

Rugby Retail and Town Centre Uses Study

Final Report

ON BEHALF OF RUGBY BOROUGH COUNCIL

October 2024

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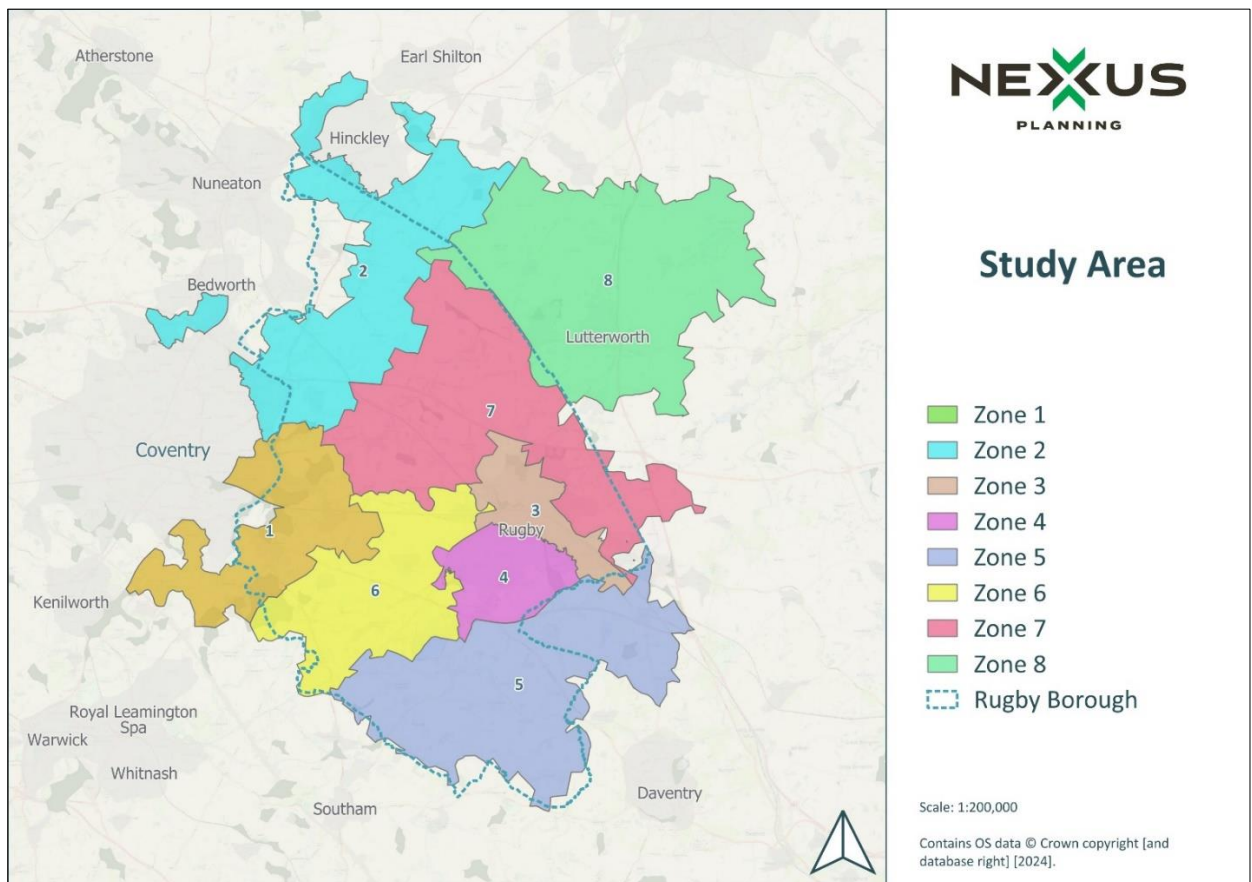
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1. Introduction

Instruction and Purpose

- 1.1 Nexus Planning has been instructed by Rugby Borough Council (hereafter referred to as ‘the Council’) to undertake a new Retail and Town Centre Uses Study. The primary focus of the Study is to establish the current position in respect of the need for additional retail and leisure facilities in the Rugby authority area, and to consider the vitality and viability of Rugby town centre (the principal centre in the borough).
- 1.2 The Study replaces the previous Rugby Retail and Main Town Centre Uses Study, which was authored by Carter Jonas and which reported in November 2015. The objectives of the commission are to develop robust evidence to support the emerging update of the Rugby Borough Local Plan 2011-2031, and to support the Council’s revitalisation objectives in respect of Rugby town centre.
- 1.3 The supplied Specification of April 2024 sets out the Council’s full requirements for the Study, which are as follows:
 - a) Assess the relative vitality and viability of Rugby town centre based on a robust healthcheck using appropriate indicators in line with the Planning Practice Guidance;
 - b) Examine the existing supply of retail and town centre uses within Rugby town centre and across the borough;
 - c) Examine future need (in quantitative terms) for new retail and town centre use floorspace;
 - d) Explore the capacity of Rugby town centre to accommodate any additional identified demand for retail and other town centre uses, and any appropriate alternative locations;
 - e) Provide advice on an evolved role for Rugby town centre to help re-establish its importance; and
 - f) Advise on policy recommendations including the retention or lowering of the 500 sq.m local threshold for impact testing and whether defining a primary shopping area continues to be relevant.
- 1.4 The Study is underpinned by new empirical evidence in the form of a new household shopper survey, and our site visit to survey and assess the health of Rugby town centre.
- 1.5 The household survey was undertaken by NEMS Market Research in June 2024 and covers eight separate zones, which are collectively considered representative of the principal catchment area for retail facilities and leisure facilities located within the borough of Rugby. The zones have been developed with regard to those utilised in the previous Study, which provides us with the opportunity to compare shopping and leisure patterns.
- 1.6 A plan of the Study Area is provided at Figure 1.1 and in Appendix 1, and the tabulated household survey results are provided at Appendix 2.

Figure 1.1: Study Area and Zones



- 1.7 Whilst the Study Area largely corresponds with the boundaries of the Rugby authority area, it does include small parts of neighbouring authority areas such as Harborough, West Northamptonshire, and Coventry, where residents sometimes look to facilities in Rugby to meet at least some of their retail and leisure needs.
- 1.8 In this regard, it is important to recognise that shopping habits are not governed by local authority area boundaries. It is therefore appropriate to consider the ‘inflow’ of retail expenditure from residents of neighbouring authority areas to destinations in Rugby in order to identify retailers’ overall turnover and understand the role of centres and standalone stores across the wider area. The household survey also allows us to identify expenditure that originates within Rugby but which ‘leaks’ to destinations outside of the authority area.

Structure of Report

- 1.9 Our report firstly provides an overview of prevailing retail and leisure trends, before then going on to consider the planning policy context for the updated Study. We then consider the vitality and viability of Rugby town centre.
- 1.10 The remainder of the report identifies retail and leisure needs arising within the borough to 2042. To undertake this assessment, we identify population and expenditure growth across the Study Area. The final sections of the report provide our conclusions in respect of retail and leisure needs and provide our planning policy recommendations.
- 1.11 Accordingly, this report is structured as follows:

- Section 2 sets out key retail and leisure trends of relevance to the commission;

- Section 3 provides an overview of the planning policy context;
- Section 4 summarises our assessment of the vitality and viability of Rugby town centre;
- Section 5 provides an overview of forecast changes in Study Area population and expenditure;
- Section 6 provides an overview of the market share attracted to key destinations within the borough and how this has altered since the production of the previous study;
- Section 7 provides an assessment of retail needs;
- Section 8 provides an assessment of leisure needs; and
- Section 9 summarises our key findings and sets out our conclusions and policy recommendations.

2. Current and Emerging Retail and Leisure Trends

- 2.1 In order to provide a context for this Study and to help identify the sectors that are more likely to be the subject of additional development proposals, we set out a summary of current retail and leisure trends below. In reading the summary, it should be noted that the retail and leisure sectors are dynamic and, whilst online shopping and economic conditions have impacted on the high street, 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 circumstances at the time of a proposal's determination. Whilst the impact of Covid-19 on the retail and leisure sectors has lessened in 2023 and 2024, the trading outlook remains challenging due to inflationary pressures and significant increases in the cost of living. We reflect further on the current economic outlook below.

Economic Conditions

- 2.3 The UK economy was impacted significantly by the Covid-19 pandemic in 2020 and 2021, and by restrictions on movement and behaviour which sought to mitigate its impact. This uncertain background caused retail and leisure expenditure (and business investment) to decline. Household spending fell by over 20% quarter-on-quarter in the second quarter of 2020 following the imposition of national lockdown measures. 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, following the gradual reopening of businesses over the summer of 2020, the economy returned to growth, with this gathering momentum as a greater number of sectors reopened, including hospitality and leisure services. A resurgence in the number of cases of Covid-19 then resulted in the Government reinstating a nationwide lockdown in early 2021. The general economic outlook in 2022 and 2023 has continued to be of concern given very significant increases in the rate of inflation and the general cost of living.
- 2.5 In February 2024, Experian published its Retail Planner Briefing Note 21 ('ERPBN21'), which identifies anticipated future growth in the retail and leisure sectors and considers likely changes in bricks and mortar retail floorspace and online sales.
- 2.6 ERPBN21 anticipates that retail spending has been squeezed in 2022 and 2023 as a consequence of inflationary pressure and increases in the cost of living. Page 5 of ERPBN21 provides the following summary of the economic outlook:
- 'Looking ahead, spending growth over the course of 2024 remains affected by the lingering effects of the cost-of-living crisis, as though inflation is slowing towards target, high interest rates continue to constrain household budgets, particularly those with mortgage debt. A high tax burden is also acting as a dampener on discretionary income. Rising real pay growth and continued strength in the labour market should still allow for a less negative year than 2023.'**
- 2.7 It is clear that the Covid-19 pandemic has accelerated the shift to online retailing with a consequent reduction in bricks and mortar retail floorspace. As a consequence, the proportion of expenditure committed via special forms of trading (i.e. internet and mail order sales) has increased.
- 2.8 More generally, as a result 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.

- 2.9 In terms of inflation, Office for National Statistics data¹ indicates that the rate of inflation (as measured by the consumer price index) increased from 0.8% at April 2020 to 1.5% at April 2021, before then increasing significantly to 9.0% at April 2022. The rate of inflation appears to have peaked at 11.1% in October 2022 and has reduced significantly to 6.7% at August 2023 and to 2.6% as of September 2024. 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 and the cost of living crisis associated with rising energy prices and inflation.
- 2.10 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 given that 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' 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.
- 2.11 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.
- 2.12 Non-essential retailers have been impacted by enforced 'lockdown' closures in 2020 and 2021. However, dispensing chemists traded more strongly from March 2020, and their sales continued to be above pre-pandemic levels into 2022 and early 2023. Foodstores also generally traded consistently above their pre-pandemic levels. This was initially due to a degree of stockpiling of grocery goods, but some ongoing boost in sales was evident due to the ongoing prevalence of working from home and therefore the increased localised spending. Furniture and homeware retailers also generally benefitted from people spending more time in their homes and wanting to improve their own environment. However, in light of increasing inflation and changes to working patterns throughout 2022, it is understood that there has now been a shift away from this pattern.²

Available Expenditure and the Impact of the Internet

- 2.13 Experian expenditure data and growth forecasts confirm that the pandemic has resulted in turbulent short term changes in per capita convenience and comparison goods expenditure. In this regard, ERPBN21 identifies that per capita convenience goods expenditure decreased by 5.8% in 2022 with a further reduction of 3.0% in 2023. This follows a previous reduction of 1.7% in 2021. Before this, in 2020, per capita convenience goods expenditure increased by 8.6%. The strong level of growth at 2020 is largely attributable to consumers spending more on such goods as a result of lockdown measures. Limited annual per capita convenience expenditure growth (relative to that which has been achieved historically) is anticipated to return across the medium to long term.
- 2.14 As the below Table 2.1 shows, the position in respect of annual per capita comparison goods expenditure has been changeable in the past few years. Whilst annual per capita comparison goods growth of 8.1% was recorded in 2021, this followed a reduction of 7.9% in 2020. Forecast per capita comparison goods expenditure increases over the medium and longer term are positive but still below the level apparent at the turn of the millennium.

¹ ONS 'Consumer price inflation tables' dataset, July 2023.

² Article headlined 'Retail sales in Great Britain rise despite cost of living crisis', The Guardian, 19 August 2022.

Table 2.1: Experian’s Identified and Forecast UK Convenience and Comparison Goods Per Capita Expenditure Growth

Volume Growth per Head (%)	2018	2019	2020	2021	2022	2023	2024	2025	2026-29	2031-40
Convenience goods	-0.2	-1.0	8.6	-1.7	-5.8	-3.0	-0.5	-0.2	0.0	0.1
Comparison goods	0.4	2.9	-7.9	8.1	-3.3	-3.3	-1.2	2.7	3.1	2.8

Source: Figure 1a and Figure 1b of Experian Retail Planner Briefing Note 21

- 2.15 Whilst the above figures identify a level of growth which is significantly below that which has historically been achieved, the situation for high street stores is exacerbated through the increasing amount of expenditure which is committed through special forms of trading³ and, in particular, through online sales.
- 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 just under four out of every ten pounds spent on comparison goods and almost a quarter of convenience goods expenditure at 2034.

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

Volume Growth Per Head (%)	2018	2019	2020	2021	2022	2023	2024	2029	2034	2039
Convenience goods	10.8	12.9	17.1	19.2	16.4	15.8	17.3	21.2	23.3	24.6
Comparison goods	21.8	25.0	39.2	37.9	31.5	30.4	32.5	36.5	38.5	39.7

Source: Figure 5 of Experian Retail Planner Briefing Note 21

- 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 warehouses⁴, 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. These figures are provided in Table 2.3 below. The figures demonstrate the high proportion of online sales which are fulfilled from physical stores, and therefore the importance of retaining this offer on our high streets.

Table 2.3: Experian’s Identified and Forecast Adjusted Market Share of Non-Store Retail Sales for Convenience and Comparison Goods Sectors

Volume Growth Per Head (%)	2018	2019	2020	2021	2022	2023	2024	2029	2034	2039
Convenience goods	3.2	3.9	5.1	5.8	4.9	4.7	5.2	6.3	7.0	7.4
Comparison goods	16.3	18.8	29.4	28.5	23.6	22.8	24.3	27.4	28.8	29.7

Source: Figure 5 of Experian Retail Planner Briefing Note 21

Convenience Goods

- 2.18 Recent socio-economic conditions have led to significant shifts in convenience goods retailing, which have resulted

³ Including internet sales, mail order, stalls and markets, door-to-door and telephone sales.

⁴ 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.

in the ‘big four’ supermarket operators’ market share being cut. Indeed, analysis from Kantar⁵ has identified that the traditional ‘big four’ supermarket operators are no longer such, with Aldi’s market share overtaking that of Morrisons over the 12 weeks to 4 September 2022. Aldi continues to achieve a market share (10.0%) higher than Morrisons (8.7%) as of June 2024.⁶

- 2.19 Mintel⁷ finds that the decline of the food superstore is well-established and can be attributed to two matters.
- 2.20 Firstly, people are undertaking food shopping in different ways. More people are living in town and city centres and are generally purchasing their own home at a later age than was previously the case.⁸ Mintel indicates that such people are more likely to undertake food shopping on an ‘as needs’ basis and are more likely to eat out or use takeaways. As such, they are less likely to have need to undertake a weekly ‘main food shop’.
- 2.21 Secondly, the current uncertainty in the economy has made discount foodstore operators (namely Aldi and Lidl) a more attractive proposition, and many such foodstores 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 evident that the likes of Aldi and Lidl are no longer ‘hard discounters’ in quite the same way they once were, as they now fulfil a wider range of customers’ needs by offering a greater range of products. 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 a comprehensive range of grocery 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 2.4.

Table 2.4: Market Share of Convenience Goods Operators

Operator	December 2016	December 2017	December 2018	December 2019	December 2020	December 2021	December 2022	December 2023
Tesco	28.4%	28.1%	27.8%	27.4%	27.3%	27.9%	27.5%	27.6%
Sainsbury's	16.5%	16.5%	16.1%	16.0%	15.9%	15.7%	15.5%	15.8%
Asda	15.3%	15.3%	15.2%	14.8%	14.3%	14.2%	14.0%	13.6%
Morrisons	10.8%	10.8%	10.6%	10.3%	10.4%	10.1%	9.1%	8.8%
Aldi	6.2%	6.8%	7.4%	7.8%	7.4%	7.7%	9.1%	9.3%
Co-op	6.3%	5.8%	5.9%	6.1%	6.0%	5.8%	5.6%	5.4%
Lidl	4.6%	5.0%	5.3%	5.9%	6.1%	6.3%	7.2%	7.7%
Waitrose	5.1%	5.2%	5.0%	5.0%	5.0%	5.1%	4.7%	4.6%
Iceland	2.2%	2.2%	2.2%	2.3%	2.5%	2.4%	2.5%	2.4%
Symbols & Independent	1.8%	1.7%	1.5%	1.6%	1.7%	1.6%	1.4%	1.4%
Other Outlets	1.7%	1.6%	1.7%	1.6%	1.8%	1.8%	1.8%	1.8%
Ocado	1.1%	1.1%	1.2%	1.3%	1.6%	1.7%	1.7%	1.7%

⁵ An International market research company based in London

⁶ Kantar, Great Britain Grocery Market Share (12 Weeks Ending), [9 June 2024](#).

⁷ ‘UK Retail Rankings’, Mintel (a market research company), April 2018.

⁸ Article headlined ‘Average UK first-time buyer is now older than 30, says Halifax’, The Guardian, January 2022.

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

2.23 The past few years have seen the closure of a number of unprofitable grocery stores (from small convenience stores to large superstores) and the continuation of Aldi and Lidl's expansion programme. Aldi announced in September 2023 that it intends to open another 500 stores in the coming years.⁹ Lidl intends to open a further 250 stores across the UK.¹⁰ Whilst the traditional '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 often 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, including increasing operator costs and a reduction in discretionary spending as a result of increases in the cost of living.

2.25 Whilst the sector is continually evolving and there are a number of retailers performing well (including JD Sports, Next, Primark, and Zara), recent headlines have focused on failing retailers and store closures. High profile retailers that have struggled include Debenhams, which announced the closure of all 124 stores in December 2020¹¹, and the Arcadia Group, which owned Topshop, Topman and Dorothy Perkins. Arcadia Group announced the closure of around 500 stores in February 2021.¹² 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.¹³ More recently, Wilko entered into administration in August 2023 and ceased trading shortly after, and The Body Shop announced the closure of 75 stores at the end of February 2024, after falling into administration.

2.26 Whilst the loss of some of the above names will have significant repercussions for certain towns (particularly those that have lost 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 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. Notwithstanding Wilko's recent problems, some 'discount variety' operators – such as B&M Bargains, Home Bargains and Poundland – have taken advantage of lower rents and reoccupied a number of medium to large retail units. However, as evidenced by recent events including the closure of Wilkos, the discount

⁹ Article headlined 'Aldi claims it is increasingly shoppers' main supermarket for weekly shop', The Guardian, 8 September 2023.

¹⁰ As set out in the press release headlined 'Lidl continues to search to secure sites for new stores', 24 April 2023 (<https://corporate.lidl.co.uk/media-centre/pressreleases/2023/lidl-continues-search-to-secure-sites-for-new-stores>).

¹¹ Article headlined 'Debenhams set to close putting 12,000 jobs at risk', BBC, 1 December 2020.

¹² Article headlined 'After Topshop owner Arcadia's demise, what now for UK clothes shopping?' The Guardian, 13 February 2021.

¹³ Article headlined 'Shopping centre owner Intu collapses into administration', The Guardian, 26 June 2020.

variety market may be approaching capacity.

Leisure and Food & Drink

- 2.29 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 focused around food and drink operators.
- 2.30 More generally, the food and drink sector was buoyed pre-pandemic 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, including the closure of Byron Burger, Chiquito and Frankie & Benny's branches. 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 from customers to choose local operators over larger regional and national brands.
- 2.31 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 the emergence of 'competitive socialising' concepts, which include bowling, crazy golf, table tennis, darts, axe-throwing, escape rooms and other seemingly niche pursuits.
- 2.32 Cinema openings have been on the up in the early part of this century (until the Covid-19 pandemic) 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.
- 2.33 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.¹⁴ Around one in every seven Britons has a gym membership. 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.

The Night-Time Economy

- 2.34 The term night-time economy is used to describe a wide range of activities that (typically) take place after 5pm. This could range from a trip to the theatre or cinema, to a family meal, to a night out at a club. A successful night-time economy generally caters for a wide range of demographics and interests.
- 2.35 Creating a safe, vibrant and well-balanced evening and night-time offer is a challenge that can dramatically improve the overall health of a town centre and boost the economy.
- 2.36 The Association of Town and City Management ('ATCM') has identified a number of themes to help improve the attraction and operation of the night-time economy, which are summarised as follows:
- **Alive After Five** – This relates to revisions to trading hours to better suit customers' shopping needs and availability. A Retail Trading Hours Study commissioned by ATCM found that sales between 5 pm and 8 pm

¹⁴ 'Number of health clubs in Europe in 2020, by country' dataset, Statista, 27 October 2022.

are typically 50% greater than those between 9 am and 11am. Revising trading hours to open and close later could increase sales by around 10% to 12%.

- **Late Night Transport** – The lack of frequent, efficient and safe public transport late at night, or at least the perception of this being the case, could be having a detrimental effect on night-time economy and social scene. One way of increasing night-time visitor numbers is to promote late-night travel provision and its publicity.
- **Purple Flag** – This is an accreditation scheme which recognises excellence in the management of town and city centres at night. Obtaining Purple Flag accreditation demonstrates that a town’s night-time economy offers clean and safe environments, great bars and clubs, a variety of arts and cultural attractions, and excellent transport links.
- **Evening Economy Ambassadors** – The ambassadors improve the evening and night-time experience in a town centre by liaising between visitors, police, door staff, licensees, and transport operators.
- **Light Night** – This is an initiative where town or city centres stays open after dark for people to enjoy local shops and services within a wider cultural event involving music, art and, most importantly, through the lighting up of buildings and light-based art installations.

2.37 The above list is not exhaustive, and the development of a bespoke evening economy strategy can help prioritise and deliver events and initiatives which draw on a town centre’s strengths and address weaknesses.

Planning Reform on the High Street

2.38 One of the most impactful planning reforms in recent times 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.

2.39 Furthermore, in March 2021, an update was made to the General Permitted Development) (England) Order 2015. 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 having been 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 permitted development rights are extinguished.

2.40 On 20 July 2021, paragraph 53 of a new iteration of the National Planning Policy Framework (‘NPPF’) set out limitations on the use of Article 4 directions. The revised national policy seeks to qualify the areas in which it is justified to introduce Article 4 directions, limiting local authorities’ ability to control development.

2.41 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 actual policy provision differs from the initial consultation in a couple of key areas. Paragraph 53 of the previous NPPF of July 2021 recognised 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 was 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 introduced a requirement for ‘robust evidence’ to support the removal of development rights. The most recent iteration of the NPPF, published in December 2023, retains these changes.

2.42 This can be seen as generally 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.

Out-of-Centre Retailing

- 2.43 Another key format of retailing (and provision of leisure uses) are out of centre retail warehouse destinations. Whilst local authorities need to retain control over out of centre provision from a planning perspective, such provision does play an important part in providing space for operators who may not be able to viably trade from in-centre locations. Such uses include 'bulky' retail operators, including DIY stores, electrical goods retailers, furniture stores and so on.
- 2.44 In their UK Retail Warehousing August 2023 Spotlight Report, Savills note that: **'from a retailer's point of view, there are definitely reasons to be cheerful. Generally, it appears that higher input and operating costs have, to some degree, been successfully passed onto the shopper. Added to this are some areas where costs are lower (such as business rates and rents).'** In terms of the nature of the operators, it is the value orientated brands which continue to top the charts of the most acquisitive retail and leisure operators.
- 2.45 In this regard, Savills note that the retailers with a focus on essential product categories that have continued to drive footfall to out of centre schemes, which remain at near parity with the levels seen pre-Covid. Furthermore, operators which focus on essential products have dominated the new openings, including Aldi and Lidl, Home Bargains, B&M Retail and leisure operators such as PureGym, Greggs and Starbucks.
- 2.46 In addition to the above, most out-of-centre shopping locations retain their apparent significant competitive advantages over town centres and high streets in terms of their supply of larger format modern outlets, their lower occupancy costs, extensive free parking and easy and convenient access to the surrounding highways and key arterial routes. This is still an attractive proposition for those retailers that are still seeking space in the current market, but the implications of the attraction of out of centre facilities on defined centres, needs to be monitored carefully and the ongoing ease of access, parking and overarching attraction of out of centre facilities can of course have implications on town centre operators and retail and leisure planning policy.

Implications for the Rugby Authority Area

- 2.47 The above trends have a number of potential implications for retail and leisure provision within Rugby.
- 2.48 Rugby is the Borough's principal town centre and contains the greatest variety of shops, services, and facilities. However, the centre has been impacted by the trends as summarised above, and in particular through the closure of some key comparison operators in recent years. As we go on to explore in more detail later in this Study, however, whilst there has been a recorded decline in comparison provision and a rise in vacancy rates since the previous Retail Study, the planned redevelopment of the Central Shopping Centre and other committed investments represent significant opportunities to ensure the future resilience of the town centre and support its wider regeneration.
- 2.49 Given changes in the retail sector, it will be important to consider whether there are any opportunities for Rugby town centre to provide a greater experiential offer to attract activity and encourage visitors to stay for longer periods. The independent and food and drink sectors are likely to be a particularly important in this regard. There may also be a benefit in actively managing centres to assist with their general maintenance and to help allow for greater differentiation between different centres' respective offers.

2.50 In this regard, we note that the Rugby Regeneration Strategy adopted in November 2022 proposes a number of significant physical and non-physical interventions in the town centre. Six Strategic Projects are identified as having catalytic potential. Full details are provided in the Regeneration Strategy itself, but we briefly summarise the six projects below:

- i. **Rugby Hub**, which would involve a reduction of the Council office floorspace at the Town Hall and the creation of a 'Hub' for multiple public services such as Council, NHS and Job Centre functions.
- ii. **Rugby Market**, which could see a relocation of the existing bi-weekly market to a new permanent home and the creation of a new market concept to include food and drink uses. There is also the option to retain the market on the current site dependent on future plans.
- iii. **Rounds Garden**, an ongoing regeneration project that includes the demolition and redevelopment of the existing Council-owned housing estate to the north-west of the town centre, to provide for an improved and more diverse housing offer with better linkages to the town centre.
- iv. **Rugby Central**, Phase 1 of which has been granted permission under reference R22/0657. This permission allows for the partial demolition of the Shopping Centre and its redevelopment for a mix of residential uses and a reduced quantum of commercial floorspace which will include provision for food and drink uses. The Regeneration Strategy envisages a Phase 2 delivery programme would include the long-term redevelopment of the Rugby Central car park and the now vacant Cemex site to improve both frontage to and connectivity across Corporation Street.
- v. **Evreux Way and Corporation Street**, which will improve connections between the town centre's core retail area and the wider neighbourhoods including Rounds Gardens.
- vi. **Church Street and North Street**, which seeks the creation of the creation of a high-quality public realm scheme encouraging sustainable and active travel around Church Street and North Street, which form the backbone of the town centre.

2.51 The redevelopment of Rugby Central Shopping Centre, in particular, is an important opportunity that seeks to respond to a number of the challenges facing the town centre. The permitted development will result in a reduction and rationalisation of the existing traditional high street retail floorspace within the Shopping Centre, much of which is currently vacant. The resulting, new and reconfigured units will be occupied by a range of Class E uses including retail, cafés and restaurants, and also *sui generis* uses such as bars and pubs. The permission also provides for enhanced frontages, including a new entrance and gateway along North Street.

2.52 The vision is to create a new 'image' for Rugby Central that is attractive, vibrant and drives footfall during the day and night-time. Residents of the new apartments will provide further support to the vitality and viability of the town centre through additional footfall, activity and expenditure, helping to maintain and improve Rugby's role as a retail and service centre which fully caters for the day-to-day needs of its local catchment.

2.53 In addition to these town-centre-specific opportunities, the Regeneration Strategy recognises the significant ongoing and planned residential development taking place at the Rugby Urban edge. Policy DS3 of the adopted Rugby Borough Council Local Plan allocates approximately 13,300 houses across four sites, supported by employment floorspace and other uses. The town centre lies at the heart of this planned large-scale development and is set to benefit from the activity associated with the new homes and jobs.

2.54 There is a need for flexibility in planning for town centres, so they can adapt to future needs and accommodate a wider range of uses. This is particularly important following the Covid-19 pandemic to help sustain the recovery of high streets and to ensure that they meet local needs in a sustainable manner. Rugby town centre is not principally

sustained through an influx of office workers, and any longer-term trend to working from home may provide some potential for residents to use nearby centres during the week and particularly at lunchtime.

- 2.55 As such, as we go on to explore in greater detail in this report, we recommend that the authority ensures that policies are sufficiently flexible to allow for a wide range of town centre uses beyond retail, and that consideration is given to repurposing surplus stock to support new residential, leisure and community uses.

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 retail and town centre development plan policy as set out in the current development plan. 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 December 2023. 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 85 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 90 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 Consultation¹⁵ 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 94 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.

Promoting Healthy and Safe Communities

- 3.10 Paragraph 97 seeks to support the social, recreational, and cultural facilities and services communities need. The guidance states that planning policies and decisions should:
- ‘Plan positively for the provision and use of shared spaced, 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

- 3.11 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.
- 3.12 Paragraph 004 of the Town Centres PPG indicates that a local planning authority’s strategy for their town centres should include:

¹⁵ Published July 2018.

- 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.

3.13 This Study seeks to provide a high-level authority-wide retail and leisure strategy, which will provide an overall context to the determination of planning applications for such uses and will support the Council's future development plan policy. The Study will also help underpin future town centre-specific strategies or masterplans.

3.14 Paragraph 006 of the Town Centres PPG identifies a series of key indicators of relevance in assessing the health of a centre over time. The indicators allow the role, performance, and function of centres to be monitored and are considered in greater detail at Section 4 of this report (which specifically addresses the vitality and viability of Rugby town centre).

Use Classes Order

3.15 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 September 2020.

3.16 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.

3.17 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; crèche, 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 a public house, wine bar or drinking establishment; a drinking establishment with expanded food provision; 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.

3.18 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 extinguish the provisions of Class E, the ability to change the commercial use of premises without planning permission allows centres to evolve in a flexible manner.

3.19 However, 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 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

3.20 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 and health centres, as well as in areas that are covered by an Article 4 direction.

Local Planning Policy Context

Adopted Development Plan

3.21 The currently adopted development plan for the authority area comprises the Rugby Borough Local Plan 2011-2031 and the accompanying Policies Map, adopted in June 2019.

General Principles

3.22 Local Plan Policy GP1 ‘Securing Sustainable Development’ sets out how sustainable development will be delivered throughout the Borough. In particular, the policy supports development that improves the economic, social and environmental conditions in the area.

Retail and Town Centre

- 3.23 Regarding proposals within the Rugby Town Centre, Policy TC2 ‘Rugby Town Centre – New Retail and Town Centre Uses’ focuses on the retail space provision in the Town Centre. The policy outlines the plan for new retail and town centre uses in Rugby Town Centre. It incorporates a commitment to provide 732 sq.m net of new convenience retail floorspace and 7,850 sq.m of new comparison retail floorspace in the town centre by 2030.
- 3.24 Policy TC2 states that any proposal for retail, office, or leisure uses exceeding 500 sq.m gross floorspace outside the Rugby Town Centre must include an impact assessment. This assessment should adhere to national policy and best practices, ensuring that the proposal will not negatively impact the vitality or viability of nearby centres.
- 3.25 The policy also promotes a sequential approach to development, stating that new proposals for meeting the retail floorspace requirements will be permitted firstly within the Primary Shopping Area, and for other main town centre uses within the Rugby town centre boundary. If no suitable sites are available there, edge-of-centre locations will be considered, followed by out-of-centre sites that are accessible, well-connected to the town centre, and can contribute to the centre’s overall vitality and viability. For bulky goods retailing, sites immediately adjacent to existing retail warehousing are preferred.
- 3.26 The Council will periodically update its Retail and Main Town Centre Uses Study to continuously review its approach to the town centre and requirements for retail investment in particular. This ensures the policy remains responsive and relevant throughout the lifetime of the Local Plan.
- 3.27 Policy TC3 ‘Primary Shopping Area and Shopping Frontages’ seeks to protect and enhance the Primary Shopping Area in Rugby town centre, with the Primary Shopping Frontages as the focus for retail uses. The policy outlines the guidelines for development within the town centre, which is divided into three areas: Primary Shopping Area (PSA), Primary Shopping Frontage (PSF), and Secondary Shopping Frontage (SSF).
- PSA: This is the overall area where retail frontages are concentrated. Proposals for development, redevelopment or change of use to retail will be permitted within the PSA where the proposed ground floor use is to be changed to retail. Non-retail uses proposed within the PSA but outside of a primary or secondary frontage will be assessed on a case-by-case basis, considering their potential impact on the town centre’s vitality and viability.
 - PSF: Within this area, the change of use of ground-floor shop premises to financial and professional services, restaurants and cafes, drinking establishments, and hot food takeaways (i.e. former Use Classes A2 to A5) will be permitted where the proposed use would not undermine the retail function of the town centre and would maintain and enhance its vitality and viability. The policy lists a number of factors to which the Council will have regard during the determination of each application, including a requirement to ensure that no more than 40% of the units within the PSF are in non-retail uses.
 - SSF: Proposals for main town centre uses will only be permitted within the SSF where the proposed use maintains and enhances its vitality and viability. The percentage of units in non-retail use is typically expected to be above 40% although there is no defined threshold. The Council will have regard to the coalescence and concentration of uses, and the effect on the amenity of the surrounding properties and uses.
- 3.28 Policy TC3 also states that within the town centre boundary but outside of the PSA, the Council will permit retail, business, leisure, arts, cultural, and tourism development, provided they do not harm the retail function and character or vitality and viability of the PSA. Where retail uses are proposed, the applicant must demonstrate there are no suitable alternatives within or immediately adjacent to the Primary or Secondary frontages.

3.29 The policy encourages residential development within the town centre, providing it does not harm the retail function and character or its vitality and viability. Proposals should not eliminate separate access arrangements to upper floor space which could be used for residential, community or employment use.

Healthy, Safe and Inclusive Communities

3.30 Policy HS3 'Protection and Provision of Local Shops, Community Facilities and Services' states that proposals that will result in a significant or total loss of a site and/or premises currently or last used for a local shop, post office, public house, community or cultural facility or other service that contributes towards the sustainability of a local settlement or the urban area will not be permitted except where the applicant demonstrates that:

- Alternative provision of equivalent or better quality, that is accessible to that local community, is available within the settlement or will be provided and made available prior to commencement of redevelopment; or
- There is no reasonable prospect of retention of the existing use as it is unviable as demonstrated by a viability assessment and all reasonable efforts to secure suitable alternative business or community re-use been made for a minimum of 12 months or a period agreed by the Local Planning Authority prior to application submission.

3.31 The policy also supports the provision of new community facilities, provided that these are accessible, commensurate with their function and the size and function of the individual settlement and would not adversely affect the vitality and viability of the town centre or any planned town centre development.

Rugby Regeneration Strategy

3.32 The Rugby Regeneration Strategy, adopted in November 2022, sets out a strategic vision and framework for investment and change in Rugby town centre to 2035 and is an important material consideration in plan-making and decision-taking in relation to town centre development.

3.33 The Strategy offers key areas of focus including; commercial resilience, movement and public spaces and future proofing the town centre, and delivery. The document proposes a number of significant physical and non-physical interventions in the town centre and utilises Permitted Development Rights.

3.34 The repurposing of existing retail spaces is a key aim to enable the town centre to adapt to the evolving needs of retailers and consumers, by potentially changing the use of some retail spaces or undertaking modifications. There is also an objective to improve the blend of retail and leisure experiences, which need to be supported by attracting a wider range of businesses to the town centre, including independent retailers, restaurants, bars, and entertainment venues.

3.35 The 21st-century town centre vision includes an aspiration to continue to encourage the high level of independent retailers with the Town Centre, creating a unique and distinctive shopping experience which is attractive to visitors.

3.36 In addition, Six Strategic Projects are identified as having catalytic potential. Full details of the six projects are provided in the Regeneration Strategy itself and summarised in Section 2 above; they are:

- Rugby Hub;
- Rugby Market;
- Rounds Garden;
- Rugby Central;
- Evreux Way and Corporation Street; and
- Church Street and North Street.

Emerging Plan

- 3.37 A Call For Sites and Issues and Options consultation ran between 31 October 2023 and 2 February 2024. At the point of writing, the Council is currently assessing the consultation. The results will feed into the Housing and Economic Land Availability Assessment (HELAA), which will be published in due course.
- 3.38 Within the Issues and Options document, it states that the new Local Plan needs to respond to the Rugby Town Centre Regeneration Strategy (2022) and national changes to permitted development rights and town centre use classes.
- 3.39 The document sets out possible changes to the Local Plan policy which will be considered, including:
- Deleting primary and secondary shopping frontage policies that require a specified percentage of units in the identified frontages to be in the former A1 (retail) use class, which is no longer applicable following the introduction of the Class E use class.
 - Deleting the Primary Shopping Area (PSA) policy which looks to keep an area focussed on the former A1 (retail) use class.
 - Introducing site allocation policies for important redevelopment sites in the Town Centre Regeneration Strategy, to set out what the Council wants to happen on these sites.
 - Showing infrastructure improvements in the town centre that the Council wants to see to support its regeneration.
 - Introducing a public realm policy setting to guide the design of streets and public spaces.
 - A policy that supports the principle of more housing in the town centre.
 - Defining local centres.

4. Healthcheck Assessments and Land Use

Introduction

- 4.1 Paragraph 90 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.
- 4.2 Paragraph 006 of the Town Centres PPG identifies a range of indicators that could be assessed over time in reviewing 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;
 - perceptions 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 offer.
- 4.3 A new healthcheck assessments has been undertaken for Rugby town centre. The detailed healthcheck assessment is provided at Appendix 3, which covers the above indicators in turn and we provide a summary of the key conclusions made in the healthcheck below.
- 4.4 The assessments is based on a site visit which was undertaken in June 2024. The assessment should be taken as a ‘snapshot’ of the performance of the centre at a moment in time.

Rugby Town Centre

- 4.5 The composition of Rugby town centre is set out at Table 4.1 below. As the table highlights, the floorspace vacancy rate in the town centre (19.4%) substantially exceeds the national average of 14.0%. In contrast, the unit vacancy rate (13.9%) is broadly in line with the UK average. We contextualise this finding in the summary below.

Table 4.1: Composition of Rugby Town Centre

	Floorspace (sq.m)	Floorspace (%)	Floorspace UK Average (%)	Units	Units (%)	Units UK Average (%)
Comparison	14,880	22.0	29.7	89	22.4	26.8
Convenience	10,050	14.8	15.5	36	9.1	9.3
Financial Service	6,920	10.2	6.3	38	9.6	8.7
Leisure Service	16,070	23.7	26.6	98	24.7	25.4
Retail Service	6,650	9.8	7.3	81	20.4	15.8
Vacant	13,110	19.4	14.0	55	13.9	14.0
Total	67,680	100.0	100.0	397	100.0	100.0

Source: Composition of centre derived from Nexus Planning survey of June 2024; UK Average from Experian Goad report of March 2024

- 4.6 Rugby town centre is the primary retail and leisure destination within the Borough of Rugby and serves as a key sub-regional centre in Warwickshire. The Goad area encompasses 395 retail, leisure and service units, providing for approximately 68,000 sq.m of commercial floorspace.
- 4.7 Strengths of Rugby include its accessibility, both by car and public transport. However, it is noted that both of the centre's poor road safety from a cyclist and pedestrian perspective and lack of good wayfinding measures were raised in the Regeneration Strategy, perhaps reflecting the dominance of vehicular movement and the lack of overarching legibility in the centre.
- 4.8 The town centre has faced significant challenges in recent years, with its comparison retail offer being particularly impacted by competition from nearby out-of-centre retail parks, especially Elliott's Field, and broader national trends such as the cost-of-living crisis. A number of high-profile comparison operators have left Rugby town centre since the preparation of the Council's previous Retail Study (2015) in order to relocate to Elliott's Field, including Next, M&S and Dunelm.
- 4.9 Nonetheless, the town centre continues to play an important role in meeting to the day-to-day needs of its substantial residential catchment, and this is reflected in the scales and formats of those non-food retailers that are present. Approximately 37% of the comparison shops in the town centre are national multiples, concentrated in the Rugby Central Shopping Centre. Provision is somewhat skewed towards the lower or value end of the market but covers a good range of everyday needs.
- 4.10 In contrast to the observed trends in comparison shopping, the proportions of floorspace and units in convenience retail use have increased significantly in Rugby over the past decade. Convenience representation in the town centre is now only slightly below the national averages in respect of both floorspace and units. The centre's Asda superstore plays a key anchor role, and Rugby Market also contributes to the diversity in the retail offer and draws supporting footfall. These are complemented by a diverse range of largely independent foodstores and convenience stores.
- 4.11 Moreover, Rugby benefits from a reasonably good daytime and evening leisure offer. Both the number of operators and the proportion of floorspace in leisure use have increased since 2014, with the centre's level of provision now sitting at just below the relevant UK averages. The expansion of the town centre's offer in recent years may in part reflect a relative lack of leisure provision at Elliott's Field, in particular, compared to similarly sized out-of-centre retail parks elsewhere in the UK.
- 4.12 Concentrations of pubs, restaurants and takeaways are located around Sheep Street, High Street, Regent Street and parts of Church Street. These uses ensure that much of the centre draws footfall and activity until late into the night. The forthcoming redevelopment of the Rugby Shopping Centre, which is explained in more detail below, will include provision for additional food and drink floorspace which has the potential to further support to the town's evening economy, and to provide a leisure 'anchor' which it currently lacks.
- 4.13 There is strong and diverse representation in the retail services and financial & business services sectors, again reflecting Rugby's role as an important service centre for its local catchment and the wider sub-region.
- 4.14 While the town centre's floorspace vacancy rate is above average, this is mainly a reflection of the large amount of unoccupied floorspace within Rugby Central due to the challenges facing the comparison retail sector in particular. Indeed, the Shopping Centre accounts for 55.2% of the vacant floorspace recorded in the town centre on the day of our survey. For comparison, the town centre's unit vacancy rate (13.9%) is roughly in line with the UK average, a trend which has persisted since 2014.

- 4.15 Notably, if the empty units in the Rugby Central Shopping Centre are excluded from the calculations set out in Tables 1 and 2 above, then Rugby's floorspace vacancy rate drops to 9.7% compared to a national average of 14.0% and its unit vacancy rate drops to 10.2% compared to a national average of 14.0%.
- 4.16 These findings highlight the impact that the changes in the local and national comparison retail markets outlined above (including out-of-centre competitors like Elliott's Field and national trends such as the pandemic and rises in the cost-of-living rises) have had on the composition of the town centre. The forthcoming partial demolition and redevelopment of Rugby Central will go some way towards alleviating the issue of large individual vacancies and significantly reduce the overall quantum of unoccupied commercial floorspace within the centre.
- 4.17 The Rugby Regeneration Strategy adopted in November 2022 outlines six key projects that seek to transform the town centre, including the redevelopment of the Rugby Shopping Centre. Phase 1 of the latter has received planning permission under reference R22/0657. The Strategy also provides for enhanced linkages and areas of public realm in the town centre, together with the diversification to the retail and leisure offer and introduction of new residential uses.
- 4.18 Moreover, the town centre is set to benefit from the significant residential development allocated in Policy DS3 of the adopted Rugby Borough Council Local Plan. This policy allocates around 13,300 homes on four sites at the Rugby Urban Edge. Construction has commenced in respect of all four of these sites and much of the identified housing growth is anticipated to occur over the plan period, with the allocations expected to be carried forward in the emerging Local Plan. The new residents will bring additional trips, activity, footfall and expenditure to Rugby which will help to support and enhance its vitality and viability.
- 4.19 Overall, Rugby is considered to be reasonably vital and viable, with the projects outlined in the Regeneration Strategy having the potential to respond to the challenges facing the town centre and ensure it remains resilient over the long term.

5. Population and Expenditure

Study Area and Household Survey

- 5.1 A survey of 800 households was undertaken by NEMS Market Research in order to ascertain where residents go to undertake a range of shopping and leisure activities.
- 5.2 The below Table 5.1 identifies the postcode sectors which define each of the zones. A plan defining the geographic extent of the Study Area and the below zones is provided at Appendix 1.

Table 5.1: Study Area Zones by Postcode Sector

Survey Zone	Postcode Sectors
1	CV3 2, CV8 3
2	CV2 2, CV7 9, LE10 3
3	CV21 1, CV21 2, CV21 3, CV21 4
4	CV22 5, CV22 6, CV22 7
5	CV23 8
6	CV23 9
7	CV23 0
8	LE17 4, LE17 5

- 5.3 The above zones were used as the basis for the NEMS household survey, which underpin the quantitative retail capacity assessment which follows at Section 6 of the report and the quantitative leisure capacity assessment at Section 7.
- 5.4 To identify the expenditure claimed by retail destinations (and the capacity which is potentially available to support additional retail and leisure development), the first step is to estimate the population and future convenience and comparison goods expenditure associated with the Study Area.

Study Area Population

- 5.5 The population within each postcode sector and each zone at 2024 has been calculated using Experian Micromarketer G3 data (2022 estimate, which was issued in February 2024). We have confirmed with Council Officers that Experian’s population projections are broadly consistent with the level of growth which is being planned for across the authority area in practice.
- 5.6 Table 5.2 below sets out Experian’s population projections for each zone in the Study Area for reporting years 2024, 2029, 2034, 2039 and 2042.¹⁶

¹⁶ The reporting years relate to five year intervals across the forthcoming plan period (working back from 2040), with an additional reporting year of 2042.

Table 5.2: Estimated Study Area Population by Survey Zone

Zone	2024	2029	2034	2039	2042
1	23,926	24,743	25,434	26,039	26,295
2	25,658	26,570	27,285	27,931	28,291
3	40,922	42,586	44,071	45,672	46,700
4	39,787	40,880	41,867	42,864	43,514
5	6,444	6,593	6,714	6,808	6,857
6	8,298	8,543	8,763	8,992	9,113
7	11,760	12,220	12,645	13,116	13,412
8	19,436	20,264	21,111	21,911	22,331
Total	176,231	182,399	187,890	193,333	196,513

Source: Table 1 of Appendix 4

- 5.7 Based on Experian’s population projections, we estimate that the Study Area population will increase from 176,231 persons at 2024 to 196,513 persons at 2042. This equates to an increase of 20,282 persons (or 11.5% over the 18-year period).

Retail Expenditure

- 5.8 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 2022. Our methodology takes account of the fact that some special forms of trading expenditure¹⁷ is not available to support retail floorspace, and then allows for increases in per capita expenditure growth on an annual basis.
- 5.9 Figure 5 of Appendix 3 of ERPBN21 provides estimates 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).
- 5.10 We set out Experian’s expenditure growth estimates within the below Table 5.3.
- 5.11 In considering special forms of trading, many products which are ordered online are actually sourced from a store’s shelves or stockroom in practice (this is particularly the case with 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. 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 ERPBN21). This allowance indicates that 4.9% of convenience goods expenditure and 23.6% of comparison goods expenditure is ‘lost’ to shops at base year 2022 through special forms of trading purchases.
- 5.12 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 ERPBN21. Experian provides overall growth rates and ‘adjusted’ rates, which account for any additional increases in expenditure lost to special

¹⁷ Identified as comprising sales via the internet, mail order, stalls and markets, door-to-door and telephone sales (i.e. all non-store sales).

forms of trading. The latest growth rates suggest that growth in comparison goods expenditure should pick up in the next few years as confidence in the economy returns, with this following a number of turbulent years following the start of the Covid-19 pandemic in 2020. The applicable annual per capita growth rates are set out below at Table 5.3.

Table 5.3: Experian Retail Planner Briefing Note 21 Convenience and Comparison Goods Annual Per Capita Growth Rates

Year	Convenience Goods	Convenience Goods 'Adjusted SFT'	Comparison Goods	Comparison Goods 'Adjusted SFT'
2022	-2.5	-5.0	6.8	3.3
2023	-2.4	-2.9	-1.9	-2.3
2024	-2.3	-1.0	-4.1	-3.1
2025	-1.7	-0.6	0.4	1.2
2026	-1.0	-0.4	2.5	2.9
2027	-0.8	-0.2	2.1	2.5
2028	-0.7	-0.1	1.9	2.2
2029	-0.6	-0.1	2.0	2.3
2030	-0.6	-0.1	2.0	2.3
2031	-0.5	-0.1	2.1	2.4
2032	-0.5	-0.1	2.2	2.4
2033	-0.4	0.0	2.4	2.6
2034	-0.4	0.0	2.4	2.6
2035	-0.4	0.0	2.4	2.5
2036	-0.3	0.0	2.3	2.5
2037	-0.2	0.0	2.5	2.6
2038	-0.2	0.0	2.5	2.6
2039	-0.2	0.0	2.5	2.6
2040	-0.2	0.0	2.4	2.6

Source: Figure 7 of Appendix 3, Experian Retail Planner Briefing Note 21 (February 2024)

5.13 For convenience goods, Experian does not forecast any per capita expenditure growth across the entire period to 2040. The position in respect of comparison goods expenditure is more positive.

5.14 This Study utilises the most up to date Experian expenditure data and growth forecasts. However, longer term growth forecasts (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 to ensure that forecasts over the medium and longer term reflect changing circumstances.

5.15 In this regard, we note that paragraph 90 of the NPPF requires local planning authorities to allocate sites to meet likely town centre needs ‘...looking at least ten years ahead’, which differs from the previous requirement to meet needs across the entire plan period. This change is reflective of turbulent economic conditions and the pace of change within the retail sector in recent years. By applying Experian’s recommendations in respect of special forms of trading and expenditure growth, we can produce expenditure estimates for each survey zone and the overall

Study Area at 2024, 2029, 2034, 2039 and 2042.

Convenience Goods Expenditure

5.16 Taking into account the Study Area resident population and the available per capita convenience goods expenditure, we estimate that £421.6m¹⁸ of convenience goods expenditure originates within the Study Area at 2024. The below Table 5.4 indicates that available Study Area convenience goods expenditure is forecast to increase to £462.5m at 2042.

Table 5.4: Total Available Study Area Convenience Goods Expenditure

2024 (£m)	2029 (£m)	2034 (£m)	2039 (£m)	2042 (£m)
421.6	430.3	442.3	455.1	462.5

Note: In 2022 prices

5.17 Table 5.5 indicates that this represents an increase of £40.9m (or 9.7%) across the Study Area between 2024 and 2042. Given the static growth in per capita expenditure, this increase can be attributed to growth in the Study Area's population.

Table 5.5: Growth in Available Study Area Convenience Goods Expenditure

Growth 2024-29 (£m)	Growth 2024-34 (£m)	Growth 2024-2039 (£m)	Growth 2024-2042 (£m)
8.6	20.7	33.5	40.9

Note: In 2022 prices

5.18 We have assumed that 75% of available convenience goods expenditure would take the form of main food shopping and that 25% would take the form of top-up shopping (which relates to smaller purchases often made using a basket rather than a shopping trolley).¹⁹

5.19 By applying this ratio, we estimate that main food shopping trips account for £316.2m of Study Area convenience goods expenditure at 2024, and top-up shopping trips account for £105.4m.

Comparison Goods Expenditure

5.20 For comparison goods, Table 5.6 sets out our estimate that the resident population of the Study Area will generate £534.2m of comparison goods expenditure at 2024. Available comparison goods expenditure is then forecast to increase to £919.6m at 2042.

Table 5.6: Total Available Study Area Comparison Goods Expenditure

2024 (£m)	2029 (£m)	2034 (£m)	2039 (£m)	2042 (£m)
534.2	616.9	717.6	837.8	919.6

Note: In 2022 prices

5.21 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 result of further forecast increases in expenditure committed via special forms of trading (most obviously, internet shopping).

¹⁸ In 2022 prices, as is every subsequent monetary reference.

¹⁹ This is a standard split applied in undertaking this exercise.

5.22 As the below Table 5.7 identifies, our assessment estimates that there will be an increase of £385.4m (equating to 72.1%) in respect of Study Area comparison goods expenditure between 2024 and 2042.

Table 5.7: Growth in Available Study Area Comparison Goods Expenditure

Growth 2024-29 (£m)	Growth 2024-34 (£m)	Growth 2024-2039 (£m)	Growth 2024-2042 (£m)
82.7	183.4	303.6	385.4

Note: In 2022 prices

5.23 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’, ‘Books, CDs and DVDs’, ‘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 4 of this report.

5.24 In considering expenditure growth, it should be noted that not all growth arising within the Study Area is available to support additional floorspace in the Rugby area. Instead, account needs to be taken of:

- the market share of expenditure secured by retailers within the Rugby area (and the fact that many needs are successfully met outside the Borough);
- 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.

5.25 These issues are addressed in the assessment of retail capacity provided in Section 6 of this report.

6. Market Research – Household Surveys

Market Share Analysis: Household Survey Results

- 6.1 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 shopping trips secured by retail venues for various types of shopping.
- 6.2 In reviewing the Study Area, it is important to recognise that the vast majority of convenience goods expenditure generated within a given area is generally claimed by local foodstores. This is because shoppers look to source convenience goods close to home. Comparison goods shopping is more likely to result in longer trips to source goods at higher order destinations. As such, it is to be expected that a substantial proportion of comparison goods shopping trips 'leak' outside of the Study Area to shopping venues offering greater choice.
- 6.3 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 shops or shops respondents last visited and visited 'the time before last' to undertake their main food shop; and
 - the shop or shops respondents last visited and visited 'the time before last' to undertake their main top-up food shop.
 - patterns of comparison goods spending, based on the local 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.
- 6.4 The analysis which follows considers market share for the above sub-sectors. Our assessment is based on the market share of expenditure to particular 'bricks and mortar' retail destinations. For comparison goods, the zonal market share secured by each retail destination for each of the above eight sub-sectors is taken directly from the corresponding household survey question responses.
- 6.5 For convenience goods, the methodology differs. We have found that retail assessments of this nature can often overstate the turnover of discount foodstores and understate the turnover of larger format stores operated by the 'big four'. This is because apportioning 'main food' convenience goods expenditure in accordance with a household survey fails to account for the fact that goods are generally cheaper at discount foodstores. Such foodstores are also typically of a lesser scale and may not sell all products (for example, they may have a lesser range in respect of ingredients and in respect of ready meals). The consequence of this is that trips to a discount foodstore may often result in a lesser level of expenditure than trips to a large food superstore.
- 6.6 We have refined the Study methodology to respond to this issue.

- 6.7 For convenience goods, our household survey asks respondents the shop they last visited and visited ‘the time before last’ to undertake their main food shop. For each of these trips, the respondent is also asked how much they spend on main food shopping in visiting the respective foodstore.
- 6.8 We use this information to ‘weight’ the survey responses such that the results for main food shopping relate to the outlay of expenditure at the till and not just the trip itself. This process is undertaken at Tables 3a, 3b and 3c of Appendix 4.

Retail Goods Market Share Analysis

Convenience Goods Market Share

- 6.9 Our analysis begins by reviewing the retention of convenience goods expenditure within each of the eight Study Area zones (i.e. the proportion of expenditure originating within a given zone which is claimed by retailers located within that same zone). This enables an understanding of whether residents are having to travel to meet their convenience goods shopping requirements, or if they are typically able to meet their needs in proximity to where they live. It is accepted that some respondents will live towards the boundary of their respective zones and some trips will therefore be able to be undertaken to nearby zones in a sustainable manner.
- 6.10 Table 6.1 indicates that, in terms of convenience goods shopping, the highest overall convenience goods retention rates are within Zones 3 (where retailers claim 52.9% of all convenience goods expenditure which originates within the zone), 4 (57.8%), and 8 (76.0%).
- 6.11 Looking at Zone 3 in the first instance (which covers the urban area of the authority area), both the Asda on Chapel Street and the Tesco on Leicester Road provide key main food shopping destinations, attracting 22.1% and 19.6% of Zone 3 residents’ trips respectively, followed by the Iceland at Junction One Retail Park which attracts 2.9% of main food shopping trips of residents in Zone 3. Looking at top-up shopping trips, the most popular destination for Zone 3 residents is again the Asda at Chapel Street (24.3%), followed by the Tesco Express at Helvelyn Way (11.3%) and the One Stop on lower Hillmorton Road (9.8%).
- 6.12 In terms of Zone 4, the principal main food shopping destination for Zone 4 residents is the Sainsbury’s on Dunchurch Road (31.0%) followed by the Lidl on Bilton Road (16.4%) and the Aldi at Paddock Close (7.5%). In terms of top-up shopping trips, the Lidl on Bilton Road is the most popular choice for Zone 4 residents (13.0%), followed by the Sainsbury’s on Dunchurch Road (12.3%) and then the Co-op on Overslade Lane (11.3%).
- 6.13 In each case, the top-up shopping retention rates are higher than the main food shopping retention rates, indicating that residents will typically choose convenience destinations closer to home to meet their day-to-day shopping needs such as purchasing a pint of milk or a loaf of bread.

Table 6.1: Zonal Convenience Goods Retention Rates Across the Study Area at 2024

Zone	Main Food Shopping Zonal Retention Rate 2024 (%)	Top-Up Food Shopping Zonal Retention Rate 2024 (%)	Combined Convenience Goods Shopping Zonal Retention Rate (%)
1	40.3%	62.7%	45.9%
2	40.0%	49.4%	42.4%
3	46.5%	72.0%	52.9%
4	58.4%	56.0%	57.8%
5	0.0%	18.9%	4.7%
6	0.0%	40.8%	10.2%
7	22.4%	32.7%	25.0%
8	71.6%	89.0%	76.0%

Source: Table 4 of Appendix 4 of this Study

- 6.14 Accordingly, we find that the broad zonal retention rates identified appear to appropriately reflect the geography of current provision. There may well be scope to improve local retention rates subject to provision coming forward in appropriate locations in the future.
- 6.15 The below Table 6.2 provides a different assessment of shopping patterns, this time setting out the proportion of zonal convenience goods expenditure which is claimed by operators located within the Rugby authority area.
- 6.16 Table 6.2 identifies that the highest proportion of expenditure attracted to destinations within the authority area for both main and top-up convenience shopping occurs within Zones 3, 4, 6 and 7. The very strong market share within these zones indicates that Rugby’s foodstores are able to meet most main food shopping needs and that there is little reason to travel outside the area to undertake grocery shopping. The lowest figures are found in Zones 1 and 8, which is unsurprising given the draw of Coventry foodstores for Zone 1 residents, and Lutterworth foodstores for Zone 8 residents.
- 6.17 The improved market share within Zone 6 in particular is likely reflective of the increased proportion of residents choosing the Sainsbury’s on Dunchurch Road, instead of destinations outside of the authority area such as the Sainsbury’s in Leamington Spa. We can also see a significant decline in the proportion of market share attracted to destinations in Rugby from Zone 8 residents, due to the dominance of foodstores within Lutterworth such as the Aldi, Morrisons and Waitrose stores. A decline is also evident for Zone 2, due to the dominance of convenience destinations located within the zone, but outside of the Rugby authority area, for example the M&S at Binley Shopping Centre in Coventry and the Morrisons on Skipworth Road in Coventry.
- 6.18 In total, Rugby’s retailers claim just under six out of every ten pounds (59.8%) of all convenience goods expenditure which originates within the Study Area. This has increased very slightly since the 2015 Study, which recorded a market share of 57.7% across the same Study Area (i.e. Zones 1 to 8 inclusive).

Table 6.2: Rugby Convenience Goods Market Share by Zone at 2024

Zone	Main Food Shopping Rugby Market Share 2024 (%)	Top-Up Food Shopping Trips Rugby Market Share 2024 (%)	Combined Convenience Goods Rugby Market Share 2024 (%)	Combined Convenience Goods Rugby Market Share 2015 (%)
1	7.4%	41.3%	15.9%	15.9%
2	8.0%	20.1%	11.1%	1.8%
3	94.4%	97.3%	95.1%	96.4%
4	98.5%	98.3%	98.4%	95.4%
5	73.7%	45.5%	66.7%	72.4%
6	81.7%	90.6%	83.9%	10.3%
7	82.7%	84.6%	83.2%	79.9%
8	8.1%	0.4%	6.2%	77.5%
Total Study Area	56.8%	65.6%	59.8%	57.7%

Source: Table 4 of Appendix 4 of this Study for 2024 market shares; Tables 4 and 5 of Appendix 6 of the 2015 Rugby Retail and Main Town Centre Uses Study

Note: Total Study Area market share column relates to Zones 1 to 8 of the 2015 Study to enable a direct comparison to be made.

Comparison Goods Market Share

- 6.19 The below Table 6.4 identifies comparison goods shopping patterns, relating to the proportion of zonal comparison goods expenditure which is claimed by operators located within Rugby.
- 6.20 In practice, Rugby’s operators claim more than eight out of every ten pounds originating within Zones 3, 4 and 7 within which 88.7%, 83.8% and 82.7% of comparison expenditure is spent at Rugby’s facilities respectively. The lowest proportion of expenditure spent at Rugby’s destinations is recorded in Zone 2 at just 11.0%.
- 6.21 Improvements in the proportions of expenditure spent at Rugby’s destinations can be seen across Zones 1 to 7, with Zone 8 being the only Zone which has seen a reduction in comparison goods market share, although this is the only zone not covering the authority area.
- 6.22 The identified improved market shares are encouraging and are reflective of the fact that a good number of day-to-day comparison goods can be sourced close to home. However, as we go on to assess, the increase in market share attracted to the authority area operators is not due to a related increase in expenditure attracted to the town centre, but instead is due to increases elsewhere in the borough.

Table 6.4: Rugby Comparison Goods Market Share by Zone at 2024

Zone	Comparison Goods Rugby Market Share 2024 (%)	Comparison Goods Rugby Market Share 2015 (%)
1	22.3%	10.2%
2	11.0%	1.2%
3	88.7%	70.0%
4	83.8%	72.6%
5	66.7%	53.2%
6	70.1%	5.0%
7	82.7%	56.1%
8	39.0%	44.1%
Rugby Authority Area	59.2%	42.0%

Source: Table 4 of Appendix 4 of this Study for 2024 market shares; Tables 4 and 5 of Appendix 7 of Rugby Retail and Main Town Centre Uses Study 2015 for 2015 market shares; Total Study Area market share column relates to Zones 1 to 8 to enable direct comparison to 2024 figures

- 6.23 Table 6.5 identifies the market share of expenditure attracted to the four largest comparison goods destinations for Study Area residents. The table indicates that Elliott’s Field is the dominant comparison goods shopping destination for Study Area residents. Across the Study Area, the destination attracts 23.1% of Study Area comparison goods expenditure, and a market share of more than 30.0% of comparison goods expenditure which originates within each of Zones 3, 4 and 7.
- 6.24 The second most popular destination is Rugby town centre, which secures 12.2% of all comparison goods expenditure which originates within the Study Area, followed by Junction One Retail Park which secures 9.7%. Accordingly, the most popular three destinations account for just under half of all comparison goods expenditure.
- 6.25 The identified market shares are generally encouraging and are reflective of the fact that a good number of day-to-day comparison goods can be sourced close to home.

Table 6.5: Performance of Comparison Goods Floorspace at Key Destinations at 2023

Zone	Destination	Zone 1 2024 (%)	Zone 2 2024 (%)	Zone 3 2024 (%)	Zone 4 2024 (%)	Zone 5 2024 (%)	Zone 6 2024 (%)	Zone 7 2024 (%)	Zone 8 2024 (%)	Total 2024 (%)
3	Rugby Town Centre	1.5%	1.8%	22.0%	18.8%	15.3%	15.2%	16.1%	2.6%	12.2%
3	Elliott’s Field Retail Park	8.3%	4.1%	30.4%	34.1%	22.6%	22.8%	32.5%	22.8%	23.1%
3	Junction One Retail Park	5.5%	3.8%	18.0%	8.7%	6.4%	14.4%	11.5%	7.1%	9.7%
4	Sainsbury’s, Dunchurch Road	0.9%	0.0%	5.2%	11.2%	8.8%	5.5%	4.0%	0.9%	4.8%

Source: Table 5 of Appendix 4

Notes: The above summary table provides details of the trading performance of key comparison operators in the Study Area

Clothing and Footwear

- 6.26 In reviewing the comparison shopping patterns within the Study Area, the analysis focuses on the eight separate categories of goods which fall within the ‘non-bulky’ and ‘bulky’ comparison goods sectors.
- 6.27 However, given the dominance of the clothing and footwear market and the level of expenditure which is spent on such goods (approximately 23% of residents’ expenditure), we focus firstly on the clothing and footwear patterns, followed by a summary of the other seven categories below. Clothing and footwear retailing has traditionally been

the bedrock of town centres' retail offer and it can therefore be a useful barometer of the popularity of high streets. Comparison goods purchases are generally made less often than convenience purchases, and residents are often willing to travel greater distances to meet their comparison shopping needs. As such, levels of zonal retention are often lower than those which are established by convenience goods.

6.28 Table 6.6 below provides the proportions of clothing and footwear shopping patterns to key destinations within the authority area, and the proportion retained in the authority area as a whole.

Table 6.6: Clothing and Footwear Patterns on a Zonal Basis

Zone	Destination	Zone 1 2024 (%)	Zone 2 2024 (%)	Zone 3 2024 (%)	Zone 4 2024 (%)	Zone 5 2024 (%)	Zone 6 2024 (%)	Zone 7 2024 (%)	Zone 8 2024 (%)	Total 2024 (%)
3	Rugby Town Centre	1.0%	0.0%	28.5%	17.6%	20.0%	15.4%	13.9%	2.8%	12.8%
3	Elliott's Field Retail Park	19.0%	10.2%	41.2%	48.8%	43.7%	37.6%	45.3%	33.7%	34.6%
3	Junction One Retail Park	7.3%	0.0%	12.4%	2.1%	4.7%	1.3%	8.2%	0.9%	4.9%
	Rugby Authority Area Sub-Total	30.4%	10.2%	89.7%	83.2%	82.3%	68.9%	73.5%	37.3%	59.4%

6.29 We can see from Table 6.6 that for Zones 3, 4 and 5 residents, over 80.0% of their clothing and footwear shopping trips are to destinations within the authority area. Of these trips, the highest proportion in each case are directed towards Elliott's Fields Retail Park (with over 40% in each zone), with high proportions also found in Zones 5, 7 and 8.

6.30 Overall, it is clear that the retention rate of clothing and footwear goods in the authority area is good, particularly in terms of those residents residing within Rugby. However, there is a clear dominance of the out of centre facilities in attracting a high proportion of trips, indicating that Rugby town centre's clothing and footwear offer is less strong and Elliott's Field Retail Park has a real draw for residents to purchase such goods.

Other Comparison Goods Shopping Patterns

6.31 As set out above, given the proportion of expenditure spent on clothing and footwear goods, it is useful to understand in more detail where such trips are taking place. We also provide below a breakdown of the seven other comparison categories on a zonal basis, looking at the authority retention rate.

Table 6.6: Rugby Authority Area Clothing and Footwear Patterns on a Zonal Basis

	Zone 1 2024 (%)	Zone 2 2024 (%)	Zone 3 2024 (%)	Zone 4 2024 (%)	Zone 5 2024 (%)	Zone 6 2024 (%)	Zone 7 2024 (%)	Zone 8 2024 (%)	Total 2024 (%)
Clothing and Footwear	30.4%	10.2%	89.7%	83.2%	82.3%	68.9%	73.5%	37.3%	59.4%
CDS, DVDs and Books	19.6%	4.3%	91.9%	84.5%	59.1%	69.6%	78.7%	12.1%	55.3%
Small Household Goods	22.2%	14.8%	89.1%	91.5%	77.6%	83.2%	86.3%	81.1%	69.2%
Toys, Games, Bicycles and Recreational Goods	7.7%	0.0%	79.5%	82.1%	47.4%	45.7%	97.7%	51.5%	50.7%
Health and Beauty Goods	26.8%	24.5%	98.1%	92.3%	66.9%	83.8%	85.6%	27.2%	63.4%
Electrical Goods	10.6%	14.1%	87.1%	73.7%	89.5%	79.9%	81.2%	35.7%	53.2%
DIY and Gardening Goods	17.5%	9.1%	82.1%	82.4%	47.1%	71.5%	78.4%	26.1%	52.3%
Furniture, Carpets and Floor Coverings	37.4%	6.9%	88.2%	78.9%	54.9%	66.7%	79.7%	33.9%	60.7%

6.32 Overall, it is clear that the retention rates of Rugby authority facilities are relatively high for all goods but particularly for Zones 3 to 7. Some key findings from the market share analysis is as follows:

- Rugby town centre is the principal destination for purchasing CDs, DVDs and books goods for residents in Zones 3 to 7, with other key destinations principally being large format convenience stores which include an element of comparison retailing, such as the Sainsbury's on Dunchurch Road and the Asda on Chapel Street in Rugby. A total of 55.3% of the available expenditure is being spent at destinations within the authority area.
- For small household goods, the principal destination for Zone 3 to 8 residents is Elliott's Field Retail Park, followed by Rugby town centre, Junction One Retail Park and then the Tesco Superstore on Leicester Road in Rugby. A total of 69.2% of the available expenditure is being spent at destinations within the authority area.
- In terms of toys, games, bicycles and recreational goods, the household survey indicates that Elliott's Field Retail Park is the principal destination for purchasing such goods, particularly for residents in zones 3, 4 and 7. Airport Retail Park - located outside of the Study Area - is also a popular destination for residents, and particularly residents residing within Zones 1 and 6, but also zones 2 to 5 (albeit to a lesser extent). Rugby town centre, Junction One Retail Park and the Tesco store on Leicester Road are also identified as being key destinations for purchasing such goods. A total of 50.7% of the available expenditure is being spent at destinations within the authority area.
- Looking at health and beauty shopping trips, the overarching authority area retention level is 63.4%, with the highest proportions being from Zones 3, 4, 6 and 7 residents. Key destinations for purchasing health and beauty goods include Rugby town centre, Elliott's Field Retail Park and Junction One Retail Park, with each attracting relatively high proportions of trips.
- In terms of the first of the 'bulky' goods identified in the survey; electrical goods, the survey indicates that the highest proportions of trips directed to Rugby authority area destinations are from zones 3 to 7 residents, with Elliott's Fields, Junction One Retail Park and Rugby town centre all featuring as key destinations. However, in each case, the principal destination to purchase such goods is Junction One Retail Park, which includes CurrysPCWorld and Carphone Warehouse as occupiers. A total of 53.2% of the available electrical goods expenditure is being spent at destinations within the authority area.
- For DIY and gardening goods, destinations in the authority area retain a total of 52.3% of residents shopping trips. The highest retention levels are from residents in zones 3, 4, 6 and 7. Principal destinations for residents in these four zones include the Homebase at Technology Retail Park and wider operators at the retail park (which includes Wickes). Junction One Retail Park and Screwfix at Prospect Way are also key destinations for residents, along with Dobbies Garden Centre and Barby Nurseries.
- The final 'bulky' category of goods is furniture, carpets and floor coverings. In total, destinations within the authority area retain 60.7% of available expenditure spent on these goods, with the highest authority area retention levels being within Zones 3, 4 and 7. The principal destination for purchasing such goods for Zones 3 to 7 is Elliott's Field Retail Park.

6.33 Overall, the analysis demonstrates that retail destinations within the authority area (which principally comprise the town centre, Elliott's Field Retail Park and Junction One Retail Park) perform important roles in meeting residents' needs, with retention levels being particularly high in ones 3, 4 and 7.

6.34 However, it is clear that out of centre provision is acting as a direct competition to Rugby town centre and the retail parks are drawing considerable levels of shopping trips in light of their offer, convenience and overarching attractiveness. This is to the detriment of Rugby town centre, which perhaps does not perform as the principal destination for a number of the comparison categories.

Market Share Summary and Identification of Expenditure Claimed by Rugby Retailers

- 6.35 We identify the convenience goods, comparison goods, and overall market share of Study Area expenditure claimed by retailers located in Rugby in the below Table 6.6.
- 6.36 Rugby’s convenience goods market share of 59.8% is only marginally higher than its comparison goods market share of 59.2%. This demonstrates that the authority area has a broadly equivalent convenience and comparison offer and that the majority of residents’ expenditure is being directed to facilities within the authority area.
- 6.37 Table 6.6 also identifies the monetary convenience and comparison goods turnover of convenience and comparison goods retailers which originates from the respective defined Study Areas. To allow comparison, the turnover figures identified in the 2015 Retail Capacity Study have been converted from a 2014 price base to a 2022 price base (in order that they are expressed in a manner consistent with this Study).
- 6.38 On this basis, we identify that the Study Area convenience goods turnover of Rugby’s retailers has increased from £220.4m at 2015 to £252.2m at 2024. The comparison goods turnover of Rugby’s comparison goods retailers has increased from £215.4m at 2015 to £316.1m at 2024.

Table 6.6: Comparison Goods Expenditure Retention and Leakage

Type of Expenditure	2024 Residents’ Expenditure (£m)	2024 Market Share (%)	2015 Residents’ Expenditure (£m)	2015 Market Share (%)
Study Area Convenience Goods Expenditure	252.2	59.8%	220.4	57.7%
Study Area Comparison Goods Expenditure	316.1	59.2%	215.4	42.0%
Total Study Area Expenditure	568.3	59.5%	435.8	55.6%

Source: Table 25 of Appendix 4

Note: Both presented in a consistent 2022 prices

- 6.39 The increase in comparison goods turnover in particular is substantial and attributable to three principal factors:
- population and per capita expenditure increases, meaning that the overall comparison goods expenditure ‘pots’ have increased; and
 - general improvements in the market share of expenditure claimed by retailers located in Rugby.
- 6.40 In conclusion, the household survey demonstrates that overall, Rugby’s convenience goods retailers are able to appropriately serve residents of the authority area and those who live in a wider catchment area. Rugby’s convenience goods market share within Zones 3, 4, 6 and 7 in particular are very high, which confirms that there is no general requirement to travel outside of the area when undertaking grocery shopping.
- 6.41 In respect of comparison goods, Rugby’s retailers both within the town centre and at the out of centre facilities provide a good range of operators and attract relatively high levels of expenditure from the key central zones of the Study Area, and in this context the improved comparison goods market share across many Study Area zones is encouraging.
- 6.42 In our view, the identified survey results reflect the geography of the Study Area and the relative attraction of other nearby retail venues. Accordingly, where expenditure ‘leaks’ to destinations outside of Rugby this is still generally reflective of logical and sustainable travel patterns.

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 4. A summary of our methodology, 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.

- 7.3 An identified quantitative expenditure surplus indicates that there is capacity to support additional retail floorspace. We summarise the key considerations relating to each component of the equation below.

Available Expenditure

- 7.4 As we set out in Section 5 of this report, expenditure generated within each Study Area 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.

- 7.5 The expenditure available to retailers within the Rugby area is calculated with reference to the market share of convenience and comparison goods expenditure secured by retailers located within the authority area. This is explained in greater detail in the preceding Section 6.

- 7.6 The expected turnover relates to the level of expenditure claimed by existing retailers (and by retail commitments which benefit from an extant planning permission) such that they trade in a viable manner. 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 data.²⁰

Surplus/Deficit

- 7.7 The expenditure surplus (or deficit) is calculated by subtracting the turnover of existing and committed floorspace from the available expenditure directed to retailers within the authority area. A surplus figure effectively represents an under-provision of retail facilities within the authority area (and may indicate that additional floorspace could be supported), whereas a deficit would suggest a quantitative over-provision of retail floorspace.

- 7.8 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

²⁰ 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.

sector itself there is significant variation, with electrical retailers typically having higher sales densities than DIY or furniture retailers.

- 7.9 The turnover of destinations is generally considered with reference to retailers’ net sales areas and all of the following floorspace figures are presented on this basis.
- 7.10 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 2024 (i.e. our survey-derived turnover estimate effectively acts as benchmark).

Future Quantitative Convenience Goods Capacity

- 7.11 In identifying the requirement for additional convenience goods floorspace, the estimated turnover of the existing collective provision (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 and the net convenience goods sales areas of individual stores). The identified benchmark turnover changes across future reporting years to account for Experian’s forecasts in respect of the future sales efficiency of convenience goods floorspace.
- 7.12 As Table 7.1 demonstrates, convenience goods floorspace across the authority area has a survey-derived turnover of £252.2m and an expected benchmark turnover of £359.1m. As a consequence, a convenience expenditure deficit of -£91.4m is identified at 2024, which reduces to -£88.8m at 2029. By 2042, the deficit in expenditure decreases to -£73.5m.

Table 7.1: Quantitative Capacity for Additional Convenience Goods Floorspace in the Rugby Authority Area

Year	Benchmark Turnover (£m)	Available Expenditure (£m)	Inflow (£m)	Surplus Expenditure (£m)
2024	359.1	252.2	15.4	-91.4
2029	362.0	257.4	15.7	-88.8
2034	364.1	264.6	16.2	-83.4
2039	366.0	272.2	16.7	-77.1
2042	367.1	276.6	16.9	-73.5

Source: Table 6a of Appendix 4

Notes: Assumes constant market share (59.8%) of Study Area expenditure claimed by facilities within Rugby authority area; allows for changes in benchmark turnover sales efficiency in accordance with Figure 4b of Experian Retail Planner Briefing Note 21; in 2022 prices.

- 7.13 We have consulted with the Council and have been informed of two extant retail commitments within the Study Area, these being:
1. full planning permission reference R22/0657, which allows for the demolition of part of Rugby Central Shopping Centre (which lies within Rugby town centre in Study Area Zone 3) and the erection of a mixed-use development scheme encompassing a maximum of 1,714 sq.m of commercial floorspace that could theoretically be used for retail; and
 2. outline planning permission reference R19/1540, which allows for up to 250 sq.m of new retail floorspace as part of the redevelopment of the Rolls Royce Ansty Aerodrome site in Study Area Zone 2 to provide for a new employment area.

- 7.14 The redevelopment of the Rugby Central Shopping Centre will actually result in a net loss of 2,936 sq.m of Class E floorspace, much of which is currently vacant. It is also likely that the majority of the new Class E space will be dedicated to comparison retail and food & beverage uses. As a consequence, we do not anticipate that the redevelopment will significantly alter the convenience market share achieved by the Shopping Centre, and the wider town centre. Our model therefore anticipates that this commitment has a neutral impact on convenience capacity over the plan period.
- 7.15 Similarly, the 250 sq.m of Class E floorspace allowed by the outline permission at the Ansty Aerodrome site represents a maximum, and a proportion of this space is likely to be occupied by comparison retailers and/or food & drink operators. In any event, given the modest quantum of floorspace permitted and the nature of the wider employment scheme, we do not anticipate that the proposal will meaningfully alter shopping patterns over the plan period.
- 7.16 Nonetheless, for robustness, our model assumes that 50% of the permitted Class E floorspace at the former Aerodrome site will be used for convenience retailing, with an anticipated turnover of £1.35m at 2024, increasing to £1.38m at 2042.
- 7.17 Table 7.2 below then provides the residual capacity and floorspace requirement taking account of the turnover of the identified commitments within the authority area. Table 7.2 identifies a negative monetary surplus across the entirety of the plan period to 2042 once commitments are accounted for. In practice, our assessment suggests that there will be an effective quantitative oversupply of floorspace (equating to between 5,900 sq.m and 6,300 sq.m of convenience goods floorspace at 2042).

Table 7.2: Quantitative Capacity for Convenience Goods Floorspace in the Rugby Authority Area after Commitments

Year	Surplus (£m)	Commitments (£m)	Residual (£m)	Floorspace Requirement	
				Minimum (sq.m)	Maximum (sq.m)
2024	-91.4	1.4	-92.8	-7,400	-8,000
2029	-88.8	1.4	-90.2	-7,200	-7,700
2034	-83.4	1.4	-84.7	-6,700	-7,200
2039	-77.1	1.4	-78.5	-6,200	-6,700
2042	-73.5	1.4	-74.9	-5,900	-6,300

Source: Table 6d of Appendix 4

Notes: Assumes constant market share (59.8%) of Study Area expenditure claimed by facilities within Rugby authority area; allows for changes in benchmark turnover sales efficiency in accordance with Figure 4a of Experian Retail Planner Briefing Note 21

- 7.18 We have also undertaken an assessment of the convenience capacity focusing on Rugby town centre specifically. The capacity assessment is based on totalling the benchmark and survey derived turnovers of the convenience facilities within Rugby town centre specifically, instead of all of the convenience facilities within the authority area as a whole.
- 7.19 Table 7.3 below provides the comparable capacity figures for the town centre, once commitments have been taken into account. The Table demonstrates that there is an oversupply of convenience floorspace within Rugby town centre up to 2042.

Table 7.3: Quantitative Capacity for Convenience Goods Floorspace in Rugby Town Centre after Commitments

Year	Surplus (£m)	Commitments (£m)	Residual (£m)	Floorspace Requirement	
				Minimum (sq.m)	Maximum (sq.m)
2024	-8.6	0.0	-8.6	-700	-700
2029	-8.1	0.0	-8.1	-600	-700
2034	-7.1	0.0	-7.1	-600	-600
2039	-5.9	0.0	-5.9	-500	-500
2042	-5.2	0.0	-5.2	-400	-400

Source: Table 6d_RugbyTC of Appendix 4

Notes: Assumes constant market share (10.3%) of Study Area expenditure claimed by facilities within Rugby town centre; allows for changes in benchmark turnover sales efficiency in accordance with Figure 4a of Experian Retail Planner Briefing Note 21

7.20 Based on the above, we find there to be no quantitative requirement for additional convenience goods floorspace over the plan period.

Future Quantitative Comparison Goods Capacity

7.21 For comparison goods, we assume that floorspace is 'in equilibrium' at the start of an assessment (i.e. its turnover is in line with expectations, and that the sector has evolved to meet local/regional needs).

7.22 As identified by the below Table 7.4, our assessment estimates that the comparison goods turnover of the authority area is £316.1m, or £337.7m after account is taken of inflow.

7.23 Experian anticipates that improvements in the sales efficiency of existing comparison goods floorspace will outstrip per capita comparison goods expenditure growth in the very short term. As such, a limited surplus expenditure of £10.2m is identified at 2029, which arises due to an increase in the population. We anticipate that the identified expenditure surplus will increase to £51.1m at 2042.

Table 7.4: Quantitative Capacity for Comparison Goods Floorspace in the Rugby Authority Area

Year	Benchmark Turnover (£m)	Available Expenditure (£m)	Inflow (£m)	Surplus Expenditure (£m)
2024	337.7	316.1	21.6	0.0
2029	379.9	365.1	25.0	10.2
2034	431.9	424.7	29.0	21.8
2039	491.0	495.8	33.9	38.6
2042	530.3	544.2	37.2	51.1

Source: Table 26a of Appendix 4

Notes: Assumes constant market share (59.2%) of Study Area expenditure claimed by facilities in the authority area; allows for changes in benchmark turnover sales efficiency in accordance with Figure 4b of Experian Retail Planner Briefing Note 21; in 2022 prices

7.24 Once more, we have consulted with the Council and are aware of two comparison commitments within the authority area, these being the extant permissions identified above in respect of the Rugby Central Shopping Centre and Ansty Aerodrome sites.

7.25 As above, we have assumed that the Shopping Centre redevelopment will have a neutral impact on comparison market share, owing to the facts that much of the floorspace to be demolished is already vacant and that a substantial proportion of the permitted Class E floorspace will likely be occupied by food & drink operators.

7.26 Similarly, we have again assumed that 50% of the modest quantum of Class E space permitted at the Ansty Aerodrome site will be dedicated to comparison retail uses. Such a use would generate an estimated comparison turnover of £0.6m at 2024, rising to £0.9m at 2042. This has been applied to the capacity assessment and the turnover grown forward across the plan period using the sales efficiencies provided by Experian in the ERPBN21.

7.27 Table 7.5 below identifies a slight oversupply of comparison floorspace in the early part of the plan period. By 2042, however, we estimate there will be between 5,300 sq.m net and 9,100 sq.m net of comparison floorspace capacity across the authority area.

Table 7.5: Quantitative Capacity for Comparison Goods Floorspace in the Rugby Authority Area

Year	Surplus (£m)	Commitments (£m)	Residual (£m)	Floorspace Requirement	
				Minimum (sq.m)	Maximum (sq.m)
2024	0.0	0.5	-0.5	-100	-200
2029	10.2	0.6	9.6	1,400	2,400
2034	21.8	0.7	21.1	2,800	4,700
2039	38.6	0.8	37.9	4,300	7,400
2042	51.1	0.8	50.2	5,300	9,100

Source: Table 26d of Appendix 4

Notes: Assumes constant market share (59.2%) of Study Area expenditure claimed by facilities in the authority area; allows for changes in benchmark turnover sales efficiency in accordance with Table 4a of Experian Retail Planner Briefing Note 21; minimum floorspace requirement based on an assumed sales density of £6,000 per sq.m at 2024; maximum floorspace requirement based on an assumed sales density of £3,500 per sq.m at 2024; in 2022 prices

7.28 It is likely that any capacity identified and set out in Table 7.5 below will be absorbed by new provision proposed as part of the key residential growth areas, which include the provision of new local shopping facilities. Due to the identified increase in the market share of out of centre facilities, it is important to note that it is not recommended that other, alternative sites are identified across the authority area, which ultimately could further erode the town centre's market share.

7.29 Table 7.6 below then provides the capacity figures for Rugby town centre specifically, based on the level of expenditure currently identified to be attracted to facilities within the town centre. The table indicates that there will be capacity within the town centre for an estimated additional 1,100 sq.m net to 1,900 sq.m net of comparison floorspace by 2042.

Table 7.6: Quantitative Capacity for Comparison Goods Floorspace in the Rugby Town Centre

Year	Surplus (£m)	Commitments (£m)	Residual (£m)	Floorspace Requirement	
				Minimum (sq.m)	Maximum (sq.m)
2024	0.0	0.0	0.0	0	0
2029	2.1	0.0	2.1	300	500
2034	4.4	0.0	4.4	600	1,000
2039	7.8	0.0	7.8	900	1,500
2042	10.3	0.0	10.3	1,100	1,900

Source: Table 26d_RugbyTC of Appendix 4

Notes: Assumes constant market share (12.2%) of Study Area expenditure claimed by facilities in the town centre; allows for changes in benchmark turnover sales efficiency in accordance with Table 4a of Experian Retail Planner Briefing Note 21; minimum floorspace requirement based on an assumed sales density of £6,000 per sq.m at 2024; maximum floorspace requirement based on an assumed sales density of £3,500 per sq.m at 2024; in 2022 prices

Convenience and Comparison Qualitative Requirements

- 7.30 We note that most foodstore formats are provided across the authority area with Asda, Sainsbury's and Tesco all occupying large format stores, and the likes of Co-op, Londis, Sainsbury's and Tesco trading from smaller local convenience store formats. Whilst there may be opportunity for some such retailers to bring forward additional stores in areas likely to be the subject of significant residential growth, it is in the discount foodstore sector where there is likely to be greatest operator interest.
- 7.31 In this regard, we note that, at time of writing (August 2024), there are two undetermined planning applications for discount foodstores within the Borough. These are:
- reference R22/1102, which proposes the demolition of the Cemex House office building at Evreux Way in Rugby town centre and the construction of a new Aldi supermarket; and
 - reference R20/0532, which proposes the sub-division of the existing Unit 4 (Homebase) at Technology Retail Park in Zone 3 of the Study Area to provide for a new foodstore unit designed to attract a discount operator (together with a non-food bulky goods retail unit).
- 7.32 Moreover, Lidl has expressed interest in opening new stores within the North, East and Hillmorton parts of the authority area.²¹
- 7.33 In examining the performance of specific stores, it is evident that the Borough's three discount supermarkets (the Aldi stores on Paddock Close and Central Park and the Lidl on Bilton Road) are performing particularly strongly and that the performance of food superstores is more variable. Providing for a new foodstore in a sustainable location could assist in 'levelling out' some of the identified overtrading and provide for additional consumer choice within the authority area.
- 7.34 Any proposals for additional convenience goods floorspace should be considered on their own merits in accordance with the relevant planning 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.
- 7.35 Turning to the qualitative requirements of comparison retailing, it is clear that Elliott's Field Retail Park is a popular non-food retail destination in the Borough, attracting approximately 23.1% of Study Area comparison goods expenditure.²² Junction One Retail Park and, to a lesser extent, Technology Retail Park and Warwickshire Shopping Park (located outside of the Study Area) also draw substantial proportions of comparison expenditure.
- 7.36 The proximity of Rugby town centre to these large out-of-centre shopping destinations clearly impacts on its role and function. The comparison goods offer of the town centre is primarily focussed on meeting day-to-day needs (including small media and chemist/health & beauty goods), with the anchor Asda store being supplemented by a range of smaller national multiples and specialist independent traders. Overall, the town centre attracts approximately 12.2% of all comparison goods expenditure originating within the Study Area.

²¹ See: <https://www.realestate-lidl.co.uk/new-store-site-requirements>, accessed 12th August 2024.

²² See Table 25 in Appendix 4

- 7.37 Around 40.8% of the comparison expenditure generated within the Study Area ‘leaks’ to destinations elsewhere. Significant comparison destinations beyond the Study Area include Airport Retail Park in Coventry, Coventry City Centre, and Fosse Shopping Park in Leicester.
- 7.38 In terms of residents’ access to goods and services, it is important that Rugby town centre complements the nearby higher order destinations. The market share of Study Area ‘bulky’ goods expenditure by retailers in the town centre is notably low, and that across some ‘non-bulky’ sectors, the market share is also relatively low, with Rugby town centre attracting a total of 8.8% of shoppers’ clothing and footwear expenditure, 10.9% of small household goods expenditure and 4.8% of the toys and recreational goods expenditure.
- 7.39 Whilst we do not anticipate that the ‘bulky’ sub-sectors will be a significant component of Rugby town centre’s offer going forward, we are of the view that there may be the opportunity to grow the clothing and footwear and small household goods market share in the future through appropriate planning controls over competing out of centre development where appropriate. As such, continuing to encourage non-bulky comparison retailing, in particular, in the defined town centre will be key to supporting footfall and expenditure.
- 7.40 Given these findings, there is no obvious requirement to develop any further facilities outside of Rugby town centre and the forthcoming lower-order centres comprising local centres. We therefore suggest that any capacity be diverted towards supporting existing, and potentially new, comparison goods retailers within Rugby town centre.

8. Assessment of Leisure Capacity

- 8.1 Our approach in considering leisure capacity is in two parts.
- 8.2 For food and beverage floorspace, we adopt a similar approach as to that set out in respect of retail floorspace in the preceding Section 6 of this report. For large format commercial uses, we adopt a ‘benchmarking’ approach where we consider the typical population required to support different types of facilities.
- 8.3 The benchmarking exercise reflects the fact that large format commercial uses are relatively limited in number and residents may be prepared to travel to watch a film or to go ten pin bowling. The current Study Area market share may not be instructive in respect of identifying future large format leisure requirements and therefore our preference is to undertake a benchmarking exercise.

Food and Beverage Requirements

Leisure Expenditure Growth

- 8.4 To calculate per capita food and beverage expenditure, we have again utilised Experian Micromarketer G3 data. The base year for this expenditure data is also 2022. Experian provides separate per capita expenditure estimates on a zonal basis for ‘restaurant and café meals per person’ and ‘alcoholic drinks (away from home) per person’.
- 8.5 There is no need to make allowance for special forms of trading expenditure (given that all food and beverage expenditure identified by Experian relates to eating and drinking in bars, pubs, cafes, and restaurants).
- 8.6 ERPBN21 provides annual leisure expenditure growth forecasts which we set out at the below Table 8.1. These growth rates are used to estimate increases in per capita food and beverage expenditure across the plan period to 2040.

Table 8.1: Experian Retail Planner Briefing Note 21 Leisure Expenditure Annual Per Capita Growth Rates

Year	Leisure Per Capita Annual Growth
2023	-2.6
2024	-2.2
2025	0.4
2026-30	1.3
2030-40	1.6

Source: Figure 1a of Appendix 3 of Experian Retail Planner Briefing Note 21 (February 2024)

- 8.7 We again recognise that growth in expenditure forecasts in the longer-term should be treated with caution given the difficulties in predicting economic performance over such an extensive timeframe.
- 8.8 Accepting this caveat, we are able to use Experian’s recommendations in respect of annual expenditure growth to calculate expenditure across the food and beverage sectors at 2024, 2029, 2034, 2039 and 2042.

Restaurant and Café Floorspace Requirements

- 8.9 Looking at the existing leisure patterns within the authority area as identified by the household survey, it is clear that Rugby town centre is the principal destination for meeting residents café and restaurant needs, attracting

34.7% of the residents' trips. Rugby town centre is also the principal destination for residents in zones 3, 4, 6 and 7, attracting 51.1%, 57.5%, 43.6% and 34.5% of trips respectively. Within the Study Area, trips are spread thinly across a range of destinations and outside of the Study Area, a total of 8.3% of trips are to Coventry city centre.

8.10 Based on the assumed Study Area resident population and the available per capita restaurant and café expenditure, we estimate that £141.6m of such expenditure originates within the Study Area at 2024.

8.11 The below Table 8.2 indicates that available Study Area restaurant and café expenditure is forecast to increase to £184.6m at 2042. Table 8.2 indicates that this represents an increase of £32.5m (or 30.3%) across the Study Area between 2024 and 2042.

Table 8.2: Total Available Study Area Restaurant and Café Expenditure

2024 (£m)	2029 (£m)	2034 (£m)	2039 (£m)	2042 (£m)	Growth 2024-42 (£m)
141.6	154.0	165.6	177.3	184.6	42.9

Source: Table 2 of Appendix 5
Note: In 2022 prices

8.12 Our methodology accounts for the fact that existing operators will look to increase their turnover going forward to remain viable. On this basis, we identify an expenditure surplus of £5.1m at 2029. Due to subsequent expenditure and population increases, this surplus increases to £10.3m at 2034, to £15.8m at 2039 and to £19.1m at 2042.

8.13 As with retail capacity, this monetary surplus can be converted into a floorspace requirement. The average sales density of UK floorspace for leisure operators was around £8,584 per sq.m at 2024.²³

8.14 Based on this sales density (and allowing for future increases in the sales efficiency of leisure floorspace going forward), we estimate that 600 sq.m of additional café and restaurant floorspace could be supported at 2029, increasing to 2,100 sq.m at 2042.

Table 8.3: Quantitative Capacity for Restaurant and Café Floorspace in the Authority Area

Year	Benchmark Turnover (£m)	Available Expenditure (£m)	Exp. With 5% Inflow (£m)	Surplus Expenditure (£m)	Floorspace Requirement (sq.m)
2024	75.7	71.9	75.7	0.0	0.0
2029	77.2	78.2	82.3	5.1	600
2034	78.2	84.1	88.5	10.3	1,200
2039	79.0	90.0	94.8	15.8	1,800
2042	79.5	93.7	98.6	19.1	2,100

Source: Table 5a and Table 5b of Appendix 5

Notes: Assumes constant market share (50.8%) of Study Area expenditure claimed by facilities in the authority area; allows for changes in benchmark turnover sales efficiency in accordance with Figure 2 of Experian Retail Planner Briefing Note 21 - Leisure; in 2022 prices

8.15 Similarly to the convenience and comparison capacity assessment above, we have also undertaken a capacity assessment for Rugby town centre specifically.

8.16 We present these figures below in Table 8.4. Table 8.4 indicates that the capacity for additional restaurant and café floorspace within the town centre is identified to be 400 sq.m at 2029, rising to 1,300 sq.m at 2042.

²³ As identified by Figure 2 of Experian Retail Planner Briefing Note 21 – Leisure.

Table 8.4: Quantitative Capacity for Restaurant and Café Floorspace in the Town Centre

Year	Benchmark Turnover (£m)	Available Expenditure (£m)	Exp. With 5% Inflow (£m)	Surplus Expenditure (£m)	Floorspace Requirement (sq.m)
2024	47.7	45.3	47.7	0.0	0
2029	48.6	49.2	51.8	3.2	400
2034	49.2	52.9	55.7	6.5	700
2039	49.7	56.7	59.7	9.9	1,100
2042	50.0	59.0	62.1	12.0	1,300

Source: Table 5a_RugbyTC and Table 5b_RugbyTC of Appendix 5

Notes: Assumes constant market share (32.0%) of Study Area expenditure claimed by facilities in the authority area; allows for changes in benchmark turnover sales efficiency in accordance with Figure 2 of Experian Retail Planner Briefing Note 21 - Leisure; in 2022 prices

Licensed Premises Floorspace Requirements

- 8.17 In terms of established trips to licensed premises, again the principal destination for residents is Rugby town centre, attracting a total of 26.7% of residents' trips. A total of 8.9% of trips are attracted to Coventry city centre and 4.7% to Birmingham city centre.
- 8.18 Based on the assumed Study Area resident population and the available per capita alcoholic drinks expenditure, we estimate that £55.2m of alcoholic beverage expenditure originates within the Study Area at 2024.
- 8.19 The below Table 8.6 indicates that available Study Area restaurant and licensed premises expenditure is forecast to increase to £71.9m at 2042. Table 8.5 indicates that this represents an increase of £16.7m (or 30.3%) across the Study Area between 2024 and 2042.

Table 8.5: Total Available Study Area Licensed Premises Expenditure

2024 (£m)	2029 (£m)	2034 (£m)	2039 (£m)	2040 (£m)	Growth 2024-42 (£m)
55.2	60.0	64.6	69.1	71.9	16.7

Source: Table 7 of Appendix 5

Note: In 2022 prices

- 8.20 Our complete licensed premises quantitative assessment model is provided at Appendix 5 of this Study. Table 10 of Appendix 5 identifies that £29.4m (equating to 20.0%) of Study Area alcoholic drink expenditure is directed to licensed premises in the authority area at 2024.
- 8.21 Our methodology accounts for the fact that existing operators will look to increase their turnover going forward to remain viable. On this basis, we identify an expenditure surplus of £0.9m at 2029. Due to subsequent expenditure and population increases, the identified surplus increases to £2.9m at 2034, to £5.0m at 2039 and to £6.4m at 2042.
- 8.22 Once again, this monetary surplus can be converted into a floorspace requirement. Based on the average UK leisure sales density of £8,584 sq.m at 2024 (and allowing for future increases in the sales efficiency of leisure floorspace going forward), we estimate that 100 sq.m of additional licensed premises floorspace could be supported at 2029, increasing to 700 sq.m at 2042.

Table 8.6: Quantitative Capacity for Licensed Premises in the Authority Area

Year	Benchmark Turnover (£m)	Available Expenditure (£m)	Exp. With 5% Inflow (£m)	Surplus Expenditure (£m)	Floorspace Requirement (sq.m)
2024	31.0	29.4	31.0	0.0	0
2029	31.6	30.9	32.5	0.9	100
2034	32.0	33.2	34.9	2.9	300
2039	32.3	35.5	37.4	5.0	600
2042	32.5	37.0	38.9	6.4	700

Source: Table 10a and Table 10b of Appendix 5

Notes: Assumes constant market share (20.0%) of Study Area expenditure claimed by facilities in the authority area; allows for changes in benchmark turnover sales efficiency in accordance with Figure 2 of Experian Retail Planner Briefing Note 21 - Leisure; in 2022 prices

8.23 Similarly to the convenience and comparison capacity assessment above, we have also undertaken a capacity assessment for Rugby town centre specifically. We present these figures below in Table 8.7.

8.24 Table 8.7 indicates that the capacity for additional licensed premises floorspace within the town centre specifically is identified to be 0 sq.m at 2029, rising to 300 sq.m at 2042.

Table 8.7: Quantitative Capacity for Licensed Premises in the Town Centre

Year	Benchmark Turnover (£m)	Available Expenditure (£m)	Exp. With 5% Inflow (£m)	Surplus Expenditure (£m)	Floorspace Requirement (sq.m)
2024	14.8	14.1	14.8	0.0	0
2029	15.1	14.8	15.6	0.4	0
2034	15.3	15.9	16.7	1.4	200
2039	15.5	17.0	17.9	2.4	300
2042	15.6	17.7	18.6	3.1	300

Source: Table 10a_RugbyTC and Table 10b_RugbyTC of Appendix 5

Notes: Assumes constant market share (9.6%) of Study Area expenditure claimed by facilities in the town centre; allows for changes in benchmark turnover sales efficiency in accordance with Figure 2 of Experian Retail Planner Briefing Note 21 - Leisure; in 2022 prices

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

8.25 Our approach in identifying the potential for large format to the assessment of commercial leisure needs departs from the above monetary capacity assessment. This is because the commercial leisure sector is different to the retail and food and beverage sectors; 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.

8.26 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.

8.27 We firstly calculate the expected Study Area and local authority populations for the relevant reporting years.

8.28 We then calculate the number of persons required to support a bingo hall, casino, cinema screen and bowling alley 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 and 145 casinos across the UK;
- the UK Cinema Association website²⁴ which identifies that there are 4,637 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.

8.29 We then apply the respective ratio to the Study Area population and to the population of the Rugby authority area to gauge the benchmark level of provision, based on the position evident across the UK.

8.30 We supplement our assessment with an overview of current patterns of commercial leisure trips throughout the Study Area (as identified by the NEMS household survey) to help identify any qualitative deficiencies in provision.

8.31 We recognise that some of these facilities are not as important as they perhaps once were in underpinning the local leisure economy. However, all four uses generally occupy large format premises and, as such, if a requirement were to be identified then there are potential land use implications.

Bingo

8.32 Across the Study Area, there are four principal bingo destinations, comprising Buzz Bingo in Coventry, attracting 33.8% of trips, the Merkur Bingo in Leicester, attracted 26.4% of trips, Binley Village Hall (14.0% of trips) and Woolston village centre (11.4% of trips). The Buzz Bingo in Coventry is the key destination for residents in zones 2, 3,4 and 6.

8.33 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.²⁵ Accordingly, we estimate that the authority area could theoretically support around 0.6 bingo hall at 2024, increasing very slightly to 0.7 bingo halls at 2042.

8.34 The below Table 8.10 confirms bingo hall capacity within Rugby over the period to 2042.

Table 8.8: Bingo Hall Capacity in the Authority Area

Year	Study Area Population	Typical Population Required to Support Hall	Potential Number of Halls Supported in the Study Area	Potential Number of Halls Supported in the Authority Area	Outstanding Potential Capacity in the Authority Area
2024	176,231	193,714	0.9	0.6	0.6
2029	182,399	193,714	0.9	0.6	0.6
2034	187,890	193,714	1.0	0.6	0.6
2039	193,333	193,714	1.0	0.7	0.7
2042	196,513	193,714	1.0	0.7	0.7

Note: Typical population to support bingo hall calculated with reference to the Mintel Casinos and Bingo UK 2019 report and to the ONS 2023 population forecasts for the UK

8.35 The bingo sector has been significantly affected by the ban on smoking in enclosed workplaces which came into force in 2007 following the enactment of the Health Act 2006. Subsequent to the Act being enforced, new bingo hall openings have been rare, and we consider it highly unlikely that there will be any proposals to provide

²⁴ www.cinemauk.org.uk, consulted on 15 September 2023.

²⁵ Based on 2020-Based Population Projections by the Office for National Statistics which identify a UK population of 67,844,000 persons at 2023.

additional facilities in the authority area in the foreseeable future. The provision available in adjacent authority areas will be sufficient to meet resident’s needs.

Cinemas

- 8.36 The principal cinema destination for residents in the Study Area is the Cineworld at Junction One Retail Park, which attracts 50.0% of all trips, followed by the Showcase at Cross Point Shopping Centre in Coventry, which attracts 31.7% of trips. The Cineworld at Junction One Retail Park is the key destination for residents in Zones 3, 4, 6, 7 and 8.
- 8.37 The UK Cinema Association website estimates that there are 4,637 cinema screens in the UK²⁶, 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 12.1 cinema screens at 2024, increasing to around 13.4 screens at 2042.
- 8.38 There is one cinema within the authority area, being the Cineworld at Junction One Retail Park, which provides nine screens.
- 8.39 As Table 8.11 indicates below, the provision within Rugby is broadly consistent with the identified capacity. Furthermore, residents have good access to additional provision within neighbouring authority areas. Trips to such cinemas are therefore considered to be generally reflective of sustainable travel patterns and many Study Area residents’ relative proximity to existing cinemas.

Table 8.9: Cinema Screen Requirement in Rugby

Year	Study Area Population	Typical Population Required to Support Cinema Screen	Potential Number of Cinema Screens Supported by Study Area	Potential Number of Cinema Screens Supported in the Authority Area	Outstanding Potential Capacity in the Authority Area
2024	176,231	14,622	12.1	8.0	-1.0
2029	182,399	14,622	12.5	8.2	-0.8
2034	187,890	14,622	12.9	8.5	-0.5
2039	193,333	14,622	13.2	8.7	-0.3
2042	196,513	14,622	13.4	8.9	-0.1

Note: Typical population to support a cinema screen calculated with reference to data provided by the UK Cinema Association website and to the ONS 2023 population forecasts for the UK

Ten Pin Bowling

- 8.40 The principal destination for ten pin bowling for residents in the Study Area is the Tenpin bowling facility at Crosspoint Business Park in Coventry, attracting 62.4% of trips, followed by the Strikes Bar in Rugby, which attracts 27.1% of trips.
- 8.41 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.
- 8.42 In this context, there is a formal ten pin bowling facility within the authority area, located at Strikes Bar at Clock Tower, to the north of Rugby town centre. Strikes Bar provides a total of six lanes.

²⁶ At 2022.

- 8.43 As Table 7.12 below indicates, the authority area population could potentially support up to 4 additional lanes across the plan period, indicating a potential capacity for an additional facility.
- 8.44 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. However, the upturn in the sector has been driven by smaller facilities which are generally supplemented by a strong food and beverage offer and are located within larger urban centres. We do not envisage that there will be a strong demand for additional facilities, and again, the amenities in adjacent authority areas will be meeting some of the residents' demands.

Table 8.10: Ten Pin Bowling Lane Requirement in the Authority Area

Year	Study Area Population	Typical Population Required to Support Bowling Lane	Potential Number of Bowling Lanes Supported by Study Area	Potential Number of Bowling Lanes Supported in the Authority Area	Outstanding Potential Capacity in the Authority Area
2024	176,231	12,934	13.6	9.0	3.0
2029	182,399	12,934	14.1	9.3	3.3
2034	187,890	12,934	14.5	9.6	3.6
2039	193,333	12,934	14.9	9.9	3.9
2042	196,513	12,934	15.2	10.1	4.1

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 2023 population forecasts for the UK

Casinos

- 8.45 In terms of existing trips to casino facilities, residents are choosing the Grosvenor Casino in Coventry (52.7% of trips) and the Genting Casino in Coventry (47.3% of trips).
- 8.46 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.
- 8.47 Accordingly, we estimate that the authority area could support around 0.2 casinos at 2024, a figure which would barely change throughout the Study period.

Table 8.11: Casino Requirement in the Authority Area

Year	Study Area Population	Typical Population Required to Support a Casino	Potential Number of Casinos Supported by Study Area	Potential Number of Casinos Supported in the Authority Area	Outstanding Potential Capacity in the Authority Area
2024	176,231	467,586	0.4	0.2	0.2
2029	182,399	467,586	0.4	0.3	0.3
2034	187,890	467,586	0.4	0.3	0.3
2039	193,333	467,586	0.4	0.3	0.3
2042	196,513	467,586	0.4	0.3	0.3

Note: Typical population to support casino calculated with reference to the Mintel Casinos and Bingo UK 2018 report and to the ONS 2023 population forecasts for the UK, England and Wales, Scotland and Northern Ireland

Other Commercial Leisure

- 8.48 There has been a growth in recent years in other more specialist commercial leisure attractions, including facilities such as trampoline parks, indoor soft play centres, ninja courses and a range of competitive social

destinations. The latter is a fast-paced sector and is still continuing to grow, with new formats becoming present in the market. Such uses include urban golf, bar and game formats, which include games such as axe-throwing, shuffleboard, table tennis and so on, virtual reality gaming and escape rooms. All of these commercial leisure uses fall within the defined town centre use bracket, and typically require large floorplates.

- 8.49 Calculating a quantitative need for such uses is not possible, particularly given the evolving market and relative infancy of such uses. However, we are able to review the existing offer and consider whether there may be a qualitative requirement to increase the offer across the authority area.
- 8.50 Overall, the Rugby authority area is not well catered for in terms of wider commercial leisure uses, and instead, residents will be looking to surrounding higher-order centres to meet their commercial leisure needs in this context.
- 8.51 Although the market for such commercial leisure uses is still evolving, and alternative operators may still continue to require new premises across the authority area, these should be assessed on a case-by-case basis, ensuring that such uses are directed towards defined centres in the first instance. This is particularly important given the wider benefits such uses can have in terms of encouraging longer dwell-times and increasing footfall and associated expenditure within centres.

9. Summary, Conclusions and Policy Recommendations

Context

- 9.1 The principal purpose of the Study is to understand future retail and leisure needs, and to provide policy recommendations to assist the Council in its preparation of the forthcoming Local Plan.
- 9.2 The Local Plan will set out the Council’s strategy in respect of delivering new future growth in respect of a range of new developments, including housing, jobs, and main town centre uses. To ensure that commercial uses are delivered in sustainable locations, the Local Plan will provide up to date policies in respect of town centre boundaries, the defined centres, and local impact thresholds of relevance to retail and leisure developments.
- 9.3 This concluding section of our report summarises the key findings of the Study and addresses planning policy requirements of relevance to retail, leisure, and town centre.

Key Findings: Retail

Quantitative and Qualitative Capacity

- 9.4 As identified at Section 7, we do not identify any surplus capacity which could support additional convenience good floorspace across the authority area or within the town centre across the plan period.
- 9.5 In terms of the comparison capacity, the Study does estimate a capacity across the plan period both in terms of the authority area and the town centre. In this regard, the capacity assessment estimates that by 2042, there will be a comparison goods floorspace capacity of between 5,300 and 9,100 sq.m across the authority area and between 1,100 sq.m and 1,900 sq.m in the town centre.
- 9.6 The capacity findings are based on an assumption that the market share attracted to existing facilities both within the authority area and the town centre remains consistent across the plan period.

Table 9.1: Quantitative Capacity for Convenience Goods and Comparison Goods Floorspace in the Rugby Authority Area

Year	Convenience Goods Floorspace Requirement		Comparison Goods Floorspace Requirement	
	Minimum (sq.m)	Maximum (sq.m)	Minimum (sq.m)	Maximum (sq.m)
2024	-7,400	-8,000	-100	-200
2029	-7,200	-7,700	1,400	2,400
2034	-6,700	-7,200	2,800	4,700
2039	-6,200	-6,700	4,300	7,400
2042	-5,900	-6,300	5,300	9,100

Source: Table 6d and 26d of Appendix 4

Note: In 2022 prices

Table 9.2: Quantitative Capacity for Convenience Goods and Comparison Goods Floorspace in Rugby Town Centre

Year	Convenience Goods Floorspace Requirement		Comparison Goods Floorspace Requirement	
	Minimum (sq.m)	Maximum (sq.m)	Minimum (sq.m)	Maximum (sq.m)
2024	-700	-700	0	0
2029	-600	-700	300	500
2034	-600	-600	600	1,000
2039	-500	-500	900	1,500
2042	-400	-400	1,100	1,900

Source: Table 6d and 26d of Appendix 4

Note: In 2022 prices

- 9.7 Elliott’s Field Retail Park is the primary out-of-centre comparison retail destination in the borough, with Rugby town centre facing competition from this and other large shopping destinations such as Junction One Retail Park.
- 9.8 Whilst we recognise that these out-of-centre destinations make important contributions to meeting some of the comparison goods needs of the Borough’s residents and have driven the identified increase in its non-food market share since 2015, it will be important to try and protect and enhance the role of Rugby town centre going forward. Furthermore, these facilities do not provide the ‘holistic’ offer otherwise provided by defined centres.
- 9.9 Given the importance and relative dominance of the out-of-centre retail parks, the town centre serves a more localised role and function than might otherwise be the case. Its retail offer is focused on day-to-day needs (including small media and chemist/health & beauty goods), with limited market shares in the clothing & footwear and electrical goods sub-categories. In order to maintain the core offer of essentials, it will be important to continue to encourage non-bulky comparison retailing within the town centre.
- 9.10 In light of these findings, there is no obvious requirement to develop any further non-food shopping facilities outside of Rugby town centre. We therefore suggest that any capacity be diverted towards supporting existing, and potentially new, comparison goods retailers within Rugby town centre in particular.
- 9.11 Clearly, the first priority will be to encourage the reuse, refurbishment or redevelopment of vacant floorspace within Rugby town centre.

Key Findings: Commercial Leisure

- 9.12 Our assessment of future leisure needs is in two parts.
- 9.13 In terms of food and beverage floorspace, we have undertaken a quantitative assessment which identifies available expenditure and takes account of the need for existing businesses to increase their turnover to remain viable.
- 9.14 Our assessment has identified that at 2042 there is a requirement for 2,100 sq.m of restaurant and café floorspace and for 700 sq.m of licensed premises floorspace (this equating to a total of 2,800 sq.m of food and beverage floorspace).
- 9.15 We anticipate that this floorspace will comprise of relatively small-scale cafés, restaurants and bars which would generally be accommodated within the Rugby town centre. We recommend that this floorspace requirement is directed towards the town centre in order to secure the re-use and repurposing of vacant floorspace.

Table 9.3: Quantitative Capacity for Restaurant and Café Floorspace and Licensed Premises Floorspace in the Authority Area

Year	Restaurant and Café Floorspace Requirement (sq.m)	Licensed Premises Floorspace Requirement (sq.m)	Total Food and Beverage Floorspace Requirement (sq.m)
2024	0	0	0
2029	600	100	700
2034	1,200	300	1,500
2039	1,800	600	2,400
2042	2,100	700	2,800

Source: Tables 5a, 5b, 10a and 10b of Appendix 5

Note: Assumes constant market share of Study Area expenditure claimed by facilities in the authority area; allows for changes in benchmark turnover sales efficiency in accordance with Figure 2 of Experian Retail Planner Briefing Note 21 - Leisure; in 2022 prices

9.16 Table 9.4 below also provides the comparable quantitative capacity figure in Rugby town centre. In this regard, our assessment has identified that at 2042 there is a requirement for 1,300 sq.m of restaurant and café floorspace and for 300 sq.m of licensed premises floorspace (this equating to a total of 1,600 sq.m of food and beverage floorspace).

Table 9.4: Quantitative Capacity for Restaurant and Café Floorspace and Licensed Premises Floorspace in Rugby Town Centre

Year	Restaurant and Café Floorspace Requirement (sq.m)	Licensed Premises Floorspace Requirement (sq.m)	Total Food and Beverage Floorspace Requirement (sq.m)
2024	0	0	0
2029	400	0	400
2034	700	200	900
2039	1,100	300	1,400
2042	1,300	300	1,600

Source: Tables 5a_RugbyTC, 5b_RugbyTC, 10a_RugbyTC and 10b_RugbyTC of Appendix 5

Note: Assumes constant market share of Study Area expenditure claimed by facilities in the authority area; allows for changes in benchmark turnover sales efficiency in accordance with Figure 2 of Experian Retail Planner Briefing Note 21 - Leisure; in 2022 prices

9.17 We have undertaken a quantitative benchmarking exercise to identify general requirements in respect of large format leisure uses.

9.18 This has identified quantitative capacity which equates to a requirement across the authority area at 2042 for:

- 0.7 bingo halls;
- -0.1 cinema screen;
- 4.1 ten pin bowling lanes; and
- 0.3 casinos.

9.19 The ten pin bowling lane requirements are of a modest scale. In practice, the neighbouring authority areas act as a focus for larger format leisure uses.

9.20 We do not anticipate there to be operator demand to bring forward larger format leisure uses in the authority area over the plan period to 2042.

Key Findings: Rugby Town Centre

- 9.21 Rugby town centre is the primary retail and leisure destination within the Borough of Rugby and serves as a key sub-regional centre in Warwickshire. The Goad area encompasses 395 retail, leisure and service units, providing for approximately 68,000 sq.m of commercial floorspace.
- 9.22 Strengths of Rugby include its accessibility, both by car and public transport, coupled with its pedestrian-friendly environment. These factors help to ensure that the centre provides a convenient and attractive destination for residents and visitors alike.
- 9.23 The town centre has faced significant challenges in recent years, with its comparison retail offer being particularly impacted by competition from nearby out-of-centre retail parks, especially Elliott's Field, and broader national trends such as the cost-of-living crisis. A number of high-profile comparison operators have left Rugby town centre since the preparation of the Council's previous Retail Study (2015) in order to relocate to Elliott's Field, including Next, M&S and Dunelm. In addition, Argos has relocated to the Sainsbury's on Dunchurch Road.
- 9.24 Nonetheless, the town centre continues to play an important role in meeting to the day-to-day needs of its substantial residential catchment, and this is reflected in the scales and formats of those non-food retailers that are present. Approximately 37% of the comparison shops in the town centre are national multiples, concentrated in the Rugby Central Shopping Centre. Provision is somewhat skewed towards the lower or value end of the market but covers a good range of everyday needs.
- 9.25 The Study has reviewed the vitality and viability of Rugby town centre. Our assessment has been undertaken with reference to the town centre healthcheck indicators set out at paragraph 006 of the Town Centres PPG.
- 9.26 While the town centre's floorspace vacancy rate is above average, this is mainly a reflection of the large amount of unoccupied floorspace within Rugby Central due to the challenges facing the comparison retail sector in particular. Indeed, the Shopping Centre accounts for 55.2% of the vacant floorspace recorded in the town centre on the day of our survey. For comparison, the town centre's unit vacancy rate (13.9%) is roughly in line with the UK average, a trend which has persisted since 2014.
- 9.27 Notably, if the empty units in the Rugby Central Shopping Centre are excluded from the calculations set out in Tables 1 and 2 above, then Rugby's floorspace vacancy rate drops to 9.7% compared to a national average of 14.0% and its unit vacancy rate drops to 10.2% compared to a national average of 14.0%.
- 9.28 These findings highlight the impact that the changes in the local and national comparison retail markets outlined above (including out-of-centre competitors like Elliott's Field and national trends such as the pandemic and cost-of-living rises) have had on the composition of the town centre. The forthcoming partial demolition and redevelopment of Rugby Central will go some way towards alleviating the issue of large individual vacancies and significantly reduce the overall quantum of unoccupied commercial floorspace within the centre.
- 9.29 The Rugby Regeneration Strategy adopted in November 2022 outlines six key projects that seek to transform the town centre, including the redevelopment of the Rugby Shopping Centre. Phase 1 of the latter has received planning permission under reference R22/0657. The Strategy also provides for enhanced linkages and areas of public realm in the town centre, together with the diversification to the retail and leisure offer and introduction of new residential uses.
- 9.30 Moreover, the town centre is set to benefit from the significant residential development allocated in Policy DS3 of the adopted Rugby Borough Council Local Plan. This policy allocates around 13,300 homes on four sites at the

Rugby Urban Edge. Construction has commenced in respect of all four of these sites and much of the identified housing growth is anticipated to occur over the plan period, with the allocations expected to be carried forward in the emerging Local Plan. The new residents will bring additional trips, activity, footfall and expenditure to Rugby which will help to support and enhance its vitality and viability.

- 9.31 Overall, Rugby is considered to be reasonably vital and viable, with the projects outlined in the Regeneration Strategy having the potential to respond to the challenges facing the town centre and ensure it remains resilient over the long term.

Future Retail and Centres Strategy

- 9.32 The provision of main food shopping destinations within and around the town centre is a key strength across the authority area and the benefit of retaining this should be given substantial weight when considering future convenience goods retail proposals.
- 9.33 In terms of service sectors, financial and business transactions have increasingly moved online and ‘bricks and mortar’ financial service provision has significantly reduced as a consequence. This trend will not be reversed. It will be important to ensure that premises previously put to such use are repurposed and brought back into active use. By way of example, former bank and building society premises can often be made into attractive bars and restaurants which are able to enhance a centre’s wider offer (including the evening economy).
- 9.34 Whilst the economic picture is currently challenging for hospitality operators, we consider that further potential exists to expand the leisure sector offer within Rugby town centre across the medium to longer term and the assessment undertaken to support this Study confirms that there is a capacity for additional food and beverage floorspace across the authority area and within Rugby town centre specifically.
- 9.35 It is highly unlikely that there will be substantial comparison goods retail development coming forward within the local authority area across the plan period. In practice, some such in-centre retailers may close. This could open up town centre space for convenience retailers, and for the growth of the leisure and retail service sectors.
- 9.36 In particular, food and drink operators are a critical component of a modern town centre, and the future success of these operators is inextricably linked to the town centre’s overall vitality. Improved local leisure provision will mean a reduced need to travel further afield to eat, drink and socialise. This reduces carbon emissions and accords with sustainable development principles (particularly as a rounded retail and service offer should encourage linked trips and reduce travel).

Meeting Retail Needs

- 9.37 The retail capacity assessment has not identified any quantitative capacity for convenience floorspace within the authority area across the plan period. The Study does however identify a capacity for additional comparison floorspace within the authority area and to a lesser degree, within the town centre.
- 9.38 While the out-of-centre retail parks contribute to meeting some of the comparison goods needs of the Borough’s residents, the destinations do compete with the town centre and have eroded on the centres’ market share and overarching comparison offer in particular, and we therefore consider that there is no requirement to develop any further facilities outside of defined centres.
- 9.39 Indeed, the relative dominance of the out-of-centre destinations means that Rugby town centre serves a more localised role and function than might otherwise be the case. It will therefore be important to continue to

encourage non-bulky comparison retailing, in particular, within the town centre in order to protect and enhance its role as a shopping destination that meets the day-to-day needs of its local residents.

- 9.40 However, we do not recommend that the Council allocates any sites within the town centre to accommodate additional floorspace within the local plan and that instead, planning policy should be focused on ensuring that new retail and leisure developments are directed to the town centre in the first instance.
- 9.41 In particular, we do not anticipate a need to build out any further comparison goods floorspace over the plan period and recommend that any planning applications which support such a use are carefully considered in respect of their compliance with the sequential and impact town centre policy tests.

Meeting Commercial Leisure Needs

- 9.42 As Section 8 demonstrates, we do not identify any capacity for large format leisure floorspace within the authority area. We do, however, identify a floorspace capacity for restaurants, cafés and other licenced premises but this is not at a level which we consider should be reflected in policy.
- 9.43 In this regard, the quantum of floorspace identified is less than the total quantum of vacant floorspace identified within the town centre. Accordingly, we recommend that this floorspace requirement is directed towards the town centre in order to secure the re-use and repurposing of vacant floorspace.
- 9.44 Commercial leisure continues to be an important element of the overarching offer of centres and is one of the key attractors which draws in footfall both during the daytime and evening.
- 9.45 Therefore, a recognition that such uses play an important role in helping to support the future vitality and viability of centres should be included in planning policy.

Planning Policy Recommendations

General Policy Approach

- 9.46 The adopted and emerging local plan promotes a 'town centre first' policy approach which is broadly consistent with the general requirements of paragraphs 90 to 95 of the NPPF.
- 9.47 In this regard, we note that paragraph 018 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 by development. Paragraph 018 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.'**
- 9.48 In this context, 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 in order to provide for the re-use of vacant units and to support centres which retain a strong retail function as well as a diverse range of other uses. 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 secure additional retail floorspace within defined centres wherever possible in accordance with the requirements of the NPPF.

- 9.49 It will be important for the forthcoming plan to clearly identify that Rugby town centre should remain a focus for both convenience and comparison goods retail and that such uses remain important in driving footfall. Whilst the role Rugby town centre has been impacted by the character of large-scale retail provision at out of centre destinations, it has been able to continue to support a significant quantum of comparison goods retailers (generally focused around day-to-day household comparison goods shopping and independent retailers). It is important that this offer is maintained.
- 9.50 Notwithstanding this, it is evident that fundamental changes in the retail sector – largely resulting from the shift to online retail, which has been accelerated by the Covid-19 pandemic – have had a permanent impact on land use on the high street. As such it is critical that defined centres continue to diversify in order to provide access to jobs, leisure, culture, services, and social connection.
- 9.51 In the context of the current vacancy rate and national planning policy requirements, we recommend that emerging plan policies are sufficiently flexible so as to allow for an appropriate range of town centre uses beyond retail, and reflect the need to repurpose historic, sometimes outdated retail stock in order to accommodate new residential, leisure and community uses. To this end, we note that paragraph 90 of the NPPF states that planning policies should:
- ‘...recognise that residential development often plays an important role in ensuring the vitality of centres and encourage residential development on appropriate sites.’**
- 9.52 Given the above, we highlight the opportunity for the projects and investment priorities identified in the adopted Rugby Regeneration Strategy of November 2022, and particularly the six Strategic Projects with catalytic potential summarised in Section 2 of this report, to contribute to the future resilience of the town centre and support its wider regeneration.
- 9.53 The Council will have a key role to play in taking forward these proposals in its capacity as planning authority, and we note that the most recent Issues and Options document in respect of the emerging Local Plan suggests allocating a number of the town centre sites identified in the Regeneration Strategy. We would support these proposed policies, particularly those focused on helping to diversify the town centre offer, noting the need for site allocation policies to avoid being too prescriptive over land use so as not to deter development.
- 9.54 The emerging plan should also consider the effects of the expanded Use Class E and the consequences of the additional flexibility which Class E provides for outside of town centres. The authority may wish to consider applying restrictive conditions to planning permission for Class E development which is delivered outside of town centres 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 within town centre as a consequence of future Class E development.

Boundaries

- 9.55 Paragraph 90 of the NPPF requires local plans to **‘define the extent of town centres and primary shopping areas’**.
- 9.56 National planning policy no longer explicitly prescribes the designation of primary and secondary frontages. The Government has confirmed that the removal of this requirement 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 both authority areas in the manner

that Use Class E generally provides for. In this context, the separate designation of both primary and secondary frontages would serve no useful purpose. Instead, where appropriate, we recommend a single defined 'primary shopping area'.

9.57 Annex 2 of the NPPF indicates that a primary shopping area is the **'Defined area where retail development is concentrated'**.

9.58 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.'

9.59 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).'

9.60 In this context, it is important to note that, although there is the opportunity to define separate primary shopping area and town centre boundaries, there is no general requirement to do so unless the specific characteristics of the subject centre support such an approach. Government policy specifically encourages the diversification of centres. Whilst retail will (in most cases) be a key element of a town centre, the majority of lower-order centres are diverse and uses are typically distributed throughout the centre. Such centres may not have a particular concentration of retail uses at their core.

9.61 Furthermore, it is also important to recognise the purpose of defining both a primary shopping area and town centre boundary. In planning policy terms, distinguishing between the primary shopping area and town centre boundary is of principal merit in terms of identifying the area of relevance in applying the sequential and impact tests to retail development. The particular relevance of the primary shopping area to retail planning proposals is confirmed by Annex 2 of the NPPF.

9.62 We have reviewed the currently defined Primary Shopping Area boundary for Rugby town centre and consider that it remains broadly appropriate in defining the area within which retail uses are the principal use. We have made some small suggested changes to the boundary, and a plan is provided at Appendix 6.

9.63 Having reviewed the Town Centre Boundary as defined in the currently adopted development plan, we consider that this remains broadly appropriate in representing the area in which main town centre uses are focussed (with our recommended Primary Shopping Area representing the area in which retail uses, specifically, are concentrated). We do, however, recommend the removal of a relatively small number of commercial units arranged around Clifton Road in the eastern part of the adopted town centre.

9.64 The rationale for this proposed exclusion is that these units function as a local centre which is distinct from wider town centre, for the following reasons:

- 9.65 This area feels disconnected from the rest of the town centre to the west, with the large residential building on the corner of Clifton Road and Railway Terrace forming a lengthy inactive frontage which contributes to the sense of separation.
- 9.66 The commercial units on the western side of this part of Railway Terrace face away from the town centre, which again contributes to a character and functionality that differs markedly from the rest of the town centre offer.
- 9.67 The retail and service uses in this part of the centre (which are shown in the Goad plan which accompanies our full healthcheck in Appendix 3) are generally small and of a local nature, serving a smaller catchment than a typical town centre, with the most notable national multiple being the modest sized Co-op store. This is borne out by the household survey results, which show that the Co-op attracts just a moderate amount of top-up shopping spend.
- 9.68 The proposed revisions to the Town Centre Boundary are also shown in Appendix 6.

Thresholds

- 9.69 Paragraph 90 of the NPPF indicates that it is appropriate to identify thresholds for the scale of edge of centre and out of centre retail and leisure developments which should be the subject of impact assessment. Any such threshold policy applies to the impact test only (all planning applications for main town centre uses which are not in an existing centre and not in accordance with an up-to-date development plan should be the subject of the sequential test²⁷).
- 9.70 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. In 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.
- 9.71 Paragraph 015 of the Town Centres PPG provides specific guidance in relation to floorspace thresholds and states:
- ‘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**
 - **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.’**
- 9.72 Using the above guidance, we set out below the justification to support our view that a lower threshold should be applied in respect of the town centre.
- 9.73 In considering the setting of a local impact threshold, it is relevant to give consideration to the type of development (relating to convenience and comparison goods retail uses, and leisure uses) which would, in

²⁷ With the exception (in accordance with paragraph 89 of the NPPF) of small scale rural office proposals and other small scale rural development.

practice, provide space for key operators who could help act to 'anchor' a centre. Should one of these anchor units or operators leave a centre, it is more likely that there will be the potential for a significant adverse impact to arise.

9.74 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.

9.75 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.

9.76 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. We do not comment on the thresholds for the forthcoming local centres as part of this Study but can provide suitable commentary when the surveys of centres are completed.

9.77 In Rugby town centre, 7.6% of all units have a gross floorspace which is greater than 500 sq.m. The vacancy rate equates to 14.0% of total commercial floorspace and 13.9% of all units. In total, convenience and comparison goods uses account for 24,930 sq.m of floorspace, or 36.8%.

9.78 We note that the current adopted Rugby Borough Council Local Plan Policy TC2 sets an impact threshold for proposals for retail, office or leisure uses outside of Rugby town centre of 500 sq.m. This threshold is as recommended in the previous Rugby Retail and Main Town Centre Uses Study of 2015. We consider that this threshold remains appropriate, in part because a number of the trends identified in the 2015 Study continue to apply and, in some cases, have intensified, including the following:

- Rugby town centre remains vulnerable to increasing competition from out-of-centre retail parks including Elliott's Field, in addition to the broader national trends identified in this report such as the growth in internet shopping and rises in the cost of living. Indeed, the full healthcheck in Appendix 3 notes that a number of high-profile comparison operators have left Rugby town centre since the preparation of the Council's previous Retail Study (2015) in order to relocate to Elliott's Field, including Next, M&S and Dunelm.
- Modern comparison retailers typically require units with a minimum floorspace of 500 sq.m to 1,000 sq.m gross in order to reach the 'critical mass' needed to display their full range of goods in-store and attract customers from a wide catchment area. Non-food stores of over 500 sq.m gross are unlikely to trade as a purely local facility, particularly in the context of Rugby given the relatively small size of much of its retail stock.
- While we recognise that that most foodstore formats are provided for across the authority area, there may be opportunity for retailers to bring forward additional stores in areas likely to be the subject of significant residential growth, particularly the smaller local convenience store formats such as Sainsbury's Local. Rugby's foodstores help to underpin its function as a day-to-day shopping destination, drawing in custom and encouraging linked trips to the other parts of the centre. Should the viability of these stores be impacted, there is a real risk of the role of the wider centre being undermined. There are few units larger than 500 sq.m

within the town centre. Accordingly, in the local context, 500 sq.m constitutes a significant unit with the potential to result in an impact on shopping patterns.

- With regard to other main town centre uses (including leisure and office uses), the recommendation is again reflective of average unit sizes and the need to safeguard the vitality and viability of the town centre without unnecessarily stifling development.

9.79 The above recommendation is also reflective town centre vacancy rates and the potential for out-of-centre retail developments to become even stronger in the future at the expense of the health of Rugby town centre.

9.80 We recommend that a 500 sq.m impact threshold should effectively act as default to be applied authority-wide, should a proposal not be subject to a lesser threshold of relevance to smaller centres (the threshold to be defined in respect of the local centres will be determined at a later date). 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.

9.81 In terms of the practical application of the impact policy threshold, the primary shopping area (where defined) comprises the relevant boundary in respect of retail proposals and the wider centre boundary is the relevant boundary in respect of leisure applications.

9.82 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.

Appendix 1 – Study Area

Appendix 2 - Household Survey Results

Appendix 3 – Town Centre Healthcheck

Appendix 4 – Quantitative Retail Tables

Appendix 5 – Quantitative Leisure Tables

Appendix 6 – Proposed Boundaries

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