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# Sheffield Retail and Leisure Study

on behalf of Sheffield City Council

November 2022

**FINAL REPORT**

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# 1 Introduction

## Instruction and Purpose

- 1.1 Nexus Planning has been instructed by Sheffield City Council (hereafter referred to as 'the Council') to undertake a new Authority-wide Retail and Leisure Study ('the Study'). The primary focus of the Study is to establish the position in respect of the future need for additional retail and leisure facilities in Sheffield, and to consider the vitality and viability of the City's defined centres.
- 1.2 This report replaces the previous Retail and Leisure Study of February 2017, which was undertaken by GVA Bilfinger on behalf of Sheffield City Council and Rotherham Metropolitan Borough Council. The Council has commissioned a new Study due to the time that has now elapsed since the publication of the previous report, and because of the need to prepare an up-to-date evidence base to inform its preparation of a new Sheffield Local Plan (which will consider development across the City in the period to 2039). The Study will also assist with the Council's consideration of planning applications for retail and leisure uses, and help to establish future strategies to support vital and viable defined centres.
- 1.3 This Study is underpinned by new empirical evidence in the form of: a new household shopper survey; stakeholder consultation; and, our site visits to survey and assess the health of the City's principal centres. The household survey was undertaken by NEMS Market Research in March 2022 and covers 15 separate zones, which are collectively representative of the principal catchment area for retail facilities within Sheffield. The zones are broadly consistent with those utilised in the previous 2017 Study in order to allow comparison of shopping and leisure-use patterns over time.
- 1.4 A plan of the Study Area is provided at Appendix 1, and the tabulated household survey results are provided at Appendix 2. The Study Area includes parts of neighbouring authority areas of Barnsley, Chesterfield, Derbyshire Dales, High Peak, North East Derbyshire and Rotherham, within which residents sometimes look to facilities in Sheffield to meet at least some of their retail and leisure needs.

## Structure of Report

- 1.5 Our report firstly provides an overview of prevailing retail and leisure trends, before then going on to consider the planning policy context for the Study. We then summarise the key findings of the new household shopper survey, before considering the vitality and viability of defined centres within

the Sheffield authority area. The remainder of the report is focussed around our assessment of retail needs.

1.6 Accordingly, our report is structured as follows:

- Section 2 identifies current retail and leisure trends of relevance;
- Section 3 provides an overview of the planning policy context of relevance to retail, leisure and town centres;
- Section 4 provides an assessment of the new household shopper survey in respect of the market share of expenditure secured by Sheffield's retail venues;
- Section 5 summarises our assessment of the vitality and viability of Sheffield's principal centres;
- Section 6 provides an overview of forecast changes in Study Area population and expenditure across the timeframe of the emerging Local Plan;
- Section 7 provides an assessment of future retail needs;
- Section 8 provides an assessment of future leisure needs; and
- Section 9 set out our key findings and conclusions.

## 2 Current and Emerging Retail and Leisure Trends

- 2.1 In order to provide a context for this Study and help identify the sectors that are more likely to be the subject of additional development proposals, we provide an overview of current retail and leisure trends below. In reading the below review, it should be noted that the retail and leisure sectors are dynamic and, whilst online shopping has impacted on the retail sector, new retailers and formats continue to evolve to meet shoppers' needs.
- 2.2 The below commentary should therefore be taken as a 'snapshot' in respect of current market conditions; it will be necessary to judge future development proposals for main town centre uses with reference to the prevailing conditions at the time of a proposal's determination. Trading conditions continue to be impacted by the Covid-19 pandemic, albeit greater confidence is now returning to the retail and leisure sectors. We reflect further on the impact of the pandemic below.

### **The Current State of the UK Economy**

- 2.3 The UK economy has clearly been substantially impacted over the past two years by the Covid-19 pandemic, and subsequent restrictions on movement and behaviour which have sought to mitigate its impact. This uncertain background caused business investment and expenditure to decline. Household spending fell by over 20% quarter-on-quarter in the second quarter of 2020 following the imposition of national lockdown measures<sup>1</sup>. This is the largest quarterly contraction on record. Retail sales volumes also suffered double-digit falls in April 2020 as all but essential stores closed during the height of the lockdown.
- 2.4 However, as a result of the gradual reopening of businesses over summer 2020, the economy returned to growth, with this gathering momentum as a greater number of sectors reopened, including hospitality and leisure services followed by the full reopening of schools. A more pronounced resurgence in the number of cases of Covid-19 resulted in the Government reinstating a nationwide lockdown in early 2021. The outlook continues to be of concern at the time of reporting given the inflation rate and substantial increases in the general cost of living.
- 2.5 In January 2022, Experian published its Retail Planner Briefing Note 19 ('ERPBN19'), which provides a comprehensive overview of anticipated future growth in the retail sector, and considers likely changes in bricks and mortar retail floorspace and online sales.

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<sup>1</sup> Coronavirus and the Impact on UK households and businesses: 2020' analysis, ONS, April 2021.

- 2.6 ERPBN19 anticipates that the post-pandemic recovery will be subdued in 2022, and indicates that the economy will not recover to pre-Covid levels until at least 2023. Although the medium term outlook in respect of gross domestic product ('GDP') will be shaped by the course of the pandemic, the long term outlook for GDP remains largely unchanged, albeit with growth expected to remain below historic averages due to slower population and productivity increases.
- 2.7 Overall retail sales are forecast to be volatile in the short term, but growth is less impacted over the medium and longer term. The outlook for special forms of trading (i.e. internet and mail order sales) has been revised upwards. As a consequence of relatively modest growth forecasts and the shift to online retailing, Experian forecasts that there will be a reduction in the stock of retail floorspace over the next few years.
- 2.8 In terms of inflation, Office for National Statistics data<sup>2</sup> indicates that the rate of inflation (as measured by the consumer price index) increased from 0.3% at April 2016 to 2.4% at April 2018, before reducing to 0.8% at April 2020. The rate of inflation then increased to 5.5% at January 2022 and further to 9.0% at April 2022. Retail has been an industry under significant stress, as many retailers find themselves squeezed between rising costs and the increasing volume of sales over the internet. Such difficulties have, of course, been exacerbated by the Covid-19 pandemic.
- 2.9 There will still be the need and demand for physical stores, despite the increase in shopping online. This is particularly the case for convenience goods sales in light of the fact that the online shopping orders are typically picked from the shelves of physical stores. In respect of comparison goods, there is a need for the offer to become more 'experiential' in order to encourage shoppers onto the high street, and to ensure that shopping is viewed as a pleasurable pastime. The shopping experience needs to evolve and diversify both to attract footfall and convert increased activity into sales. Independents clearly have an important role to play in adding interest and in providing differentiation between shopping venues.
- 2.10 In considering the current strength of the retail and leisure sectors, it is important to recognise that different types of retailer have been the subject of different fortunes.
- 2.11 Non-essential retailers haven been impacted by enforced 'lockdown' closures in 2020 and 2021. However, dispensing chemists traded more strongly from March 2020, and their sales continued to in June 2022 even after restrictions were eased and other non-essential stores were allowed to

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<sup>2</sup> ONS 'Consumer price inflation tables' dataset, May 2022.

reopen. Non-specialised foodstores, which include supermarkets, also traded consistently above their pre-pandemic levels. This was initially due to a degree of stockpiling of grocery goods, but some ongoing benefit was evident due to the ongoing prevalence of working from home. Furniture and homeware retailers have also generally benefitted from people spending more time in their homes and wanting to improve their own environment.

### Available Expenditure and the Impact of the Internet

- 2.12 Experian expenditure data and growth forecasts confirm that the pandemic has resulted in fairly turbulent short term growth in per capita convenience and comparison goods expenditure. In this regard, ERPBN19 identifies that per capita convenience goods expenditure growth in the convenience goods sector will decrease slightly in 2022 by 2.0%. This follows 8.7% convenience goods expenditure growth in 2020, followed by a contraction of 3.7% in 2021. The strong level of growth at 2020 is largely attributable to consumers spending more on such goods as a result of lockdown measures. However, this growth is forecast to unwind over the short to medium term, and Experian forecasts very limited per capita convenience goods growth beyond 2022.
- 2.13 As the below Table 2.1 indicates, forecast increases in per capita comparison goods spending are more optimistic following growth of 1.6% in 2020 and 1.9% in 2021. However, forecast per capita comparison goods expenditure increases going forward are still below the level apparent at the turn of the millennium. Experian identifies that per capita comparison goods expenditure growth dropped from 3.9% at 2017 to 1.0% at 2018, and forecasts that it will remain between 2.8% to 2.9% per annum in the medium to long term.

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

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

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

- 2.14 Whilst the above figures relate to a level of growth which is significantly below that which has historically been available to retailers, the situation for high street stores is exacerbated through the increasing amount of expenditure which is committed through special forms of trading<sup>3</sup> and, in particular, online.

<sup>3</sup> Including internet sales, mail order, stalls and markets, door-to-door and telephone sales.

- 2.15 In this regard, Figure 5 of ERPBN19 indicates that special forms of trading accounted for just over 30% of total retail sales at 2021 as a consequence of Covid-19 and subsequent to very strong growth in online retailing over the past decade. Although the growth in special forms of trading is anticipated to drop back slightly in 2022, Experian believes that special forms of trading will again account for over 30% of retail sales by 2025, increasing to around 34% of retail expenditure by 2031.
- 2.16 The below Table 2.2 sets out Experian's identified and forecast level of special forms of trading as a proportion of overall convenience and comparison goods expenditure. Experian estimates that special forms of trading will account for well over a third of comparison goods expenditure and almost a quarter of convenience goods expenditure at 2031.

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

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

Source: Figure 5 of Experian Retail Planner Briefing Note 19

- 2.17 The ongoing popularity of internet shopping continues to have clear implications in respect of the viability of some 'bricks and mortar' retailers. However, it is important to note that changes in how people shop also bring about some opportunities for retailers trading from the high street. In particular, many stores sell online but fulfil orders from regular stores rather than warehouses<sup>4</sup>, with purchases therefore helping to sustain tangible retail floorspace. As a consequence, Experian also provides an 'adjusted' estimate of special forms of trading, which relates to expenditure which is not available to actual stores.

## Convenience Goods

- 2.18 Recent socio-economic conditions have led to significant shifts in convenience goods retailing, which have resulted in the 'big four' supermarket operators' market share being cut. Mintel<sup>5</sup> finds that the decline of the food superstore is well established and that this can be attributed to two matters.
- 2.19 Firstly, people are undertaking food shopping in different ways. More people are living in town and city centres and more people are having difficulties financing the purchase of their own home. Mintel indicates that such people are more likely to undertake food shopping on an 'as needs' basis and are

<sup>4</sup> This is particularly the case with food shopping and speciality comparison goods purchases, where retailers often try to tap into a wider market through an online presence.

<sup>5</sup> 'UK Retail Rankings', Mintel, April 2018.

more likely to eat out or use takeaways. As such, they are less likely to have need to undertake a 'main food shop'.

- 2.20 Secondly, the current uncertainty in the economy has made discount foodstore operators (namely Aldi and Lidl) a more attractive proposition, and many such stores are thriving given that shoppers are currently having to be 'money savvy'. Discounters have also made efforts to try to compete more directly with the 'big four' supermarket operators, with larger stores, greater ranges of goods, fresh foods and premium products becoming increasingly prevalent. It is clear that the likes of Aldi and Lidl are no longer 'hard discounters' in quite the same way they once were, as they are able to meet a wider range of customers' needs by offering a greater range of premium products.
- 2.21 The move towards the middle ground has allowed discounters to secure market share from both superstores and smaller convenience stores. In addition, we note that discount retailers are often happy to trade alongside more upmarket convenience goods retailers (such as M&S Foodhall) as, collectively, the two stores can meet many food shopping needs.
- 2.22 The shifts in the sector are illustrated with reference to changes in retailers' market share in recent years, as shown in Table 2.3.

**Table 2.3: Market Share of Convenience Goods Operators**

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

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

- 2.23 The past few years has seen the closure of a number of unprofitable foodstores and the continuation of Aldi and Lidl's expansion programme. Aldi announced in September 2021 that it intends to open another 100 stores in the next two years<sup>6</sup>. Lidl's expansion plans are similar ambitious as it intends to

<sup>6</sup> Article headlined 'Aldi to create 2,000 jobs in £1.3bn UK expansion plan', The Guardian, 27 September 2021.

open a further 220 stores in the period to 2025<sup>7</sup>. Whilst the 'big four' remain more cautious in respect of new openings, a limited number of proposals for mid-sized foodstores are currently being promoted by these operators in areas where there is a growing population or an obvious shortfall in existing provision. These stores are typically of a scale that is broadly comparable to that provided by Aldi and Lidl, which allows customers to shop in a convenient and efficient manner.

### **Comparison Goods**

- 2.24 The comparison goods sector is currently being squeezed by a number of factors, the most substantial being the effects of Covid-19 and the efforts to contain it. Other factors include reduced expenditure growth, the ability of internet shopping to plug gaps in retailer representation, increases in the minimum wage, business rates changes and inflation.
- 2.25 Whilst the sector is continually evolving and there are a number of ongoing success stories (including Primark, Zara, Next, Boots, JD Sports and Joules), recent headlines have focussed on failing retailers and store closures. High profile retailers that have struggled include Debenhams, which announced the closure of all 124 stores in December 2020<sup>8</sup>, and the Arcadia Group, which owned Topshop Topman and Dorothy Perkins. Arcadia Group announced the closure of around 500 stores in February 2021<sup>9</sup>. Furthermore, Intu Properties, one of Britain's biggest shopping centre owners, fell into administration in June 2020 after failing to secure an agreement with its creditors<sup>10</sup>.
- 2.26 Whilst the loss of the some of the above names will have significant repercussions for certain towns (particularly those that lose one or more of Debenhams, Marks & Spencer or House of Fraser from their high street), some well-known retailers have failed to 'move with the times' and update their offer, accommodation and online presence. This is partly a consequence of retailers struggling to reinvest in their business when margins are tight (or non-existent).
- 2.27 Many operators have also rationalised their portfolio with the aim of serving the UK by concentrating on larger centres supplemented by a strong online presence. It will be interesting to see whether any permanent change in respect of working from home may act to counterbalance this 'polarisation' trend, given the prospect of fewer commuters travelling to larger centres and greater numbers of people spending the working day in and around their home. The impact on larger centres may be to

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<sup>7</sup> Article headlined 'Lidl to ramp up UK store opening with 1,100 stores by 2025', BBC, 24 November 2021.

<sup>8</sup> Article headlined 'Debenhams set to close putting 12,000 jobs at risk', BBC, 1 December 2020.

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

<sup>10</sup> Article headlined 'Shopping centre owner Intu collapses into administration', The Guardian, 26 June 2020.

reduce footfall, particularly within the week, and result in the shift in expenditure being directed to the smaller town, district and local centres. Whilst this will be a positive for the smaller centres, larger centres may suffer as a result.

- 2.28 Whilst structural changes have had a material impact on the vitality and viability of many UK high streets, there are some beneficiaries. In particular, 'discount variety' operators, such as B&M Bargains, Poundland and Wilko, have taken advantage of lower rents and reoccupied a number of medium to large retail units. However, as evidenced by the failure of Poundworld, there is some evidence that this market may be approaching capacity.
- 2.29 It remains to be seen what additional long-term impacts will eventuate from retail closures resulting from Covid-19 containment measures. However, prior to the implementation of lockdown measures, trading conditions for retailers were challenging and many retailers were struggling to meet costs, including rents, resulting in a higher proportion of retailers restructuring or entering administration. As has been seen throughout 2020 and 2021, the conditions have only become more challenging.

### **Leisure and Food & Drink**

- 2.30 The greater availability of high street units appears to have helped stoke an entrepreneurial spirit in recent years, with a number of centres beginning to benefit from a greater focus on independent retailers and also modern markets, which are frequently focussed around food and drink operators.
- 2.31 More generally, the food and drink sector has also been buoyed in recent years by the success of mid-market national multiples, which expanded quickly across the UK. However, this market has become saturated in many locations and a number of high profile operators have been in financial difficulty. Given the problems suffered by such operators, the market has become more cautious and mid-market operators are picking new sites carefully as a result. Instead, we have seen a number of independent operators flourish, both before and throughout the pandemic, and a desire for customers to choose local operators over larger regional and national brands.
- 2.32 A further significant recent high street success story has been the resurgence of the town centre leisure sector, which has resulted in new cinemas being developed close to the shopping core and 'competitive socialising' concepts, which include bowling, crazy golf, table tennis, darts, axe-throwing and other seemingly niche pursuits.
- 2.33 Cinema openings have been on the up in recent years and 'boutique' cinema operators – including Curzon, Everyman and The Light – are able to operate from smaller sites in town centres (partly as a

consequence of digital technology). Town centre cinema development has successfully underpinned wider mixed-use developments, as food and drink operators are typically keen to locate in close proximity to benefit from spin-off custom. New, innovative leisure operators have been particularly beneficial both in re-using existing difficult to let premises, and in driving the evening economy.

- 2.34 More generally, the gym market continues to perform well, with there now being around 7,200 health and fitness clubs across the UK, which are estimated to have a total turnover of approximately £2bn<sup>11</sup>. Around one in every seven Britons has a gym membership<sup>12</sup>. Budget gyms are currently particularly popular, with operators such as Pure Gym, the Gym Group and easyGym utilising a format that is based on low costs and high volume.
- 2.35 The impact of the pandemic on the leisure industry is still to be determined. Support provided by the Treasury has helped support businesses in 2020 and 2021, and mitigated the effects of 'lockdown' restrictions to some degree. However, the full and ongoing impact will become clearer this year as more stable trading conditions return.

### **Planning Reform on the High Street**

- 2.36 One of the most impactful planning reforms of the last year has been the consolidation of a number of separate Use Classes under a single Class E 'Commercial, Business and Service' use. This update to the Town and Country Planning (Use Classes) Order 1987 (the 'UCO') came into effect in September 2020. The new use class combines shops, restaurants, offices, gyms and nurseries (amongst other uses) such that planning permission is no longer required to switch uses.
- 2.37 Furthermore, in March 2021, an update was made to the General Permitted Development (England) Order 2015 (the 'GPDO'). This allows for the change of use from Class E properties to residential from August 2021 (extending a right that had previously been restricted to office uses). This permitted development right is subject to maximum size requirements, the property having been in use as Class E for two years and vacant for three months. An application to the determining authority for 'Prior Approval' is also required for limited consideration of impacts relating to transport, contamination, flood risk, noise, light, and neighbourhood amenity. Further limitations apply in Conservation Areas and for nurseries, as well as in areas covered by 'Article 4 directions' where the rights are extinguished.
- 2.38 On 20 July 2021, paragraph 53 of the latest iteration of the National Planning Policy Framework

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<sup>11</sup> Article headlined 'Fitness industry in the United Kingdom (UK) – statistics & facts', Statista, 26 May 2021.

<sup>12</sup> Ibid.

(‘NPPF’) introduced new limitations on the use of Article 4 directions. The revised national policy significantly narrows the areas in which it is justified to introduce Article 4 directions, limiting local authorities’ ability to control development.

2.39 The changes in the application of Article 4 directions were first put forward in the January 2021 consultation for draft revisions to the NPPF. However, the final updates differ from the initial consultation in a couple of key areas. The text recognises that the loss of the ‘essential core of a primary shopping area’ could result in wholly unacceptable adverse impacts on an area’s vitality and viability. This is the Government’s first acknowledgement of the potential for the permitted development rights to undermine the health of centres in the NPPF. The updated text also introduces a requirement for ‘robust evidence’.

2.40 This can be seen as good news for local authorities concerned about the erosion of retail and service uses, and the need to protect vulnerable centres from potentially poor quality residential development. Protection of the vitality and viability of a high street or town centre against the adverse impacts of change of use is now established as justification for issuing an Article 4 direction. However, it is noted that the implementation of an Article 4 direction can take time and considerable resource to achieve.

### **Implications for Sheffield**

2.41 The above trends have a number of potential implications for retail and leisure provision within Sheffield. Whilst Sheffield city centre is clearly the principal retail and leisure centre within the Study Area, Meadowhall also accommodates a substantial number of high street names. Both destinations are susceptible to structural changes in the retail marketplace and the propensity of shoppers to buy increasing amounts of comparison goods online.

2.42 This is exemplified by the loss of John Lewis from its unit at Barker’s Pool and by the closure of the Debenhams stores at the Moor in the city centre and at Meadowhall.

2.43 The John Lewis building is a key landmark in the city centre and we note that the Council is actively investigating the future of the store and its potential for imaginative re-use. We also note that plans are being progressed for the redevelopment of the former Debenhams units. This would be replaced with a complex comprising apartments, office space and a hotel, alongside initial proposals to redevelop the former John Lewis site. However, we also understand that the former Debenhams

building is being marketed to potential re-occupation, and therefore the future use of this site is evidently still to be determined.

- 2.44 Additional diversification within the city centre has been achieved through the revitalisation of The Moor, focused around the relocation of the indoor market in 2013 and the opening of the flagship Primark store in 2016. The Light cinema then followed in 2017. The resulting footfall has attracted further anchor tenants to this part of the city, including Next, JD Sports and River Island. However, whilst the modernised public realm provides a strong first impression, a number of key units around the Moor are currently vacant, including Debenhams. Out of centre provision is dominated by Meadowhall, which out-performs the city centre as a comparison goods retail venue. Notwithstanding this, it is evident that online shopping has affected almost all higher order retail venues, including Meadowhall.
- 2.45 Whilst the growth of online retailing is likely to have had a detrimental impact on the turnover of a number of Sheffield's centres, going forward there may be opportunities for retail facilities to benefit from multi-channel retailing in order to help drive footfall and sustain retailer representation. This is particularly important in light of the current commercial situation and the need to rejuvenate high streets once the pandemic is over. It will be important to adopt a holistic approach to place management in order to ensure that centres support an experiential offer and are able to attract visitors to linger throughout the day and into the evening.
- 2.46 There is a need for increased flexibility in centres, which need to be adaptable in order to address changing needs (both across a given day and, more widely, into the future).
- 2.47 Within Sheffield, key areas which aim to provide a varied mix of uses include the Cultural Industries Quarter, which accommodates the Leadmill music venue and the independent Showroom cinema. It is also noted that proposals to relocate the bus station on Pond Street in order to provide a 6,000 seater stadium providing space for live music, cultural events, conferences and exhibitions have been announced, although we understand from Officers that these proposals are at a very early stage. The expressed aim of the scheme is to both boost the city centre, and to attract visitors in to it<sup>13</sup>. New development at Kelham Island has a strong food and drink component, and some of the city's district centres, such as Ecclesall Road, also support a substantial leisure offer (part of which is supported by the student population).

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<sup>13</sup> Article headlined 'New £50m arena in Sheffield city centre would create 'cultural anchor of international importance'', The Star, 1 April 2022.

- 2.48 The latest pressures on our high streets will likely affect demand for space and its use, the design of buildings and public realm, and transport access. Indeed, the changes in working habits will likely impact on the way we live longer-term, resulting in a need for residents to shop and work locally, and enjoy the local services and leisure activities. In this regard, the sub-regional centres have struggled more during the relaxing of the lockdown measures given that a higher proportion of workers are still working from home and making the most of facilities within the smaller local town centres. This may result in a decrease in retail space overall, a trend which has been witnessed in Sheffield's centres pre-Covid in any event. In this regard, we recommend that the Council ensures that policies are sufficiently flexible so as to allow for a wide range of town centre uses beyond retail, and that consideration is given to repurposing historic, often outdated retail stock to accommodate residential, leisure and community uses.
- 2.49 In respect of the convenience goods sector, as would be expected, there is generally significant provision across the City and within the city centre itself. Notwithstanding this, the discount foodstore market remains highly competitive and retailers are now able to support multiple stores in relatively focused areas, particularly where this may dissuade the competition from securing representation. On this basis, we note that both Aldi and Lidl have a significant number of store requirements across Sheffield. Indeed, Lidl currently identifies 14 separate requirements for additional stores on its website. Given the strong operator interest with the discount foodstore sector, a key function of this Study will be to act as an appropriate evidence base by which to consider the merits of such proposed development.

## 3 Planning Policy Context

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

### Revised National Planning Policy Framework

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

#### Plan-Making

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

#### Building a Strong, Competitive Economy

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

#### Ensuring the Vitality of Town Centres

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

**'Planning policies should:**

- a. define a network and hierarchy of town centres and promote their long-term vitality and viability –**

**by allowing them to grow and diversify in a way that can respond to rapid changes in the retail and leisure industries, allows a suitable mix of uses (including housing) and reflects their distinctive characters;**

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

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

3.8 In addition, it is notable that the NPPF Annex 2 Glossary fails to make any reference to the designation of primary and secondary frontages. Page 32 of the Government Response to the Draft Revised National Planning Policy Framework Consultation<sup>14</sup> indicates that, whilst the revised NPPF has removed the expectation in national planning policy that such frontages must be defined, this does not necessarily preclude authorities from doing so where their use can be justified. However, it is evident that the general intention is to provide for more flexibility through a less prescriptive approach to land use.

3.9 Paragraph 90 of the NPPF states that it is appropriate to identify thresholds for the scale of edge of centre and out of centre retail and leisure development that should be the subject of an impact assessment. Any such threshold policy applies only to the impact test. All planning applications for main town centre uses that are not in an existing centre and not in accordance with an up-to-date development plan will generally be the subject of the sequential test<sup>15</sup>.

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<sup>14</sup> Published July 2018.

<sup>15</sup> With the exception (in accordance with paragraph 88 of the NPPF) of small scale rural office proposals and other small scale rural development.

## Promoting Healthy and Safe Communities

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

3.11 As such, planning policies and decisions should:

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

## Ensuring the Vitality of Town Centres Planning Practice Guidance

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

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

- The realistic role, function and hierarchy of town centres over the plan period. Given the uncertainty in forecasting long-term retail trends and consumer behaviour, this assessment may need to focus on a limited period (such as the next five years), but will also need to take the lifetime of the plan into account and be regularly reviewed.
- The vision for the future of each town centre, including the most appropriate mix of uses to

enhance overall vitality and viability.

- The ability of the town centre to accommodate the scale of assessed need for main town centre uses, and associated need for expansion, consolidation, restructuring or to enable new development or the redevelopment of under-utilised space.
- How existing land can be used more effectively – for example, the scope to group particular uses such as retail, restaurant and leisure activities into hubs or for converting airspace above shops.
- Opportunities for improvements to the accessibility and wider quality of town centre locations, including improvements to transport links in and around town centres, and enhancement of the public realm.
- What complementary strategies are necessary or appropriate to enhance the town centre and help deliver the vision for its future, and how these can be planned and delivered. For example, this may include consideration of how parking charges and enforcement can be made proportionate.
- The role that different stakeholders can play in delivering the vision. If appropriate, it can help establish the level of cross-boundary/strategic working or information sharing required between both public and private sector groups.
- Appropriate policies to address environmental issues facing town centres, including opportunities to conserve and enhance the historic environment.

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

3.15 Paragraph 006 of the Town Centres PPG identifies a series of key indicators of relevance in assessing the health of a centre over time<sup>16</sup>. The indicators allow the role, performance and function of centres to be monitored and are considered in greater detail at Section 5 of this report (which specifically addresses the vitality and viability of Sheffield's principal centres).

### **Use Classes Order**

3.16 Significant changes to the Use Classes Order have been enacted through the Town and Country Planning (Use Classes) (Amendment) (England) Regulations 2020, which came into force on 1

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<sup>16</sup> These indicators inform the healthcheck assessments that are set out at Section 5 of this report.

September 2020.

3.17 The amendments include the revocation of Parts A and D, and the introduction of three new Use Classes, these being Classes E, F1 and F2. The Government's objective is that the changes will support the revival of the high street and allow for greater flexibility in changing uses within town centres without the need for planning permission.

3.18 In addition to the three new Use Classes, the changes also result in some changes in respect of uses classified as sui generis. In practical terms, the changes comprise:

- **Use Class E** – Commercial, business and service uses include: shops or retail; cafes or restaurants; financial services; professional services; any service appropriate to provide in a commercial, business or service locality; indoor sports, recreation or fitness; medical or health services; creche, day nursery or day centre; and, offices.
- **Use Class F1** – Learning and non-residential institutions include any non-residential use for the: provision of education; display of works of art; museum; public library or public reading room; public hall or exhibition hall; for or in connection with public worship or religious instruction; or, as a law court.
- **Use Class F2** – Local community uses include: a shop selling mostly essential goods, including food, no larger than 280 sq.m and where there is no other such facility within 1,000 metres radius of the shop's location. A hall or meeting place for the local community, an area or place for outdoor sport or recreation and an indoor or outdoor swimming pool or skating rink.
- **Sui Generis** – Use within this Class now include Public house, wine bar or drinking establishment; a drinking establishment with expanded food provision; as a hot food takeaway for the sale of hot food where consumption of that food is mostly undertaken off the premises; live music venue; cinema; concert hall; bingo hall; or, dance hall.

3.19 The introduction of Class E is significant and places a wide range of uses including retail, food, financial services, gyms, healthcare, nurseries, offices and light industry into a single use class. Unless restrictive planning conditions preclude otherwise, the ability to move within the Use Class E without planning permission allows centres to evolve in a flexible manner.

3.20 However, as ever, the provisions of the Use Classes Order are not linked to any spatial considerations. As such, the expanded Use Class E applies equally to both town centres and out of centre locations, and there may be unintended consequences in providing for additional flexibility across Class E outside of town centres. Accordingly, it may be necessary for the Council to apply restrictive

conditions to certain forms of development in order to restrict the authorised use to that which has been justified in the application submission. This will help ensure that unacceptable impacts do not arise from future Class E development.

### **Town Centre Use Permitted Development Rights**

- 3.21 An amendment was made to the General Permitted Development (England) Order 2015 (the 'GPDO') in March 2021. This allows for the change of use from Class E properties to residential from August 2021 (extending a right that had previously been restricted to office uses). This permitted development right is subject to maximum size requirements, the property having been in use as Class E for two years, and the property having been vacant for three months. In addition to this, 'prior approval' for the change of use must be sought from the planning authority. Restrictions on this right apply in conservation areas and for nurseries, as well as in areas that are covered by an Article 4 direction.

### **Local Planning Policy Context**

#### **Adopted Development Plan**

- 3.22 The statutory development plan for Sheffield is the Core Strategy, which was adopted in March 2009, and 'saved' policies from the Sheffield Unitary Development Plan, which was adopted in March 1998 and 'saved' from September 2007.
- 3.23 Core Strategy Policy CS7 'Meadowhall' states that the shopping centre will remain at around its present size, and identifies that large-scale leisure uses that cannot be located in the city centre or at its edge may also be located close to the Interchange. All new development around Meadowhall should be integrated with the existing development.
- 3.24 Core Strategy Policy CS14 'City-wide Distribution of Shopping and Leisure Development' identifies that new shops and leisure facilities with city-wide and regional catchments will be concentrated in the city centre primary shopping area and immediately adjacent shopping streets of the city centre. These areas will be strengthened through a major retail-led, mixed-use regeneration scheme, which will form the New Retail Quarter. Major non-food retail development will not occur outside the city centre's primary shopping area and district centres and around their edges. Policy CS14 also reiterates that Meadowhall will remain at around its present size.
- 3.25 Core Strategy Policy CS15 'Locations for Large Leisure and Cultural Development' states that development of leisure and cultural facilities that serve the city and wider region will be located in,

or at the edge of, the City Centre where possible.

- 3.26 Core Strategy Policy CS17 'City Centre Quarters' states that the distinctive and fundamental roles of different 'quarters' of the City Centre will be consolidated and strengthened. Core Strategy Policy CS19 Cultural Facilities in the City Centre establishes that the retention of arts and cultural facilities will be supported and new uses that relate to cultural activity will be encouraged, particularly in the Cultural Hub area around Tudor Square.
- 3.27 Core Strategy Policy CS18 'Shopping in the City Centre' identifies that major non-food retail development will be concentrated in the primary shopping area, extending from Moorhead to the north end of Fargate. Within and adjacent to the primary shopping area development that might individually or cumulatively prejudice or delay the success of the regeneration of the primary shopping area will not be permitted. More limited levels of new retail uses will be located on the ground floor frontages of shopping streets at the approaches to the primary shopping area. In other areas leading to the primary shopping area, small shops, food and drink outlets and services that would promote the vitality of the area will be acceptable on ground floor frontages.
- 3.28 Core Strategy Policy CS34 'District Centres' lists 17 defined centres across the city. The district centres will be encouraged in fulfilling their role of providing for everyday needs with a range of retail, leisure and community facilities, appropriate in scale and function to the role of the centre. Centres at Darnall, Spital Hill and Manor Top will be improved and expanded if possible, with a new centre to be developed at Chaucer.
- 3.29 Core Strategy Policy CS39 'Neighbourhood Centres' states that new development for local shops and community facilities to serve the everyday needs of the community will be encouraged in Neighbourhood Centres.

### Emerging Development Plan

- 3.30 The Council consulted on the Sheffield Plan Issues and Options document in September and October 2020. This consultation will inform the preparation of the new draft Sheffield Local Plan, which will guide the future of the city by setting out how and where development will take place across the plan period.
- 3.31 The purpose of the plan is to provide the vision and objectives for growth over the 15 years from 2024 to 2039, and will allocate development sites and provide clear policies to guide the

consideration of planning applications. Once adopted, the plan will replace both the Sheffield Core Strategy and the remaining 'saved' policies from the Sheffield UDP.

3.32 Following the 'Issues and Options' consultation in 2020, the Council is currently producing a Publication (pre-submission) Draft Plan for further consultation, with adoption of the plan anticipated in 2024.

### Adopted and Emerging Neighbourhood Plans

3.33 Neighbourhood Plans for BBEST (Broomhill, Broomfield, Endcliffe, Summerfield and Tapton) and Dore were adopted in June 2021 and August 2021 respectively. The Neighbourhood Plans contain both land-use policies and non-statutory projects for their respective areas. The following policies of the above adopted Neighbourhood Plans are considered to be of particular relevance to retail and town centre issues:

- BBEST Neighbourhood Plan Policy BDC1 'Promoting Broomhill Centre' states that proposals within the defined centre area will be supported where they accord with a range of criteria, including that they provide an active frontage, contribute to the creation of a lively and vibrant centre and mix of uses in the town centre.
- Dore Neighbourhood Plan Policy 8 'Developments and Changes of Use in Dore Village Centre' states that retail development will be supported in the centre. The loss of retail use at the Village's Co-op on Devonshire Terrace Road will be resisted unless marking evidence can demonstrate that the unit is unviable for retail use.

3.34 In addition to the above, there are three other designated Neighbourhood Plan areas in Sheffield, these being: Stocksbridge; Kelham Island/Neepsend and Ecclesfield. It is understood that, with the exception of the Stocksbridge Neighbourhood Plan, these Plans are still being progressed at the time of writing.

## 4 Market Research

### Market Share Analysis: Household Survey Results

- 4.1 The NEMS household survey identifies where residents travel to undertake a range of shopping and leisure activities. The summary of results provided in this section focuses on the market share of Study Area expenditure secured by Sheffield's retail venues for various types of shopping.
- 4.2 In March 2022, a survey of 1,708 households was undertaken by NEMS within the defined Study Area in order to ascertain where residents go to undertake a range of shopping and leisure activities. The defined Study Area is largely consistent with that used in undertaking the joint authority Retail and Leisure Study of February 2017. The Study Area broadly reflects the area where residents frequently look to facilities within Sheffield to help meet their retail and leisure needs. The exception to this relates to Meadowhall, which has a catchment area which extends beyond the defined Study Area. We return to this matter in considering the retail capacity that exists across Sheffield at Section 7 of this report.
- 4.3 We illustrate the extent of the Study Area and the 15 separate zones it is comprised of at Appendix 1. The City of Sheffield authority area broadly corresponds to Zones 3 to 10, with additional parts of the authority area being located with Zones 1, 2 and 11. The assessment of market share that follows is based around consideration of the custom collectively secured by provision across the City which originates within the wider defined Study Area. The Study Area for the previous 2017 Study was more extensive and we have revisited the results of this Study in order that the analysis that follows relates to the same geographic area.
- 4.4 The household survey is reproduced as part of Appendix 2 of this Study. In retail terms, the principal purpose of the survey is to establish:
- patterns of convenience goods spending, based on the location of:
    - the shop where the respondent last visited and visited 'the time before last' to undertake their main food shop; and
    - the shop where the respondent last visited and visited 'the time before last' to undertake their top up food shop.
  - patterns of comparison goods spending, based on the location of the respondent's last shopping trip to purchase the following types of comparison goods:

- clothing and footwear;
  - books, CDs, DVDs and stationery;
  - small household goods, such as home furnishings, clocks, jewellery, glass and china;
  - toys, games, bicycles and recreational goods;
  - chemist goods, including health and beauty items;
  - electrical goods, such as televisions, washing machines and computers;
  - DIY and gardening goods; and
  - furniture, carpets and floor coverings.
- 4.5 The analysis which follows considers the market share secured by facilities within the City of Sheffield across each of the above sub-sectors. Our assessment is based on the market share of *expenditure* claimed by retail venues. Our full methodology in calculating the turnover of retail destinations is provided at Sections 6 and 7 of this report.
- 4.6 In most cases, we are able to compare the current market share findings with those established in the 2017 Study, albeit our approach is slightly different to that used in undertaking the previous Study.
- 4.7 In order to allow for comparison across the broad categories, it has first been necessary to review and consider the 10 comparison goods categorises identified in the 2017 Retail and Leisure Study. Table 4.1 below summarises each of these categories alongside the eight comparison goods sub-sectors utilised by our own methodology. Although there are some differences in respect of the exact composition of sub-categories, we believe that they are sufficiently similar to support a broad assessment of changes in market share.

**Table 4.1: Categorisation of Comparison Goods for the Purpose of 2012 and 2017 Studies**

<b>Nexus Planning Category for 2022 Study</b>	<b>2017 Retail and Leisure Study Category</b>
Clothing and Footwear	Clothing and Footwear
DIY	DIY
Health, Beauty and Chemist Goods	Chemist and medical goods
CDs, DVDs and Books	Books
Furniture	Furniture, Floor Coverings and Carpets
Electrical	Household appliances
Electrical	Audio visual equipment
Small Household Goods	Kitchen utensils
Small Household Goods	Household textiles and soft furnishings
Toys, Games, Bicycles and Recreational Goods	Luxury goods and sports goods

## Convenience Goods Analysis

### Main Food Shopping Patterns

- 4.8 Table 4.2 provides a comparison of the food convenience expenditure market share identified by the 2022 household survey relative to that reported in the 2017 Study. The household survey which underpins the 2017 Study was undertaken in 2016.
- 4.9 Across the Study Area, 67.6% of main food shopping expenditure that originates within the Study Area is claimed by convenience goods facilities located within Sheffield.

**Table 4.2: Main Food Convenience Expenditure Market Share**

Destinations	2022 Market Share (%)	2016 Market Share (%)
Sheffield City Centre	2.0	3.1
Other Sheffield Authority Area	65.6	67.2
<b>Sub-Total Sheffield Authority Area</b>	<b>67.6</b>	<b>70.4</b>
Other Destinations in Study Area	26.9	23.9
Outside Study Area	5.6	5.7

Source: Table 4 of Appendix 6

- 4.10 The market share recorded by the survey represents a decrease on the level recorded at 2022. This may be due to some additional provision being brought forward outside of Sheffield and through an increasing amount of residents working from home (and thereby shopping closer to home). However, the Sheffield authority area continues to attract over two-thirds of main food expenditure which originates within the Study Area.
- 4.11 The survey indicates that the city centre has a relatively modest function in respect of convenience goods retailing. The market share of main food shopping trips attracted by city centre operators has decreased, which likely reflects the greater propensity for residents to now work from home on a regular basis. As such, residents are less likely to combine commuter trips to the city centre with food shopping.

### Top-up Food Shopping Patterns

- 4.12 Table 4.3 identifies the market share of top-up food shopping expenditure secured by retailers located within the City of Sheffield, as established by the 2016 and 2022 household surveys.
- 4.13 The table identifies that there have been notable declines in the overall market share of such expenditure secured by retailers within Sheffield city centre and across the authority areas as a whole. The market share of the city centre has decreased from 7.5% at 2016 to 4.8% at 2022. As with main

food shopping, we believe that this decrease may be attributable to changes in respect of how respondents are working, with fewer commuters being present within the city centre on a daily basis. In some instances, this has led to residents 'rediscovering' the shopping and service provision available in their local area, including smaller independents and niche operators.

**Table 4.3: Top-up Food Convenience Expenditure Market Share**

<b>Destinations</b>	<b>2022 Market Share (%)</b>	<b>2016 Market Share (%)</b>
Sheffield City Centre	4.8	7.5
Other Sheffield Authority Area	60.2	70.9
<b>Sub-Total Sheffield Authority Area</b>	<b>65.1</b>	<b>78.3</b>
Other Destinations in Study Area	31.8	13.5
Outside Study Area	3.1	8.2

Source: Table 4 of Appendix 6

- 4.14 The same pattern of behaviour may also explain (at least in part) the reduction in the overall proportion of top-up food shopping expenditure secured by Sheffield's facilities. As with main food shopping patterns, the Sheffield authority area retains a relatively high proportion (65.1%) of top-up food expenditure which originates within the Study Area. However, the identified market share compares unfavourably with that identified by the 2016 household survey (Sheffield's top-up food shopping market share equated to 78.3% of Study Area expenditure at that time).

## Comparison Shopping Patterns

### Overall Comparison Goods

- 4.15 Table 4.4 below provides an overview of the comparison goods market share of expenditure claimed by the two principal retail venues within the City of Sheffield, and confirms the level of expenditure directed to destinations outside of the authority area.
- 4.16 The table identifies a modest reduction in the overall market share of comparison goods expenditure claimed across the City from 2016 to 2022; the market share decreased from 77.6% to 74.3% over this timeframe. However, more significant changes have occurred in respect of the use of individual retail venues.
- 4.17 In particular, there has been a substantial change in respect of the performance of the city centre, with its comparison goods market share reducing from 31.3% at 2016 to 16.7% at 2022. Furthermore, Meadowhall is also the subject of a reduction of around eight percentage points in respect of its comparison goods market share over the same period. The principal beneficiaries of changes in

comparison goods shopping habits are Sheffield's smaller centres and out-of-centre retail parks, which collectively improved their market share from 25.8% at 2016 to 45.5% at 2022.

**Table 4.4: Comparison Goods Expenditure Market Share – Overall Comparison Goods**

<b>Destinations</b>	<b>2022 Market Share (%)</b>	<b>2016 Market Share (%)</b>
Sheffield City Centre	16.7	31.3
Meadowhall	12.1	20.5
Other Sheffield Authority Area	45.5	25.8
<b>Sub-Total Sheffield Authority Area</b>	<b>74.3</b>	<b>77.6</b>
Other Destinations in Study Area	17.3	14.3
Outside Study Area	8.4	8.1

Source: Table 25 of Appendix 6

- 4.18 As we set out in the following Section 5 of this report, the range of comparison goods operators in the city centre has declined since 2016, with a number of department store operators ceasing to trade. In addition to this, changes in work and shopping patterns have resulted in greater expenditure being attracted to smaller centres, such as Hillsborough and Ecclesall Road district centres, which are closer to residential areas and increasingly support a good range of independent retailers. Whilst the identified reduction in city centre and Meadowhall comparison goods market share is substantial, it is broadly consistent with structural changes across the sector, and changes that are evident in respect of how people shop.

### Clothing and Footwear

- 4.19 The 2016 Study identified that Sheffield city centre secured a Study Area market share for clothing and footwear expenditure of 30.6%. In this regard, it was the second most popular venue for such shopping behind Meadowhall, which recorded a 36.8% market share. The below Table 4.5 identifies that both destinations have lost market share since 2016, with Meadowhall's market share decreasing such that it secures 28.2% of all Study Area clothing and footwear expenditure at 2022, and Sheffield city centre's market share decreasing to 22.1%.
- 4.20 Conversely, destinations in the rest of the Sheffield authority area (such as Crystal Peaks, Hillsborough, other district centres and out-of-centre retail parks) have seen their collective market share of clothing and footwear expenditure increase from 13.8% at 2016 to 27.5% at 2022. This likely reflects the strong independent clothing and footwear provision in secondary areas across the city, and the fact that leading grocery operators have developed a more compelling fashion offer in recent years.

**Table 4.5: Comparison Goods Expenditure Market Share – Clothing and Footwear**

Destinations	2022 Market Share (%)	2016 Market Share (%)
Sheffield City Centre	22.1	30.6
Meadowhall	28.2	36.8
Other Sheffield Authority Area	27.5	13.8
<b>Sub-Total Sheffield Authority Area</b>	<b>77.8</b>	<b>81.1</b>
Other Destinations in Study Area	11.8	11.5
Outside Study Area	10.5	7.4

Source: Table 10 of Appendix 6

- 4.21 As a result of the increased market share across smaller centres and retail parks, the Sheffield authority area as a whole has only experienced a marginal decline in its overall clothing and footwear market share, from 81.1% of Study Area expenditure at 2016 to 77.8% at 2022.

### Books, CDs and DVDs Goods

- 4.22 Sheffield city centre has lost its position as the most popular retail venue for books, CDs and DVDs purchases, destination with the greatest market share of expenditure at 2022, with its Study Area market share decreasing from 39.8% at 2016 to 28.6% at 2022. This reduction is mirrored by a corresponding increase in the market share collectively secured across other destinations in the Sheffield authority area, with these facilities securing 31.0% of all such expenditure at 2022 (an increase of 13 percentage points from the figure recorded in 2016).

**Table 4.6: Comparison Goods Expenditure Market Share – Books, CDs and DVDs**

Destinations	2022 Market Share (%)	2016 Market Share (%)
Sheffield City Centre	28.6	39.8
Meadowhall	19.3	23.0
Other Sheffield Authority Area	31.0	18.0
<b>Sub-Total Sheffield Authority Area</b>	<b>78.9</b>	<b>80.7</b>
Other Destinations in Study Area	14.4	11.2
Outside Study Area	6.7	8.1

Source: Table 12 of Appendix 6

- 4.23 Despite the decrease in the market share secured by both the city centre and Meadowhall, the overall Sheffield authority area experienced only a modest decline in terms of its total market share of books, CDs and DVDs expenditure between 2016 and 2022, with this reducing slightly from 80.7% to 78.9% over this five year period.

### Small Household Goods

- 4.24 In respect of small household goods, the Sheffield authority area has generally retained a consistent

market share between 2022 and 2016, with the authority area attracting 76.5% of all such expenditure that originates within the Study Area at 2022. This represents a reduction of just 0.2% relative to the market share recorded in 2016.

**Table 4.7: Comparison Goods Expenditure Market Share – Small Household Goods**

<b>Destinations</b>	<b>2022 Market Share (%)</b>	<b>2016 Market Share (%)</b>
Sheffield City Centre	12.3	33.5
Meadowhall	7.6	12.2
Other Sheffield Authority Area	56.6	31.0
<b>Sub-Total Sheffield Authority Area</b>	<b>76.5</b>	<b>76.7</b>
Other Destinations in Study Area	17.2	15.5
Outside Study Area	6.3	7.7

Source: Table 14 of Appendix 6

- 4.25 However, there has been a very significant decline in respect of the city centre’s market share of small household goods expenditure since 2016, with this figure decreasing from 33.5% at 2016 to 12.3% at 2022. A significant reduction is also evident at Meadowhall, where small household goods market share declined from 12.2% at 2016 to 7.6% at 2022. We believe that some of this decline in performance can be attributable to the difficulties experienced by the department store sector and the reduced offer in this regard that is available in larger retail venues.

### Recreational Goods

- 4.26 Although the Sheffield authority area has experienced a modest decline in its overall share of recreational goods expenditure (from 80.5% at 2016 to 72.2% at 2022), the city centre has again experienced a more substantial decrease. In this regard, Sheffield city centre secured 34.2% of all Study Area recreational goods expenditure at 2016, which decreased to 17.2% at 2022. As is the case with other sub-sectors of comparison goods, this decrease coincides with an improved performance in respect of Sheffield’s secondary centres and retail parks, which have collectively improved their market share from 20.7% at 2016 to 44.8% at 2022.

**Table 4.8: Comparison Goods Expenditure Market Share – Recreational Goods**

<b>Destinations</b>	<b>2022 Market Share (%)</b>	<b>2016 Market Share (%)</b>
Sheffield City Centre	17.2	34.2
Meadowhall	10.3	25.6
Other Sheffield Authority Area	44.8	20.7
<b>Sub-Total Sheffield Authority Area</b>	<b>72.2</b>	<b>80.5</b>
Other Destinations in Study Area	19.8	10.5
Outside Study Area	8.0	9.0

Source: Table 16 of Appendix 6

### Chemist Goods

- 4.27 The Sheffield authority area retains a significant market share in respect of Chemist goods, with 73.5% of all trips that originate within the Study Area being directed towards the authority area. However, since 2016 the city centre has experienced a considerable decrease in its overall market share of such expenditure, from 29.2% at 2016 to 16.8% at 2022. Meadowhall's performance has been more consistent, albeit its market share reduced from 11.0% at 2016 to 8.8% at 2022. The collective chemists goods market share for other destinations within Sheffield has again increased, in this instance from 35.0% at 2016 to 47.9% across the five years to 2022.

**Table 4.9: Comparison Goods Expenditure Market Share – Chemists Goods**

<b>Destinations</b>	<b>2022 Market Share (%)</b>	<b>2016 Market Share (%)</b>
Sheffield City Centre	16.8	29.2
Meadowhall	8.8	11.0
Other Sheffield Authority Area	47.9	35.0
<b>Sub-Total Sheffield Authority Area</b>	<b>73.5</b>	<b>75.2</b>
Other Destinations in Study Area	20.9	17.8
Outside Study Area	5.6	6.9

Source: Table 18 of Appendix 6

- 4.28 The shift in shopping patterns within the city centre is quite considerable, and the increase of trips attracted to retailers in other destinations within the Sheffield authority area is broadly comparable to the decline in the city centre's performance. This further suggests that a proportion of expenditure is now being directed to local centres closer to where respondents live, potentially as a result of changed work patterns with fewer people working (and consequently shopping) in the city centre.

### Electrical Goods

- 4.29 Since 2016, the most significant change in terms of market share in respect of electrical goods shopping is again observed in the city centre, which has experienced a decrease in its market share

of all such Study Area expenditure from 39.3% at 2016 to 13.0% at 2022. This is set out below at Table 4.10.

- 4.30 Notwithstanding this substantial decrease, the market share of electrical goods expenditure for all destinations within the Sheffield authority area has remained broadly consistent from 2016 (77.6% market share) to 2022 (75.1%). The primary reason that Sheffield's overall electrical goods market share has remained fairly constant over time is due to the improved performance of smaller centres and out of centre retail parks, which have substantially increased their market share 29.1% at 2016 to 56.7% at 2022.

**Table 4.10: Comparison Goods Expenditure Market Share – Electrical Goods**

<b>Destinations</b>	<b>2022 Market Share (%)</b>	<b>2016 Market Share (%)</b>
Sheffield City Centre	13.0	39.3
Meadowhall	5.4	9.2
Other Sheffield Authority Area	56.7	29.1
<b>Sub-Total Sheffield Authority Area</b>	<b>75.1</b>	<b>77.6</b>
Other destinations in Study Area	19.1	17.0
Outside Study Area	5.8	5.4

Source: Table 20 of Appendix 6

### DIY and Gardening Goods

- 4.31 Less change is evident in the DIY goods, with Sheffield city centre's market share of such Study Area expenditure improving slightly from 6.2% at 2016 to 7.0% at 2022. Meadowhall, as we would expect given its character and offer, fails to attract any substantial DIY goods market share.
- 4.32 Accordingly, Study Area residents principally look to out of centre superstores and retail parks to meet such needs. In this regard, DIY goods retailers within the wider Sheffield authority area were subject to a decline in market share from 73.3% at 2016 to 68.4% at 2022.

**Table 4.11: Comparison Goods Expenditure Market Share – DIY and Gardening Goods**

<b>Destinations</b>	<b>2022 Market Share (%)</b>	<b>2016 Market Share (%)</b>
Sheffield City Centre	7.0	6.2
Meadowhall	0.5	0.3
Other Sheffield Authority Area	61.0	66.8
<b>Sub-Total Sheffield Authority Area</b>	<b>68.4</b>	<b>73.3</b>
Other Destinations in Study Area	17.7	17.9
Outside Study Area	13.9	8.8

Source: Table 22 of Appendix 6

## Furniture Goods

- 4.33 In our experience, furniture goods shopping trips are generally directed to out-of-town retail parks where generally 'bulkier' items can be displayed, purchased and collected in large, modern purpose built facilities. As such, we note that the respective household surveys indicate that the market share of furniture goods shopping trips directed to Sheffield city centre has decreased from 37.2% at 2016 to 12.1% at 2022.
- 4.34 Whilst this reduction is considerable, we do consider that the previous market share recorded (which equates to more than a third of all such expenditure) is on the high side given the extensive catchment area and the manner in which such bulky goods purchases are generally made.

**Table 4.12: Comparison Goods Expenditure Market Share – Furniture Goods**

Destinations	2022 Market Share (%)	2016 Market Share (%)
Sheffield City Centre	12.1	37.2
Meadowhall	1.0	4.6
Other Sheffield Authority Area	56.0	25.0
<b>Sub-Total Sheffield Authority Total</b>	<b>69.2</b>	<b>66.8</b>
Other destinations in Study Area	20.8	18.9
Outside Study Area	10.1	14.3

Source: Table 24 of Appendix 6

- 4.35 The total market share of Study Area furniture goods expenditure as increased slightly from 66.8% at 2016 to 69.2% at 2022. This can be attributed to an overall increase (from 25.0% at 2016 to 56.0% at 2022) in the market share of furniture goods expenditure attracted to other destinations within the City of Sheffield.

## Summary

- 4.36 The household survey results are provided in full at Appendix 2. In respect of convenience goods, the key findings from our assessment are as follows:
- Overall, the Sheffield authority area retains a significant proportion of all main food shopping expenditure with 67.7% of all such Study Area expenditure being directed to the City. In terms of main food shopping, the city centre has experienced a decline in market share (from 3.1% at 2016 to 2.0% at 2022);
  - As with main food shopping patterns, the market share of top-up food shopping expenditure claimed by the city centre has also notable decline since 2016, with falling from 7.5% at 2016 to 4.8% at 2022; and

- The Sheffield authority area retains a significant proportion of top-up food expenditure, with 65.1% of all such Study Area expenditure being claimed by the City's convenience goods retailers. This compares with a market share of 78.3% at 2016.

4.37 Notwithstanding the reduction in convenience goods market share, we note that the estimated<sup>17</sup> current Study Area population at 2022 is 916,803 and that the population of the Sheffield authority area is 597,031. This means that 65.1% of the Study Area population resides within the City of Sheffield. Given that convenience goods shopping is undertaken close to home, both the main and top-up food expenditure market shares are consistent with our expectations and indicative of such shopping being undertaken in a sustainable manner.

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

- With the exception of furniture goods, the authority area's market share of expenditure has decreased since 2016 for all categories of comparison goods; and
- Although the city centre still draws a relatively high market share of expenditure from across the Study Area, this has decreased for all categories of comparison goods with the exception of DIY goods since 2016. Decreases in the city centre's market share of comparison goods have been mirrored by a consequential increase in the market share of expenditure secured by smaller centres and retail park destinations within the authority area.

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<sup>17</sup> As derived from Experian MicromarketerG3 data.

## 5 Healthcheck Assessments

### Introduction

- 5.1 Paragraph 86 of the NPPF indicates that planning policies should promote the long term vitality and viability of town centres by allowing them to grow and diversify in a way that can respond to rapid changes in the retail and leisure industries. The same paragraph also states that town centres should accommodate a suitable mix of uses (including housing) and provide for development that reflects a centre's distinctive character.
- 5.2 Paragraph 006 of the Town Centres PPG identifies a range of indicators that should be assessed over time in order to establish the health of a town centre. The indicators include the following:
- diversity of uses;
  - proportion of vacant street level property;
  - retailer representation and intentions to change representation;
  - pedestrian flows;
  - accessibility;
  - perception of safety and occurrence of crime;
  - the state of town centre environmental quality;
  - the balance between independent and national multiple retailers; and
  - the extent to which there is an evening and night time economy.
- 5.3 New healthcheck assessments have been undertaken for Sheffield city centre and the 17 district centres identified at Policy CS34 at the Sheffield Core Strategy<sup>18</sup>.
- 5.4 The assessments are based on site visits which were undertaken in March 2022. These assessments should be taken as a 'snapshot' of the performance of each centre at a moment in time, and further issues may subsequently become apparent in each centre as a consequence of changes arising from the Covid-19 pandemic, rising inflation, and other economic pressures.
- 5.5 Detailed healthchecks for the city centre and the district centres are provided at Appendix 3 and 4 respectively. A plan showing the distribution of the city and district centres is provided at Appendix

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<sup>18</sup> These district centres being Banner Cross, Broomhill, Chapeltown, Chaucer, Crookes, Crystal Peaks, Darnall, Ecclesall Road, Firth Park, Heeley, Hillsborough, London Road, Manor Top, Spital Hill, Stocksbridge, Woodhouse and Woodseats.

5. We provide a summary of the key conclusions from our healthcheck assessments in respect of the main centres across the authority area below.
- 5.6 It should be noted that the healthcheck for the city centre focuses on the area defined and surveyed as such by Experian Goad. Experian Goad's defined area is broadly consistent with the 'Central Shopping Area' as defined by the Sheffield UDP Proposals Map. However, the area surveyed by Experian Goad excludes the Devonshire Quarter/Division Street area.
- 5.7 Our approach in using the Experian Goad definition replicates that used in undertaking the 2017 Retail and Leisure Study, and therefore allows a direct comparison in respect of how the composition of the city centre has changed over recent years.
- 5.8 For the district centres, we adopt the boundaries defined by the Sheffield Plan Proposals Map due to the inclusion of Chaucer district centre<sup>19</sup>. Therefore, to ensure a consistent approach to all district centres, the boundaries from the Sheffield Plan have been adopted.

### **Sheffield City Centre**

- 5.9 Sheffield city centre is by some distance the largest centre in the administrative area, and it serves an important sub-regional role in meeting comparison goods retail needs. It also has a strong service and leisure offer, which meets the needs of permanent residents, students, and visitors to the city.
- 5.10 The city centre extends to the A61 to the south, Eyre Street and Arundel Gate at the east, Castle Street and Campo Lane to the north, and Leopold Street and Barker's Pool to the west. Barker's Pool is an area of quality public realm bound by the vacant John Lewis department store and City Hall, leading up to Division Street. The primary shopping area is located within the Heart of the City regeneration area, the northern half of the Moor and Division Street.
- 5.11 National multiple retailers are primarily found on The Moor, High Street, Pinstone Street and Fargate. The greatest pedestrian flows were found on The Moor and Pinstone Street on the day of our visit. The Moor accommodates the largest retail units in the centre, including some department stores, although the Debenhams store has ceased trading and is now vacant. More discount comparison retailers are also found in Castlegate and at the southern end of The Moor. The Moor market is a purpose-built covered market which accommodates a good variety of retailers, together with a food court.

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<sup>19</sup> Chaucer district centre was not a defined centre in the Sheffield UDP.

5.12 Table 5.1 below provides an overview of the composition of the City Centre at March 2022.

**Table 5.1: City Centre Unit Composition at March 2022**

	Comparison	Convenience	Financial	Leisure	Retail	Vacant	Total Units
Sheffield City Centre	21.5%	9.1%	6.7%	28.4%	8.9%	25.3%	549
<b>National Average</b>	<b>27.0%</b>	<b>9.2%</b>	<b>9.1%</b>	<b>24.7%</b>	<b>15.7%</b>	<b>14.1%</b>	-

Source: Composition of Sheffield city centre derived from Nexus Planning survey of March 2022 using Experian Goad boundary definition; Experian Goad national averages at January 2022

- 5.13 Since 2016, the comparison goods offer in Sheffield city centre has changed considerably as a consequence of the closure of the John Lewis department store at Barker's Pool, the Debenhams at The Moor, and various other comparison goods national multiple retailers. Whilst this is reflective of wider structural issues in the retail sector, the loss of such anchor tenants has a tangible impact on the retail offer of the city centre. Notwithstanding this, the comparison goods retail function of the city centre continues to be one of its key attractions and it will be important that it is not further eroded.
- 5.14 The decrease in the comparison goods offer has been mitigated by growth in the service (leisure, retail and financial and business service operators) sector. In 2016, service operators accounted for 31.6% of all operators in the city centre. At 2022, the proportion of service operators in the city centre equated to 44.0% of all commercial units. This increase is reflective of leisure operators repurposing retail floorspace across the country, and the availability of stock helping to stoke an entrepreneurial spirit amongst the independent sector.
- 5.15 Notwithstanding this, our survey recorded a total of 139 vacant units, accounting for 25.3% of all units in the city centre. This is substantially in excess of the current national average vacancy rate, which equates to 14.1%<sup>20</sup> of commercial units. The figure at 2022 also represents a slight increase on the 23.7% of vacant units recorded at 2016. The proportion of vacancies is considered to negatively impact the overall impression of vibrancy and vitality in the city centre. However, we note a number of recent projects which both reflect the changing nature of the centre, and will result in an overall decrease in the proportion of vacant floorspace in the city centre on their completion. As a consequence of this, we believe that the centre is relatively well positioned to recover from the Covid-19 pandemic and secure a vital and viable future.

<sup>20</sup> Experian Goad data at January 2022.

## District Centres

5.16 The composition of each of the district centres is set out in Table 5.2 below. With the exception of Crystal Peaks, London Road and Woodseats (which are among the largest district centres in terms of the number of units accommodated), Sheffield's district centres benefits from vacancy rates in respect of commercial stock that are below the UK national average of 14.1%. Indeed, nine of the 17 centres have a single figure (i.e. below 10%) vacancy rate.

**Table 5.2: District Centre Unit Composition at March 2022**

District Centre	Comparison	Convenience	Financial	Leisure	Retail	Vacant	Total Units
Banner Cross	14.5%	11.8%	14.5%	21.1%	32.9%	5.3%	76
Broomhill	20.4%	6.8%	7.8%	34.0%	22.3%	8.7%	103
Chapelton	13.2%	12.1%	12.1%	27.5%	25.3%	9.9%	91
Chaucer	23.1%	23.1%	0.0%	38.5%	15.4%	0.0%	13
Crookes	19.4%	13.4%	9.0%	38.8%	16.4%	3.0%	67
Crystal Peaks	47.8%	6.7%	10.0%	13.3%	7.8%	14.4%	90
Darnall	23.5%	16.3%	2.0%	25.5%	22.4%	10.2%	98
Ecclesall Road	25.1%	10.6%	6.6%	30.8%	18.5%	8.4%	227
Firth Park	18.4%	18.4%	4.6%	27.6%	19.5%	11.5%	87
Heeley	25.0%	12.5%	3.1%	35.9%	12.5%	10.9%	64
Hillsborough	26.7%	10.5%	8.1%	21.5%	20.9%	12.2%	172
London Road	11.7%	9.7%	2.1%	44.1%	15.2%	17.2%	145
Manor Top	18.5%	14.8%	3.7%	29.6%	29.6%	3.7%	27
Spital Hill	22.0%	20.3%	1.7%	25.4%	22.0%	8.5%	59
Stocksbridge	31.1%	14.4%	3.3%	21.1%	18.9%	11.1%	90
Woodhouse	16.7%	16.7%	2.1%	33.3%	27.1%	4.2%	48
Woodseats	21.9%	6.9%	8.1%	22.5%	24.4%	16.3%	160
<b>National Average</b>	<b>27.0%</b>	<b>9.2%</b>	<b>9.1%</b>	<b>24.7%</b>	<b>15.7%</b>	<b>14.1%</b>	-

Source: Composition of district centres derived from Nexus Planning survey of March 2022 using Sheffield Plan Proposals Map boundary definitions; Experian Goad national averages at January 2022

5.17 We provide a brief summary of each district centre below. More detailed healthcheck appraisals are provided at Appendix 4.

### Banner Cross

5.18 Banner Cross is anchored by convenience goods operators, including Co-op Food and Sainsbury's Local, and supports a good range of service operators. The district centre has a particularly strong range of retail service operators, with a substantially greater proportion of units in this use relative to Experian Goad national average figures. The vacancy rate at the district centre is significantly lower than the national average, and by virtue of this the centre is considered to be highly vital and viable.

## Broomhill

- 5.19 Broomhill district centre is located in the south-west of the city, approximately 2 miles from the city centre. The district centre is located in a primarily residential area popular with families and students. Broomhill is an attractive and vibrant centre with a number of colourful and reasonably well maintained shop fronts, and historic buildings associated with the Conservation Area to the north. Broomhill's offer is focused around convenience and service uses. A Morrisons and Sainsbury's Local are located in the purpose-built shopping precinct, and a Tesco Express is located to the south. The centre's relatively low vacancy level and high levels of activity mean it is considered a vital and viable district centre.

## Chapelton

- 5.20 Chapelton is anchored by a large Asda superstore and, as such, a large proportion of the centre's floorspace is dedicated to the sale of convenience goods. The district centre also has a range of comparison goods and service operators commensurate with the role and function of a district centre. Chapelton benefits from the TRAXX community market and has a vacancy rate in respect of the stock of units of just under 10%. The centre has a good level of activity and supports a range of national multiple and independent operators. Chapelton is also considered to be a vital and viable district centre, which performs an important role given that the settlement is set slightly apart from the rest of the City.

## Chaucer

- 5.21 Chaucer district centre is the smallest district centre in the authority area in terms of the total number of retail units accommodated. The district centre is anchored by a modern Asda superstore, and by virtue of this a high proportion of its floorpace is dedicated to convenience goods. The general level of retail and service provision in the centre is less than would generally be associated with a district centre designation. Notwithstanding this, the centre plays an important role in meeting day-to-day shopping needs. Whilst it is limited and substantially focused around the Asda, Chaucer is also considered vital and viable.

## Crookes

- 5.22 Crookes district centre is tightly focused along the main road of the same name, and is anchored by a strong range of convenience operators, namely Co-op Food and Sainsbury's Local. The district centre also has a very strong range of leisure service operators, which are varied and ensure that the district centre supports both a daytime and early evening economy. The district centre also has a

lower level of vacant units than the current national average, and is generally attractive and well maintained. Accordingly, Crookes is also found to be a vital and viable district centre.

### Crystal Peaks

- 5.23 Crystal Peaks comprises a purpose-built retail shopping centre, which was built in the late 1980s. The centre supports a diverse range of national multiple comparison goods operators who are attracted to the modern, purpose built units at Crystal Peaks and the centre benefits from a good level of activity and footfall as a consequence. National multiples represented in the centre include M&S, New Look and Next, which is reflective of its comparison goods role being akin to that of a small town centre.
- 5.24 Crystal Peaks district centre also accommodates a covered market, which is operated by Sheffield City Council. Whilst the centre's comparison goods offer is a strength, the centre's vacancy rate is the third highest of Sheffield's district centres and it will be important to ensure that the centre is able to evolve to respond to changes in the retail sector and the use of high streets. Accordingly, whilst Crystal Peaks is currently considered to perform an important role, it will be important to ensure that the vacancy rate does not increase further and that additional, good quality operators can be attracted to underpin its future vitality and viability.

### Darnall

- 5.25 Darnall provides a diverse range of operators, anchored around a strong range of convenience and comparison goods operators. This offer is bolstered by a diverse service sector. Given this, current provision within Darnall district centre is considered appropriate to serve the day-to-day needs of the local community.
- 5.26 In visiting the centre, we note that the concentration of leisure service operators (which frequently have closed shutters) reduces the overall impression of vibrancy in parts of the centre during daytime hours. Whilst the centre would benefit from some investment into the stock of property, we find that it is generally vital and viable.

### Ecclesall Road

- 5.27 Ecclesall Road is a linear and attractive district centre which accommodates a strong service sector, particularly leisure operators. As a consequence, its composition is somewhat atypical when compared to other similarly-sized centres in Sheffield. This reflects its catchment area, which includes a high number of students and young professionals.

5.28 The centre also has a relatively strong range of convenience uses and a range of comparison shops too, with national multiples and higher end independents represented. The centre clearly serves a wide catchment, particularly with respect to leisure uses and its night-time economy offer. Whilst Ecclesall Road accommodates the largest number of units of all of Sheffield's district centres, its vacancy rate is substantially below national average level. There was a good level of activity at the time of our visit, and the district centre is considered to be highly vital and viable.

### Firth Park

5.29 Firth Park district centre is located just to the north of the public park of the same name. As such, the centre benefits from an attractive setting and accommodates a good number of key, community facilities (including Firth Park Library, a nursery and a place of worship). The district centre offers a diverse range of comparison, convenience and service operators, which together are considered appropriate to meet the day-to-day needs of the local community in Firth Park.

5.30 Operators generally occupy the ground floor of historic properties, and the units are often relatively small as a result. Notwithstanding this, some national multiple leisure service providers are accommodated within the centre and its vacancy rate is well below national average. First Park is also considered to be a generally vital and viable centre.

### Heeley

5.31 Heeley district centre is comprised of a modern retail park (Heeley Retail Park) which dominates the southern half of the district centre, along with a number of large retail units on the western side of Chesterfield Road (occupied by retailers such as Lidl, B&M and Porcelanosa). The eastern side of Chesterfield Road is lined by more traditional retail units, and includes a specialist furniture store, Ponsford. The centre has a reasonable range of operators, which are considered capable of serving the day-to-day needs of the local community. Given this, and the current vacancy rate, Heeley is considered to be a vital and viable district centre.

### Hillsborough

5.32 Hillsborough district centre is the second largest district centre in Sheffield in terms of the number of commercial units accommodated. The retail and service offer in Hillsborough is diverse, and is commensurate with the scale of the district centre.

5.33 Hillsborough's comparison goods retail offer remains integral to the centre's offer, albeit there has been a significant decrease in the number of units dedicated to this use since the centre was

previously surveyed in 2016. Notwithstanding this, the proportion of comparison goods floorspace accommodated within the centre remains higher than the national average.

- 5.34 It should also be noted that whilst the vacancy rate has increased since 2016, it remains lower than the current national average. Accordingly, whilst it will be important to ensure that the vacancy rate does not further increase, we believe that Hillsborough is currently reasonably vital and viable.

### London Road

- 5.35 London Road district centre has a strong range of leisure service uses and convenience shops, which anchor the centre. Although the proportion of comparison goods operators has declined significantly since 2016, the current level of comparison goods provision is considered commensurate with the centre's position within the retail hierarchy.

- 5.36 However, London Road has the highest vacancy rate (equating to 17.2% of commercial units) of Sheffield's district centres and it is dominated by takeaway units. As a consequence, the centre lacks vibrancy during daytime hours. Its current performance is only considered to be moderate as it would clearly benefit from greater diversity in respect of uses and a reduction in the vacancy rate.

### Manor Top

- 5.37 Manor Top is the second smallest of Sheffield's district centres in terms of the number of commercial uses it accommodates. Notwithstanding this, the centre supports a range of convenience and comparison goods operators, and retail and leisure service provision. As would be expected given the size of the centre, Manor Top's offer is focused around meeting local day-to-day retail and service needs. The centre is anchored by Asda, but also provides a number of community uses, including Manor Library and Manor Top Medical Centre. It is these uses that elevate its role above that of a local centre.

- 5.38 Whilst the centre is somewhat dominated by City Road and the tram tracks, its very low vacancy rate and relatively high levels of activity mean that it is a vital and viable district centre.

### Spital Hill

- 5.39 Spital Hill serves a diverse local catchment area. The centre provides a comprehensive range of community facilities, including a Library and Council Advice Centre. It is to some degree anchored by a Tesco Extra superstore which is located in the south of the district centre. However, as we go on to identify at Section 7 of this report, the household survey suggests that this Tesco trades relatively poorly.

5.40 Spital Hill is of a moderate size and is primarily focused on meeting local needs only. As such, its comparison goods retail and financial service offer is limited. The centre is generally vital and vibrant, which is reflected in its low vacancy rate.

### Stocksbridge

5.41 Stocksbridge district centre comprises a traditional retail parade situated on Manchester Road, and a retail and shopping park (Fox Valley Shopping Park) which is located to the north. These two distinct destinations – although both located within the defined centre – appear to operate largely independently from each other.

5.42 Stocksbridge is set apart from the wider City of Sheffield and, as such, accommodates a relatively diverse range of operators that meet needs arising in the local centre. Its vacancy rate is below national average level and the centre is considered vital and viable.

### Woodhouse

5.43 Woodhouse is one of Sheffield's smaller district centres. Its offer is dominated by convenience and services uses, with Co-op Food anchoring the western end of the centre. The range of service retailers is also considered to be good. This provision is further augmented by a number of comparison goods operators. Whilst the proportion of units in comparison goods use is lower than national average, the mix of uses is considered suitable to serve the day-to-day needs of the local community. By virtue of the low vacancy rates of the centre, Woodhouse is considered to be a vital and viable centre.

### Woodseats

5.44 Woodseats is a large district centre which serves a wide catchment area and provides a diverse range of retail and service operators to meet day-to-day needs. There has been a very significant reduction in the proportion of units dedicated to comparison goods retail uses since the centre was surveyed in 2016. Some of this stock has been repurposed for service uses, and the proportion of units occupied by retail service providers is notably high.

5.45 However, the vacancy rate in respect of units now equates to 16.3% of stock, which is both above the national average rate (14.1%) and that recorded within the centre in 2016 (12.1%). As such, it will be important that the vacancy rate is reduced in order to help underpin Woodseats' future vitality and viability.

## 6 Population and Expenditure

### Study Area and Survey

- 6.1 In March 2022, a survey of 1,708 households was undertaken by NEMS within the defined Study Area in order to ascertain where residents go to undertake a range of shopping and leisure activities. The defined Study Area zones are broadly consistent with those which were used in undertaking the 2017 Retail and Leisure Study (albeit some peripheral zones have been consolidated or removed where limited expenditure was claimed by facilities within the City of Sheffield in practice). The Study Area covers a significant area and reflects the locations where residents look to facilities within Sheffield to help meet their retail and leisure needs. A plan of the Study Area is provided as Appendix 1.
- 6.2 The defined Study Area has been broken down into fifteen separate zones based on postcode sectors. The fifteen zones are considered representative of geographic areas that may accommodate broadly similar patterns of shopping behaviour. The below Table 6.1 identifies the postcode sectors which define each of the zones.

**Table 6.1: Study Area Zones by Postcode Sector**

Survey Zone	Postcode Sectors
1	S35 0, S35 7, S36 1, S36 2, S36 6, S36 7, S36 8, S36 9
2	S35 1, S35 2, S35 3, S35 4, S35 8, S35 9, S74 0, S74 9
3	S3 9, S4 7, S4 8, S5 0, S5 6, S5 7, S5 8, S5 9, S6 1, S9 1
4	S6 2, S6 3, S6 4, S6 5, S6 6
5	S10 1, S10 2, S10 3, S10 4, S10 5, S11 7, S11 8, S11 9
6	S2 3, S2 4, S7 1, S7 2, S8 0, S8 7, S8 8, S8 9, S17 3, S17 4
7	S2 1, S2 2, S2 5, S12 2, S12 3, S13 8, S14 1
8	S12 4, S13 7, S20 1, S20 2, S20 3, S20 4, S20 5, S20 6, S20 7, S20 8
9	S9 2, S9 3, S9 4, S9 5, S13 9, S95 1, S96 5, S98 1, S99 1, S99 3
10	S1 1, S1 2, S1 3, S1 4, S3 7, S3 8
11	S32 1, S32 2, S32 3, S32 4, S32 5, S33 0, S33 6, S33 7, S33 8, S33 9, S36 3, S36 4
12	S18 1, S18 2, S18 3, S18 4, S18 7, S18 8, S41 9, S43 2
13	S21 1, S21 2, S21 3, S21 4, S21 5, S26 2, S26 3, S26 4, S26 5, S60 5, S60 8
14	S25 1, S25 2, S25 3, S25 4, S25 5, S26 1, S26 6, S60 4, S65 4, S66 1, S66 2, S66 3, S66 9
15	S60 1, S60 2, S60 3, S61 1, S61 2, S61 3, S61 4, S62 5, S62 6, S62 7, S64 5, S65 1, S65 2, S65 3

- 6.3 The zones were used as the basis for the NEMS household survey, which informed our assessment of shopping patterns as set out at Section 4 of this report. The survey results also underpin the quantitative retail capacity assessment which follows at Section 7. However, in order to consider the flow of expenditure to retail destinations, it is first necessary to estimate the population and future convenience and comparison goods expenditure apparent in the Study Area.

6.4 The Sheffield authority area broadly corresponds to Zones 3 to 10, with additional parts of the authority area also being located within parts of Zones 1, 2 and 11.

### Study Area Population

6.5 The population within each postcode sector and each zone at 2022 has been calculated using Experian Micromarketer G3 data (2020 estimate, which was issued in February 2022). In estimating the future population of the Study Area, consideration has been given to the authority's population projections across the period to 2039.

6.6 Table 6.2 below sets out Experian's population projections for each zone in the Study Area for reporting years 2022, 2024, 2027, 2029, 2034 and 2039.

**Table 6.2: Estimated Study Area Population by Survey Zone**

Zone	2022	2024	2027	2029	2034	2039
1	38,437	38,731	39,183	39,468	40,057	40,478
2	46,824	47,110	47,639	47,940	48,552	48,971
3	108,200	109,278	110,752	111,745	114,688	117,551
4	48,759	49,085	49,488	49,724	50,262	50,781
5	86,860	88,024	90,193	91,652	94,707	96,910
6	100,775	101,440	102,576	103,286	105,165	106,513
7	76,105	76,677	77,531	78,050	79,210	80,241
8	55,504	55,825	56,324	56,655	57,440	58,199
9	26,540	26,783	27,190	27,436	28,145	28,804
10	43,086	43,946	45,534	46,614	48,640	50,046
11	11,972	12,019	12,067	12,136	12,222	12,193
12	38,563	38,759	39,055	39,256	39,644	39,934
13	59,261	59,912	60,687	61,234	62,526	63,936
14	70,256	70,784	71,416	71,815	72,653	73,503
15	105,661	106,536	107,827	108,657	110,921	113,472
<b>Total</b>	<b>916,803</b>	<b>924,909</b>	<b>937,462</b>	<b>945,668</b>	<b>964,832</b>	<b>981,532</b>

Source: Table 1 of Appendix 6

6.7 The Study Area population is forecast to increase from 916,803 persons at 2022 to 981,532 persons at 2039. This equates to an increase of 64,729 over the 17-year period.

### Retail Expenditure

6.8 In order to calculate per capita convenience and comparison goods expenditure, we have utilised Experian Micromarketer G3 data, which provides detailed information on local consumer expenditure that takes into consideration the socio-economic characteristics of the local population. The base year for the Experian expenditure data is 2020. Our methodology takes account of the fact that some

special forms of trading expenditure<sup>21</sup> is not available to support retail floorspace, and then allows for increases in per capita expenditure growth on an annual basis.

- 6.9 Figure 5 of Appendix 3 of ERPBN19 (January 2022) provides forecasts in respect of the proportion of convenience and comparison goods expenditure that will be committed through special forms of trading both now and in the future. We have 'stripped out' any survey responses which relate to expenditure committed via special forms of trading and have instead made an allowance derived from Experian's recommendations (which we consider to be the most appropriate means by which to account for such expenditure).
- 6.10 In considering special forms of trading, it should be noted that many products which are ordered online are actually sourced from a store's shelves or stockroom (particularly in the case of convenience goods). As such, expenditure committed in this manner acts to sustain shops and can be considered 'available' to support floorspace within the Study Area.
- 6.11 Accordingly, in order not to overstate the influence of special forms of trading on retailers, our methodology utilises Experian's 'adjusted' allowance for special forms of trading (which is provided at Figure 5 of ERPBN19). This allowance indicates that 5.4% of convenience goods expenditure and 25.6% of comparison goods expenditure is 'lost' from shops at base year 2020 through special forms of trading purchases.
- 6.12 Having made an allowance for special forms of trading, we then take account of projected changes in expenditure in accordance with the recommendations provided by Figure 6 of Appendix 3 of ERPBN19. Experian provides overall growth rates and 'adjusted' rates, which account for any additional increases in expenditure lost to special forms of trading. Experian's forecast growth figures account for the anticipated impacts associated with Brexit and Covid-19.
- 6.13 We set out Experian's expenditure growth estimates at Table 6.3, which is provided over the page.
- 6.14 Our methodology utilises the 'adjusted' figures and our quantitative assessment therefore fully accounts for changes in online retailing that have occurred because of Covid-19, and those that will likely occur in the future as yet more expenditure is committed online.

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<sup>21</sup> Identified as comprising sales via the internet, mail order, stalls and markets, door-to-door and telephone sales (i.e. all expenditure not available to traditional retail floorspace).

**Table 6.3: Experian Retail Planner Briefing Note 19 Convenience and Comparison Goods Annual Per Capita Growth Rates**

Year	Convenience Goods	Convenience Goods 'Adjusted SFT'	Comparison Goods	Comparison Goods 'Adjusted SFT'
2021	-3.7	-4.6	1.9	0.5
2022	-2.0	-1.4	2.1	5.9
2023	0.1	-0.2	2.8	1.8
2024	0.1	-0.2	2.8	1.8
2025	0.1	-0.1	2.8	1.9
2026	0.1	-0.1	2.8	2.0
2027	0.1	-0.1	2.9	2.1
2028	0.1	0.0	2.9	2.3
2029	0.1	0.0	2.9	2.4
2030	0.1	0.0	2.9	2.4
2031	0.1	0.1	2.9	2.5
2032	0.2	0.1	2.9	2.6
2033	0.2	0.1	2.9	2.6
2034	0.2	0.1	2.9	2.6
2035	0.1	0.1	2.9	2.7
2036	0.2	0.1	2.9	2.7
2037	0.1	0.1	2.9	2.7
2038	0.1	0.0	2.9	2.7
2039	0.1	0.0	2.9	2.7

Source: Figure 6 of Appendix 3, Experian Retail Planner Briefing Note 19 (January 2022)

- 6.15 For convenience goods, Experian forecasts very limited per capita expenditure growth across the entire period to 2036. The position is even more pessimistic when account is taken of future growth in special forms of trading, with Experian's forecasts suggesting that the growth in convenience goods expenditure available to actual stores will not exceed 0.1% per annum across the entire period 2023 to 2036. Overall, it is evident that per capita convenience goods expenditure is not forecast to increase in the period to 2039.
- 6.16 The position in respect of comparison goods expenditure is more positive. Experian forecasts that per capita comparison goods expenditure growth will take place over the period to 2036, but, with the exception of growth of 5.9% in 2022, will not exceed 2.7% per annum in the period from 2022 to 2039. Experian's forecast suggests that there will be relatively healthy growth in comparison goods even after accounting for expenditure lost to special forms of trading.
- 6.17 Growth in expenditure forecasts in the longer term (beyond the next ten years) should be treated with caution given the inherent uncertainties associated with predicting the performance of the economy over time (particularly in the current economic, health and political climates). As such,

assessments of this nature should be reviewed on a regular basis in order to ensure that forecasts over the medium and longer term reflect changing circumstances.

- 6.18 In this regard, we also note that paragraph 85 of the revised NPPF requires local planning authorities to allocate sites to meet likely needs ‘...**looking at least ten years ahead**’, which differs from the previous requirement to meet needs across the entire plan period. We believe that this change directly reflects current economic conditions and changes in the retail sector in recent years. However, by applying Experian’s recommendations in respect of special forms of trading and expenditure growth, we are able to produce expenditure estimates for each survey zone and the Study Area as a whole at 2022, 2024, 2027, 2029, 2034 and 2039.

### Convenience Goods Expenditure

- 6.19 Taking into account the Study Area resident population and the available per capita convenience goods expenditure, we estimate that £2,086.2m<sup>22</sup> of convenience goods expenditure originates within the Study Area at 2022. The below Table 6.4 indicates that available Study Area convenience goods expenditure is forecast to increase to £2,231.4m at 2039.

**Table 6.4: Total Available Study Area Convenience Goods Expenditure**

2022 (£m)	2024 (£m)	2027 (£m)	2029 (£m)	2034 (£m)	2039 (£m)
2,086.2	2,096.0	2,117.8	2,136.2	2,187.6	2,231.4

In 2020 prices

- 6.20 Table 6.5 indicates that this represents a relatively modest increase of £145.3m (or 7.0%) across the Study Area between 2022 and 2039. Given the static growth in per capita expenditure, this increase can be attributed to forecast growth in respect of the Study Area population.

**Table 6.5: Growth in Available Study Area Convenience Goods Expenditure**

Growth 2022-24 (£m)	Growth 2022-27 (£m)	Growth 2022-29 (£m)	Growth 2022-34 (£m)	Growth 2022-39 (£m)
9.9	31.6	50.0	101.4	145.3

In 2020 prices

- 6.21 We have assumed that around 75% of available convenience goods expenditure would take the form of main food shopping and that around 25% would take the form of top-up shopping (which relates to smaller purchases, often including staple items such as milk and bread)<sup>23</sup>. By applying this ratio,

<sup>22</sup> In 2020 prices, as is every subsequent monetary reference.

<sup>23</sup> This is a fairly standard split applied in undertaking this exercise.

we estimate that main food shopping trips account for £1,564.6m of Study Area convenience goods expenditure at 2022, and top-up shopping trips account for £521.5m of expenditure.

### Comparison Goods Expenditure

- 6.22 For comparison goods, Table 6.6 sets out our estimate that the resident population of the Study Area will generate £2,535.3m of comparison goods expenditure at 2022. Available comparison goods expenditure is then forecast to grow to £4,046.6m at 2039.

**Table 6.6: Total Available Study Area Comparison Goods Expenditure**

2022 (£m)	2024 (£m)	2027 (£m)	2029 (£m)	2034 (£m)	2039 (£m)
2,535.3	2,650.5	2,850.8	3,012.5	3,483.3	4,046.6

In 2020 prices

- 6.23 The identified increase in comparison goods expenditure growth is substantial, but it represents a level of annual growth that is more circumspect than that which has been achieved in the past. This is due to both a reduction in the overall level of growth when compared to that achieved in the early part of this millennium and as a consequence of further forecast increases in expenditure committed via special forms of trading (most obviously, internet shopping). It is important to note that the large majority of this growth would occur across the last ten years of the period to 2039.

**Table 6.7: Growth in Available Study Area Comparison Goods Expenditure**

Growth 2022-24 (£m)	Growth 2022-27 (£m)	Growth 2022-29 (£m)	Growth 2022-34 (£m)	Growth 2022-39 (£m)
115.2	315.5	477.2	947.9	1,511.2

In 2020 prices

- 6.24 We sub-divide comparison goods expenditure into eight categories, these being: 'DIY', 'Electrical' and 'Furniture' (collectively referred to as bulky goods); and, 'Clothing and Footwear', 'CDs, DVDs and Books', 'Health, Beauty and Chemist Goods', 'Small Household Goods', and 'Toys, Games, Bicycles and Recreational Goods' (collectively referred to as non-bulky goods). The proportion of expenditure directed to each sub-category is estimated by Experian on a zonal basis. Experian's estimates are reflected in the detailed expenditure tables set out at Table 7b of Appendix 6.
- 6.25 In considering expenditure growth, it should be noted that not all growth arising within the Study Area will be to support additional floorspace. Instead, account needs to be taken of: the market share of expenditure secured by retailers within the authority area; the claim made by existing retailers on expenditure growth (the future efficiency of retail floorspace); and, the expenditure that will be claimed by committed retail developments.

## 7 Assessment of Retail Capacity

7.1 Our retail capacity tables set out our step-by-step approach to estimating the expenditure surplus which is available to support additional retail floorspace and are provided at Appendix 6. A summary of our methodological approach, together with our findings, is provided below.

### General Approach to Estimating Quantitative Capacity

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

#### Available Expenditure

7.3 As we set out in Section 6 of this report, available expenditure within a zone is calculated by multiplying the population at a given reporting year by the estimated per capita expenditure. The available expenditure takes into consideration:

- estimated population growth;
- forecast increases in per capita expenditure; and
- forecast increases in special forms of trading.

#### Anticipated Turnover of Sheffield's Retail Floorspace

7.4 The turnover relates to the expenditure required by existing retailers (and by retail commitments benefitting from an extant planning permission) to ensure that they trade viably. For convenience goods retailers, the expected 'benchmark' turnover of existing convenience goods facilities is calculated with reference to GlobalData Convenience and Comparison Goods Sales Densities of Major Grocers and Mintel Retail Rankings data<sup>24</sup>.

#### Surplus/Deficit

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

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<sup>24</sup> These datasets provide independent analysis of key grocery retailers' declared turnover and the overall floorspace in their portfolio in order to calculate national average sales densities.

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

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

### **Future Quantitative Convenience Goods Capacity**

- 7.8 In identifying the requirement for additional convenience goods floorspace, the estimated turnover of the existing collective provision (calculated with reference to the shopping patterns established by the household survey) is compared to its benchmark turnover (calculated with reference to company average sales densities).
- 7.9 For each convenience goods retail destination, consideration has been given as to whether any of its turnover is likely to be derived as 'inflow' from outside the Study Area. However, the Study Area is relatively extensive in its scope and we consider it unlikely that residents of areas further afield (such as Rotherham, Chesterfield and Barnsley) will generally travel to Sheffield in numbers to undertake food shopping. Given the extent of the area covered by the household survey, we therefore do not apply an inflow allowance in respect of convenience goods expenditure.
- 7.10 As Table 7.1 demonstrates, convenience goods floorspace has an expected benchmark turnover of £1,308.7m at 2022, and an estimated survey-derived turnover of £1,396.9m. As a consequence, an expenditure surplus of £88.2m is evident at 2022 to potentially support additional convenience goods floorspace, increasing to £161.9m at 2039.

**Table 7.1: Quantitative Need for Additional Convenience Goods Floorspace in Sheffield Authority Area**

<b>Year</b>	<b>Benchmark Turnover (£m)</b>	<b>Available Expenditure (£m)</b>	<b>Surplus Expenditure (£m)</b>
2022	1,308.7	1,396.9	88.2
2024	1,331.0	1,403.5	72.5
2027	1,335.0	1,418.1	83.1
2029	1,332.3	1,430.4	98.1
2034	1,332.3	1,464.8	132.5
2039	1,332.3	1,494.2	161.9

Notes: Assumes constant market share (67.0%) of Study Area expenditure claimed by facilities within the Sheffield authority area; allows for changes in benchmark turnover sales efficiency in accordance with Table 4b of Experian Retail Planner Briefing Note 19

In 2020 prices

- 7.11 Table 7.2 summarises current extant planning permissions that provide for additional comparison goods floorspace. In calculating the turnover of the identified commitments, we have confirmed the likely quantum of floorspace supported with reference to the relevant planning application documents, and applied professional judgement where necessary to determine whether proposals are likely to incorporate an element of convenience goods sales floorspace once built out. This is of particular relevance to larger schemes where the market is likely to determine how much convenience floorspace could be realistically be supported in practice.
- 7.12 It is clear from the table that planning permission has already been granted for a significant quantum of convenience goods retail floorspace. Our assessment indicates that committed development could support in the order of 12,953 sq.m of convenience goods floorspace, which we estimate would have a turnover of around £109.3m at 2022. Commitments therefore make a very substantial claim on the available convenience goods expenditure surplus.

**Table 7.2 Committed and Implemented Convenience Goods Floorspace in Sheffield Authority Area**

Zone	Location	Planning Application Reference	Proposal	Net Conv Sales (sq.m)	Conv Sales Density (£ per sq.m)	Estimate Turnover at 2022 (£m)
2	Site Of South Yorkshire Trading Standards	21/00497/FUL	Erection of foodstore (Use Class E)	1,520	8,739	13.3
3	Land At Junction of Herries Road, Herries Road South, Penistone Road	21/00234/FUL	Erection of a retail unit (Class E(a))	1,519	11,017	16.7
7	Site Of Park And Arbourthorne Labour Club	19/04323/FUL	Erection of 4 flexible use (A1/A2/A3/A5) retail units	666	8,000	5.3
10	Land Bound By Carver Street, Wellington Street And Backfields	20/01895/RG3	Erection of office building with ancillary retail/café/bar space	566	8,000	4.5
10	George Marshall (Power Tools) Ltd	20/01179/OUT	Demolition of existing building and erection of a mixed-use development, including commercial units (A1/A2/A3/A4 and B1 use classes) at ground floor	964	8,000	7.7
10	Site Of 68-82 Pinstone Street, 1-19 Charles Street, Laycock House - 14 Cross Burgess Street	18/04257/RG3	Alterations to provide 5 retail units and 4 apartments, and erection of 8 storey building comprising retail/café/bar space at ground floor	838	8,000	6.7
10	Site Of 88-104 Pinstone Street, 35-49 Cambridge Street And 2-8 Charles Street	18/04069/RG3	Demolition of buildings behind and erection of a 7 storey building for mixed use	1,114	8,000	8.9
10	Site Of 18 - 42 Pinstone Street And Barkers Pool House	20/02551/RG3	Erection of a 5/7-storey building for use as a hotel with ancillary restaurant/bar and ground floor retail	240	8,000	1.9
10	Sytner Sheffield Ltd	18/03977/FUL	Erection of development, including flexible commercial uses at ground floor level	273	8,000	2.2
10	20-22 (Henry Leah And Sons Ltd) And 24-26 Cambridge Street	21/03334/RG3	Erection of a 3-storey building to form a mixed use development, including retail	793	8,000	6.3
10	Site Of Former Hallamshire Works	21/01753/FUL	Erection of a 2-storey building, including flexible floorspace	346	8,000	2.8
10	Land At Wellington Street, Trafalgar Street And Rockingham Street	19/01836/FUL	Erection of a mixed use development incorporating 764 sq.m of commercial floorspace	611	8,000	4.9
10	West Bar Triangle (Buildings 1A And 1B)	21/01999/REM	Erection of mixed use development, including ground floor retail units	2,000	8,000	16.0
10	Land Between Cotton Mill Row, Cotton Street And Alma Street	19/00622/FUL	Demolition of existing buildings and erection of 86 residential apartments and 2 commercial units	224	8,000	1.8
10	Land Bound By Cambridge Street, Wellington Street And Backfields	20/01437/RG3	Retention and refurbishment of existing buildings, and erection of new buildings to form a mixed use development, including retail space	1,280	8,000	10.2
<b>Total</b>				<b>12,953</b>		<b>109.3</b>

Source Table 6c of Appendix 6

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

- 7.13 In this context, the below Table 7.3 sets out identified convenience goods capacity across the City once relevant commitments have been accounted for. The table demonstrates that extant commitment extinguish all identified surplus capacity across the short term to medium term. However, by 2034, a capacity surplus of £21.2m is apparent, increasing to £50.6m at 2039.
- 7.14 We estimate that the identified surplus could support between 1,600 sq.m and 2,600 sq.m of additional convenience goods floorspace at 2034, increasing to between 3,700 sq.m and 6,200 sq.m at 2039.

**Table 7.3: Quantitative Need for Convenience Goods Floorspace in Sheffield after Commitments**

Year	Surplus (£m)	Commitments (£m)	Residual (£m)	Minimum Floorspace Requirement (sq.m)	Maximum Floorspace Requirement (sq.m)
2022	88.2	109.3	-21.1	-1,600	-2,600
2024	72.5	111.2	-38.6	-2,800	-4,700
2027	83.1	111.5	-28.4	-2,100	-3,500
2029	98.1	111.3	-13.2	-1,000	-1,600
2034	132.5	111.3	21.2	1,600	2,600
2039	161.9	111.3	50.6	3,700	6,200

Source: Table 6d of Appendix 6

Notes: Assumes constant market share (67.0%) of Study Area expenditure claimed by facilities in Sheffield; allows for changes in benchmark turnover sales efficiency in accordance with Table 4a of Experian Retail Planner Briefing Note 19; minimum floorspace requirement based on an assumed sales density of £13,434 per sq.m at 2022 (which equates to the average sales density of the 'big four' foodstore operators); maximum floorspace requirement based on an assumed sales density of £8,000 per sq.m at 2022 (which equates to lower end of typical discount operator performance)

In 2020 prices

### Future Quantitative Comparison Goods Capacity

- 7.15 Our methodology in calculating comparison goods capacity necessarily departs from that used in considering convenience goods needs. This is because it is difficult to accurately estimate a benchmark turnover for comparison goods floorspace due to the large number of operators and the variation in the trading performance of floorspace, depending on its location, character and the nature of the catchment. As a consequence, we adopt the position for comparison goods floorspace that it is trading 'at equilibrium' at base year 2022 (i.e. our survey-derived turnover estimate effectively acts as benchmark).
- 7.16 We have also given consideration as to whether there would be any comparison goods turnover derived as 'inflow' from outside the Study Area.
- 7.17 The Study Area utilised for the new household shopper survey covers a lesser area than that which informed the previous Sheffield & Rotherham Joint Retail & Leisure Study, which reported in 2016. The current methodological approach reflects the need to secure greatest value for the Council by focusing surveys across the area where residents look to Sheffield's facilities to meet both convenience and comparison goods shopping needs. We believe that the Study Area covers the entire principal catchment area in respect of Sheffield's convenience goods provision. Whilst it also encompasses the majority of the catchment area for Sheffield's comparison goods retailers, it is recognised that some such destinations are able to draw trade from outside the current Study Area.
- 7.18 We believe that these destinations comprise:

- Sheffield city centre, by virtue of its location towards the south eastern boundary of the Study Area and as a consequence of its national multiple comparison goods offer; and
- Meadowhall, by virtue of its very significant comparison goods provision and location adjacent to the M1 motorway.

7.19 In order to estimate the approximate level of inflow that is claimed by these three destinations, we have undertaken a three stage process.

7.20 Firstly, we have compared the Study Area for the 2016 Study with that which has been defined for the current Study. In practice, Zones 14, 17, 20, 21, 22, 23, 24, 25, 26 and 27 of the previous Study Area are not included within the area surveyed for the purpose of the current Study.

7.21 Secondly, we have reviewed the comparison goods expenditure drawn from these zones to Sheffield city centre, Crystal Peaks and Meadowhall as identified by the 2016 Study, and calculated the proportion of the overall turnover of these three facilities which is derived from these outer zones.

7.22 Our calculations indicate that:

- around 15% of Sheffield city centre's turnover is derived from outside the current Study Area
- around 28% of Crystal Peaks' turnover is derived from outside the current Study Area; and
- around 49% of Meadowhall's turnover is derived from outside the current Study Area.

7.23 The final stage is to apply these allowances to the current survey results in order to provide for an estimate in respect of the level of inflow claimed from outside the current Study Area.

7.24 Table 25 of Appendix 6 demonstrates that around £425.7m of comparison goods turnover is claimed as inflow by comparison goods retailers within the Sheffield authority area. This equates to around 18.4% of the overall turnover of Sheffield's comparison goods floorspace. We account for future inflow on the basis that it will continue to account for the same proportion of overall comparison goods expenditure going forward.

7.25 After account is taken of the overall forecast level of comparison growth and changes in the same efficiency of existing floorspace, our assessment estimates that the comparison goods turnover of the Sheffield authority area is £1,884.9m at 2022. This is set out below at Table 7.4.

**Table 7.4: Quantitative Need for Comparison Goods Floorspace in Sheffield**

Year	Benchmark Turnover (£m)	Available Expenditure (£m)	Surplus Expenditure (£m)
2022	2,310.6	1,884.9	0.0
2024	2,415.7	1,970.5	-0.2
2027	2,578.7	2,119.4	19.4
2029	2,703.9	2,239.7	41.5
2034	3,074.2	2,589.6	100.3
2039	3,495.2	3,008.4	192.7

Source: Table 26a of Appendix 6

Notes: Assumes constant market share (74.3%) of Study Area expenditure claimed by facilities in Sheffield; allows for changes in benchmark turnover sales efficiency in accordance with Table 4b of Experian Retail Planner Briefing Note 19 In 2020 prices

7.26 The table identifies that a small expenditure deficit of £0.2m arises at 2024. By 2027, this has become a modest surplus of £19.4m, which then increases further to £41.5m at 2029, to £100.3m at 2034, and then to £192.7m at 2039. Once more, this assessment does not take into consideration existing commitments and the claim they will have on capacity. Table 7.5 summarises current extant planning permissions that provide for additional comparison goods floorspace.

**Table 7.5 Committed and Implemented Comparison Goods Floorspace in Sheffield Authority Area**

Zone	Location	Planning Application Reference	Proposal	Net Comp Sales (sq.m)	Comp Sales Density (£ per sq.m)	Estimate Turnover at 2022 (£m)
4	Hillsborough Arcade and Former Old Blue Ball	18/03405/OUT	Outline application for the partial demolition to provide additional ground floor commercial units	2,107	4,000	8.4
7	Site Of Park And Arbourthorne Labour Club	19/04323/FUL	Erection of four flexible use (A1/A2/A3/A5) retail unit	666	4,000	2.7
8	Unit 4, Drakehouse Retail Park	20/01275/FUL	Erection of a mezzanine and external alterations to retail unit	558	3,500	2.0
9	Land And Buildings At Meadowhall Way	18/03796/OUT	Outline application (all matters reserved) for site redevelopment	1,996	3,500	7.0
9	Unit G And H, Meadowhall Retail Park	20/02903/FUL	Creation of additional floorspace at mezzanine level	1,201	3,500	4.2
10	Land Bound By Carver Street, Wellington Street And Backfields	20/01895/RG3	Erection of office building with ancillary retail/café/bar space	566	6,000	3.4
10	George Marshall (Power Tools) Ltd	20/01179/OUT	Demolition of existing building and erection of a mixed-use development, including commercial units (A1/A2/A3/A4 and B1 use classes) at ground floor	964	6,000	5.8
10	Site Of 68-82 Pinstone Street, 1-19 Charles Street, Laycock House - 14 Cross Burgess Street	18/04257/RG3	Alterations to provide five retail units and 4x apartments, and erection of eight-storey building comprising retail/café/bar space at ground floor	838	6,000	5.0
10	Site Of 88-104 Pinstone Street, 35-49 Cambridge Street And 2-8 Charles Street	18/04069/RG3	Demolition of buildings behind and erection of a seven-storey building for mixed use	1,114	6,000	6.7
10	Site Of 18 - 42 Pinstone Street And Barkers Pool House	20/02551/RG3	Erection of a seven/five-storey building for use as a hotel with ancillary restaurant/bar and ground floor retail	240	6,000	1.4
10	Sytner Sheffield Ltd	18/03977/FUL	Erection of development, including flexible commercial uses at ground floor level	273	6,000	1.6

Zone	Location	Planning Application Reference	Proposal	Net Comp Sales (sq.m)	Comp Sales Density (£ per sq.m)	Estimate Turnover at 2022 (£m)
10	20-22 (Henry Leah And Sons Ltd) And 24-26 Cambridge Street	21/03334/RG3	Erection of a three-storey building to form a mixed use development, including retail	793	6,000	4.8
10	Site Of Former Hallamshire Works	21/01753/FUL	Erection of a two-storey building, including flexible floorspace	346	6,000	2.1
10	Land At Wellington Street, Trafalgar Street And Rockingham Street	19/01836/FUL	Erection of a mixed use development incorporating 764 sq.m of commercial floorspace	611	6,000	3.7
10	West Bar Triangle (Buildings 1A And 1B)	21/01999/REM	Erection of mixed use development, including ground floor retail units	2,000	6,000	12.0
10	Land Between Cotton Mill Row, Cotton Street And Alma Street	19/00622/FUL	Demolition of existing buildings and erection of 86 residential apartments and two commercial units	224	6,000	1.3
10	Land Bound By Cambridge Street, Wellington Street And Backfields	20/01437/RG3	Retention and refurbishment of existing buildings, and erection of new buildings to form a mixed use development, including retail space	1,280	6,000	7.7
<b>Total</b>				<b>15,775</b>		<b>79.7</b>

Source Table 26c of Appendix 6

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

7.27 As Table 7.6 below identifies, once the turnover of commitments has been taken account of, a comparison goods expenditure deficit is evident across the entirety of the period 2034.

7.28 At 2039, we estimate an expenditure surplus of £72.1m at 2039. We estimate that the identified surplus could support between 10,300 sq.m and 17,600 sq.m of additional comparison goods floorspace at 2039.

**Table 7.6: Quantitative Need for Comparison Goods Floorspace in Sheffield after Commitments**

Year	Surplus (£m)	Commitments (£m)	Residual (£m)	Minimum Floorspace Requirement (sq.m)	Maximum Floorspace Requirement (sq.m)
2022	0.0	79.7	-79.7	-13,300	-22,800
2024	-0.2	83.3	-83.5	-13,300	-22,800
2027	19.4	87.1	-67.7	-9,600	-16,500
2029	41.5	93.3	-51.8	-7,400	-12,600
2034	100.3	106.1	-5.8	-800	-1,400
2039	192.7	120.6	72.1	10,300	17,600

Source: Table 26d of Appendix 6

Notes: Assumes constant market share (74.3%) of Study Area expenditure claimed by facilities in Sheffield; allows for changes in benchmark turnover sales efficiency in accordance with Table 4a of Experian Retail Planner Briefing Note 19; minimum floorspace requirement based on an assumed sales density of £6,000 per sq.m at 2022; maximum floorspace requirement based on an assumed sales density of £3,500 per sq.m

In 2020 prices

## Qualitative Requirements

### Convenience Goods

- 7.29 As we identified earlier in this section, we estimate that convenience goods retail facilities in Sheffield turn over £1,396.9m at 2022, which is more than their expected benchmark turnover of £1,308.7m. However, in examining the performance of specific stores, it is evident that Aldi's discount supermarkets are performing particularly strongly and that the performance of food superstores<sup>25</sup> is more variable. In this regard it should be noted that, whilst household survey respondents have in the past perhaps been slightly reluctant to acknowledge that they undertake their main food shop at a discounter, this no longer appears to be the case. In addition, our methodology apportions convenience goods expenditure to foodstore destinations according to their identified market share. The methodology does not take into consideration that similar items are generally cheaper in Aldi and Lidl than in one of the 'big four' operators' stores. As such, the performance of discount operators is probably overstated and the performance of the 'big four' operators is probably understated.
- 7.30 The below Table 7.7 provides an overview of the current performance of existing larger foodstores (which provide an estimated net convenience goods sales area of 631 sq.m or more<sup>26</sup>) in the Sheffield authority area with reference to their expected trading performance. There are a total of sixteen food superstores<sup>27</sup> across the authority area<sup>28</sup>, which collectively have an estimated convenience goods turnover of £671.5m at 2022, which is slightly lower than their anticipated benchmark turnover of £693.5m.
- 7.31 Our assessment identifies that just five large food superstores 'overtrade', these being: the Sainsbury's at Archer Road; Asda at Beighton Road East; Tesco at Montgomery Terrace Road; Morrisons at Oxclose Park Road North; and, Morrisons at Chesterfield Road. All other superstores 'undertrade' when compared to their anticipated benchmark turnover.
- 7.32 The food superstore with the strongest performance is the Sainsbury's on Archer Road in Millhouses, which has an estimated convenience goods benchmark turnover of £43.5m and an estimated survey-derived turnover of £72.5m at 2022 (we therefore estimate that it is overtrading by around £29.0m). The worst performing food superstore when compared to its expected benchmark average is the Tesco Extra at Savile Street in Spital Hill, which has a convenience goods benchmark turnover of

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

<sup>26</sup> Which equates to the convenience goods net sales area of the smallest discount supermarket operated by either Aldi or Lidl, this being the Lidl at Manchester Road in Stocksbridge.

<sup>27</sup> Defined as having a net sales area of more than 2,500 sq.m.

<sup>28</sup> This includes four Asda and Morrisons stores, three Sainsbury's and Tesco stores, a M&S Food and Waitrose.

£68.5m and an estimated survey-derived turnover of £28.1m at 2022 (it is therefore undertrading by an estimated £40.5m).

**Table 7.7 Performance of Convenience Goods Floorspace at Principal Foodstores at 2022**

Zone	Store	Benchmark Turnover (£m)	Survey Derived Turnover (£m)	Performance against benchmark (£m)
1	Aldi, Fox Valley Way, Deepcar	10.9	17.7	6.7
1	Co-op, Johnson Street, Stocksbridge	8.4	5.9	-2.4
1	Lidl, Manchester Road, Stocksbridge	5.5	18.6	13.1
2	Aldi, The Common, Ecclesfield	9.0	32.6	23.6
2	Asda, Market Street, Chapeltown, Sheffield	42.9	40.9	-2.0
2	Morrisons, The Common, Ecclesfield	39.1	31.9	-7.1
3	Asda, Chaucer Road, Parson Cross, Sheffield	55.1	50.8	-4.3
3	Jacks, Kilner Way, Sheffield	6.5	1.5	-5.1
3	Lidl, Halifax Road, Sheffield	8.5	11.2	2.7
3	Marks & Spencer, Meadowhall Centre, Sheffield	14.2	14.2	0.0
3	Sainsbury's, Claywheels Lane, Sheffield	36.2	36.0	-0.2
3	Tesco Extra, Savile Street, Sheffield S4 7UD	68.5	28.1	-40.5
3	Tesco Metro, Herries Road, Southey	9.3	6.2	-3.1
4	Aldi, Flora Street Retail Park, Sheffield	9.2	22.0	12.8
4	B&M, Middlewood Road, Hillsborough	3.7	0.7	-3.0
4	Lidl, Stannington Road, Sheffield	9.5	20.6	11.1
4	Morrisons, Penistone Road, Hillsborough	58.4	55.9	-2.6
4	Tesco, Montgomery Terrace Road, Sheffield	24.3	33.8	9.6
5	Co-op, Eccleshall Road, Sheffield	12.1	5.2	-7.0
5	Marks & Spencer, Ecclesall Road, Sheffield	12.0	3.2	-8.8
5	Tesco Metro, Berkeley Precinct, Ecclesall Road, Sheffield	10.2	21.5	11.3
5	Waitrose, Ecclesall Road, Sheffield	40.9	33.6	-7.3
6	Aldi, Archer Road, Sheffield	8.3	52.9	44.6
6	Aldi, St James Retail Park, Norton	11.3	27.4	16.1
6	Aldi, St Marys Gate, Sheffield	11.4	16.6	5.2
6	Home Bargains, Archer Road, Millhouses	2.9	1.1	-1.8
6	Lidl, Chesterfield Road, Heeley	7.8	10.8	3.0
6	Morrisons, Chesterfield Road, Meadowhead	34.8	37.0	2.1
6	Sainsbury's, Archer Road, Sheffield	43.5	72.5	29.0
6	Tesco Extra, Abbeydale Drive/Road, Sheffield	44.3	37.6	-6.7
7	Asda, City Road, Manor Top, Sheffield	9.1	9.1	0.0
7	Lidl, Alison Crescent, Sheffield	10.4	7.2	-3.2
8	Aldi, Drake House Way, Sheffield	10.8	28.0	17.2
8	Asda, Bighton Road East, Crystal Peaks, Sheffield	39.5	54.3	14.8
8	M&S Food, Eckington Way, Crystal Peaks	13.3	4.7	-8.6
8	Morrisons, Oxclose Park Road North, Sheffield	41.0	45.6	4.5
8	Sainsbury's, Crystal Peaks, Sheffield	39.7	37.8	-1.9
9	Aldi, Handsworth Road, Handsworth, Sheffield	9.0	29.0	20.0
9	Asda, Handsworth Road, Sheffield	71.9	71.0	-0.8
9	Iceland (Food Warehouse), Meadowhall Retail Park	5.6	2.7	-2.9
9	Lidl, Catley Road, Sheffield	7.3	16.7	9.4
10	B&M, Haymarket, Sheffield	2.5	0.0	-2.5
10	Co-op, Castle House, Sheffield	10.5	0.5	-10.0
10	Marks & Spencer, Fargate, Sheffield	9.6	9.1	-0.5
10	Sainsbury's, The Moor, Sheffield	18.6	13.0	-5.7

Source: Table 5 of Appendix 6

Notes: The above summary table provides details of the trading performance of foodstores with a net convenience goods sales area of 631 sq.m or above, which correlates to the estimated net sales area of the smallest discount supermarket in the Sheffield authority area (this being the Lidl at Manchester Road, Stocksbridge)

In 2020 prices

- 7.33 The moderate performance of some existing food superstores is not particularly surprising, given that across the country shoppers are frequently foregoing the previously dominant 'big four' foodstore operators in favour of discounters. As a consequence of this, we believe that it is highly unlikely that there will be any requirement in the foreseeable future for any further large food superstores in the area. This is consistent with the current strategy of the 'big four' who are currently very circumspect in terms of their appetite to bring forward additional large superstores. We do, however, note that a number of Aldi foodstores across the City are performing exceptionally well. The eight Aldi stores in the authority area have a collective convenience goods benchmark turnover of £79.9m and an estimated survey-derived turnover of £226.2m; as such, their convenience goods floorspace very significantly overtrades by an estimated £146.3m.
- 7.34 As set out at Section 2 of this report, both Aldi and Lidl have substantially improved their share of the national grocery market in recent years. Notwithstanding this, the very strong performance of Aldi foodstores across the authority area (and the Lidl foodstores at Manchester Road in Stocksbridge and Stannington Road in Malin Bridge) suggests that the market could support more discount foodstore provision. In this regard, we note that Lidl has a significant number of further requirements for new stores across Sheffield at April 2022, and therefore additional proposals for such development could come forward in the short term.
- 7.35 In considering future proposals, it is important to recognise that this Study has not identified any quantitative need for additional convenience goods floorspace in the short term, and any additional proposed food supermarkets should be considered on their merits in accordance with relevant policy tests. Most particularly, planning applications which seek to provide additional food retail provision should be considered having regard to potential sequential alternative sites, and with reference to the magnitude of impacts arising at any defined centre. The potential qualitative benefits associated with any improvement in customer choice can also be afforded weight in the decision-making process.
- 7.36 In terms of the spatial distribution of convenience goods facilities, we believe that existing large-scale main food shopping facilities are generally sited in a sustainable manner across the authority area and there are no obvious 'gaps' in terms of provision which need to be planned for.
- 7.37 However, in order to more fully understand the potential qualitative need for provision of additional convenience floorspace, we have undertaken a review of the performance of stores across the authority area to determine where a need for additional floorspace may be most required in practice.

- 7.38 Chapeltown and Stocksbridge are both materially removed from the Sheffield built-up area in practice, and have a reasonable convenience goods provision. Chapeltown is anchored by Asda on Market Street, alongside smaller convenience goods operators such as Co-op, Sainsbury's Local and Tesco Express. Cumulatively, convenience goods operators in Chapeltown are under-trading by £4.8 million, with the Asda superstore under-trading by £2.0 million. These figures suggest that the convenience goods provision in Chapeltown is broadly commensurate and comfortably provides for convenience goods needs arising in the town. As such, it is considered unlikely that additional convenience goods floorspace will come forward in Chapeltown in practice. However, this is set against the strong trading position of the Aldi foodstore on The Common in Ecclesfield, situated some 800 metres to the south of Chapeltown. This store is overtrading by £23.6 million, albeit as set out in paragraph 7.19 the survey will somewhat overstate the turnover of this discount foodstore. Although Chapeltown is considered to be under-trading, additional discounter convenience goods floorspace in the town may help to attract a greater proportion of expenditure, particularly in the context of the strong performance of the Aldi on The Common in Ecclesfield.
- 7.39 Turning to Stocksbridge, we note that all facilities within the town are overtrading by £17.8 million, with the Aldi on Fox Valley Way and Lidl on Manchester Road performing particularly strongly. The strong performance of Stocksbridge as a whole and of the key foodstores in the town centre is such that it suggests there may be a level of expenditure sufficient to accommodate additional convenience floorspace in practice.
- 7.40 Looking elsewhere throughout the authority area, it is noted that facilities in Zones 3, 7 and 10 are under-trading to varying degrees. Within Zone 3, the Tesco Extra on Savile Street is under-trading by £40.5 million, with facilities in the wider zone under-trading by £61.1 million. Similarly, facilities within Zones 7 and 10 are under-trading by £18.0 million and £38.1 million respectively. Accordingly, on a qualitative basis we do not believe that there is likely to be a requirement for additional convenience goods floorspace in these Zones.
- 7.41 Elsewhere in the authority area, we note that cumulatively convenience goods facilities in Zones 4, 6, 8 and 9 are overtrading. We note that facilities within Zone 6 in particular are substantially overtrading at £121.3 million. In particular, Aldi and Sainsbury's on Archer Road are trading very

strongly, at £44.6 million<sup>29</sup> and £29.0 million respectively. It is noted that the geographic distribution of foodstores, and particularly discounters, is relatively poor in this part of the authority area and the very strong performance of these destinations is considered indicative of a potential qualitative requirement for additional convenience goods floorspace.

- 7.42 Finally, we note that that destinations in proximity to Crystal Peaks, including Aldi on Drake House Way, Asda on Beighton Road East and the Sainsbury's at Crystal Peaks, are either overtrading or are trading around their benchmark position. This suggests that there may be a qualitative requirement for additional convenience goods floorspace in this location.

#### Comparison Goods

- 7.43 In respect of comparison goods, the importance and relative dominance of Sheffield city centre and the additional choice provided at Meadowhall mean that other centres in Sheffield have a more localised role and function than might otherwise be the case. Whilst we believe that the location of these two destinations is such that they make important contributions to meeting some of Sheffield residents' comparison goods needs, it will be important to try to protect and enhance the role of Crystal Peaks and Hillsborough district centres in particular going forward. Whilst the composition of such centres is less reliant on comparison goods provision than was previously the case, this type of retailing remains an important element of larger district centres.
- 7.44 As set out at Section 4, with the exception of furniture goods, Sheffield's market share of Study Area comparison goods expenditure has declined since the undertaking of the previous household shopper survey in 2016. This is likely a consequence of the diminished role played by both Sheffield city centre and Meadowhall, and an increasing trend of respondents looking to meet more of their shopping needs locally.
- 7.45 Sheffield city centre has been the subject of a notable decrease in terms of its market share of Study Area clothing and footwear expenditure (which decreased from 30.6% at 2016 to 22.1% at 2022). In addition, recent changes in retailer representation in the city centre increase the danger of a further

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<sup>29</sup> In this regard it should be noted that, whilst household survey respondents have in the past perhaps been slightly reluctant to acknowledge that they undertake their main food shop at a discounter, this no longer appears to be the case. In addition, our methodology apportions convenience goods expenditure to foodstore destinations according to their identified market share. The methodology does not take into consideration that similar items are generally cheaper in Aldi and Lidl than in one of the 'big four' operators' stores. As such, the performance of discount operators is probably overstated and the performance of the 'big four' operators is probably understated.

decline in the long term clothing and footwear retail function of Sheffield city centre and Meadowhall, in particular.

- 7.46 It will be important to ensure that Sheffield city centre, Crystal Peaks and Hillsborough district centres in particular further diversify in order to provide a balanced and relevant offer, which encourages visitors to dwell and use the centre for different activities. This also applies to differing extents to other district centres within the authority area. However, clothing and footwear will continue to have a place in underpinning the future viability of the authority area's larger town centres. As such, we recommend that careful consideration is given to any further comparison goods development proposals which could impact on the viability of Sheffield's defined centres.

## 8 Assessment of Leisure Capacity

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

- 8.1 Our approach to the assessment of commercial leisure needs necessarily deviates from our retail methodology, in part because it is difficult to source some of the required information to undertake a similar exercise for the leisure sector<sup>30</sup>. In addition, the commercial leisure sector is different to the retail sector; large-scale leisure uses are relatively limited in number and customers often expect to travel at least some distance in order to access them. As such, we believe it is sensible to consider the general appropriateness of provision on a Study Area basis, with reference to the typical number of persons required to support particular uses.
- 8.2 Our assessment considers the typical population required to support bingo halls, casinos, cinema screens and ten pin bowling alleys, and is based around three key stages.
- 8.3 We firstly calculate the expected Study Area and local authority population<sup>31</sup> for the relevant reporting years (2022, 2024, 2027, 2029, 2034 and 2039).
- 8.4 We then calculate the number of persons required to support a bingo hall, cinema screen and bowling alleys nationally, across the UK. We have identified the current level of provision across the UK with reference to the following sources:
- Mintel's Casinos and Bingo UK report (March 2019), which identifies that there are 350 bingo halls across the UK;
  - the UK Cinema Association website<sup>32</sup> which identifies that there are 4,620 cinema screens across the UK; and
  - Mintel's Ten Pin Bowling UK report (May 2017), which identifies that there are 5,242 bowling lanes across the UK.
- 8.5 We then apply the respective ratio to the Study Area population and to Sheffield authority area's population in order to gauge the 'benchmark' level of provision.
- 8.6 In assessing the leisure capacity in the authority area, we note the various proposals located around Meadowhall. Whilst we note that a number of these proposals relate to primarily office-led

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<sup>30</sup> Experian does not forecast improvements in sales efficiency for leisure operators, which is a critical element in translating a monetary surplus into a floorspace requirement.

<sup>31</sup> Taken from Table 6.3.

<sup>32</sup> [www.cinemauk.org.uk](http://www.cinemauk.org.uk), consulted on 11 May 2021.

development<sup>33</sup>, there are a number of planning permissions and applications that provide for a significant quantum of additional leisure floorspace in close proximity to Meadowhall. These applications include:

- Planning permission reference 18/03796/OUT, which was approved in July 2020, and provides for a hotel of up to 7,500 sq.m together with retail (up to 2,495 sq.m.) and leisure (up to 2,000 sq.m) uses, alongside up to 100,000 sq.m of flexible employment floorspace. The overall scale of floorspace of the development is capped at 100,000 sq.m.
- Planning permission reference 16/04169/FUL was approved in May 2018. This permission provides for an expansion of the 'Leisure Hall' at Meadowhall and provides for new restaurants/café/pubs (10,561 sq.m), a cinema (4,200 sq.m.), other leisure space (9,439 sq.m.), retail (7,181 sq.m.), a commercial unit (1,202 sq.m.), a flexible leisure/office/car showroom (3,054 sq.m.), and a police station (168 sq.m.). Additionally, the permission also provides for 17,164 sq.m of shared facilities and circulation space, and a replacement multi-storey car park comprising 50,653 sq.m. It is understood from Officers that the scheme is unlikely to progress in its current form, and a new outline application (reference 20/03766/OUT) was submitted in October 2020.
- Planning application reference 20/03766/OUT was submitted in October 2020. The application supersedes planning permission reference 16/04169/FUL, and provides three development plots:
  - a) the new 'Leisure Hall', comprising an extension to Meadowhall, on the Orange Car Park, and in front of the Vue cinema;
  - b) vacant land to the south of Meadowhall Way and north of Sheffield Road (A6178); and,
  - c) the existing M1 Distribution Centre and The Source.

The application is submitted in hybrid, and seeks outline permission or indoor recreation and leisure, retail, catering, offices, light industrial, creche (Use Class E), drinking establishments, hot food takeaway, cinema, police station and car showroom (Sui Generis), industrial (Use Class B2) and warehouse storage and distribution (Use Class B8) and non-residential institution (Use Class F1), and full permission for the change of use of The Source to Use Class E, and/or F1, and/or Sui Generis (drinking establishments and/or hot food takeaway); and the change of use of the

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<sup>33</sup> Planning permission reference 18/03796/OUT (although this permission includes an element of retail floorspace and a hotel) and planning permissions reference 22/00155/REM and 22/00155/REM.

M1 Distribution Centre from Use Class B1(b and c), B2 and B8 and D2 to Use Class E and/or B2 and/or B8, and/or Sui Generis (car showroom and/or police station and/or drinking establishments and/or hot food takeaway).

- Planning application reference 22/01865/CHU was submitted in May 2020 and seeks permission for the usage of the car park at Meadowhall for as a summer attraction, with temporary structures including food and drink units, toilets, ticket booths and storage, amusement rides, beach area, aqua splash area, and outdoor seating.

## Bingo

- 8.7 Mintel's March 2019 Casinos and Bingo UK report identifies that there are 350 bingo halls across the UK, which equates to a bingo hall for every 195,377 persons or thereabouts<sup>34</sup>. Accordingly, we estimate that the Study Area could theoretically support around 4.7 bingo halls at 2022, increasing to around 5.0 bingo halls at 2039.
- 8.8 We estimate that the population of Sheffield is around 65.1% of that of the Study Area as a whole at 2022. Therefore, on a pro rata basis, we calculate a need for around 3.1 bingo halls in Sheffield at 2022, increasing to 3.3 halls at 2039.
- 8.9 At present, there are three bingo halls in Sheffield (Gala Bingo on Kilner Way, Buzz Bingo on Cricket Inn Road and Mecca Bingo on Flat Street). This level of provision is broadly in line with the identified requirement.
- 8.10 As such, we do not believe that there is any requirement to plan for additional bingo hall provision across the plan period to 2039. Table 8.1 below shows the bingo hall requirement in the Study Area and within Sheffield across the plan period to 2039.

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<sup>34</sup> Based on the Experian 2020 populations projections for the UK, England and Wales, Scotland and Northern Ireland, which identifies a UK population of 68,381,957 persons at 2022.

**Table 8.1: Bingo Hall Requirement in Study Area and Sheffield**

Year	Study Area Population	Typical Population Required to Support Hall	Potential Number of Halls Supported by Study Area	Proportion of Study Area Population in Sheffield (%)	Potential Number of Halls Supported in Sheffield	Outstanding Potential Requirement in Sheffield
2022	916,803	195,377	4.7	65.1%	3.1	0.1
2024	924,909	195,377	4.7	65.1%	3.1	0.1
2027	937,462	195,377	4.8	65.2%	3.1	0.1
2029	945,668	195,377	4.8	65.3%	3.2	0.2
2034	964,832	195,377	4.9	65.4%	3.2	0.2
2039	981,532	195,377	5.0	65.4%	3.3	0.3

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

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

## Cinemas

8.12 The UK Cinema Association website estimates that there are 4,620 cinema screens in the UK, which equates to one screen for every 14,801 persons or thereabouts. On this basis, we estimate that the Study Area population could support around 61.9 cinema screens at 2022, increasing to around 66.3 screens at 2039.

8.13 Once more, we estimate that the population of Sheffield is around 65.1% of that of the Study Area at 2022. On a pro rata basis, this equates to a need for around 40.3 screens in Sheffield at 2022, increasing to around 43.4 screens at 2039.

8.14 There are three large multiplexes in Sheffield (Cineworld at Centertainment, Vue Cinema at Meadowhall Shopping Centre and Odeon at Arundel Gate) which, together with a limited number of independents and speciality cinemas (including Light Cinema at Charter Row, Showroom Cinema at Paternoster Row and Curzon Cinema at George Street) provide a total of 57 screens. This suggests that there are 17 more screens in Sheffield than would be expected through reference to national average levels of provision.

8.15 Although this would suggest that there is an existing over-supply of cinema screens in Sheffield, this is not unexpected in an urban area where residents can access cinemas with relative ease. We believe that the level of provision in Sheffield is appropriate and that there is no pressing need for additional

facilities, particularly as the current offer includes different types of operator and cinema-going experience.

**Table 8.2: Cinema Screen Requirement in Study Area and Sheffield**

Year	Study Area Population	Typical Population Required to Support Cinema Screen	Potential Number of Cinema Screens Supported by Study Area	Proportion of Study Area Population in Sheffield (%)	Potential Number of Cinema Screens Supported in Sheffield	Outstanding Potential Requirement in Sheffield
2022	916,803	14,801	61.9	65.1%	40.3	-16.7
2024	924,909	14,801	62.5	65.1%	40.7	-16.3
2027	937,462	14,801	63.3	65.2%	41.3	-15.7
2029	945,668	14,801	63.9	65.3%	41.7	-15.3
2034	964,832	14,801	65.2	65.4%	42.6	-14.4
2039	981,532	14,801	66.3	65.4%	43.4	-13.6

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

## Ten Pin Bowling

- 8.16 Mintel's Ten Pin Bowling UK 2017 report identifies that there are 5,242 ten pin bowling lanes across the UK, which equates to a bowling lane for every 13,045 persons or thereabouts.
- 8.17 Accordingly, we estimate that the Study Area could support around 70.3 bowling lanes at 2022, increasing to around 75.2 lanes at 2039. Given that the estimated population of Sheffield is around 65.1% of that of the Study Area at 2022, we calculate a need for around 45.8 bowling lanes in Sheffield at 2022, increasing to 49.2 lanes at 2039.
- 8.18 There are two existing ten-pin bowling operators within Sheffield (including Hollywood Bowl at Centertainment and Lane7 at Matilda Street in the city centre, which opened in 2019) providing a total of 35 bowling lanes. As such, there is a theoretical requirement for 11 additional lanes at 2022, increasing to 14 at 2039. This estimated shortage of bowling lanes should be viewed in the context of the further 24-lanes provided at Rotherham Superbowl at Wortley Road in Rotherham which, although located outside of the Sheffield authority area, also serves the needs of some Sheffield residents.
- 8.19 Whilst very few new ten-pin bowling alleys were built in the early part of this century, the market has picked up in recent years. This upturn in the sector has been partly assisted by a more modern type of offer, which is typically 'in centre' and aimed at those going out in the evening as much as families. As such, modern bowling alleys often incorporate other forms of leisure activity (most notably

through a strong food and drink offer), as is the case with the relatively new Lane7 facility in Sheffield city centre.

**Table 8.3: Ten Pin Bowling Lane Requirement in Study Area**

Year	Study Area Population	Typical Population Required to Support Bowling Lane	Potential Number of Bowling Lanes Supported by Study Area	Proportion of Study Area Population in Sheffield (%)	Potential Number of Bowling Lanes Supported in Sheffield	Outstanding Potential Requirement in Sheffield
2022	916,803	13,045	70.3	65.1%	45.8	10.8
2024	924,909	13,045	70.9	65.1%	46.2	11.2
2027	937,462	13,045	71.9	65.2%	46.9	11.9
2029	945,668	13,045	72.5	65.3%	47.3	12.3
2034	964,832	13,045	74.0	65.4%	48.4	13.4
2039	981,532	13,045	75.2	65.4%	49.2	14.2

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

- 8.20 As a consequence of the above, we do not believe that there is a very pressing need for new facilities in Sheffield (and note that the MFA bowling alley at Firth Park closed in 2018). Should the Council be aware of any operator interest, consideration should be given to the most appropriate location to deliver additional facilities in accordance with 'town centre first' policy principles.

## Casinos

- 8.21 Mintel's Casinos and Bingo UK 2018 report identifies that there are 145 casinos across the UK, which equates to a casino for every 471,600 persons or thereabouts<sup>35</sup>. Accordingly, we estimate that the Study Area could support around 1.9 casinos at 2022, a figure which would barely change throughout the Study period. Given that the estimated population of Sheffield is around 65.1% of that of the Study Area at 2022, we calculate a need for around 1.3 casinos at 2022, a figure which again changes little in the period to 2039.
- 8.22 There are two casino operators within Sheffield, comprising Napoleons Casino & Restaurant at Livesey Street and Genting Club on Arundel Gate. Accordingly, the current level of provision is considered to be sufficient to serve the needs of both residents within Sheffield and the wider Study Area.

<sup>35</sup> Based on the Experian 2020 populations projections for the UK, England and Wales, Scotland and Northern Ireland, which identifies a UK population of 68,381,957 persons at 2022.

**Table 8.4: Casino Requirement in Study Area**

<b>Year</b>	<b>Study Area Population</b>	<b>Typical Population Required to Support a Casino</b>	<b>Potential Number of Casinos Supported by Study Area</b>	<b>Proportion of Study Area Population in Sheffield (%)</b>	<b>Potential Number of Casinos Supported in Sheffield</b>	<b>Outstanding Potential Requirement in Sheffield</b>
2022	916,803	471,600	1.9	65.1%	1.3	-0.7
2024	924,909	471,600	2.0	65.1%	1.3	-0.7
2027	937,462	471,600	2.0	65.2%	1.3	-0.7
2029	945,668	471,600	2.0	65.3%	1.3	-0.7
2034	964,832	471,600	2.0	65.4%	1.3	-0.7
2039	981,532	471,600	2.1	65.4%	1.4	-0.6

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

## 9 Summary and Recommendations

9.1 We summarise the key findings of the Study below then addressing a series of planning policy considerations of relevance to the Council's emerging plan.

### Key Findings: Retail

9.2 As identified at Section 7, after account is taken of existing commitments, there is no identified requirement for additional convenience goods floorspace in the period to 2029. By 2034, we estimate that there will be a need for between 1,600 sq.m to 2,600 of convenience goods sales floorspace, which increases to between 3,700 sq.m and 6,200 sq.m at 2039. As such, our assessment does not suggest any substantial short term quantitative need for additional convenience goods floorspace, but indicates that in the longer term there is likely to be capacity to support additional convenience goods floorspace.

9.3 The level of quantitative need identified is rather limited and it is highly likely that the authority area will be the subject of planning applications for additional convenience goods floorspace in the coming months and years. Given current commercial market interest, we anticipate that these applications will seek to provide for discount foodstores, local convenience stores, and the extension of existing premises. The grant of planning permission for a small number of such proposals will likely extinguish the capacity identified.

9.4 On this basis, we do not believe that there is a need for the Council to specifically allocate any sites for convenience goods retail development as part of the local plan process.

**Table 9.1 Quantitative Need for Convenience Goods Floorspace in Sheffield after Commitments**

	2022 (sq.m)	2024 (sq.m)	2027 (sq.m)	2029 (sq.m)	2034 (sq.m)	2039 (sq.m)
Minimum Convenience Goods Requirement	-1,600	-2,800	-2,100	-1,000	1,600	3,700
Maximum Convenience Goods Requirement	-2,600	-4,700	-3,500	-1,600	2,600	6,200

Source Table 6d of Appendix 6

9.5 In terms of comparison goods, we also identify a nil requirement for additional floorspace across the period to 2034. By 2039, we estimate that there will be a need for between 10,300 sq.m to 17,600 of comparison goods sales floorspace.

9.6 In practice, the estimated requirement is modest and is not such that it would allow for the reoccupation of existing retail floorspace across Sheffield. In this regard, our survey of the centre in

March 2022 identified that more than 40,000 sq.m of commercial floorspace within the city centre is currently vacant.

- 9.7 Clearly, the first priority will be to encourage the reuse, refurbishment or redevelopment of vacant floorspace within the authority area. As such, we recommend that no additional sites are allocated for comparison goods retail purposes over the plan period.

**Table 9.2 Quantitative Need for Comparison Goods Floorspace in Sheffield after Commitments**

	2022 (sq.m)	2024 (sq.m)	2027 (sq.m)	2029 (sq.m)	2034 (sq.m)	2039 (sq.m)
Minimum Comparison Goods Requirement	-13,300	-13,300	-9,600	-7,400	-800	10,300
Maximum Comparison Goods Requirement	-22,800	-22,800	-16,500	-12,600	-1,400	17,600

Source: Table 26d of Appendix 6

### Key Findings: Leisure

- 9.8 In terms of the leisure sector, we believe that the Sheffield authority area is generally appropriately provided for in respect of bingo halls, casinos and cinemas (these being the commercial leisure uses that require a substantial site to accommodate them and therefore being of particular interest to a study of this nature).
- 9.9 We have identified potential capacity within the ten-pin bowling sector which could potentially support additional provision within this sector. In practice, we believe that any additional market interest may take the form of 'boutique' style ten-pin bowling operators, which generally occupy central sites and include a strong food and beverage offer. In engaging with potential operators, consideration should be given to the potential market served and the ability to accommodate further operations of this nature within Sheffield city centre.
- 9.10 A potential increase in ten-pin bowling provision in Sheffield must be seen in the context of the existing facilities in the authority area, such as Hollywood Bowl at Centertainment and the recently opened Lane7 at Matilda Street in the city centre. In addition, we note that Rotherham Superbowl at Wortley Road in Rotherham is well-positioned in respect of serving the needs of some residents within the northern and eastern parts of the City in a relatively sustainable manner.
- 9.11 The Study has found that there is no capacity to support any additional casino, cinema or bingo provision across Sheffield in the period to 2039.

## **Key Findings: Principal Centres**

### Sheffield City Centre

- 9.12 The comparison goods offer within Sheffield city centre has changed considerably in recently years through the loss of key anchor retailers, most obviously John Lewis and Debenhams. However, this is symptomatic of wider trends in terms of the restructuring of high street retail. The comparison goods sector remains of significant importance in underpinning the city centre, and continues to accommodate a range of national multiple and independent operators.
- 9.13 The reduction in the city centre's comparison goods offer has been mitigated through growth in the service sector (leisure, retail and financial and business service operators). At 2022, the proportion of service operators in the city centre equates to 44.0% of the commercial stock of units in Sheffield city centre. This represents an increase of 12% percentage points in terms of the proportion of units in service use at 2016 (these units accounted for 31.6% of all units at that date). These changes are broadly consistent with wider national trends, with leisure service operators, in particular, repurposing floorspace that has traditionally been occupied by comparison goods retailers.
- 9.14 Our survey recorded a total of 139 vacant units, accounting for 25.3% of all units in the city centre, which is substantially higher than the current national average vacancy rate of 14.1% of units. The figure at 2022 also represents a slight increase on the 23.7% of vacant units recorded at 2016. The proportion of vacancies is considered to negatively impact the overall impression of vibrancy and vitality in the city centre. However, we note a number of recent projects which both reflect the changing nature of the centre, and (once implemented) should result in an overall decrease in the proportion of vacant floorspace in the city centre. It will be important to direct future significant retail and leisure needs towards the city centre in order to provide for the re-occupation of vacant floorspace and ensure that the city centre's attraction is such that it is able to compete as effectively as possible against Meadowhall and online retailing.

### District Centres

- 9.15 The large majority of Sheffield's district centres are vital and viable, and have vacancy rates that are below that national average rate of 14.1% (in respect of the proportion of units that are vacant). The only district centres that have vacancy rates in excess of this figure are Crystal Peaks, London Road and Woodseats, which are among the largest district centres by size or total number of units in the authority area. This demonstrates that smaller centres – which tend to have a focus around

convenience goods retail and services which meet day-to-day local needs – are performing most strongly.

## Planning Policy Recommendations

### General Policy Approach

- 9.16 The adopted Sheffield Core Strategy promotes a ‘town centre first’ which pre-dates but is broadly consistent with the general requirements of paragraph 86 of the NPPF (which indicates that planning policy should support the role of town centres at the heart of local communities), paragraphs 87 and 88 (which set out the sequential approach to development), and paragraph 90 (which sets out the town centre impact test).
- 9.17 The findings of this Study indicate a clear need to attract further investment, operators and activity to the city centre in particular. The current vitality and viability of some of the city centre provides some cause for concern and planning policy must be applied carefully in order to help return the centre to better health and to continue to support future regeneration opportunities.
- 9.18 In this regard, we note that paragraph 017 of the Town Centres PPG indicates that proposals for edge and out of centre retail and leisure developments should be considered with reference to the health of centres that would be impacted upon. Paragraph 017 states that:
- ‘A judgement as to whether the likely adverse impacts are significant can only be reached in light of local circumstances. For example, in areas where there are high levels of vacancy and limited retailer demand, even very modest trade diversion from a new development may lead to a significant adverse impact.’**
- 9.19 In this context, it is helpful to note recent redevelopment plans for some units in the city centre, such as the former Debenhams and John Lewis units, which should improve the health of the centre in time.
- 9.20 We believe it to be clear from this Study that the growth of out of centre development has had consequences for the health of the city centre. As a consequence, we believe that it is important for the forthcoming plan to clearly identify that the city centre should continue to be the focus for comparison goods retail and that there is a need to direct such operators towards the centre in order for it to remain relevant and appropriately serve residents’ needs.
- 9.21 On this basis, it will be important for the emerging plan to clearly set out the importance of the sequential and impact tests, and explain the local circumstances which frame how they will be applied in practice. The sequential and impact tests will need to be applied in a robust manner so as to reduce

the vacancy rate across the city centre (and in other defined centre) and support centres that are fit for purpose going forward. Whilst non-retail uses will be an important component of the mix of land uses in principal centres moving forward, there is still a requirement to accommodate new retailers and additional retail floorspace within defined centres wherever possible.

- 9.22 As noted at paragraph 3.20 of this Report, the emerging plan should also consider the effects of the expanded Use Class E, and the unintended consequences of providing additional flexibility across Class E outside of town centres. Therefore, the Council may wish to consider applying restrictive conditions to certain forms of development in order to limit the authorised use to that which has been justified in the application submission. This will help ensure that unacceptable impacts do not arise from future Class E development.

### Boundaries

- 9.23 Paragraph 86 of the NPPF requires local plans to **'define the extent of town centres and primary shopping areas'**, with there now being no specific requirement to identify primary and secondary frontages.
- 9.24 The Government has confirmed that the removal of the requirement to define frontages reflects the general need to be flexible in planning for the future of town centres due to the rapid changes taking place in the retail and leisure industries. Whilst the removal of the requirement does not preclude local planning authorities from identifying primary and secondary shopping frontages where supported by local circumstances, we do not believe that this is merited in this instance. There is a clear need to repurpose and reoccupy centres across Sheffield in the manner that Use Class E generally provides for. In this context, the designation of primary and secondary frontages would serve no useful purpose.
- 9.25 Annex 2 of the revised NPPF indicates that a primary shopping area is the **'Defined area where retail development is concentrated.'**
- 9.26 Annex 2 also identifies that a town centre is the:
- 'Area defined on the local authority's policies map, including the primary shopping area and areas predominantly occupied by main town centre uses within or adjacent to the primary shopping area. References to town centres or centres apply to city centres, town centres, district centres and local centres but exclude small parades of shops of purely neighbourhood significance. Unless they are identified as centres in the development plan, existing out-of-centre developments, comprising or including main town centre uses, do not constitute town centres.'**

9.27 Annex 2 further defines main town centres uses as:

**‘Retail development (including warehouse clubs and factory outlet centres); leisure, entertainment and more intensive sport and recreation uses (including cinemas, restaurants, drive-through restaurants, bars and pubs, nightclubs, casinos, health and fitness centres, indoor bowling centres and bingo halls); offices; and arts, culture and tourism development (including theatres, museums, galleries and concert halls, hotels and conference facilities).’**

9.28 We believe that the offer in Sheffield’s district centres is generally varied and that the retail uses are not typically located in a manner which lends itself to the identification of a primary shopping area. As such, we do not believe that there is any requirement to differentiate between a PSA and a wider town centre boundary, other than for Sheffield city centre. However, we recommend that the emerging plan utilises the same terminology as the NPPF (i.e. that is designates a wider city centre boundary as well as a primary shopping area boundary).

9.29 In this regard, we have reviewed the current boundaries of the 17 district centres, which are considered to be appropriate. However, in reviewing the emerging primary shopping area, city centre and central area boundaries from the Sheffield Plan we recommend some revisions are made in order to better reflect the definitions provided within the NPPF. These are set out at Appendix 7.

9.30 For clarity, these recommendations are as follows:

- Primary Shopping Area – We recommend that the PSA boundary reflects the earlier Sheffield Plan boundary, which was reduced in the latest revisions provided by the Council. This area includes part of the Heart of City development area, as well as a number of retail and other town centre uses;
- City Centre – The proposed city centre boundary is generally considered to be appropriate. However, we recommend that the Kelham Island area in the north-west and the area to the south-east of Shrewsbury Road be removed from the city centre boundary. These areas lack a critical mass of main town centre uses and are physically separate from the core of the centre. . They are also set apart by strong defensible boundaries that have historically limited the development of the city centre in these locations.
- Central Area – The proposed central area boundary covers an extensive area, which is appreciably larger than the city centre in practice. This area incorporates a diverse mix of uses, including a number of uses that are not considered to be main town centre uses. We note that

Annex 2 refers to town centres (or in this case, a city centre) being the area which includes ‘...**the primary shopping area and areas predominantly occupied by main town centre uses within or adjacent to the primary shopping area.**’ In light of this, it is clear that, after the primary shopping area, the city centre boundary must be the key focus for main town centre uses in the city. Accordingly, the Council should ensure that any policies specific to the central area designation are worded such that it is clear that main town centre uses are to be directed towards the city centre (and its primary shopping area, in the case of retail uses).

## Hierarchy

- 9.31 Paragraph 86 of the NPPF indicates that local planning authorities should define a network and hierarchy of town centres. However, very little detail is provided in this regard and, notably, neither the NPPF nor the Town Centres PPG differentiate between different types of town centre and the role each serves.
- 9.32 The most recent definitions provided by the Government were provided by Planning Policy Statement 4: Planning for Sustainable Economic Growth (‘PPS4’), which was published in December 2009 (and was superseded by publication of the original iteration of the NPPF in March 2012). Whilst PPS4 should be considered on this basis (i.e. it is not up to date practice guidance), in the absence of any other definitions, it is of some relevance to the consideration of a retail centres hierarchy.
- 9.33 Annex B of PPS4 identifies that:

**‘City centres are the highest level of centre identified in development plans. In terms of hierarchies, they will often be a regional centre and will serve a wide catchment. The centre may be very large, embracing a wide range of activities and may be distinguished by areas which may perform different main functions. Planning for the future of such areas can be achieved successfully through the use of area action plans, with masterplans or development briefs for particular sites. In London the ‘international’ and ‘metropolitan’ centres identified in the Mayor’s Spatial Development Strategy typically perform the role of city centres.**

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

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

**Local centres include a range of small shops of a local nature, serving a small catchment. Typically, local centres might include, amongst other shops, a small supermarket, a newsagent, a sub-post office and a pharmacy. Other facilities could include a hot-food takeaway and launderette. In rural areas, large villages may perform the role of a local centre.**

**Small parades of shops of purely neighbourhood significance are not regarded as centres for the purposes of this policy statement.'**

- 9.34 Having visited the 17 district centres identified at Policy CS34 at the Sheffield Core Strategy<sup>36</sup> and the city centre, we are satisfied that each of these continues to perform a role and function commensurate with their position in the retail hierarchy and do not recommend any changes in respect of these centre's position.

### Thresholds

- 9.35 Paragraph 90 of the NPPF states that it is appropriate to identify thresholds for the scale of edge of centre and out of centre retail and leisure development that should be the subject of an impact assessment. Any such threshold policy applies only to the impact test (all planning applications for main town centre uses that are not in an existing centre and not in accordance with an up-to-date development plan will generally be the subject of the sequential test<sup>37</sup>).
- 9.36 The purpose of applying an impact threshold within the development plan which deviates from the national threshold of 2,500 sq.m, is to allow the Council to retain appropriate control in respect of the potential for development to impact on the future health of defined centres within the authority area. By applying a lower threshold, applications for developments which could potentially have a harmful effect on the overall vitality and viability of a defined centre, will need to be supported by a proportionate impact assessment which sets out the potential trade diversion impact assumptions.
- 9.37 Paragraph 16 of the Town Centres PPG provides specific guidance in relation to floorspace thresholds and states:

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<sup>36</sup> These district centres being Banner Cross, Broomhill, Chapeltown, Chaucer, Crookes, Crystal Peaks, Darnall, Ecclesall Road, Firth Park, Heeley, Hillsborough, London Road, Manor Top, Spital Hill, Stocksbridge, Woodhouse and Woodseats.

<sup>37</sup> With the exception (in accordance with paragraph 89 of the NPPF) of small scale rural office proposals and other small scale rural development.

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

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

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

9.39 However, we are aware that as part of the emerging Sheffield Plan the Council proposes to adopt a threshold for proposals located outside of a defined centre. It is understood that Emerging Policy EC5 will adopt a threshold for proposals located outside of a defined centre where retail floorspace of 500 sq.m or more, or for leisure proposals 1,000 sq.m or more.

9.40 Whilst it is welcomed that the Council are minded to adopted a lower threshold than provided for nationally, applying a single threshold to apply to all types of centres in the authority area may not be appropriate given the different scale and nature of each of the centres.

9.41 In considering the setting of a local impact threshold, it is important to give consideration to the type of development (relating to convenience and comparison goods retail uses, and leisure uses) which would, in practice, provide space for key operators who could act to ‘anchor’ a centre. Should one of these anchor units or operators leave a centre, there will likely be the potential for a significant adverse impact to arise.

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

9.43 In respect of lower order centres, the introduction of even a small convenience store nearby (of the type operated by Sainsbury’s Local or Tesco Express) may have the potential to impact on the ongoing viability of key operators. Small convenience stores operated by national multiple grocers can generate a relatively substantial turnover. If this is diverted from existing retailers in defined

centres, the impact on the overall vitality and viability through the loss of spend and footfall, could be of a significant adverse magnitude.

- 9.44 Therefore, in implementing a local threshold policy, it is considered more appropriate to apply a range of thresholds in accordance with the type of centre the proposed development is proximate to. The thresholds should not only apply to new floorspace, but also to changes of use and variations of condition to remove or amend restrictions on how units operate or trade in practice.
- 9.45 We note that there are a relatively limited number of units greater than 500 sq.m in the City Centre, with less than 20% of the total stock of commercial units in the town having a greater floorspace than 500 sq.m. This includes a number of larger format leisure units, as well as retail units which accommodate national retailers. The vacancy rate equates to 20.7% of total commercial floorspace and 25.3% of all units.
- 9.46 In terms of policy recommendations relating to the impact policy threshold, this relates to the defined centre, which for the purposes of retail development comprises the primary shopping area, and for all other main town centre uses comprises the city centre boundary.
- 9.47 In this context, we recommend that the impact threshold of relevance to Sheffield city centre is set at 500 sq.m for both retail and leisure proposals. This threshold would effectively be the default to be applied authority-wide, should a proposal not fall within the criteria set out within Policy EC5 of the emerging Local Plan.
- 9.48 The above recommendation is also reflective of the city centre vacancy rates and the potential for out of centre retail developments to become even stronger in the future at the expense of centres' vitality and viability. The existing out of centre commercial destinations all offer a range of comparison goods, which traditionally would have been sold from town centres. As such, the recommendation is reflective of the need to safeguard against the out of centre retail destinations becoming even stronger at the expense of the health of defined centres.
- 9.49 Table 9.3 below provides a summary of the proportion of units within each district centre over 300 sq.m, and the current vacancy rate of each district centre as identified as part of this Study.

**Table 9.3: District Centre Threshold Analysis**

District Centre	Total units	Units smaller than 300 sq.m	Proportion of units smaller than 300 sq.m	Proportion of Vacant Units	Proportion of Retail Floorspace (%)	Retail Floorspace (sq.m)
Banner Cross	76	3	3.9%	5.3%	38.4%	3,228
Broomhill	103	3	2.9%	8.7%	32.8%	3,305
Chapelton	91	7	7.7%	9.9%	37.8%	5,864
Chaucer	13	2	15.4%	0.0%	90.0%	7,166
Crookes	67	4	6.0%	3.0%	44.1%	3,126
Crystal Peaks	90	23	25.6%	14.4%	77.7%	25,108
Darnall	98	6	6.1%	10.2%	56.1%	5,963
Ecclesall Road	227	11	4.8%	8.4%	40.3%	10,154
Firth Park	87	4	4.6%	11.5%	37.3%	3,792
Heeley	64	12	18.8%	10.9%	79.6%	17,306
Hillsborough	172	18	10.5%	12.2%	71.2%	30,274
London Road	145	9	6.2%	17.2%	47.6%	10,951
Manor Top	27	3	11.1%	3.7%	67.3%	2,928
Spital Hill	59	4	6.8%	8.5%	74.1%	11,400
Stocksbridge	90	19	21.1%	11.1%	69.8%	16,645
Woodhouse	48	5	10.4%	4.2%	50.0%	3,611
Woodseats	160	12	7.5%	16.3%	41.5%	7,014

Source: Composition of district centres derived from Nexus Planning survey of March 2022 using Sheffield Plan Proposals Map boundary definitions

- 9.50 The district centres are generally anchored by one or two national multiple convenience stores. These operators underpin the function of these centres, drawing in custom and encouraging linked trips to the other parts of the centre. Should the viability of such stores be impacted, there is a real risk of the role of the wider centre being undermined. There are relatively few units substantially larger than 300 sq.m in any of the district centres and the level of retail floorspace is considerably less than within the city centre. As such, to lose an occupier of this magnitude could have a significant adverse impact on the centre as a whole. Accordingly, in the local context, 300 sq.m constitutes a significant unit for the district centres.
- 9.51 The above recommendation is also reflective of the district centre vacancy rates and the potential for out of centre retail developments to become even stronger in the future at the expense of centres' vitality and viability. The existing out of centre commercial destinations all offer a range of comparison goods, which traditionally would have been sold from centres.
- 9.52 For the purpose of drafting future planning policy, it is important to qualify the area to which each local impact threshold will apply. We recommend that the threshold of relevance to the district and local centres (i.e. 300 and 200 sq.m respectively) would be applicable within 800 metres of the boundary of the relevant centre. The distance of 800 metres is broadly commensurate with the

potential walk-in catchments of smaller centres and is identified by Guidelines for Providing for Journeys on Foot (The Institution of Highways & Transportation, 2000) as being the 'preferred maximum' acceptable walking distance to a centre. We consider it to be appropriate for the higher threshold of 500 sq.m to apply authority- wide (i.e. beyond 800 metres of these centres), due to the lesser likelihood of significant adverse impacts arising from retail and leisure development.

#### Recommended Policy Approach

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

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

9.54 In our experience, it will only generally be development of a scale greater than these thresholds which could lead to a 'significant adverse' impact, which could merit the refusal of an application for town centre uses in accordance with the provisions of paragraph 91 of the NPPF. The setting of a 'tiered' threshold is consistently accepted by Inspectors at Local Plan Examination<sup>38</sup> and, in our view, acts to appropriately ensure that only those proposals which could genuinely result in an unacceptable impact are the subject of an impact assessment.

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

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<sup>38</sup> This is verified by the Kirklees Local Plan Inspector's Report of 30 January 2019 (<https://www.kirklees.gov.uk/beta/planning-policy/pdf/local-plan-inspectors-report/Kirklees-Local-Plan-Inspectors-Report.pdf>), and the Sefton Local Plan Inspector's Report of 14 March 2017 (<https://www.sefton.gov.uk/media/1760/sefton-lp-inspectors-report.pdf>).

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