located in close proximity to the square. There is further provision in the form of a butcher which is more separated from the main concentration of units.
- 3.4.2 On-street parking is available to residents and shop users, and the flow of pedestrians relatively steady. The village is served by local buses which stop on the High Street link Long Clawson to Melton Mowbray, Bingham and Nottingham.
- 3.4.3 Overall environmental quality is considered to be high, with the village appearing clean and the retail units providing a cohesive street scene.

Waltham on the Wolds

- 3.4.4 The village currently has two retail units: a newsagent (with Post Office) and a delicatessen. There is also a hairdresser. All are located on the High Street, off the main Melton Road (A607). In addition, there is a public house located at the junction of the High Street with Melton Road, separated from the other services.
- 3.4.5 A limited frequency bus service (six daily, both directions) operates along the High Street which links Waltham on the Wolds with Melton Mowbray and Grantham.
- 3.4.6 There are no vacancies in the centre and whilst the village was clean at the time of visiting and traffic flows were limited, it clearly only provides a very localised function.

Other rural centres

- 3.4.7 As set out in Section 2, the current development plan designates six rural service centres: Frisby on the Wreake, Asfordby Hill, Stathern, Croxton Kerrial and Somerby and Wymondham. Retail provision in these centres is limited but it is evident that they do perform a role for local residents, both in the villages themselves and in the surrounding hamlets and standalone houses.
- 3.4.8 Frisby on the Wreake and Asfordby Hill are both located to the west of Melton Mowbray, near to Asfordby. Frisby on Wreake has a newsagent/village shop, including Post Office counter, public house (The Bell Inn), primary school and nursery school. Asfordby Hill has a garden centre, farm shop, restaurant, and primary school.
- 3.4.9 Somerby, which is located in the southern part of the Borough, close to the administrative boundary with Rutland, has a small newsagent with Post Office counter that operates two

mornings a week (Monday and Wednesday following a reduction from full-time opening in 2008). Local services in the village include a village shop, primary school, surgery, village hall and public house.

- 3.4.10 Wymondham, which is located in the eastern part of the Borough, has a village shop with part-time Post Office counter (Mondays and Wednesdays, Tuesday mornings). There is also an antique shop. Other facilities in the Borough include a public house (Berkeley Arms), village hall and primary school. A community cinema operates on an occasional basis in the village hall.
- 3.4.11 Stathern, located in the northern part of the Borough, has a village shop, butcher, two public houses, a service garage with petrol pumps, and a primary school. It is located off the main road network. Croxton Kerrial is located on the A607 between Melton Mowbray and Grantham. Shops and services include the Peacock Inn public house, surgery and a primary school.

3.5 Out-of-centre retail and leisure provision

- 3.5.1 Not all of the retail provision in the Melton is concentrated in the network of town centres or in the supporting rural centres. In common with elsewhere in the country, the established centres compete with freestanding retail warehouses and a network of large format out-of-centre convenience goods floorspace for expenditure. Typically this floorspace offers 'bulky goods' retailing, such as DIY goods and furniture, although there is increasing demand from 'high street' retailers to take space in such developments where planning restrictions allow.
- 3.5.2 Melton Mowbray has limited of out-of-centre retail provision with most of the offer provided by convenience retailers rather than DIY or bulky goods retailing. Table 3.1 below summarises out-of-centre retail provision.

Table 3.3 – Edge- and out-of-centre retail and leisure provision in Melton Borough

Centre	Store/facility	Location
Melton Mowbray	Sainsbury's	Nottingham Road
	Halfords	Norman Way/ Snow Hill
	Co-Operative Food	Scaford Way
	Pets at Home/ Carphone Warehouse	Park Road/ Scaford Road
	Morrison's	Thorpe End
	Tesco	Thorpe Road
	Tesco Express (part of petrol station)	Nottingham Road
	Twinlakes Park	Thorpe Road

Source: PBA research

- 3.5.3 In addition to retail uses, Twinlakes Park provides out-of-centre leisure facilities in the form of a small theme park. Whilst the offer extends beyond the scope of a typical commercial leisure assessment, it is noted that the Park includes facilities such as an equipped soft playspace for children and also includes additional swimming facilities.

3.6 Competing centres outside Melton

3.6.1 The table below sets out the VENUESCORE ranking for the main centres that exert influence over the study area and Melton Borough specifically.

3.6.2 The VENUESCORE is provided by Javelin Group and is calculated for each centre using a scoring system that takes account of the presence of multiple retailers, anchor stores and fashion operators which is then weighted to reflect the relevant centre's overall impact on shopping patterns:

'The score attached to each operator is weighted to reflect their overall impact on shopping patterns. For example, anchor stores such as John Lewis, Marks & Spencer and Selfridges receive a higher score than other unit stores. The resulting aggregate score for each venue is called is VENUESCORE.'

3.6.3 Operators are differentiated into different classes: at the top of the hierarchy sit Premier Department Stores (e.g. Harrods, Selfridges in London), down to the bottom tier of Other Multiple Retailers (e.g. 99p Stores, Carphone Warehouse and Clarks). The classifications include both comparison and convenience retailers.

3.6.4 In terms of geographical areas that comprise the definitions, it is important to note that the centres identified below do not include the retail park offer which is scored as a separate venue. However, it should be borne in mind that the geographical area used for the town or city centre is unlikely to coincide with the adopted primary shopping areas or equivalent destination e.g. in the case of Melton Mowbray, it is likely that the edge-of-centre offer including Morrisons and Pets at Home will be included within the score attributed. This is constant across all the centres and as such, as a comparison tool, it is still considered useful.

Table 3.4 – VENUESCORE ranking of Melton Mowbray and competing centres

Town centre	Market position	Venuescore rank 2006	Venuescore rank 2014	Change
Nottingham	Upper Middle	7	7	-
Leicester	Middle	14	17	-3
Newark	Middle	181	170	+11
Loughborough	Lower Middle	181	188	-7
Grantham	Middle	181	211	-30
Melton Mowbray	Middle	291	293	-2
Stamford	Upper Middle	352	394	-42
Thurmaston	Middle	1,946	824	+1,122
Oakham	Upper Middle	1,357	1,313	+44

Source: Javelin 2014/15

3.6.5 In spite of the polarisation trend amongst town centres, it is noted that Melton Mowbray's ranking is largely unchanged from its 2006 position. This is in contrast to Grantham and Stamford which have experienced more significant falls. Oakham and Newark have both improved their ranking. In relation to the larger centres of Nottingham and Leicester, both continue to be ranked within the top 20 destinations nationwide, albeit Leicester has experienced a slight fall in the rankings.

3.6.6 This section provides a brief market profile of the surrounding network of centres that exert influence over shopping and leisure patterns in Melton Borough, principally Leicester, Nottingham, Grantham, Oakham and Thurmaston (Figure 3.1).

Leicester

3.6.7 Leicester city centre is identified as a sub-regional centre in its Core Strategy. Leicester has both a strong comparison and leisure offer.

3.6.8 Highcross Leicester and the Haymarket Shopping Centre are the principal comparison shopping destinations in the city centre. Highcross includes 120 stores and is anchored by House of Fraser, Debenhams and John Lewis in addition to a number of high-end stores. Haymarket is an older centre with a slightly more down market offering. The centre includes 65 stores and is anchored by H&M, TK Maxx and Primark.

3.6.9 In keeping with a centre of its size, Leicester city centre does not contain any large supermarkets but instead has a number of smaller ‘metro’ supermarkets.

3.6.10 The city centre has a good provision of cinemas and theatres. This includes the 12-screen showcase cinema at Highcross Leicester, the Phoenix Cinema and Art Centre, the Curve Theatre and the Little Theatre. Similarly, Leicester has a strong restaurant offer including national operators Nandos, Carluccios, Byron, Zizzi’s, Café Rouge and Ask Italian. The family leisure offer is complemented by the Hollywood Bowl at Harvester Meridian Park. The bingo and casino offer includes Mecca Bingo and Gala Bingo.

3.6.11 Outside the city centre, there are number of retail parks supplement the retail and leisure attraction of the city centre as summarised in the table below.

Table 3.5 – Leicester retail park offer

Leisure/ Retail Park	Main Retailers/Operators
Fosse Shopping Park	Gap, Next, New Look, Carphone Warehouse, dfs, Oak Furniture Land, Argos, Next Home, Sofa Works, Sports Direct, Gap, M&S, Currys PC World, Boots and WH Smith
Meridian Leisure Park	Nandos, Pizza Hut, Bella Italia, Harvester, Vue, David Lloyd, Hollywood Bowl
St George’s Retail Park	B&Q, Currys/PC World, Aldi, Toys R Us
Regent Place Retail Park	ScS, Currys/PC World, Carpetright
Devonshire Road	B&Q
Abbey Retail Park	Carpertright, Halfords, The Range

Source: PBA desktop research

Nottingham

3.6.12 As with Leicester city centre, Nottingham city centre functions as a regional centre with a wide catchment. The primary retail destinations are the Victoria Centre with and the Broadmarsh Centre. The comparison offer is strong, albeit focused in the Victoria Centre, which has 120 stores and includes anchor stores John Lewis and House of Fraser. The Victoria Centre, together with the smaller Broadmarsh Centre (55 units) are both operated by Intu who are currently bringing forward plans to redevelop both centres. Intu’s planned £150 million redevelopment of the Broadmarsh Centre includes additional cafes and restaurants, a new

cinema and a reduction of the retail floorspace has recently been granted planning permission. Cosmetic improvements to Victoria Centre are currently underway with further redevelopment works subject to planning permission. An improvement in Nottingham's retail ranking over the coming years would not be expected.

3.6.13 The leisure offer in the centre is strong with a wide variety of restaurants and family entertainment venues. National restaurant operators present include Prezzo, Bella Italia, Pizza Hut, and Gourmet Burger Kitchen. In terms of cinemas, the city centre has a Cineworld multiplex cinema as well as smaller art house venues such as Screen 22, Savoy Cinema and Broadway Cinema. Theatre provision is good and includes the Lace Market Theatre, Nottingham Playhouse and the Nottingham Arts Centre. Finally, bowling facilities are provided at the out of centre Tenpin Nottingham along Clifton Boulevard. As with Leicester, Nottingham is popular destination for bingo and gambling. Operators include Gala Bingo and Mecca Bingo as well as the Alea Casino.

3.6.14 As with Leicester, there are a large of out-of-centre retail parks that draw trade from the study area, namely:

Table 3.6 – Nottingham retail park offer

Leisure/ Retail Park	Main Retailers/Operators
Victoria Retail Park	Argos, B&Q, Boots, Carphone Warehouse, Halfords, Oak Furniture Land, Pets at Home, TK Maxx
Castle Park Industrial Estate	American Golf
Mansfield Road/Radford Retail Park	Wickes, B&Q, Homebase, Currys PC World, B&M Bargains, Carpetright, Pets at Home, Carphone Warehouse
Queen's Drive	Homebase
Riverside Retail Park	B&Q, Argos, Next, Toys R Us, Outfit, Boots
Giltbrook Retail Park	BHS, Ikea, Mamas & Papas, Next Home, Laura Ashley Home, Harveys, Next, Nandos, Pizza Express, Escape Family Entertainment Centre
Castle Marina Retail Park	Furniture Village, Carpet Right, dfs, Mothercare, Currys, Harveys, Homesense
Lady Bay Retail Park	The Range, Staples, Hobbycraft, Carphone Warehouse, Poundworld, SCS

Source: PBA desktop research

Grantham

3.6.15 Grantham is the main shopping centre in South Kesteven and serves residents from across that district, as well as exerting influence on the northern part of Melton Borough. The centre has a good comparison retail offer. Grantham has several smaller shopping centres within the town centre such as the Isaac Newton Centre and the George Centre. While the town centre has a few national multiples, retailers such as Sports Direct, TK Maxx and Matalan are located in edge of centre retail parks such as St Augustin Retail Park.

3.6.16 The leisure offer in Grantham is adequate. There are no national restaurant operators in the centre although the diversity of independent restaurants appears to be good. The family

leisure offer is limited to one cinema: the Reel Cinema and the ten-pin bowling offer provided by Grantham Bowl.

Table 3.7 – Grantham retail park offer

Leisure/ Retail Park	Main Retailers/Operators
Dysart Retail Park	Currys/PC World, TK Maxx, Matalan and Homebase
Grantham Retail Park	B&Q, Trade Point
London Road Retail Park, Grantham	Carpentryright, Poundstretcher and Laura Ashley.
Gonerby Road	Wickes, dfs
Augustin Retail Park	Next, Pets At Home, Home Bargain, Pets at Home

Source: PBA desktop research

Oakham

- 3.6.17 Oakham is designated as a main town centre in the Rutland Core Strategy. The centre is the main retail destination for Rutland. Oakham has a lower proportion of national multiple retailers with the retail offer mostly consisting of independent retailers. A large Tesco superstore is located at the edge of the centre. Retailing is mostly focused around the High Street and its surrounding streets. The retail offer in Oakham generally meets the day-to-day requirements of the residents with some niche and higher-end comparison retail function.
- 3.6.18 In terms of leisure provision, Oakham has a good number of independent restaurants. There are no cinemas or theatres in the centre. Whilst there overall offer in Oakham is more limited than other competing centres, because of its location on the fringe of the study area, it is expected to draw retail and leisure users from Melton Borough.

Thurmaston

- 3.6.19 Thurmaston is designated as a local centre in the draft Charnwood Core Strategy. However, it is in effect a purpose-built large-format retail park which elevates Thurmaston's functional significance in the local retail geography. National retailers present in the centre include Sports Direct and TK Maxx. The comparison offer is complemented by a large Asda superstore. The dining offer is limited to handful restaurants in the retail park. There are no family entertainment venues in the centre.

3.7 Summary and implications

- 3.7.1 Melton Mowbray is the most significant centre within the Borough. Although it is performing well against many of the PPG key indicators, the town centre lacks anchor retailers that will drive footfall and mean that people choose to shop in Melton Mowbray over the larger centres located outside the Borough.
- 3.7.2 There is huge potential in the town to harness the footfall drawn to the cattle market and convert this into expenditure within the centre. Furthermore, the centre itself is attractive and largely well kept. The town is attracting inward investment, in the form of the development of Sainsbury's and Lidl stores; however, both these investments are located outwith the main shopping area of the centre.
- 3.7.3 Although the out-of-centre offer is relatively limited, it is notable that the convenience offer is almost entirely located outside the main town centre and has been further enhanced by the opening the new Lidl. The focus of the town centre offer is therefore on comparison and service goods and is likely to remain this way.
- 3.7.4 The town centre competes for comparison and leisure expenditure with a number of higher and similar-order centres, as well as the out-of-centre offers associated with those towns. The

limited presence of national multiples and the predominantly lower value orientation of the comparison offer in the town means that it is currently losing shoppers and expenditure that could feasibly look to Melton Mowbray to meet their retail and leisure needs.

- 3.7.5 Given the trends identified in terms of polarisation of town centres, the implications for Melton Mowbray need to be carefully considered to ensure that the vitality and viability of the centre does not decline. This will shape the policy recommendations for the centre.
- 3.7.6 Asfordby and Bottesford provide much more localised shopping and service functions. Bottesford clearly provides a more significant role to local residents. This is in part due to its location, and the fact that Asfordby is located relatively close to Melton Mowbray, thus limiting its function. Both are considered to be operating at a healthy level relative to their functions, albeit Asfordby would benefit from some environmental improvements.
- 3.7.7 In relation to the other centres, the level of provision is very limited such that they cannot be considered to be more than very localised rural service centres.

4 Retail spending patterns review

4.1 Introduction

- 4.1.1 This section sets out where residents in Melton Borough are currently undertaking their spending on convenience (food) and comparison (non-food), establishing how much is spent at centres in the Borough and how much 'leaks' to destinations further afield. This section also sets out the study area which has been used as the basis of our assessment, and assesses the extent of growth in spending on retail goods which can be expected to come forward over the course of the study period. Leisure usage patterns and expenditure growth are considered separately in Section 5.
- 4.1.2 A schedule of the relevant inputs and assumptions is contained at Appendix D.

4.2 Household survey and definition of the study area

- 4.2.1 The findings of this section are informed by a household telephone survey of shopping and leisure patterns, which was undertaken by NEMS Market Research in May 2015. The NEMS survey data is provided in full at Volume 3 to this study. The approach to these studies is described in full below.
- 4.2.2 In order to establish where residents in different parts of the Borough are currently undertaking their retail and leisure spending, it is necessary to firstly define a study area; and secondly to split this study area into zones in order for a sufficiently fine-grain of analysis of spending patterns to be provided.
- 4.2.3 The study area was defined with reference to the administrative boundary of the Borough and also had regard to the shopping patterns derived from the 2008 household survey that underpinned the 2011 Retail Study. The survey comprised 800 households and included questions on convenience and comparison shopping, commercial leisure use and a number of qualitative questions on residents' views of the main centres in the Borough.

4.3 Population and expenditure growth

- 4.3.1 Tables 1-5 (Appendix E) set out population and retail expenditure growth in the study area across the period to 2036. These are presented on a zone-by-zone basis, as well as providing overall figures of the whole study area.

Table 4.1 – Population growth summary

Year	Population	Population growth from 2015
2015	67,099	-
2016	67,636	537
2021	70,385	3,286
2026	73,245	6,147
2031	76,223	9,124
2036	79,321	12,222

Source: Table 1 Appendix E

- 4.3.2 Table 4.2 provides a summary of overall levels of per capita and study area-wide convenience spending growth across the study period. This includes the allowance made for special forms of trading (SFT), based on the rates set out in Experian Retail Planner Briefing Note 12.1 (ERPBN). Excluding SFT, the level of convenience expenditure is expected to grow by £43m over the study period.

Table 4.2 – Convenience expenditure growth summary

Year	Convenience expenditure per capita	SFT per capita	Convenience expenditure per capita exc. SFT	Convenience expenditure exc. SFT (£M)
2015	£2,202	£72	£2,129	£142.88
2016	£2,210	£86	£2,125	£143.72
2021	£2,278	£136	£2,142	£150.76
2026	£2,347	£171	£2,176	£159.40
2031	£2,418	£233	£2,185	£166.52
2036	£2,491	£152	£2,339	£185.57

Source: Tables 2 & 3 Appendix E

- 4.3.3 Table 4.3 provides an equivalent summary for comparison goods expenditure. Again, appropriate allowance is made for SFT and, excluding that element of expenditure, a £275m increase in comparison goods expenditure is forecast.

Table 4.3 – Comparison expenditure growth summary

Year	Comparison expenditure per capita	SFT per capita	Comparison expenditure per capita exc. SFT	Comparison expenditure exc. SFT (£M)
2015	£3,763	£487	£3,277	£219.86
2016	£3,880	£539	£3,341	£225.95
2021	£4,520	£780	£3,740	£263.22
2026	£5,317	£952	£4,365	£319.70
2031	£6,254	£1,195	£5,058	£385.57
2036	£7,356	£1,118	£6,238	£494.78

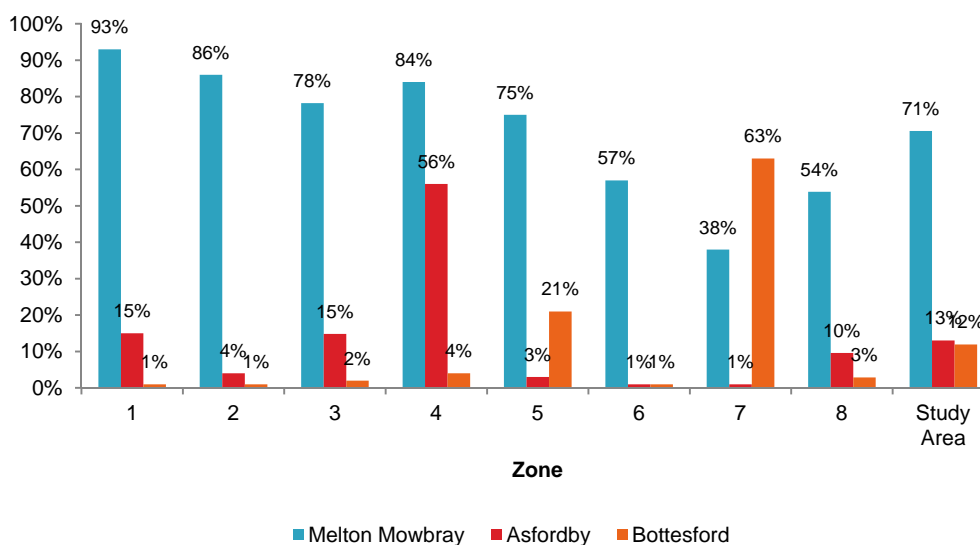
Source: Tables 4 & 5 Appendix E

4.4 Existing shopping patterns

- 4.4.1 The household survey includes a number of detailed questions on convenience and comparison shopping patterns, the results of which are reviewed in further detail below. However, to provide context, it is useful to understand the overall level of attraction exerted by Melton Mowbray, Asfordby and Bottesford on the study area.
- 4.4.2 Figure 4.1 records the percentage of residents, on a zone-by-zone basis (Figure 3.1 and Appendix B), that regularly visit any of the three centres for either shopping, leisure or work. It shows the dominant role of Melton Mowbray across the study area, albeit with more limited influence in the peripheral zones (6, 7 and 8).

- 4.4.3 Bottesford exerts greater influence over Zone 7 residents than Melton Mowbray; however, its overall attraction in the study area is limited to its home zone and to a lesser extent, Zone 5. Asfordby, which has slightly greater influence in the study area as whole than Bottesford, draws from a larger number of zones; however, its influence in its home zone is clearly limited by the attraction of Melton Mowbray.
- 4.4.4 In contrast to Melton Mowbray, neither smaller centre can be considered to have significant influence or attraction over the study area as a whole.

Figure 4.1 – Penetration of main centres within the study area



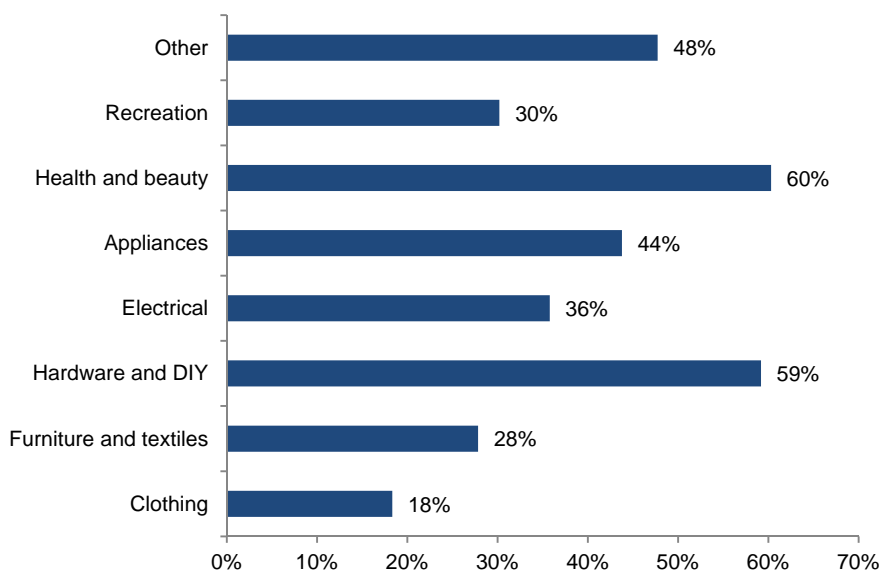
Source: NEMS household survey 2015 (Q32, 33 & 34) Volume 3

- 4.4.5 With regard to the smaller centres and villages, a further question sought to establish the level of usage/attraction (Q35). Of the 25% that did regularly visit the other villages, only 40% of those identified are located within the Borough. As such, the role these other centres play in the Borough as a whole is very limited, with none receiving regular visits from more than 2% of the overall study area population.

Comparison goods shopping patterns

- 4.4.6 The household survey identifies where residents in the study are currently undertaking their shopping. In relation to each comparison goods category, the survey includes a response for the last and penultimate location visited. To establish an overall market share, the last and penultimate locations have been weighted equally. Figure 4.2 below shows Melton Mowbray's comparison shopping attraction by goods category.

Figure 4.2 – Melton Mowbray stores comparison market share by goods category



Source: NEMS household survey results

4.4.7 More detailed analysis on a zone-by-zone basis is provided in Appendix F. The key trends that can be observed from these shopping patterns are as follows:

- Zones 1 to 5 represent Melton Mowbray's core comparison catchment.
- Although Melton Mowbray has a degree of influence, Zones 6 to 8 look primarily to locations outside Melton Borough.
- Clothing and footwear: even in the core zones, the highest level of retention in Melton Mowbray is less than a third of total market share.
- Furniture and textiles: the majority of shoppers in the study area do not look to Melton Mowbray but instead travel to locations outside the study area. Retention in the core zones is between 27% and 47%.
- DIY, electricals and appliances: reflecting the relatively limited offer in Melton Mowbray, whilst the town does attract a reasonable level of market share in all categories, the competing offer in Grantham and Leicester particularly reduces the overall level of retention.
- Health and beauty: Melton Mowbray retains the majority of study area market share and is dominant in the core zones. This is unsurprising given the role of foodstores in selling health and beauty products and the offer available in Melton Mowbray.
- Recreation: Melton Mowbray exerts most influence in Zones 1, 2 and 4-6 (29%-45%)
- Other comparison goods: Melton Mowbray retains c. 60% of market share in the core zones but has virtually no influence in Zone 7.

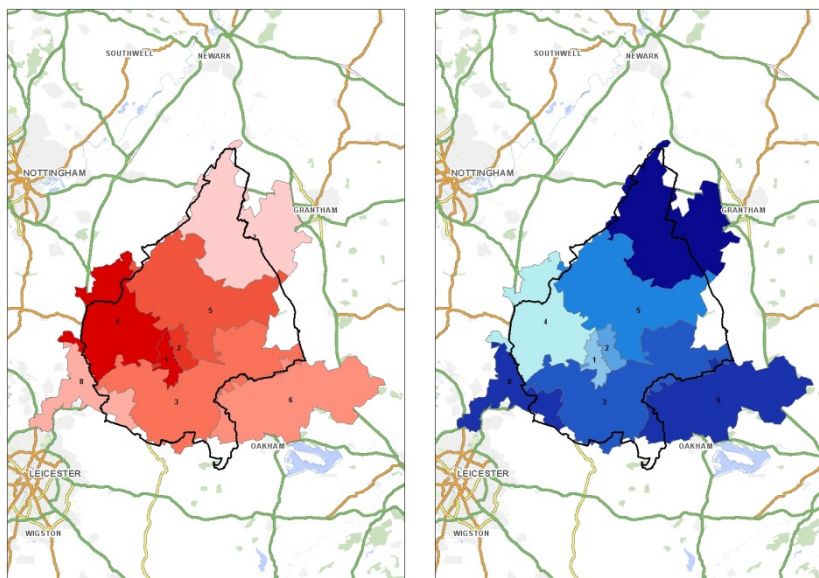
Convenience goods shopping patterns

4.4.8 The household telephone survey also assessed patterns of convenience goods shopping across the study area. Convenience goods shopping is generally a more localised activity, although residents are sometimes prepared to travel further afield if they have preference for a

particular supermarket brand. A plan of foodstore provision in the Borough is provided at Appendix G.

- 4.4.9 Figures 4.3 shows the main food market shares of Melton Mowbray stores, as well as leakage from the study area. Zones 1 to 5 constitute the core catchment in main food shopping terms, whereas the proximity of Zone 6 to Oakham, Zone 7 to Grantham and Zone 8 to Leicester means that Melton Mowbray exerts limited influence on main food shopping patterns.

Figure 4.3 – Main food convenience goods market shares



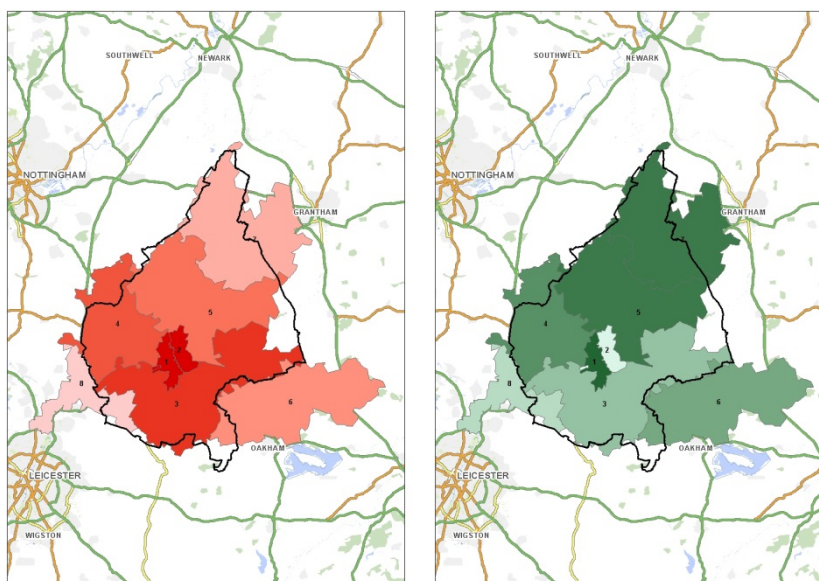
Main food market shares	1	2	3	4	5	6	7	8	Total
Melton Mowbray stores	81%	77%	66%	80%	75%	22%	12%	17%	58%
Leakage from Melton Borough	14%	21%	32%	13%	24%	60%	85%	69%	36%

Source: NEMS household survey 2015 Q1&2 Volume 3

- 4.4.10 Figure 4.4 (left) shows the role Melton Mowbray stores plan in attracting top-up shopping market share. Whilst the level of retention in Zones 1 and 2 is very similar to that of main food shopping patterns, reflecting the availability of more alternative locations in the villages, a lower proportion of top-up market share is derived from Zones 3 to 5. As with main food shopping, the influence of Melton Mowbray on the peripheral zones is very limited.

- 4.4.11 In relation to the use of small local shops, Figure 4.4 (right) shows retention on a zone-by-zone basis. It should be noted that Zone 2 is skewed by the allocation of small stores in Melton Mowbray to Zone 1; in reality, the zones function together and the level of retentions is comparable. Whilst Zones 3, 6 8 only retain a limited proportion of small local shop spending which is likely to flow to Melton Mowbray, Oakham and Leicester respectively, local shops in Zones 4, 5 and 7 (notably Asfordby, Long Clawson, Harby and Bottesford) can be seen to play a more significant role.

Figure 4.4 – Top-up retention in Melton Mowbray and local shops retention by zone



	1	2	3	4	5	6	7	8	Total
Top-up retention in Melton Mowbray	90%	81%	67%	55%	52%	10%	8%	4%	57%
Local shop retention in zone	98%	0%	20%	35%	46%	30%	54%	16%	

Source: NEMS household survey 2015 Q7, 8 and 11 Volume 3

4.5 Retail spending patterns

4.5.1 To establish spending patterns in the study area, composite convenience and comparison goods market shares have been derived from the specific categories or types of shopping identified above. These percentages are converted to monetary values by applying the total comparison and convenience expenditure figures shown in Tables 3 and 5 (Appendix E).

Comparison goods

4.5.2 Experian provides comparison expenditure by goods category. By deriving the split of expenditure for the study area across the different comparison goods categories, composite comparison goods market shares have been generated (Table CM1 Appendix H). Tables CM2-7 (Appendix H) converts these shares to monetary values by applying the total comparison expenditure generated for the study area (Table 5 Appendix E).

4.5.3 Table 4.4 below summarises the most popular comparison shopping destinations, on a zone-by-zone basis, as well as in relation to Melton Borough (Zones 1-5 and 7) and the study area as a whole. Given the nature of the study area and the close relationship of Zones 1 and 2 as comprising Melton Mowbray built-up area, local retention has been expressed with reference to the combined zones.

Table 4.4 – Main comparison shopping destinations by zone (2015)

Zone	Main stores/locations	MBC retention	Melton Mowbray town centre retention
1	1. Melton Mowbray (44%) 2. Leicester (17%) 3. Thurmaston (11%)	50%	44% / £16.8m

Zone	Main stores/locations	MBC retention	Melton Mowbray town centre retention
2	1. Melton Mowbray (41%) 2. Leicester (19%) 3. Nottingham (10%)	51%	41% / £14.4m
3	1. Melton Mowbray (35%) 2. Leicester (17%) 3. Nottingham (8%)	44%	34% / £6.9m
4	1. Melton Mowbray (29%) 2. Leicester (17%) 3. Nottingham (15%)	35%	29% / £6.4m
5	1. Melton Mowbray (27%) 2. Nottingham (25%) 3. Grantham (11%)	34%	27% / £6.4m
6	1. Oakham (27%) 2. Melton Mowbray (14%) 3. Peterborough (11%)	-	14% / £4.5m
7	1. Grantham (46%) 2. Nottingham (22%) 3. Grantham out-of-centre stores (12%)	5%	3% / £1.0m
8	1. Leicester (31%) 2. Leicester out-of-centre stores (15%) 3. Thurmaston (14%)	-	13% / £2.0m
Melton Borough (1-5 & 7)	1. Melton Mowbray (30%) 2. Leicester (14%) 3. Nottingham (14%)	37%	30% / £52.0m
Study area	1. Melton Mowbray (28%) 2. Leicester (15%) 3. Nottingham (11%)	-	28% / £61.8

Source: Tables CM 1&2 Appendix H

4.5.4 Melton Mowbray is the most popular destination across the study area as a whole, as well as for the Borough. However, the level of market share achieved is not at such a level that it could be construed as dominant in the study area. Within the core zones, retention within the Borough as a whole ranges between 34% and 51%, with Melton Mowbray accounting for the majority of this retention in every instance.

4.5.5 However, it is evident that Leicester, Nottingham, Grantham and Oakham exert influence over the Borough and study area more widely which serve to limit the degree of retention.

Convenience goods

4.5.6 Based on spending patterns for main food and top-up shopping and the use of small local shops derived from responses to convenience expenditure questions posed in the household survey, composite convenience market shares and spending patterns have been derived (Table CN1 Appendix H). Table 4.5 below summarises the most popular convenience shopping destinations on a zone-by-zone basis.

4.5.7 Convenience spending tends to be more localised than comparison shopping spending. As such, identifying local retention on a zone-by-zone basis (i.e. the money generated within that zone and also spent within the same zone) is a useful analysis tool in understanding convenience expenditure patterns. This is shown the second column in Table 4.11. Given the nature of Zones 1 and 2 as comprising the built-up area of Melton Mowbray and effectively bisecting the town centre, these two zones are considered together.

Table 4.5 – Main convenience goods shopping destinations by zone

Zone	Local retention	Main stores/locations	Share/turnover (2015)
1	81%	1. Morrisons, Melton Mowbray 2. Sainsbury's, Melton Mowbray 3. Tesco, Melton Mowbray	34% / £9.5m 20% / £5.6m 10% / £2.8m
2		1. Morrisons, Melton Mowbray 2. Tesco, Melton Mowbray 3. Sainsbury's, Melton Mowbray	26% / £6.3m 21% / £5.2m 16% / £4.0m
3	2%	1. Sainsbury's, Melton Mowbray 2. Tesco, Melton Mowbray 3. Morrisons, Melton Mowbray	21% / £2.6m 15% / £1.9m 15% / £1.8m
4	7%	1. Sainsbury's, Melton Mowbray 2. Morrisons, Melton Mowbray 3. Tesco, Melton Mowbray	26% / £3.9m 22% / £3.3m 14% / £2.1m
5	7%	1. Tesco, Melton Mowbray 2. Sainsbury's, Melton Mowbray 3. Grantham stores	29% / £4.2m 21% / £3.1m 9% / £1.4m
6	22%	1. Tesco, Oakham 2. Co-op, Oakham 3. Stamford stores	28% / £5.5m 18% / £3.6m 15% / £3.1m
7	14%	1. Grantham stores 2. Newark stores 3. Co-op, Bottesford	64% / £13.5m 6% / £1.2m 5% / £1.1m
8	2%	1. Syston stores 2. Leicester stores 3. Sainsbury's, Melton Mowbray	35% / £3.0m 15% / £1.3m 7% / £0.6m
Melton Borough (1-5 & 7)	69%	1. Morrisons, Melton Mowbray 2. Sainsbury's, Melton Mowbray 3. Grantham stores	20% / £23.0m 17% / £19.8m 15% / £17.0m
Study area	64%	1. Morrisons, Melton Mowbray 2. Sainsbury's, Melton Mowbray 3. Tesco, Melton Mowbray	18% / £24.3m 16% / £22.1m 12% / £17.8m

Source: Tables CN 1&2 Appendix H

4.5.8 It is evident that the edge- and out-of-centre Melton Mowbray stores are dominant in Zones 1 to 5 but play a less significant role in the outer zones of the study area. In those outer zones, the proximity to competing centres outside the Borough and study area means that Oakham

(Zone 6), Grantham (Zone 7), Leicester and Syston (Zone 8) attract greater levels of convenience expenditure.

- 4.5.9 It is notable that the village centres play a very limited role in overall convenience goods spending, such that, in the inner study area zones, it is the Melton Mowbray stores that are meeting the majority of convenience shopping needs.

4.6 Summary

- 4.6.1 This section has identified where study area residents currently undertake their convenience and comparison shopping. It is clear from the above that Zones 1 to 5 constitute Melton Mowbray's core catchment in relation to both convenience and comparison goods shopping patterns. With the exception of Zone 7, which looks primarily to Grantham for its shopping needs, this reflects the Borough's administrative boundary.

5 Retail needs assessment

5.1 Introduction

- 5.1.1 Based on these retail spending patterns identified in the section, this section of the study sets out the qualitative and quantitative need for additional retail floorspace in the Borough across the study period.
- 5.1.2 It must be emphasised that capacity forecasts should, in line with the PPG, be subject to regular review throughout the plan period, in order to ensure an up-to-date evidence base which is based on accurate economic and market trends. PBA also advise that longer-term quantitative forecasts set out in this assessment (post-2021) should be treated as indicative.

5.2 Quantitative methodology

- 5.2.1 A summary of the quantitative methodology is provided in Appendix I of this report. However, the key inputs and assumptions are explained below, following on from the baseline population, expenditure and market share data presented in the previous section.

Retained expenditure

- 5.2.2 The quantitative need forecasts are derived from the total amount of comparison and convenience goods expenditure which is retained within the Borough (Zones 1-5 and 7). Table 5.1 sets out the total amount of expenditure retained within the study area, Melton Borough and also presents an allowance for inflow to Melton Borough, based on the study area zones that lie outwith the administrative boundary.

Table 5.1 – Summary of expenditure retention in the study area and Borough (2015)

	Available expenditure within study area (£M)	Expenditure retained within study area	Expenditure retained within study area (£m)	Expenditure retained within Melton	Expenditure retained within Melton (£m)	Inflow to Melton (£m)
Comparison goods	£219.9m	34%	£75.5m	37%	£63.7m	£7.6m
Convenience goods	£142.9m	64%	£89.7m	69%	£79.1m	£5.5m

Source: Tables CN9 & CM8 Appendix H

- 5.2.3 It is assumed that convenience and comparison goods market shares will remain constant across the study period.

Claims on expenditure

- 5.2.4 As set out in the previous section, SFT such as online shopping has been removed from the baseline expenditure forecasts, in line with current forecasts of growth in this sector set out in Experian's Retail Planner Briefing Note 12.1. The total expenditure figures summarised in Tables 4.2 and 4.3 make allowance for this.
- 5.2.5 In addition to SFT, account needs to be taken of commitments for new retail floorspace (schemes implemented but not yet trading at the time of the household survey, or extant

planning permissions which would result in additional retail floorspace) ; and sales density growth (which is the growth in turnover for existing retailers within the study area).

Commitments to new floorspace

- 5.2.6 The commitments that have been identified by MBC and are taken account of in the quantitative need assessment are identified in Table 5.2 below. All are located in Melton Mowbray but in edge- or out-of-centre locations.

Table 5.2 – Retail commitments

	Net sales area	Convenience net sales area	Comparison net sales area
Lidl, Scalford Road	1,193 sqm	954 sqm	239 sqm
Discount foodstore, Burton Street	1,286 sqm	1,093 sqm	193 sqm
Retail units, King Street	160 sqm	80 sqm	80 sqm
Retail units, Norman Way	363 sqm	182 sqm	182 sqm

Source: floor areas derived from planning application documents. For the Norman Way and King Street permissions, it was assumed that the net floorspace would be split equally between convenience and comparison goods.

Sales density growth

- 5.2.7 Sales density growth (floorspace productivity or efficiency growth) is the amount of expenditure which is 'ring fenced' for existing floorspace to improve its turnover each year. Allowances for sales density growth are linked to expenditure growth; expenditure growth rates of 1.5% and 0.3% per annum have been used for the period from 2016 onwards. Because of the low level of expenditure growth forecast up to 2016, no allowance for improvement in densities is made in the first year of the study.
- 5.2.8 Although different types of floorspace will have different abilities to absorb expenditure growth, with more modern floorspace being more able to accommodate growth than more historic floorspace. However, given there is a mix of floorspace types within the Borough, this average approach is considered to be robust.

Under/overtrading floorspace

- 5.2.9 The benchmark turnover is the turnover the store would be expected to achieve if trading at company average turnover per sqm rates. Overtrading refers to the performance of centres and stores within a catchment in relation to the expected benchmark turnovers. Overtrading can also be assessed through qualitative indicators such as overcrowding and congestion in stores. As such, overtrading is both a quantitative and qualitative indicator of need. Although benchmarking is reliant on the use of operator average data in terms of the split between convenience and comparison goods floorspace within the stores (except in some stores where we have adjusted this based on our site visits to stores), and is based on national average sales densities, it nevertheless provides a robust, and industry-accepted, method of assessing current trading performance.
- 5.2.10 Quantitatively, for comparison goods floorspace, it is not considered appropriate to make any allowance for any over or undertrading. This is primarily because comparison floorspace is

generally less susceptible to the physical manifestations of overtrading such as congestion on the shop floor, out-of-stock items and queuing and is more able to absorb growth. This is also evident in the higher level of sales efficiency growth set out earlier in this section.

- 5.2.11 Table CN8 compares the implied turnover of foodstores within the study area against company average benchmark turnover. This indicates that almost all of the foodstores are trading at a level below company average. This is particularly pronounced in relation to the Sainsbury's store on Nottingham Road and the Co-op on Scalford Road, which are trading at less than 60% and 40% of benchmark respectively. The Morrisons and Tesco stores are also undertrading but this is less limited (86% and 92% respectively).
- 5.2.12 It is noted that the previous Retail Study also recorded significant undertrading in the Co-op store. Since that study was undertaken, the Sainsbury's store has opened; whilst this has had an impact on the Morrisons, Tesco and Co-op stores, their turnover performance is not discernibly different to the levels achieved prior to that store opening. In relation to the Sainsbury's store itself, it has been open less than two years; it is therefore questionable whether trading patterns for the store have reached maturity.
- 5.2.13 In relation to Asfordby and Bottesford, the in-centre Co-op stores are trading either broadly in line with benchmark level or exceeding benchmark levels.

5.3 Comparison goods need

- 5.3.1 Table CM8 draws together the sets out the comparison needs identified across the study period, expressed with reference to the adopted interval years of 2015, 2016, 2021, 2026, 2031 and 2036. It is structured as follows:

Table 5.3 – Comparison need step-by-step

Row	Explanation/description
A&B	Total population and comparison goods expenditure available in the study area (£M)
C&D	Melton Borough population and comparison goods expenditure available (£M)
E&F	Proportion of comparison goods expenditure which is retained within Melton Borough (£M & %). Market share held constant at 37% across the study period.
G	Comparison goods expenditure leakage from Melton Borough (£M), increasing from £109m in 2015 to £246m in 2036.
H&I	Inflow expenditure to Melton Borough derived from the study area zones outwith the boundary. Held constant at 12% across the study period.
J	Baseline comparison turnover of existing stores in Melton Borough (retained expenditure + inflow). Held constant at £71m over the study period.
K	Growth in retained expenditure based on constant market shares (initial surplus), growing to £57m by 2036
L-N	Claims on comparison goods expenditure as explained in Section 5.2: sales efficiency and commitments, growing from £3m in 2015 to £29m in 2036
O-Q	Residual comparison goods expenditure when deductions are made for claims (L-N)
R-T	Residual expenditure converted into floorspace need by applying a generic comparison sales density of £5,000 (grown across the study period to allow for sales efficiencies) and expressed in terms of net and gross floor areas

5.3.2 Following this process, Table CM8 identifies that there is no need in the period to 2021; however, after that, the following cumulative comparison goods floorspace requirements are identified for the rest of the study period:

- 2021: 950 sqm net/1,360 sqm gross
- 2026: 2,950 sqm net/4,220 sqm gross
- 2031: 5,030 sqm net/7,180 sqm gross
- 2036: 8,820 sqm net/12,600 gross

5.3.3 The floor space requirements presented above should be reviewed regularly over the study period to account for changes in a number of variables including revisions to national expenditure forecasts, improvements in competing destinations. Specifically, long-term projections beyond 2021 should be treated as indicative only.

5.4 Convenience goods need

5.4.1 As with comparison goods, Table CN9 draws together the convenience methodology to provide quantitative requirements over the study period over the interval years.

Table 5.3 – Convenience need step-by-step

Row	Explanation/description
A&B	Total population and convenience goods expenditure available in the study area (£M)
C&D	Melton Borough population and convenience goods expenditure available (£M)
E&F	Proportion of convenience goods expenditure which is retained within Melton Borough (£M & %). Market share held constant at 73% across the study period.
G	Convenience goods expenditure leakage from Melton Borough (£M), increasing from £30m in 2015 to £40m in 2036.
H&I	Inflow expenditure to Melton Borough derived from the study area zones outwith the boundary. Held constant at 5% across the study period.
J	Baseline convenience turnover of existing stores in Melton Borough (retained expenditure + inflow). Held constant at £82m over the study period.
K	Growth in retained expenditure based on constant market shares (initial surplus), growing to £26m by 2036
L-N	Claims on convenience goods expenditure as explained in Section 5.2: sales efficiency and commitments, growing from £12m in 2015 to £19m in 2036
O-R	Residual convenience goods expenditure when deductions are made for claims (Rows L-N) and foodstore trading performance (Table CN8)
S-U	Residual expenditure converted into floorspace need by applying a generic convenience sales density of £12,500 (grown across the study period to allow for sales efficiencies) and expressed in terms of net and gross floor areas

5.4.2 Based on the above, a negative residual expenditure figure is identified in 2015 and remains negative across the study period. As such, there is no quantitative requirement for further floorspace.

5.4.3 This is for two key reasons: significant undertrading at existing stores to the order of £25m in 2015 and committed developments, namely the Lidl on Scalford Road and the discount foodstore on Burton Road. With regard to the latter, there is some question over whether this permission will ever be completed. Indeed, in securing planning permission for the store at Scalford Road, the Burton Road site was dismissed as a sequential alternative. Similarly, whilst there is interest from Aldi in securing representation in the town, this interest has been at the former ambulance station site. As such, it seems unlikely that a store will ever operate from the site in line with the approved scheme. However, even if this was excluded from the commitments, there would still be a substantial overprovision in convenience floorspace in the Borough.

5.5 Qualitative need

5.5.1 Both the NPPF and the PPG are silent on the weight to be attached to qualitative retail floorspace needs, and how such needs should be assessed. Whilst recognising that it has been formally revoked, PBA make reference to the guidance in the preceding CLG Practice Guidance, which advises that qualitative factors to take into account include:

- identifying gaps in local provision;
- consumer choice and competition;
- overtrading;
- location-specific issues; and,
- quality of existing provision.

5.5.2 These overlapping criteria are reviewed below with reference to qualitative comparison and convenience goods needs. The assessment is informed by the health check assessments of the town centres (Section 3 / Volume 2) and review of the current patterns of shopping (Section 4).

Qualitative comparison goods needs

5.5.3 Gaps in provision are ultimately subjective; what one particular shopper may consider a gap in provision may not be of particular concern to another. Ultimately, centres need to be able to meet as many day-to-day shopping needs of local residents as possible, to help minimise expenditure leakage and promote sustainable patterns of shopping.

5.5.4 Melton Mowbray town centre is not anchored by a key retailer and the number of key attractors are limited. As is evidenced by the footfall and car park usage surveys, the cattle market and street market are the key attractors to Melton Mowbray such that on non-market days, activity in the centre is markedly lower.

5.5.5 The retail offer of the centre is focused on the value end of the market (Argos, Wilko, Peacocks, Superdrug, Poundland) and these retailers are occupying the larger floorplate units within the centre. Overall, the supply of these larger units is limited; conversely there is an oversupply of small units which are subject to vacancies. This means that there are limited opportunities for higher-profile national retailers to take space within the town centre. This issue is compounded when it is considered that such retailers generally prefer to cluster so look for suitable adjacencies when looking to secure representation.

5.5.6 Given the nature of comparison retail in the centre being focused on the lower end of the market and the absence of 'quality' fashion retailers from the centre, it is inevitable that Melton Mowbray will lose a significant section of comparison expenditure to higher-order centres in the sub region. Whilst it is not suggested that Melton Mowbray should seek to retain all this

expenditure, given the size of the centre and the relative wealth of its catchment, it would be reasonable to expect it to have some offer in this section of the market. Furthermore, the absence of this offer means that the town centre fails to capture the full extent of potential visitor expenditure generated by the cattle market and wider role of the town as Rural Capital for Food.

- 5.5.7 Additionally, as is evidenced by the leakage of bulky goods expenditure, it is considered that there is a gap in this segment of the market which could be rectified in order to reduce that leakage to Grantham, Oakham, Leicester and Nottingham. However, any floorspace would need to be carefully controlled in order to ensure that there was no significant adverse impact on the town centre.
- 5.5.8 In light of the national retail trends outlined in Section 2 and since demand is linked to the quality of provision, PBA consider that Melton Mowbray's ability to attract new modern retailers will depend on improving both the quality of retail stock and upgrading the environment of the retail core. This will determine Melton Mowbray's ability to compete with larger comparison destinations such as Grantham, Nottingham and Leicester for comparison expenditure in the future.
- 5.5.9 The only managed shopping centre in Melton Mowbray is poorly configured and subject low footfall and high vacancies. It represents an opportunity within the town centre to enhance the offer.

Qualitative convenience goods need

- 5.5.10 As noted earlier, there are a number of convenience operators with representation at the edge-of and in out-of-centre locations in Melton Mowbray, such that three of the Big Four convenience operators have representation in the town, together with Co-op and the soon-to-open Lidl. This offer is significantly enhanced by the specialist offer within the centre and provided by the markets. It is therefore considered that the existing offer provides choice, competition and quality to local residents.
- 5.5.11 Furthermore, it is noted that this convenience floorspace is substantially undertrading, even without the opening of the new Lidl store.
- 5.5.12 With regard to location-specific issues, these are considered in Section 7 in relation to the planned SUEs which may justify some convenience provision.
- 5.5.13 As noted in Sections 2 and 3, the rural villages play some role in meeting convenience shopping needs. However, that role is limited, not least because of the available retail facilities in those villages. Although Waltham on the Wold and Long Clawson are currently afforded the same designation as Asfordby and Bottesford, it is evident that the role they play in meeting convenience needs is significantly more limited. This primarily relates to the limited nature of provision within those villages: effectively a small newsagent and (in the case of Long Clawson limited hours) Post Office counter.
- 5.5.14 However, in the case of Asfordby, it is also the case that proximity of the village to Melton Mowbray will inevitably diminish its ability to retain significant local-scale convenience expenditure; this should not be regarded as a qualitative deficiency, particularly when local transport links are taken into account. With regard to Bottesford, it is more remote in terms of proximity to competing larger centres (Grantham and Melton Mowbray); thus there is more scope to retain local convenience expenditure on day-to-day shopping. It is therefore unsurprising that the existing in-centre stores appear to trading well. Whilst this is not necessarily symptomatic of a qualitative gap in provision, it is considered that although no overall quantitative convenience need has been identified, if proposals were to come forward of an appropriate scale to enhance the retail offer, MBC should seek to support them.

- 5.5.15 In relation to the secondary rural service centres, Asfordby Hill and Frisby on the Wreake are both located in close proximity of both Asfordby and Melton Mowbray. As such, whilst their functions are inevitably limited, this is not considered to represent a qualitative deficiency because of ready availability of facilities in the nearby larger centres.
- 5.5.16 Wymondham does not currently attract any top-up shopping trips but plays a limited role in attracting 1% of study area-wide small shops expenditure (4% of available small shop spending from Zone 2 and a further 4% from Zone 3). Similarly, Somerby attracts less than 1% of overall top-up shopping expenditure (1% from its home zone), alongside a further 2% of small shopping expenditure (13% Zone 2 and 8% Zone 3). The corollary of this is that top-up and small shops expenditure is taking place elsewhere in the Borough (primarily Melton Mowbray) and also leaking to destinations outside the Borough.
- 5.5.17 It is considered that in qualitative terms, there is scope to enhance the convenience shopping offer provided within these villages, not least because of the relative lack of local provision at present in the southern and eastern parts of the Borough, in order to promote more sustainable shopping patterns. Having regard to the guidance in the NPPF on ensuring that local facilities are retained and allowed to modernise, and that local authorities should plan positively to support the provision of local shops and other community facilities, it is considered that MBC should, subject to ensuring the scale of provision is appropriate, support improvements to the day-to-day convenience retail offer.

5.6 Conclusions on retail need

- 5.6.1 With regard to comparison goods, quantitative need for further floorspace is identified from 2021 onwards. However, the way in which this floorspace is delivered must be considered carefully, particularly given the constraints imposed by the historic fabric of some parts of the town centre. The risk is that development will come forward outside the town centre and will divert expenditure from there, rather than attract new expenditure to Melton Mowbray.
- 5.6.2 Whilst the existing comparison offer is adequate, there are noted deficiencies in particularly the clothing offer. There is a requirement to improve the quality of retail stock within Melton Mowbray in order to provide the type of floorspace that modern, higher-quality comparison goods retailers would consider. Such additional retailers would enhance the attraction of the town centre as a destination. Improving the existing retail stock may include modernisation and reconfiguration of existing floorspace to provide modern large-footprint stores alongside the development of new modern large-footprint stores on suitable town centre opportunity sites. This could also resolve some of the problematic in-centre vacancies.
- 5.6.3 In quantitative terms, no requirement has been identified for further convenience floorspace in the Borough during the study period. The qualitative assessment identifies that, with the exception of the SUEs which are considered separately in Section 7, there are no gaps in convenience provision across the Borough. Applications for the development of additional convenience facilities should therefore be considered on their own merits and in accordance with relevant national planning guidance.
- 5.6.4 No quantitative need is identified in relation to the rural centres. In qualitative terms though, growth should be directed towards supporting, maintaining and, where possible, the modest enhancement of current village services and facilities, as part of the wider service offer across the Borough.

6 Commercial leisure need assessment

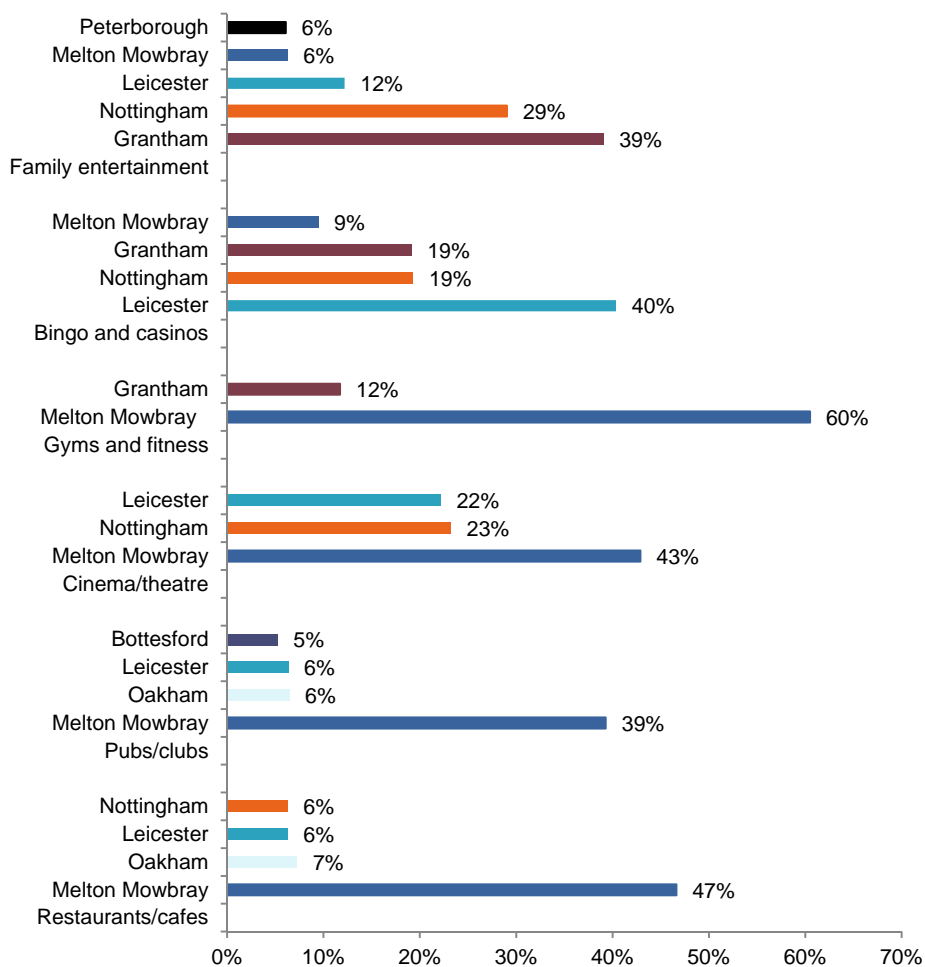
6.1 Introduction

6.1.1 This section provides a summary of the scope for additional commercial leisure and other town centre uses which can be supported in the Borough. The findings are informed by an assessment of the growth of expenditure on leisure goods spending which is expected to come forward in the study area over the period to 2036, supported by the findings of the household survey of shopping and leisure patterns. The comments set out in this section should be read in conjunction with the leisure capacity quantitative tables set out in Appendix J.

6.2 Household survey findings

6.2.1 The household survey included five questions on commercial leisure usage amongst respondents. Figure 6.1 below summarises the most popular destinations within the Borough (those achieving more than 5% of market share, as well as the locations outside Melton, for each leisure category. A description of each of the categories is provided overleaf.

Figure 6.1 – Leisure market shares across the Borough



Source: NEMS household survey Q36-42 (rebased to exclude don't know/don't do responses) Volume 3

- 6.2.2 In each category, Melton Mowbray (shown in dark blue) performs a role and it is the most popular destination for restaurant/cafes, pubs and clubs, cinema and theatres, and gym and fitness. The only other centre in the Borough that achieves any notable market share is Bottesford as a destination for those using the pubs in the village.
- 6.2.3 As with retail market shares, Melton Mowbray's role is most significant in the core Zones 1 to 5. The peripheral zones look more to locations outside the Borough such as Leicester, Nottingham, Oakham and Grantham. With regard to destinations outside Melton Borough, Grantham is the most visited destination for family entertainment (ten-pin bowling, ice skating, children's play centres etc.); Leicester for bingos and casinos.
- 6.2.4 However, it should also be noted that the figures above represent the study area as a whole; as set out in Table L1 (Appendix J), whilst Melton Mowbray accounts for 32% of retained spending in bars and pubs, the villages in the Borough account for a further 30%. Their role in meeting local leisure needs should not therefore be understated.

6.3 Methodology

- 6.3.1 Experian provide 2013-based per capita spending on the following key commercial leisure sectors:
- Accommodation services (e.g. hotels, room hire);
 - Cultural services (e.g. cinema, theatre, museums, TV subscriptions);
 - Games of chance (.e.g. lottery, bingo, bookmakers);
 - Hairdressing salons and personal grooming / beauty establishments;
 - Recreational and sporting services; and
 - Restaurants and cafes
- 6.3.2 By applying the per capita figure to the projected population (MBC SHMA-based growth) and expenditure growth (ERPBN) in the study area, the amount of total expenditure growth in each of these sectors can be identified. This is summarised in Table 6.1.

Table 6.1 - Summary of growth in commercial leisure sectors to 2036

Spending (£m)	2015	2021	2026	2031	2036
Accommodation services	9.87	11.07	12.29	13.65	15.15
Cultural services	24.87	27.91	30.98	34.39	38.18
Games of chance	11.14	12.50	13.88	15.41	17.10
Recreational & sporting services	8.49	9.33	10.36	11.50	12.77
Restaurants & cafes	79.47	89.20	99.02	109.91	122.01

Source: Table 7 Appendix E

6.3.3 Table 6.1 shows that the majority of growth will come forward in the restaurants and cafes sector, increasing by £42m over the study period. As with the retail sector, it is possible to assess patterns of commercial leisure spending through the household survey of spending patterns which was undertaken in support of this study. An estimate of the quantitative need for new food and drink (Class A3-5) floorspace can also be forecast.

6.4 Restaurants and cafes

6.4.1 Compared to retail, food and drink spending is much more mobile, due to the trend for people to travel longer distances to socialise based on qualitative factors, and because there are no constraints connected with transporting goods to the home. Table L1 (Appendix J) provides a summary of spending patterns for the two different types of food and drink spending, with adjustments made to market shares to exclude those who do not undertake this type of spending or did not know.

6.4.2 Table 6.2 sets out the extent of expenditure retention of the study area in terms of the different types of food and drink spending. The implied turnover is derived with reference to the available expenditure summarised in Table 6.1.

Table 6.2 – Retention of food and drink expenditure in Melton Borough 2015

	%	£M
Total available expenditure	100	£79.5
Total spent within Melton	60	£47.6m
Leakage	40	£31.6m

Source: Table L2 Appendix J

6.4.3 Given the nature of food and drink provision available in the competing centres outwith the Borough, the level of retention in Melton is considered to be reasonable. Furthermore, it is considered that this retention is likely to be enhanced by a level of inflow expenditure which PBA estimate at 15%, arising from Melton Mowbray's role as Rural Capital for Food.

6.4.4 Taking into account this inflow, PBA have provided food and drink forecasts which, as with retail forecasting, should be treated with some caution in the period after 2021. These are summarised below:

Table 6.3 – Indicative A3, A4 and A5 floorspace capacity over the study period

	2015	2021	2026	2031	2036
Requirement (sqm gross)	144	811	1,629	2,518	3,486

Source: Table L2 Appendix J

6.4.5 Whilst the need identified is modest in the short term and the health checks undertaken indicate that whilst provision in Melton Mowbray is adequate, it is focused at the lower end of the market. There is scope for qualitative improvements in the centre's offer to draw back expenditure that is currently leaving the town and also to maximise expenditure drawn in from visitors.

6.5 Cinema and theatre provision

- 6.5.1 Melton Mowbray has a cinema and theatre. Although leakage to cinemas and theatres in Nottingham and Leicester is not insignificant (23% and 22% respectively – Table L3 Appendix J), given the number and range available in these locations, the level of retention within Melton Mowbray (37%) is considered to be reasonable. Melton Mowbray has a small boutique cinema, the level of retention is considered to reflect the qualitative difference in the offer it provides relative to the choice and number available in the higher-order centres.
- 6.5.2 Cinema operators make use of ‘screen density’ in order to make decisions on expansion or where to locate. The population of Melton Borough is 67,099 and the Regal has one screen, equating to a screen density of 0.67 screens per 100,000 residents. The UK average is 6.0 screens per 100,000 people. Furthermore, as set out above, it is clear that local residents currently travel to a range of destinations outside the Borough indicating that there is scope for retaining more expenditure within Melton.
- 6.5.3 However, in considering whether there is any scope for further facilities, it is relevant to consider whether the market would support it. The cinema market is dominated by three major operators (Vue, Odeon and Cineworld), with ‘second-tier’ operators including Reel, Savoy and Premiere and ‘boutique’ operators such as Everyman and Curzon. Research by Savills⁵ indicates that the main three operators in the market are being more discerning in acquiring new sites, primarily opting to focus on larger markets or markets where there is limited competition, whereas the second tier and boutique operators are noted to be focusing on the qualitative difference in their offer to enable them to enter markets that the main players would not.
- 6.5.4 As such, it is unlikely that one of the main three operators would consider seeking representation in Melton Mowbray. Furthermore, having regard to the fact that the town already has a cinema within the centre which provides a qualitatively different offer to the multiplexes located in Leicester, Nottingham and Grantham, the potential of the market to deliver a further boutique or second tier multiplex cinema is limited.
- 6.5.5 In relation to Melton Mowbray, the level of growth forecast over the whole cultural services sector is relatively limited over the short to medium-term, taking into account the fact that the longer-term forecasts to the end of the study period should be treated as indicative only. Thus, whilst delivery of expanded cinema facilities would be likely to increase the level of retention i.e. reduce expenditure leakage from the Borough, it is considered that the market would be unlikely to support a new cinema coming forward.
- 6.5.6 The Regal is clearly performing well and is an asset to the town centre’s leisure offer. There is a concern that a competing cinema within the town or potentially in a location outside the town centre would inevitably have an impact on this existing facility. Accordingly, it is considered that there is no need to plan for significant additional provision over the plan period. However, should the opportunity arise to expand the facilities at the Regal, it is considered that this should be welcomed by MBC.

6.6 Recreational services

- 6.6.1 There are nine gyms and leisure facilities within the Borough. Most, with the exception of the Waterfield Centre, are located outwith Melton Mowbray town centre. The quality and type of activities on offer as well as the location of the facilities are outlined in Table 6.4.

⁵ Spotlight UK Commercial Leisure (February 2015)

Table 6.4 – Gym provision with the Borough

Location	Public/private	Facilities
Waterfield Leisure Centre	Public	Swimming pool, gym, exercise classes
King Edwards VII Sport Centre	Public	Dance study, tennis courts, all-weather pitch, rugby and football pitches, gym, exercise classes
Hardknocks Boxing and Fitness, Snow Hill	Private	Boxing and exercise classes
GoodLife Gym Health and Fitness, Jubilee Street	Private	Exercise classes and gym
Bodyworx Gym and Fitness, Thorpe Road	Private	Gym
Well Fit, Beler Way	Private	Exercise classes and gym
Jubilee Sports, Jubilee Street	Private	Martial arts and exercise classes
1st Class Pole Fitness, North Street	Private	Exercise classes

Source: PBA desktop research

- 6.6.2 The Business in Sport and Leisure (BISL) handbook (2009⁶) states that 12% of the UK population has gym membership. The resident population of the study area is 67,100. Assuming that gym memberships are in line with the national average, there are a total of 8,050 gym memberships. As detailed in Table 6.3 above, there are currently eight gyms and leisure centres in the borough. This gives an average of 1,006 members per facility.
- 6.6.3 The BISL handbook states that at March 2008 there were 5,775 private facilities with a membership base of 7.2 million members. This gives an average of 1,251 members per facility. In this regard the average number of members per facility within the Borough is slightly lower than the national average.
- 6.6.4 Furthermore, there is planned public sector investment that will significantly enhance leisure provision in Melton Mowbray. The principle of developing the Melton Sports Village was approved by MBC in December 2014 and, once completed, will include new rugby/football stadium (500-1,000 spectator capacity), small-scale health and fitness facility, eight-court indoor sports hall and outdoor pitches. This is expected to be completed within the first five years of the plan period.
- 6.6.5 This means that there is no clear quantitative need for additional capacity within the Borough as the current facilities adequately meet the Borough's need, with planned investment delivering both quantitative and qualitative improvements within the plan period.

6.7 Games of chance

- 6.7.1 Compared to the other commercial leisure sectors discussed here, games of chance is a relatively niche activity and the results of the household survey confirms that most residents in the study area do not participate in it (93%).

⁶ The 2009 publication remains the most recent

6.7.2 There are no bingo halls or casinos in the Borough. As such, any retained expenditure (7%) is going to bookmakers in Melton Mowbray.

6.7.3 Whilst there may be some limited potential for expenditure clawback from Leicester, Nottingham and Grantham, it is not considered that this represents a priority area of concern, particularly as activities of this nature are increasingly undertaken online.

6.8 Family entertainment

6.8.1 'Family entertainment' (which includes facilities such as ten-pin bowling and ice-skating) provision in the Borough is fairly limited, with the main locations for this type of spending being bowling lanes in Nottingham, Leicester, Grantham and Peterborough. This is not unsurprising given facilities of this nature typically only locate in larger population centres and thus the scope for their introduction into the smaller centres is likely to be more limited.

6.8.2 In qualitative terms, there is a gap in provision in the Borough which is evidenced by the expenditure leakage. However, providing these facilities is inherently market driven and will only be delivered where operators identify sufficient critical mass. As a proportion of leisure spending, family entertainment represents part of the recreational and sporting services category; as such, the level of overall expenditure in this sector is limited. Accordingly, the absolute level of expenditure leakage from the Borough is also limited, such that even when forecast expenditure growth is taken into account, Melton Mowbray does not have the market to attract ice rink or bowling lane operators. Added to this, the overall trend within the sector is towards rationalising existing provision rather than seeking representation in more peripheral markets.

6.8.3 As such, there is not considered to be any need to plan for such uses within the plan period. However, in the event that there was interest from market operators in locating to Melton Mowbray, it is considered that MBC should support this.

7 Sustainable urban extensions

- 7.1.1 MBC have provided PBA with indicative details of the anticipated urban extensions to the built-up area of Melton Mowbray. These comprise two broad elements, namely:
- North Melton Mowbray: up to approximately 1,500 units distributed over five potential sites ranging between 85 and 330 units located at the northern fringes of the current built-up area between Nottingham Road and Melton Spinney Road.
 - South Melton Mowbray: up to approximately 2,500 units, including a substantial site to the south of Kirby Lane which is expected to provide the majority of these units.
- 7.1.2 At their nearest extents, the urban extensions are located approximately a mile from the town centre.
- 7.1.3 As shown on Figure 3.1, the urban area of Melton Mowbray is included within postal sectors LE13 0 and LE13 1 (study area zones 1 and 2). This is adopted as the starting point for analysis of any future service provision to cater for the extensions to Melton Mowbray.
- 7.1.4 Retail is taken as the starting point for this assessment but it should be noted that in the context of sustainably meeting the needs of local residents, service retail provision, community uses and leisure uses are equally as important. However, as set out in previous sections, the methods for forecasting demand are less developed; this assessment therefore draws on PBA experience of other sustainable urban extensions and the type of provision in local centres/neighbourhood centres more generally.

7.2 Need generated by the urban extensions

- 7.2.1 This assessment is based on the following inputs:
- The existing average household size in Melton Mowbray, derived from ONS-based population estimates (2013) has been applied to the urban extensions to establish future population;
 - Per capita expenditure estimates for convenience and comparison goods, and leisure expenditure have been derived from Experian Retail Planner MMG3 (April 2015) for postal sectors LE13 0 and LE13 1;
 - Expenditure forecasting based on ERPBN have been applied to project available expenditure forward to 2036;
 - An allowance for special forms of trading (SFT), derived from ERPBN, has been made and deducted at source;
 - It is assumed that both developments will be completed by the end of the plan period i.e. 2036.
 - No account is taken of phasing of development because the limited overall scale of the capacity generated does not necessitate phased delivery of any retail or other town centre uses.

Table 7.1 – SUE assumptions

Urban extension	North	South
Units	1500	2500
Population	3,518	5,864
2013		
Expenditure per capita (£)		
Convenience	£1,939	
Comparison	£2,768	
Expenditure per capita exc. SFT (£)		
Convenience	£1,895	
Comparison	£2,461	
Expenditure generated (£M)		
Convenience	£6.67	£11.11
Comparison	£8.66	£14.43
2036		
Expenditure generated (£M)		
Convenience	£7.44	£12.40
Comparison	£16.95	£28.25

- 7.2.2 To convert this expenditure to into net retail floorspace, sales densities of £12,500/sqm and £5,000/sqm for convenience and comparison goods respectively has been adopted and grown forward to 2036. These figures are based on PBA judgement, taking account of published foodstore and comparison operator benchmark sales densities (Verdict 2014 and Mintel 2015) and knowledge of typical trading densities for smaller convenience and comparison retailers. The table below sets these out (all figures expressed as sqm net, rounded):

Table 7.2 – SUE indicative retail capacity (net)

Urban extension	North	South
Convenience goods	560	940
Comparison goods	2,480	4,130
Total	3,040	5,070

7.3 Where should the need be met?

- 7.3.1 In considering any additional facilities to be provided as part the anticipated extensions, it is important to take account of:
- The effect any new provision would have on existing town centres i.e. Melton Mowbray town centre;

- The size of the existing town and the existing town centre i.e. in terms of whether any new need generated by the urban extensions would be most sustainably met through the enhancement of the existing centre;
- The type of need that any facilities in the urban extension would be expected to meet;
- The extent to which it is reasonable to expect new spending associated with the urban extensions to be met through any new facilities within those extensions;
- Whether the needs of any the existing population near the urban extensions could be more sustainably served by new facilities as part of a planned local centre;

7.3.2 Having regard to the aspiration that the urban extensions should be sustainable, it is expected any new provision should be focused on meeting a proportion of the day-to-day needs of local residents. It is not intended that any development should act as an ‘attractor’ beyond the localised area.

7.3.3 Accordingly, it is assumed that the extensions might reasonably only retain 5 of comparison goods spending generated by new residents. With regards to convenience goods, it is considered that any new facilities would not sustainably perform a main food function. This assessment therefore only considers whether any top-up convenience spending i.e. between 25 to 30% of total convenience need could be served through a new centre or centres. The table below sets out what might feasibly be available to support dedicated facilities as part of the sustainable urban extensions (all figures expressed as sqm net):

Table 7.3 – Indicative SUE floorspace

Urban extension	North	South
Convenience goods	140-170	240-280
Comparison goods	120	210
Total	260-290	450-490

7.3.4 As set out in Section 3, there is limited out-of-centre retail and leisure development in Melton Mowbray. In addition to the main stores noted earlier, there are a number of small convenience shops located in existing residential areas, together with several stores provided as part of petrol stations, including:

- South of the town centre:
 - Premier, Craven Street (67 sqm gross)
 - Spar, Valley Road (438 sqm gross)
 - M&S Simply Food, Leicester Road (part of petrol station)
- North of the town centre:
 - Premier, St Johns Drive (184 sqm gross)
 - Premier (inc. Post Office), Welby Lane (260 sqm gross)

- Tesco Express, Nottingham Road (part of petrol station)
- Londis, Thorpe Road (part of petrol station)

7.3.5 It is noted that there are a range of top-up shopping opportunities available to existing residents in the northern part of the town. Furthermore, the new Sainsbury's superstore and existing Co-op are easily accessed. These shopping opportunities are more limited in the southern part of the town.

7.4 Summary on SUE retail provision

7.4.1 The planned SUEs are included within the population projections that inform the overall Borough-wide needs identified in Section 5. As such, it is important to consider the above requirements in that context, particularly given the oversupply in convenience floorspace within Melton Mowbray.

7.4.2 In qualitative terms, it may be desirable to make some provision for town centre uses within the SUEs. However, it is clear that the scale of these must be limited to ensure that the retained convenience spending is not further diluted and diverted to locations that are more remote from the town centre than the existing foodstores. The following section provides recommendations on policies for the SUEs that reflect these concerns.

8 Recommendations

8.1 Need for new floorspace

8.1.1 The NPPF (para. 161) requires evidence on quantitative and qualitative needs for retail development over the plan period. Quantitative need refers to how much floorspace is required whereas qualitative need introduces a requirement to consider what type of floorspace is required. Both elements have been considered in order to understand policy formulation.

8.1.2 Table 8.1 summarises the comparison need identified. No figures are provided for convenience goods floorspace because the quantitative analysis indicates an overprovision for the duration of the study period.

Table 8.1 – Quantitative need for retail floorspace

	2015	2021	2026	2031	2036
Comparison					
Net		1,020 sqm	3,020 sqm	5,080 sqm	8,870 sqm
Gross		1,450 sqm	4,310 sqm	7,260 sqm	12,670 sqm

8.1.3 Whilst the quantitative assessment of needs for retail floorspace is formulaic and rather standardised, the approach to qualitative needs can be more flexible and take into account local factors such as quality of existing provision.

8.1.4 The following qualitative needs have been identified for Melton Mowbray:

- There is a qualitative need for larger retail units which meet the requirements of national retailers;
- There is limited provision within the bulky goods comparison sector;
- The comparison offer within the centre is focused on the lower-value end of the market and could be enhanced.

8.1.5 The strategic recommendations are as follows:

- The majority of additional retail floorspace should be directed to Melton Mowbray town centre;
- A specified amount of comparison goods floorspace could be allocated for the provision of out-of-centre bulky goods retail development (limited to the sale of specific goods);
- In areas of significant residential growth (proposed in the Local Plan up to 2036) it will be important to test whether existing centres meet local needs (for convenience and services) and to allocate additional floorspace as required; and,
- Retail developments or extensions which improve the quality of provision in the Borough and Local centres should be encouraged provided that they are of an appropriate scale. Applications should be considered on their individual merits.

8.2 Development opportunity sites

- 8.2.1 The NPPF requires that local planning authorities allocate a range of sites to meet its needs for main town centre uses.
- 8.2.2 As set out in previous sections, there is considered to be no need to plan for any convenience provision over the plan period. With regard to comparison goods, capacity is only identified from 2021 onwards i.e. in the period of the study that PBA recommend exercising caution in relying those figures. Furthermore, as set out in Section 5, comparison floorspace is more capable of trading at a higher density without resulting in qualitative deficiencies; given the short falls identified in the existing in-centre offer, it follows that an improvement in the comparison retail offer would be likely to generate a higher level of turnover, thereby capturing potentially a significant proportion of forecast residual comparison expenditure. Securing such an improvement in the comparison offer is likely to require upgraded floorspace within the town centre.
- 8.2.3 The previous Retail Study identified two potential opportunity sites within Melton Mowbray town centre, namely the Bell Centre/St Mary's Way and The Mall/Wilton Road. Since these opportunities were identified there has been no substantive change in the status of either site. It is therefore considered that these sites should continue to be recognised by MBC as potential opportunities.
- 8.2.4 The frontage element of both sites is in existing town centre; however, it is considered that both could be used more intensively and effectively in order to make a more significant contribution to the vitality and viability of the town centre, particularly given they represent relatively large sites within the town centre which are in single ownership and, in the case of the Bell Centre, the low occupancy rates. This means that they would be well-placed to deliver the larger format units which are currently lacking from the town.
- 8.2.5 In addition, the location of the Mall as a 'gateway' to the town centre from the cattle market means that not only does the site have visibility on the main road which has commercial benefits but also that it could play a role in attracting people from the cattle market into the town centre and activate the upper part of Nottingham Street.

8.3 Sustainable urban extensions

- 8.3.1 With regard to North Melton Mowbray, it is considered that it is not necessary to plan for significant retail provision or other town centre uses as part of an urban extension. Whilst there is a level of need generated, it is of limited scale and lacks the critical mass necessary to support a new local centre designation. Furthermore, in qualitative terms, there is adequate provision within and around the town centre which would be accessible from the urban extension to sustainably meet new residents' needs.
- 8.3.2 That said, it is recognised that there may be a need for other community facilities as part of the development. In combination with such uses, there may be a qualitative argument to justify a small amount of retail floorspace. However, this will in all likelihood be driven by operator/market interest which will dictate the scale and format in which development might come forward. It is only at this point that impact of such development in terms of assessing whether it is appropriate to provide it in the form of a new centre can be fully assessed. Accordingly, it is not recommended that any quantitative allowance for additional retail space is made in any policy relating to the northern urban extension. Instead it is recommended that in order to protect the town centre, a zero threshold for impact assessment be included in the policy to ensure that any town centre uses proposed as part of a housing-led application be subject to proper scrutiny in line with the NPPF tests.
- 8.3.3 In relation to South Melton Mowbray, it is considered that planning for some small-scale town centre uses (A1-5) could sustainably be accommodated. Having regard to the figures

identified above, it is recommended that the principle of a new local centre or neighbourhood parade could be supported in policy terms. It is suggested that policy be framed in such terms as to restrict A1 retail floorspace to 400 sqm (net). An equal amount of other A1-5 uses (in total) is considered appropriate in this context. It is, however, recommended that the policy provides the Council with the scope to control the format, specifically in terms of unit sizes, of the parade to ensure that it is focused on meeting local needs primarily those generated by the development. It is not considered necessary at this juncture to plan for any formal centre allocation. The reasons for this are explored in further detail below relation to the definition of the retail hierarchy for the Borough.

8.4 Policy recommendations

Retail hierarchy and boundaries

- 8.4.1 The NPPF requires a definition of a network and hierarchy of centres that is resilient to anticipated future economic change. Based on the evidence, it is recommended that some modest changes should be made to the current retail hierarchy.

Table 8.2 – Melton Borough retail hierarchy

Settlement designation	NPPF	Centre
Main town centre	Town centre	Melton Mowbray
Primary rural centre	Local centre	Asfordby Bottesford
Secondary rural centre	-	Waltham on the Wolds Long Clawson

- 8.4.2 The NPPF requires local authorities to define the extent of town centres and primary shopping areas, based on a clear designation of primary and secondary frontages in designated centres. The recommendations for Melton Mowbray are included in Appendix K and include a primary shopping area and town centre boundary. In relation to the suggested primary rural centres, PBA recommend that the current frontages are maintained.
- 8.4.3 It is also recognised that beyond the centre identified above, there is a network of other villages that fulfil service functions for the Borough's residents. At present, these villages lack the facilities that would warrant inclusion within the retail hierarchy; however, it is considered that MBC should, in the event that proposals come forward within the plan period to provide local-scale retail facilities in these villages, look to support them if it can be demonstrated that they will enhance rural provision without detrimental impact to any identified centres. Further detail on the recommended tests for such proposals is provided below.
- 8.4.4 As set out at Section 8.2 in relation to the SUEs, whilst it is recommended that provision is made within policy for Melton South for some town centre uses, it is not recommended that this warrants a formal designation in line with the types of town centre identified in the NPPF.
- 8.4.5 In coming to this conclusion, it is relevant to consider the nature of existing provision in the Borough. Unlike other more urban areas which often include district and local centres catering to a largely suburban catchment on the fringes of a larger settlement such as are found in Leicester and Nottingham, in Melton Mowbray the current suburban shopping needs are serviced by a network of small-scale convenience stores as identified in Section 7.
- 8.4.6 The scale of the proposed SUEs is not such that would justify the introduction of this sort of centre to the Borough's retail hierarchy, not least because the extensions themselves are within close proximity of the town centre. This recommendation also has regard to the fact

that designating such a centre would erode MBC's ability to control the type and format of floorspace coming forward in the SUEs over the longer term.

Development management policies

- 8.4.7 The NPPF is clear in its requirement for the sequential test to be applied and impact assessment to be undertaken when considering applications for main town centres uses that are not in an existing centre and not consistent with an up-to-date Local Plan. However, the NPPF also provides local authorities with flexibility to set its own policies 'for the consideration of proposals for main town centre uses that are not in an existing centre and not in accordance with an up-to-date Local Plan. In PBA's view, the Council should take this opportunity to set its own policies taking into account some of the local circumstances we have identified in this study.
- 8.4.8 The established NPPF tests for a sequential test and impact assessment should be included in policy, as set out in paragraphs 24 and 26 in the NPPF. However, it is also considered that a further local impact test should be introduced into policy. Thus, as well as the NPPF impact test, the policy should require impact assessments for proposals outside town centres to consider the following:
- The extent to which the market profile of the development proposed will compete with existing facilities in town centres
 - The potential for relocation of businesses currently trading in town centre to locations out of centre
 - The impact on linked trip spending between different town centre uses or businesses
 - The cumulative effect of more than one development coming forward at the same time
 - The impact through trade diversion on the role and function of a town centre
- 8.4.9 Finally, it is appreciated that the NPPF provides an opportunity to set a local impact threshold (with the default being 2,500 sqm). Given the scale of the rural centres, it is recommended that zero threshold should be applied i.e. all proposals outside those centres would be subject to a proportionate level of impact testing.
- 8.4.10 In relation to Melton Mowbray, it is recommended that a 200 sqm (gross) threshold is applied. This has regard to the scale of existing retail and other town centre uses within main town centre area, the level of local provision within the residential areas. This threshold does not apply to the North Melton SUE at paragraph 8.3.2.
- 8.4.11 It will be important that policy is drafted to ensure clarity on where the threshold applies. The threshold should be based on the nearest centre to the site in question. To avoid cumulative developments that exceed this threshold, it is considered that an impact assessment should be required if the threshold is breached in any one year by more than one planning application.
- 8.4.12 It is noted that current development plan policy includes a number of development management controls on frontage composition within the primary and secondary shopping frontages in Melton Mowbray. It is not recommended that such controls are retained within Local Plan policy for two key, and interlinked, reasons: wider market shifts as to the role of retail within town centre and the permitted development regime that is currently in place.
- 8.4.13 As set out in Section 2, there is a drive towards greater flexibility in the planning system to support high streets, particularly to enable a faster response to the wider retail which have

meant that there is an oversupply of retail floorspace that is not fit for purpose and that there is increased demand for retail services and leisure floorspace within town centres.

- 8.4.14 The permitted development regime therefore now allows, subject to prior approval from the local planning authority, the conversion of existing retail and financial service (Use Classes A1 and A2) floorspace into food and drink (Use Classes A3 to A5) uses, leisure uses (Use Class D2) and residential (Use Class C3). Whilst it is acknowledged that these rights are subject to floorspace caps, given the typical unit sizes within Melton Mowbray, the majority of retail floorspace within the centre would be below the upper threshold. This is material when considering the effectiveness of a policy which sought to retain the degree of restriction imposed by the current development plan policies.
- 8.4.15 Furthermore, it should be noted that under the prior approval process, the development plan is not a material consideration; instead, local authorities are obliged to consider whether the loss of existing use would have an 'undesirable impact' on the provision of that type service/use and/or if, located within a key shopping area, the sustainability of that shopping area. In addition, it is important to note that 'key shopping area' as set out in the GPDO 2015 is not the same as any of the NPPF definitions of town centre, primary shopping area or shopping frontages. Similarly, the definition of 'undesirable impact' is not specified so is considerably more wide ranging than the 'significant adverse impact' set out in the NPPF providing MBC with powers to consider prior approval applications on a case-by-case basis.
- 8.4.16 As such, given the focus of the NPPF on ensuring the vitality and viability of town centres, PBA consider that allowing flexibility within the town centre is critical to ensuring its longer-term health and imposing controls on the proportion and concentration of A1 uses within the centre would fail to recognise the current trends and issues faced by town centre and so would not assist in achieving this objective.

8.5 Monitoring recommendations

- 8.5.1 This study provides MBC with its floorspace needs requirements to 2036. To establish whether the requirements for new floorspace (by type) are being met and more generally to monitor the performance, MBC should monitor:
- planning permissions for retail floorspace - by type, amount (sqm gross and net), location and retailer;
 - completions of retail floorspace - by type, amount, location and retailer;
 - mix of uses, including vacancies; and
 - health checks of designated centres
- 8.5.2 The monitoring recommended above is relatively straightforward and should be conducted on a rolling basis for the first two items and annually or every two years for the latter two items. Time series data can thus be produced and continually updated, starting with this study or possibly with earlier work undertaken by the MBC. Contingent on the timetabling of the Local Plan, such updating will prove to be valuable when this evidence is tested at examination in public.
- 8.5.3 This report provides a robust indication of the current position. The recommendations set out in this report may need to be adjusted, in the future, due to changing market conditions, demographic changes and the impact of developments elsewhere. They may also need to be adjusted if standard assumptions, in particular those relating to expenditure growth and e-tailing, change. The role of monitoring is crucial in highlighting changes in the assumptions that underpin this study and we recommend regular monitoring to the Council.

