



Darlington Retail Study Update 2017

Darlington Borough Council

Final Report
November 2017

Prepared on behalf of WYG Environment Planning Transport Limited.

Quay West at MediaCityUK, Trafford Wharf Road, Trafford Park, Manchester, M17 1HH
Tel: +44 (0)161 872 3223 Fax: +44 (0)161 872 3193
Email: info@wyg.com Website: www.wyg.com

WYG Environment Planning Transport Limited. Registered in England & Wales Number: 03050297
Registered Office: Arndale Court, Otley Road, Headingley, Leeds, LS6 2UJ



Contents

- 1.0 Introduction 1
 - 1.1 Instruction 1
 - 1.2 Structure of Report 2
- 2.0 Current Retail Trends 3
 - 2.1 Introduction 3
 - 2.2 Polarisation and the Decline of Secondary Centres 3
 - 2.3 The End of the ‘Big Four’ Space Race and the Rise of the Discounter 4
 - 2.4 Special Forms of Trading 6
 - 2.5 Leisure and the Appetite for Additional Food and Drink 8
 - 2.6 Brexit 9
 - 2.7 Implications for Darlington Borough 10
- 3.0 Planning Policy Context 11
 - 3.1 Introduction 11
 - 3.2 Emerging Darlington Local Plan 2016-2036 12
 - 3.3 Darlington Town Centre Regeneration Strategy Part 1: Developing the Vision – Cherishing the Assets 14
- 4.0 Health Check of Darlington Town Centre 15
 - 4.1 Introduction 15
 - 4.2 Summary of Health Check Indicators 16
 - 4.3 Conclusions 21
- 5.0 Study Area, Population and Expenditure 23
 - 5.2 Study Area 23
 - 5.3 Study Area Population 25
 - 5.4 Retail Expenditure 28



- 6.0 Updated Assessment of Retail Capacity in Darlington Borough 34
 - 6.1 Introduction 34
 - 6.2 Capacity Formula..... 34
 - 6.3 Future Capacity for Convenience Goods Floorspace 35
 - 6.4 Future Capacity for Comparison Goods Floorspace..... 45
 - 6.5 Qualitative Need..... 52
- 7.0 Key Findings and Policy Recommendations..... 56
 - 7.1 Convenience Retail Need..... 56
 - 7.2 Comparison Retail Need 57

Appendices

- Appendix 1. Planning Policy Context
- Appendix 2. Health Check Assessment of Darlington Town Centre
- Appendix 3. Study Area Plans
- Appendix 4. 2013 Household Survey Results
- Appendix 5. Quantitative Retail Capacity Tables – Population Growth Scenario 1
- Appendix 6. Quantitative Retail Capacity Tables – Population Growth Scenario 2



1.0 Introduction

1.1 Instruction

- 1.1.1 WYG Planning (hereafter referred to as 'WYG') has been commissioned by Darlington Borough Council ('Darlington BC') to undertake an update of the Darlington Retail and Town Centre Study of July 2014 ('the Update Study'). The Update will assist the Council in taking forward the emerging Darlington Local Plan 2016-2036 and, in particular, will inform the development of policies to accommodate identified retail needs.
- 1.1.2 The Update Study provides up-to-date assessments of the health of Darlington town centre and the future capacity for additional convenience and comparison floorspace across the authority area.
- 1.1.3 Our updated assessment of the health of Darlington town centre is informed by a new site visit undertaken by WYG in July 2017 supplemented by up-to-date data relevant to the retail performance of the centre sourced from established providers such as Venuescore and Experian Goad. The health check assessment identifies and considers any changes that have occurred since the previous assessments undertaken in 2013 and 2016. It identifies and considers any changes that have occurred since the previous surveys and highlights the strengths, weaknesses, opportunities and threats for the town centre going forward.
- 1.1.4 The quantitative retail capacity assessment utilises the market research which informed our original Darlington Retail and Town Centre Study of July 2014 ('the 2014 Study'), namely the shopping survey of 1,000 households which was undertaken by NEMS Market Research Limited in November 2013. However, our updated assessment takes into consideration up-to-date population and expenditure estimates and growth forecasts, and takes account of the current position in respect of retail commitments in order to set out an accurate position in respect of quantitative retail need. The Update Study report provides an overview of our methodological approach to assessing the retail capacity across the authority area, prior to setting out our findings in respect of the updated quantitative need for additional retail floorspace in the period up to 2036.
- 1.1.5 The Update Study should be read alongside the 2014 Retail Study, which provides additional information in relation to matters such as shopping patterns across the study area and the health of the defined district and local centres in the borough.



1.2 Structure of Report

1.2.1 The remainder of this report is structured as follows:

- Section 2.0 provides a context for the Update through an up to date analysis of key retail trends;
- Section 3.0 considers the local and national planning policy of relevance to retail and town centre matters;
- Section 4.0 considers the vitality and viability of the Darlington town centre;
- Section 5.0 identifies current and future population and expenditure levels within the defined study area;
- Section 6.0 provides our assessment of the future quantitative and qualitative need for further convenience and comparison goods retail floorspace;
- Section 7.0 sets out our key conclusions and provides our recommendations in respect of the Council's future retail strategy.



2.0 Current Retail Trends

2.1 Introduction

2.1.1 The retail property landscape across the UK has evolved significantly over the past 50 years, from post-war redevelopment in town centres, through to the emergence of retail warehouse parks and out-of-town regional shopping malls. For most of this period, the retail sector has experienced considerable expenditure growth, which has been attributed to a number of factors, including greater disposable income, availability of credit, new technology and a general overall increase in our standard of living. However, recent economic conditions have had a clear impact on expenditure, and per capita convenience goods spending has actually reduced in recent years. The way in which goods are purchased has also altered due to the increased popularity of 'e-tailing', which now claims more than one in every ten pounds spent in the UK.

2.1.2 In order to set out the wider context for the Study, we provide an overview of prevailing retail and leisure trends below.

2.2 Polarisation and the Decline of Secondary Centres

2.2.1 In recent years, shoppers have been increasingly prepared to travel in order to access a greater choice of shops and the type of leisure facilities which are more commonly available in larger towns and cities. As a consequence, larger retail venues (with a regional or sub-regional role) have tended to perform relatively strongly, but a number of smaller towns (particularly those proximate to larger centres) have fared less well. The performance of many smaller towns has also been particularly impacted upon by the recession and the growth of internet shopping, which has resulted in many operators believing that they can achieve appropriate nationwide coverage with a smaller number of stores.

2.2.2 Colliers¹ reports that many retailers are focused on a much smaller portfolio of stores to cover main markets and to complement online sales. As such, Colliers indicates that new and emerging retailers frequently target no more than 50 stores in key locations and, as a consequence, this trend is having an impact on take-up levels in shopping centres.

2.2.3 It is also evident that certain operators – including the Arcadia Group, through its Outfit format which incorporates Topshop, Topman, Miss Selfridge and others – are sometimes

¹ Midsummer Retail Report 2014, Colliers, July 2014



prepared to close stores in smaller centres in favour of representation on a retail park. We also note the increasing preference of fast food operators to incorporate 'drive thru' restaurants, which has resulted in the closure of 'in centre' McDonald's restaurants in some centres. Furthermore, in November 2016, Marks & Spencer announced its intention to close up to 30 stores and relocate or downsize a number of others. The changes will result in clothing being sold in a lesser number of Marks & Spencer stores.

- 2.2.4 Such changes can result in particularly significant impacts at smaller town centres, which have tended to be the subject of higher vacancy rates, and which have also often suffered related reductions in rental levels and footfall in recent years. As a consequence, a greater proportion of comparison goods expenditure is being claimed by a smaller number of centres of sub-regional or regional importance.
- 2.2.5 However, such changes have also brought forward opportunities for different types of retailer. Some available units in smaller centres have been re-occupied by household discounters such as B&M Bargains, Poundland, Poundstretcher and Wilkinson. Whilst such lettings are valuable in bringing back premises into active use, many smaller centres are heavily reliant on such retailers, which are generally operated at the lower end of the market.
- 2.2.6 It is also evident that some centres are seeking to 'reinvent' themselves through an increased focus on quality independent and food and drink operators. Towns are also increasingly valuing their market as a means to differentiate themselves from retail parks and superstores, and many markets are looking to contemporary and speciality retailers to create interest and draw customers in. The greatest opportunities for successful vintage, craft and food and drink markets have so far been in centres served by affluent catchments.

2.3 The End of the 'Big Four' Space Race and the Rise of the Discounter

- 2.3.1 Shoppers have increasingly turned away from food superstores in recent years and Mintel² suggests that this decline is such that it cannot be considered a 'blip'. Mintel attributes the problems which face superstores to two principal factors.
- 2.3.2 Firstly, many young people are choosing to rent within or close to town and city centres. As a consequence, many undertake sporadic food shopping and often eat out, use takeaways, or buy instant meals. Accordingly, when young people undertake food shopping, they often have no greater need than that which can be serviced by a convenience store.

² 'UK Retail Rankings', Mintel, April 2016



2.3.3 The second factor is the growth of discount operators, which have become more mainstream in respect of both their offer and their market positioning. Mintel suggests that the improvements in discounters’ offer – such as wider ranges, better fresh foods and more premium foods – means that they have become an attractive alternative to both large food superstores and to convenience stores.

2.3.4 As a consequence, the ‘big four’ foodstore operators (Asda, Morrisons, Sainsbury’s and Tesco) have become circumspect in respect of new store openings and, indeed, have closed a number of existing stores. All four have suffered significant declines in their market share over the past four or five years. As Table 2.1 below indicates, Tesco has suffered a 2.1 percentage point reduction in its share of the food retail market between 2011 and 2016, and Morrisons has suffered a 1.8 percentage point reduction in market share. Considered together, the market share of the ‘big four’ foodstore operators has declined from 58.5% in 2011 to 52.7% in 2016 (a reduction of 5.8 percentage points). In contrast, other retailers – most notably Aldi and Lidl – have benefitted from increases in their market share. Aldi’s market share increased from 1.9% to 5.3% (equating to an increase of 3.4 percentage points) between 2011 and 2016.

Table 2.1 – Market Share of Key UK Food Retailers

Operator	2011	2012	2013	2014	2015	2016
Tesco	23.7%	23.9%	23.0%	22.5%	22.0%	21.6%
Sainsbury’s	12.8%	13.1%	12.9%	12.8%	12.2%	11.9%
Asda	12.5%	13.3%	13.0%	13.0%	12.0%	11.5%
Morrisons	9.5%	9.3%	8.9%	8.2%	7.9%	7.7%
Aldi	1.9%	2.6%	3.3%	4.2%	4.8%	5.3%
Co-operative Food	5.5%	5.4%	5.1%	4.9%	4.8%	4.7%
Waitrose	3.5%	3.6%	3.7%	3.9%	3.9%	3.9%
Marks & Spencer	3.6%	3.7%	3.7%	3.8%	3.9%	3.9%
Lidl	1.9%	2.0%	2.0%	2.2%	2.4%	2.7%
Iceland	1.8%	1.9%	1.9%	1.9%	1.8%	1.8%

Source: UK Food & Grocery Retailer Update, Verdict, October 2016

2.3.5 The most notable expansion strategy pursued by any of the ‘big four’ operators in recent years relates to Sainsbury’s decision to enter the discount market through a partnership with Netto. Netto announced the trialling of 15 stores in November 2014 clustered around the M62 corridor between Liverpool and Hull in order to ‘test the water’. The first two new build openings were announced in March 2015 in Lymm and Hull, which appeared to suggest confidence in the venture. However, following the trial, Netto announced in July 2016 that it would close all its UK stores by August 2016.

- 2.3.6 For the most part, the current strategy of the 'big four' operators involves the reconfiguration and refurbishment of existing stores. In some cases, product lines are being reduced and pricing is being made straightforward. Some operators are looking to introduce other uses to take existing floorspace and Sainsbury's acquisition of the Home Retail Group in September 2016 allows it to introduce Argos (which it now owns) into its stores. Small concessions of Habitat are also currently being tested within five branches of Sainsbury's.
- 2.3.7 Aldi and Lidl have both sought to take advantage of the structural changes in the food retail market and have announced ambitious store opening targets that will further increase pressure on the 'big four' operators. Aldi has identified major expansion plans and intends to open 80 new UK stores in 2016³, bringing its total number of stores to around 700. Over the longer term, it intends to trade from 1,000 UK stores by 2022⁴. Aldi's plans include three formats: standard stores of between 18,000 sq.ft and 20,000 sq.ft with a minimum of 70 parking spaces; the 'Small Aldi' format of between 10,000 sq.ft and 14,000 sq.ft with a minimum of 40 parking spaces; and, the 'City Aldi' format of between 7,000 sq.ft to 10,000 sq.ft with no parking spaces required. Aldi is understood to be considering all types of property, including development sites, mixed-use schemes, retail parks, high streets, shopping centres and roadside.
- 2.3.8 Lidl plans to expand to trade from a portfolio of 1,200 UK stores in the coming years⁵. Lidl's future requirements reportedly⁶ comprise units of between 20,000 sq.ft and 30,000 sq.ft, with sites of 1.5 acres required for standalone units and up to 4 acres for mixed-use schemes.

2.4 Special Forms of Trading

- 2.4.1 Many consumers who previously shopped in town centres and at retail parks are now increasingly using the internet to make purchases. Experian⁷ identifies that 'special forms of trading' (which includes internet, mail order and market sales) now comprises an estimated 14.9% of total UK retail sales at 2016, which compares to a market share of just 5.5% at 2006. Experian estimates that the value of non-store sales in the UK at 2016 is £57.4 billion. It estimates that special forms of trading will increase further to account for 18.2% of retail expenditure at 2021. Thereafter, it is anticipated that additional growth will be relatively

³ Article headlined 'Aldi to roll out 80 new UK stores in 2016', Retail Week, 17 February 2016

⁴ Article headlined 'Supermarkets: discounters race for space', Property Week, 2 November 2016

⁵ 'UK Food & Grocery Retailer Update', Verdict, October 2016

⁶ Article headlined 'Supermarkets: discounters race for space', Property Week, 2 November 2016

⁷ 'Experian Retail Planner Briefing Note 14', November 2016



limited, with special forms of trading claiming 20.9% of UK retail expenditure at 2035 (the last reporting year for which Experian provides a figure).

- 2.4.2 The growth in internet as a sales medium has been enabled by the increase in access to the internet by UK households, which the Office for National Statistics⁸ reports increased from 57% of households at 2006 to 89% in 2016. The proportion of households with access to the internet is expected to increase further over the coming years and the popularity of shopping online is also assisted by mobile phones and tablets with faster 4G network technology. The Office for National Statistics indicates that the proportion of adults accessing the internet using a mobile phone increased by nearly double – from 36% to 66% – between 2011 and 2015.
- 2.4.3 It is evident that improvements in technology and an increased confidence in the security of online payments have supported substantial increases in internet sales in recent years. In addition, the option of using the internet to ‘click and collect’ in-store at a dedicated counter is also increasing in popularity, with the service now accounting for over 50% of John Lewis internet orders⁹. Some retailers are also seeing benefits arising from the use of shops as ‘showrooms’ where shoppers can view and try goods before making purchases later in their home. More progressive retailers are also providing in-store Wi-Fi (which can be used to inform shoppers of promotions via their mobile phones) and technology points (which can allow shoppers to browse a wider product range than that carried in store). Accordingly, whilst new technology and the rise of internet shopping undoubtedly provides challenges for traditional ‘bricks and mortar’ retailers, it also brings with it some opportunities.
- 2.4.4 In addition, it is important to note that many purchases made online are actually sourced from the shelves of ‘bricks and mortar’ stores and thereby have the potential to support retail floorspace. This is acknowledged by Experian which now provides adjusted market share figures for special forms of trading¹⁰ in order to reflect purchases which are effected through stores. The adjusted allowance for special forms of trading equates to 3.2% for convenience goods at 2017, increasing to 3.6% at 2019, to 4.1% at 2022, to 4.4% at 2024, to 4.9% at 2029, and to 5.2% at 2034. For comparison goods, the adjusted allowance is 13.2% at 2016, increasing to 15.6% at 2021, to 16.1% at 2026, to 16.3% at 2031, and to 16.5% at 2035. The adjustment to the special forms of trading market share is greater for convenience goods, reflecting the fact that most online food purchases are taken from the shelves of actual stores.

⁸ ‘Statistical Bulletin: Internet Access Households and Individuals’, Office for National Statistics, August 2016

⁹ ‘Click and Collect’, Mintel, September 2014

¹⁰ ‘Experian Retail Planner Briefing Note 14’, November 2016



2.5 Leisure and the Appetite for Additional Food and Drink

- 2.5.1 In recent years, town centres have also increasingly relied upon an expanding food and drink sector to bring some vacant units back into active use. Eating out has become increasingly popular and both national multiples and independents have benefitted from the additional expenditure which has resulted. Colliers¹¹ refers to Barclaycard data which identifies that spending in restaurants in the first quarter of 2015 was up 17% year-on-year.
- 2.5.2 Food operators increasingly require units which are in amongst the retail heart of a centre, rather than taking space within a food court. As a consequence, modern shopping mall developments tend to mix food operators within the wider offer and upwards of a quarter of units can be occupied by cafes and restaurants. Food and drink operators (particularly national multiples) can be particularly attractive to landlords as long leases can often be agreed to due to the cost of fit-outs.
- 2.5.3 Colliers¹² also reports that cinema openings are on the up and that niche cinema operators, such as Everyman, Curzon and The Light, are considered to have the potential to be particularly complementary to shopping environments. Such cinemas have more modest land take requirements than large multiplexes, and therefore may have a greater chance of being incorporated in a mixed-use development.
- 2.5.4 The health and fitness sector has been buoyed by the popularity of budget gyms. Operators such as Pure Gym, the Gym Group and easyGym have an operational model which is based on low costs and high volume. Such gyms tend to have plenty of equipment in order to encourage uses, but are characterised by basic fit-outs and limited staff. Many budget gym operators – including Pure Gym and the Gym Group – are actively seeking to bring forward additional facilities, with a wide range of properties (including old theatres, larger shop units and office space) having the potential to meet their needs. The Leisure Database Company¹³ suggests that there were around 300 budget gyms across the country in summer 2016, but that this figure has the potential to increase to around 1,000 in the near future.
- 2.5.5 There are a number of emerging leisure concepts which are also helping to anchor retail environments, including bowling alleys, trampolining and crazy golf. These concepts can assist centres in providing a point of difference with the competition, ensure that visitors' dwell times are increased, and assist a town's evening economy.

¹¹ 'Midsummer Retail Report 2015', Colliers International, July 2015

¹² Ibid

¹³ As reported in the article headlined 'Why budget gyms could be set to take over the sector', Sports Insight, 11 June 2016



2.6 Brexit

2.6.1 The referendum in June 2016 on the UK's membership of the European Union resulted in a majority vote to leave the EU. The terms of withdrawal are to be negotiated with the Commission within two years of formal notification by the Government. A number of commentators have forecast that uncertainty during this time will negatively impact upon consumer confidence and expenditure, and that investor decisions may be put on hold.

2.6.2 Whilst it would appear that the short-term impact of 'Brexit' on the retail and leisure sector have perhaps been more modest than some analysts suggested, Verdict published an Economic & Retail Update in September 2016¹⁴ in order to highlight potential future issues. Its Update provides the following forecasts.

- Retail growth across Britain in 2016 is expected to be flat and growth in the clothing and footwear sector as a whole is likely to be disappointing. However, the weaker pound means that international travellers may spend more, with international brands and premium goods being particularly attractive.
- A weaker pound will also lead to higher import and manufacturing costs, which retailers will pass onto consumers. Verdict anticipates that the food and clothing and footwear sectors will see the greatest inflationary rises.
- Brexit may have a negative impact on the housing market and a consequential adverse impact on those retailers who rely on householders investing in their property. Accordingly, there may be less spending on goods such as furniture, floor coverings, DIY and gardening goods and so on.
- In volume terms, Verdict expects little change to the food retail sector, but notes that inflationary pressures might mean than shoppers spend more on their groceries and therefore have less to spend on other goods.

2.6.3 It is therefore evident that Brexit has the potential to impact on future expenditure growth (and also on population growth). As such, there will be a need to monitor the impacts arising from the UK's exit from the EU and for any future update to this Study to take appropriate consideration of such changes.

¹⁴ 'Economic & Retail Update: H2 2016', Verdict, September 2016.



2.7 Implications for Darlington Borough

- 2.7.1 Whilst we believe that the above trends have a number of potential implications for retail and leisure provision within Darlington Borough, we consider that the historic market town appeal of Darlington town centre and its large rural catchment area has meant that it has fared well in the face of 'polarisation' trend. This is because Darlington is a large town centre serving a regional function. It provides an almost full range of the top high street retailers minimising the need for residents to travel further afield to competing retail destinations such as Middleborough, Durham, Newcastle-upon-Tyne and the Metrocentre.
- 2.7.2 Moreover, Darlington has remained largely impervious to the decline experienced by the 'Big 4' operators, with all of its food superstores performing around or above company average levels (as explored through the Update Study's subsequent quantitative capacity assessment). Darlington has also benefitted from Aldi's expansion plans with a new store opening at Darlington North Retail Park and another in the pipeline at West Park along with a new M&S foodstore.
- 2.7.3 Whilst the growth of online retailing is likely to have had a detrimental impact on the turnover of the borough's foodstores in particular, going forward there may be opportunities for the borough's retail facilities to benefit from multi-channel retailing in order to help drive footfall and sustain retailer representation. Such opportunities will likely be driven in the first instance by national multiple retailers and are therefore of particular relevance to Darlington town centre where most of the top high street retailers are represented. Opportunities for click and collect will enable residents to access retailers' full range of products from within the borough and will encourage residents to visit Darlington town centre.
- 2.7.4 There are also likely to be opportunities for out-of-centre facilities in Darlington to provide click and collect facilities. However, given the large presence of furniture and carpet retailers at Darlington Retail Park – where the offer is broadly complementary to that available in the town centre and is already typically ordered in store – along with the convenience goods focus of Darlington North Retail Park, we expect that take up of out-of-centre opportunities for click and collect will not deter visits to Darlington town centre.



3.0 Planning Policy Context

3.1 Introduction

3.1.1 This Update seeks to provide important evidence to inform the retail policies in the forthcoming new Local Plan 2016-2036. It is therefore important to consider any changes to the existing national planning policy of relevance to retail and town centre matters since the completion of the original Study in 2014, providing a policy context for the Update and how it may impact upon the drafting of the future new Local Plan 2016-2036 policies.

3.1.2 The national planning policy context in relation to retail and town centre matters remains largely as at 2014 and is provided by the following:

- National Planning Policy Framework ('NPPF'), published in March 2012;
- Ensuring the Vitality of Town Centres Planning Practice Guidance, published in March 2014;
- Housing and Economic Development Needs Assessment Planning Practice Guidance, published in March 2015; and
- Town and Country Planning (General Permitted Development) (England) Order 2015

3.1.3 The Housing and Economic Development Needs Assessment Planning Practice Guidance provides specific instruction in respect of the undertaking of needs assessments (including those for main town centre uses). Although the guidance was updated in March 2015, the parts of relevance to this study remain as at 2014.

3.1.4 The Town and Country Planning (General Permitted Development) (England) Order 2015 acts, inter alia, to consolidate and replace the Town and Country Planning (General Permitted Development Order 1995) and to provide additional permitted development rights. Further relaxation of permitted developments rights have sought to support the diversification and vitality of town centres by making it easier to change surplus space and provide for the effective re-use of buildings.

3.1.5 The adopted development plan for Darlington Borough remains as at 2014, and comprises:

- 'Saved' policies of the Borough of Darlington Local Plan (adopted 1997, with alterations in 2001); and the
- Darlington Core Strategy Development Plan Document (the 'Core Strategy', adopted 2011).



- 3.1.6 However, at the time of our original study in 2014, the Council was progressing the draft Darlington Making and Growing Places Development Plan Document having published the 'Preferred Options' draft for consultation in June 2013. The Preferred Options draft set out the Council's draft policies and proposals for using and developing land. Once adopted, the policies in the Making and Growing Places Development Plan Document were intended to form part of the development plan, together with the Core Strategy.
- 3.1.7 However, Darlington's Strategic Housing Market Assessment and subsequent work on setting a housing requirement identified a need for around 10,000 dwellings to be built in Darlington by 2036. A significant increase in housing delivery was therefore required to meet the Borough's housing needs, particularly over a longer time period than was previously being planned for.
- 3.1.8 Therefore, Members formally withdrew the draft Darlington Making and Growing Places Preferred Options Development Plan Document in April 2016 to enable work to start on a comprehensive new local plan with provisions to accommodate the identified housing need in Darlington.
- 3.1.9 A review of the relevant national and local planning policies and guidance is provided at Appendix 1. Details of the emerging Darlington Local Plan 2016-2036 and the Darlington Town Centre Regeneration Strategy are set out below.

3.2 Emerging Darlington Local Plan 2016-2036

- 3.2.1 The new Darlington Local Plan 2016-2036 is currently under preparation by the Council. Once adopted, it will provide the development plan for all matters except minerals and waste. It will replace the existing adopted Core Strategy and the remaining 'saved' policies of the Borough of Darlington Local Plan.
- 3.2.2 During summer 2016, the Council held a consultation on its initial ideas for the new Local Plan. This was based on the existing planning strategy for Darlington which was in the Core Strategy and the draft Making and Growing Places DPD. However, the Council identified the following key changes to be taken forward in the new Local Plan.
- Darlington's current ambitions and priorities needed to be reflected in an updated vision and revised objectives
 - Sites needed to be found for a significant number of additional new dwellings to maintain a supply of deliverable housing land, both in the short and long term

- Infrastructure and community facilities need to be planned to support the development of new and existing communities
- All the strategies and delivery plans for the Borough's growth needed to be reviewed to make sure we were still pursuing the best plan for the Borough

3.2.3 A report on the outcomes of the initial consultation was approved by the Cabinet in November 2016. The report proposes the following vision for the new Local Plan:

'Building on our ingenuity, cherishing our quality'

'In 2036, Darlington Borough will have maintained its identity as a cohesive historic market town situated amongst countryside and villages, whilst developing its reputation for ingenuity and its status as an economic driver in the Tees Valley. Its coherent community, natural and historic environment will continue to be cherished protected and celebrated. The opportunities available in Darlington and its links with other centres will make the Borough an attractive place for both residential and commercial investment, with the Borough's needs for housing, jobs and other development being met, supported by new and improved infrastructure and community facilities. Together with excellent national and regional connectivity and accessibility, these characteristics will mean Darlington continues to thrive and be a great place to live, work and invest.'

3.2.4 To achieve the Vision, the report sets out a range of aims and objectives. Of most relevance to this Update are the aims of:

- Facilitating Economic Growth;
- Meeting Housing Needs – specifically, to enable the development of at least 10,000 new homes in order to meet the housing needs and aspirations of those living and working in the borough; and to
- Create Cohesive, Proud and Healthy Communities.

3.2.5 To achieve these aims, the report identifies a range of objective to be taken forward in the new Local Plan, including the promotion of Darlington Town Centre as the main location for shopping, leisure, culture and employment and strengthening of its role as a regional centre for such activities. The ability to adapt to the changing role and function of Darlington town centre is to be a key element of the new Local Plan. Specifically, the report highlights the contribution Darlington town centre it can make to the broader tourism economy and growth ambitions of the borough.



3.2.6 A consultation draft of the new Darlington Local Plan 2016-2036 is expected to be published in early 2018.

3.3 Darlington Town Centre Regeneration Strategy Part 1: Developing the Vision – Cherishing the Assets

3.3.1 The Town Centre Regeneration Strategy was published in December 2012 and seeks to guide future development in Darlington and to help bring forward Council assets to increase footfall and underpin the centre's vitality and viability. The opportunity sites identified in the Regeneration Strategy include:

- Feethams and Beaumont Street – part of this area was developed for the Feethams leisure scheme, comprising a 9-screen multiplex cinema, an 80-bed hotel and a range of restaurants and other food and drink outlets, which opening in 2016. The remainder of the opportunity site provides additional land that could accommodate further uses, such as offices and leisure.
- Commercial Street – which is identified as the Council's preferred location for additional comparison goods retailing. This remains undeveloped and is currently used as surface level car parking.
- Garden Street – which is constrained in terms of the scale of development which might be supported, but which the Regeneration Strategy identifies as having some potential to accommodate additional food retail. At the time of writing this land remains in use as surface level car parking.

3.3.2 In addition, the indoor market is recognised as a key town centre building which is currently underutilised. The Regeneration Strategy indicates that a new vision should be formulated for the market, which in turn, will inform its refurbishment and the future lettings' strategy. In September 2017, Darlington BC confirmed a partnership with Market Asset Management to refurbish and run Darlington's indoor and outdoor markets. The Regeneration Strategy also suggests that the feasibility of delivering a department store in the town centre should be considered.

4.0 Health Check of Darlington Town Centre

4.1 Introduction

4.1.1 The NPPF identifies a number of factors which will be of relevance in delivering sustainable development, with one such factor being the need to ensure the vitality and viability of town centres. Paragraph 23 of the NPPF indicates that local authorities should promote competitive town centre environments and set out policies for the management and growth of centres over the plan period. Paragraph 23 also requires local planning authorities to recognise that town centres are at the heart of their communities and to pursue policies that support their viability and vitality. It also states that competitive town centre environments should be promoted in order to enhance customer choice, provide a diverse retail offer and in order to reflect the individuality of town centres.

4.1.2 In this section, we provide an assessment of the current vitality and viability of Darlington town centre, commonly referred to as a 'health check'. The health check seeks to update our previous health checks of Darlington town centre undertaken in 2013 and 2016, and considers any changes that have occurred since the previous assessments.

4.1.3 The criteria by which the health of a centre can be judged is set out in the Government's Ensuring the Vitality of Town Centres Planning Practice Guidance of March 2014. The methodology employed by WYG follows the guidance set out in the National Planning Practice Guidance and we have also drawn on our experience in similar commissions. The assessment of each of the health check criteria was primarily informed by a site visit undertaken by WYG in July 2017 supplemented by relevant data from other sources where necessary. The indicators that should be monitored on a regular basis in order to judge the health of a centre and its performance over time include the following:

- **Diversity of uses** – Data on the diversity of uses in Darlington town centre was collated during our survey in July 2017.
- **Proportion of vacant street level property** – Vacant properties were identified during the undertaking of the survey.
- **Customers' views and behaviour** – Information on customers' views in respect of the town centre was sourced from the previous 2014 Retail Study and was identified from the 2013 household survey.



- **Retailer representation** – Information on the performance of Darlington town centre and the current strength of retailer representation has been derived from Venuescore's 2016-17 UK Shopping Venue Rankings.
- **Commercial rents** – Zone A rental data has been derived from Estates Gazette Interactive (EGi) data, which is a widely recognised source of such information.
- **Pedestrian flows** – General footfall and pedestrian flows were observed during the undertaking of the town centre survey.
- **Accessibility** – Consideration of access to and around each centre is informed by our site visits to Darlington town centre.
- **State of town centre environmental quality** – Consideration of the quality of the buildings and public realm in Darlington town centre was informed by our observations during the town centre survey.

4.1.4 Below, we set out a summary of the principal findings in relation to the key health check indicators considered. Our full health check assessment of Darlington town centre is provided at Appendix 2. The assessment at Appendix 2 further includes a 'SWOT' assessment of Darlington town centre that identifies the current strengths, weaknesses, opportunities and threats for the town centre going forward.

4.2 Summary of Health Check Indicators

Regional Position

4.2.1 Darlington town centre has a Venuescore 2016-17 UK Shopping Venue Rankings 'score' of 228 and is ranked 58th retail venue in the UK. It is the third highest ranked retail venue in the North-East region behind Newcastle city centre and the Metrocentre at Gateshead. Since 2014, Darlington's Venuescore has increased by two points and its ranking has increased by five places. The centre has overtaken Middlesbrough which was previously the third highest ranked retail venue in the region. This shows a positive improvement against the data that was available at the time of our previous health check (2016).

Diversity of Uses

4.2.2 The diversity of use analysis is based on the town centre boundary defined by Experian Goad, which differs slightly from the adopted town centre boundary. The Goad boundary has been used in order to allow for a like-for-like comparison against the findings of the two previous health check reports, undertaken in 2013 and 2016 respectively. In addition, the



Feethams leisure scheme has been added to the Goad derived data as it represents a significant material change to the configuration of the town centre since the previous health check.

4.2.3 Table 4.1 below sets out the composition of uses identified in Darlington town centre at July 2017 in accordance with the Goad categorisation system. A corresponding plan showing the diversity of uses in Darlington town centre is provided at Appendix 2.

Table 4.1: Diversity of Use, Goad Area, July 2017 (Including Feethams)

Use	Units			Floorspace		
	Darlington Number	%	UK %	Darlington sq.m	%	UK %
Convenience	39	6.9	8.7	9,390	7.3	15.2
Comparison	176	31.0	31.4	46,890	36.7	35.3
Retail Service	79	13.9	14.3	8,270	6.5	6.8
Leisure Services	135	23.8	23.8	35,081	27.4	24.8
Financial and Business Services	53	9.3	10.4	10,070	7.9	7.8
Vacant	85	15.0	11.1	18,200	14.2	9.5
Total	567	100.0	100.0	127,901	100.0	100.0
Other Uses	34	-	-	15,200	-	-
Vacant Other Uses	5	-	-	1,330	-	-

Source: WYG Site Visit July 2017 | *UK Average, Goad, June 2017 | *Figures Recorded from Goad boundary | Feethams Floorspace (Planning Application Ref. 13/00750/FUL)

4.2.4 At the time of our July 2017 survey we identified 567 retail and service units in Darlington with a combined gross floorspace of 127,901 sq.m. This represents an increase from our previous survey undertaken in February 2016, which identified 563 retail and service units with a combined gross floorspace of 119,320. This increase can be largely attributed to the introduction of the Feethams cinema anchored leisure scheme. Whilst the increase in floorspace is relatively significant, the total number of retail and service units has only risen by four – this despite Feethams actually providing an additional 12 units in the town centre. The difference can be attributed to the subdivision of a number of existing town centre units, as well as WYG identifying units that are recorded by Goad as being retail/service units but that no longer function as these uses, e.g. change of use from retail to residential.

4.2.5 Darlington’s proportion of convenience goods units is currently 6.9%, which is 1.8 percentage points lower than the national average of 8.7%. Furthermore, the proportion of convenience goods floorspace is 7.3% which is significantly lower than the national average of 15.2%. The Sainsbury’s supermarket, located outside of the town centre boundary to the south (but within the Goad boundary) represents 62.1% of the convenience goods floorspace identified. There is poor representation from national multiple convenience goods



operators within the town centre boundary, with the only units identified being a Tesco Express and Iceland. Despite the poor convenience goods representation within the town centre, it is recognised that the wider settlement of Darlington is well provided for in terms of convenience goods, with a considerable number of national multiple operators present in out-of-centre locations.

- 4.2.6 Comparison goods traders occupy 31.0% of all outlets in Darlington town centre, which is consistent with the national average of 31.4%. In terms of comparison goods floorspace, the 176 units account for 46,890 sq.m, with the percentage of floorspace (36.7%) slightly above the national average figure of 35.3%. This can be attributed to a high concentration of comparison goods units located in the Cornmill shopping centre, as well as a number of large-format comparison goods units elsewhere in the centre such as House of Fraser (3,100 sq.m gross), which we consider to anchor the town centre. The proportion of comparison goods floorspace in Darlington at the time of our previous survey was 42.8%. The decrease of 6.1 percentage points can be attributed to both the significant increase in the proportion of leisure service floorspace (Feethams) and the closure of BHS (1,540 sq.m gross) and TK Maxx (3,910 sq.m gross), which relocated from the town centre to the Darlington Retail Park in February 2017. Notwithstanding this, we consider Darlington to have a relatively healthy comparison goods offer, with good representation from national multiples.
- 4.2.7 Overall, we found Darlington to have a relatively strong comparison goods and leisure service offer, with limited convenience goods provision, particularly within the primary and secondary shopping frontages.

Proportion of Vacant Street Level Property

- 4.2.8 Our July 2017 survey identified 85 vacant units in the town centre which account for 15.0% of the total number of units. This is 3.9 percentage points greater than the national average of 11.1%. The vacant units occupy 18,200 sq.m of floorspace, which is 14.2% of the city centre's total retail and service floorspace. This makes the proportion of vacant floorspace 4.7 percentage points above the national average of 9.5%.
- 4.2.9 A plan showing the location of vacant units within Darlington town centre is provided at Appendix 2.
- 4.2.10 In the time since our previous survey (2016), the proportion of vacant floorspace has risen 3.0 percentage points from 11.2% to 14.2%. Although vacant units can be found throughout the town centre, the increase in the proportion of vacant floorspace can be largely attributed to two large units that have recently become vacant. This includes the closure of BHS (1,540

sq.m gross) and the relocation of TK Maxx (3,910 sq.m gross) to an out-of-centre location. There are however emerging proposals to redevelop the former TK Maxx unit which would result in this floorspace returning to retail/service use. The remainder of the vacant units in the centre are less than 300 sq.m (gross) in size.

- 4.2.11 The loss of BHS is due to the company's collapse in 2016, which resulted in the closure of the retailer's entire portfolio of 165 stores. BHS anchored town centres across the UK and its departure has left vacant large-format retail units in many centres. As such, the loss of BHS is not a significant cause for concern as the national circumstances associated with its departure are not a reflection on the vitality and viability of Darlington town centre.

Retailer Representation

- 4.2.12 We have found that Darlington's share of Goad's top national multiple comparison goods retailers has declined slightly since the 2016 health check, with representation reducing from 24 to 23 of the 27 top retailers. It should be noted that Goad have recently updated their list of top comparison retailers, replacing BHS with Monsoon/Accessorize and Phones 4U with EE, following the demise of both. The reduction in Darlington town centre results from the loss of TK Maxx. This is not a considerable cause for concern as the retailer has relocated to a site elsewhere the borough, albeit this is an out of centre location.

Customer Views and Behaviour

- 4.2.13 An update to the previous household telephone shopper survey (last carried out in 2013) was not undertaken as part of this commission. However, we are of the view that the findings of the previous survey are likely to remain on the most part consistent with current customer views and behaviour.
- 4.2.14 Key findings of the previous household survey found that the majority of respondents had visited Darlington town centre more than other centres within the borough. As the principal town, this is to be expected and is not likely to change. Three quarters of respondents were found to travel to Darlington town centre by car or van, with the remaining quarter using bus, walking or other methods of transport.
- 4.2.15 The most popular reason for visiting Darlington town centre was the choice and range of shops, followed by its proximity to home. The most frequently cited measures that would encourage respondents to visit Darlington town centre more often were cheaper car parking, an increase in the choice and range of shops and additional car parking.



Pedestrian Flows

- 4.2.16 Pedestrian footfall was found to be consistent with the patterns typically observed within town centres of a similar size. The streets comprising the primary shopping frontages were subject to the highest levels of pedestrian footfall, with activity decreasing around peripheral parts of the town centre. However, an identified anomaly was the Queen Street Shopping Centre, which is located within the primary shopping frontage but presented relatively low levels of footfall. This is a consequence of there being a number of vacancies within this covered precinct.

Accessibility

- 4.2.17 Darlington is considered to have good accessibility in terms of the road network, given that it is located immediately east of the northern stretch of the A1(M) Motorway between Junctions 57 and 58. As such, the settlement is well connected with the national strategic road network. The town centre benefits from a wide range of long and short stay car parks in central locations.
- 4.2.18 Darlington also has good public transport connections. Darlington railway station is located approximately 700 metres walking distance to the east of the town centre and direct trains can be caught to Newcastle and York via the East Coast Main Line and to Stockton, Middlesbrough and Bishop Auckland via the Tees Valley Line. The main bus stops are located within the heart of the town centre on Northgate, Prebend Row and Tubwell Row. These provide approximately 30 different bus routes providing access to surrounding communities.

Perception of Safety and Occurrence of Crime

- 4.2.19 There are few signs that crime is a particular issue in Darlington town centre. Whilst there has consistently been an above average number of vacant units in the town centre, the main shopping streets generally have active retail frontages, which provide adequate natural surveillance.

State of Town Centre Environmental Quality

- 4.2.20 On the most part, the environmental quality of the town centre is good. The streetscape within the retail core, particularly along High Row comprises high-quality granite surfacing, bespoke street lighting, seating and seasonal planting schemes resulting in it being a popular focal area within the town centre. These works, which were undertaken as part of the Pedestrian Heart project have generally weathered well and continue to provide a high-

quality and attractive public realm in the centre of the town. Peripheral areas are often subject to a more 'tired' appearance by comparison.

- 4.2.21 The introduction of the Feethams leisure scheme has made a positive contribution to the town centre's environmental quality. This provides a range of restaurants and a multi-storey glass frontage Vue Cinema alongside various public realm improvements. The associated multi-storey car park is also of a high-quality build and together the developments have resulted in a significant improvement to the overall environmental quality of the southern part of the town centre.

4.3 Health Check Conclusions

- 4.3.1 Darlington continues to contain a high proportion of top national retailers, most of which are located in the Cornmill Shopping Centre, along Northgate or on Prebend Row. Since the last health check the centre has witnessed the departure of TK Maxx, which occupied a 3,910 sq.m unit, to the out-of-centre Darlington Retail Park. The former unit, which is one of the largest in the centre, has since secured planning permission to bring it back into use for leisure services. Whilst this, coupled with the introduction of the Feethams leisure scheme signify a decline in the share of comparison goods floorspace since the 2016 health check (and the 2013 health check), the increase in leisure service floorspace is consistent with national trends and demonstrates the centre's ability to adapt to the changing nature and composition of town centres.
- 4.3.2 Furthermore, our latest survey actually found that the proportion of comparison goods floorspace (36.7%) remains greater than the national average of 35.3%. This had decreased from 39.7% with the addition of the leisure service floorspace generated by Feethams. So, whilst there has been a decline in comparison goods floorspace in Darlington, this can partially be attributed to an increase in leisure service floorspace, which has risen to 27.4% (as opposed to the 21.9% recorded by our 2016 survey). This figure is likely to increase further if the leisure scheme recently granted planning permission in the former TK Maxx unit goes ahead. This will also result in a relatively significant reduction in the proportion of vacant retail and service floorspace.
- 4.3.3 Whilst the town centre has experienced some high-level departures in recent years including Burton, McDonalds, BHS and TK Maxx, we do not consider this to have had a significant detrimental impact on the overall vitality and viability of the town centre, particularly when considering the introduction of the Feethams scheme and emerging leisure scheme at the former TK Maxx unit. Darlington also has strong representation from independent retailers,



particularly at Grange Road. These businesses play a significant role in contributing to the vitality and viability of the town centre. It is accepted that convenience goods floorspace within Darlington town centre is limited, however, there is a significant out-of-centre offer and the wider settlement is therefore well provided for in terms of convenience goods.

- 4.3.4 Overall, notwithstanding the loss of some national brands and an increase in the proportion of vacant floorspace since our last health check assessment, our latest visit identifies some promising signs of vitality and viability within Darlington town centre. The proportion of comparison goods floorspace remains above the national average and the Feethams scheme has significantly boosted the town's leisure services offer by providing an anchor cinema and high-quality restaurants. It has also had a positive impact upon environmental quality to the south of the centre. The scheme has the ability to increase footfall throughout the town centre by attracting visitors from the surrounding boroughs. In addition, the town centre is subject to a number of emerging schemes that, if delivered, will further boost its vitality and viability.



5.0 Study Area, Population and Expenditure

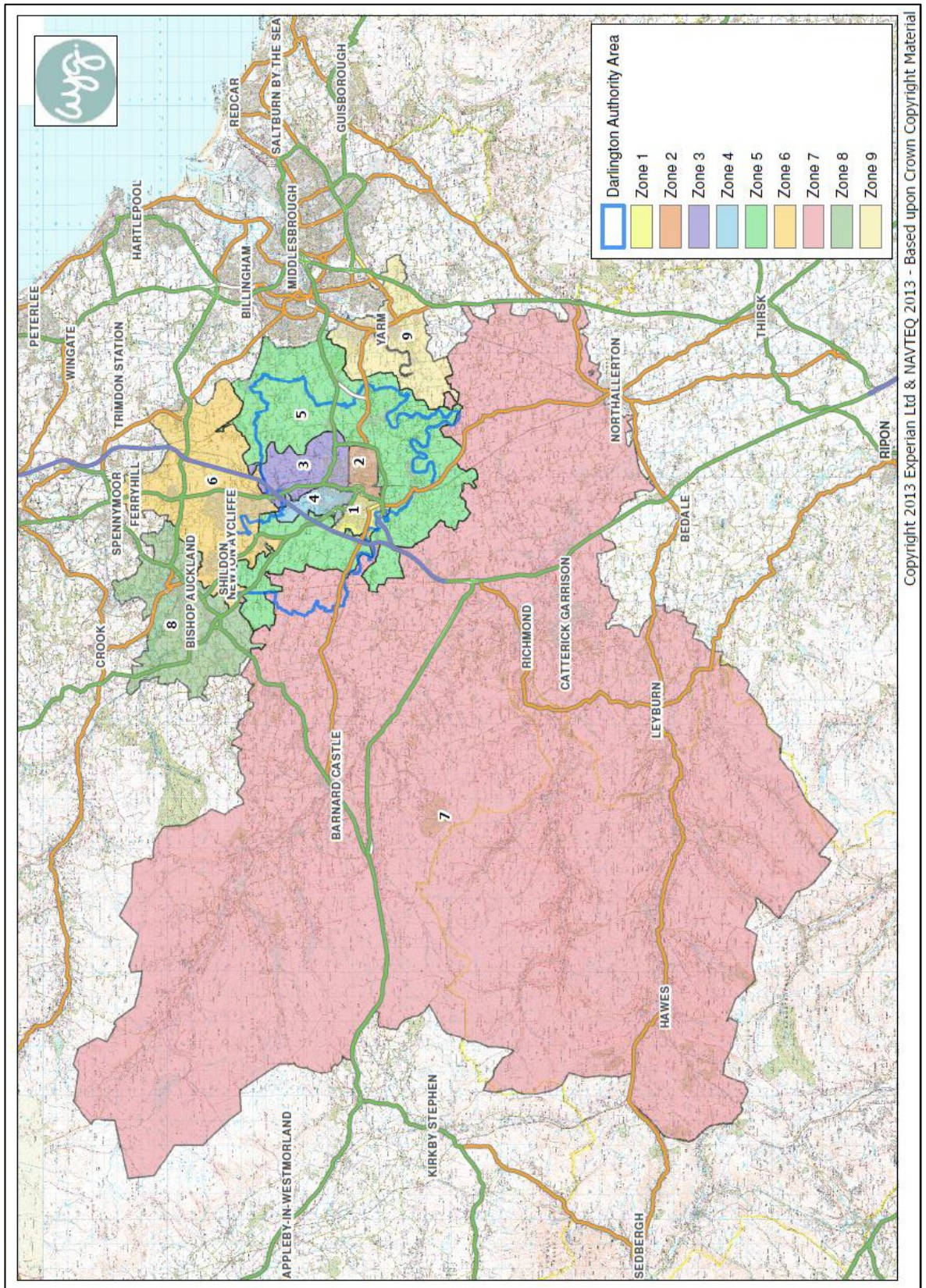
5.1.1 This section of the report considers the population and available expenditure (for both convenience and comparison goods expenditure) across the study area.

5.2 Study Area

5.2.1 In November 2013, a survey of 1,000 households was undertaken across the defined study area which comprises nine separate zones, together stretching some distance beyond the Darlington authority boundary to incorporate outlying areas which may look to the town to meet retail and leisure needs. The study area incorporates Bishop Auckland to the north, Yarm to the east, Catterick Garrison and Richmond to the south, and Barnard Castle to the west.

5.2.2 A plan of the study area and zones is provided at Appendix 3, which is reproduced in Figure 5.1 below. A more detailed plan showing the zones covering the Darlington authority area is further provided at Appendix 3.

Figure 5.1 – Study Area and Zones



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5.2.3 The nine zones correspond to the following broad areas:

- Zone 1 – Darlington South West;
- Zone 2 – Darlington South East;
- Zone 3 – Darlington North East;
- Zone 4 – Darlington North West;
- Zone 5 – Rural Darlington;
- Zone 6 – Newton Aycliffe;
- Zone 7 – Dales;
- Zone 8 – Bishop Auckland; and
- Zone 9 - Yarm

5.2.4 Table 5.1 below sets out the postcode sectors which comprise each zone.

Table 5.1: Postcodes by Survey Zone

Survey Zone	Postcode Sectors
Zone 1	DL3 7, DL3 8 and DL3 9
Zone 2	DL1 1, DL1 4 and DL1 5
Zone 3	DL1 2 and DL1 3
Zone 4	DL3 0 and DL3 6
Zone 5	DL2 1, DL2 2 and TS21 1
Zone 6	DL4 1, DL4 2, DL5 4, DL5 5, DL5 6, DL5 7, DL17 0, DL17 8 and TS21 1
Zone 7	DL2 3, DL6 2, DL7 0, DL8 3, DL8 4, DL8 5, DL9 3, DL9 4, DL10 4, DL10 5, DL11 6, DL11 7, DL12 0, DL12 8 and DL12 9
Zone 8	DL14 0, DL14 6, DL14 7, DL14 8 and DL14 9
Zone 9	TS15 9, TS16 0 and TS16 9

5.2.5 The questions and full tabulation of results from the household survey are provided at Appendix 4. Further details in relation to shopping patterns across the borough and the market shares achieved by individual facilities are set out in the Darlington Retail and Town Centre Study of July 2014.

5.3 Study Area Population

5.3.1 The population within each study area zone at 2017 was sourced from Experian Micromarketer G3 data (which was issued in October 2016). Experian data provides population projections from 2015, which accord with the findings of the 2011 Census



release. Experian's methodology is based on a 'demographic component model' which takes into consideration its current age and gender estimates and the Government's population projections. Future population projections reflect assumed birth and death rates, and net migration.

5.3.2 Two different population growth scenarios were tested in assessing the potential future need for additional retail provision within the study area as detailed below.

Population Growth Scenario 1 – Experian Population Growth Projections

5.3.3 Under Scenario 1, estimates of future population growth in the period to 2036 were sourced from Experian for each of the study area zones. As noted above, Experian's projections are based on the 2011 Census data and growth rates that take into account Office for National Statistics population projections and current age and gender estimates.

5.3.4 Table 5.2 below sets out Experian's population projections for each zone in the study area for 2017 and reporting years 2022, 2027, 2032 and 2036.

Table 5.2: Scenario 1 - Study Area Population by Survey Zone (2017 to 2036)

Study Zone	2017	2022	2027	2032	2036
Zone 1	21,477	21,558	21,639	21,623	21,582
Zone 2	26,558	26,857	27,027	27,240	27,452
Zone 3	21,211	21,441	21,565	21,617	21,714
Zone 4	23,032	23,247	23,359	23,500	23,676
Zone 5	17,450	17,746	18,028	18,163	18,260
Zone 6	57,473	58,392	59,270	59,982	60,438
Zone 7	74,801	75,436	75,989	76,328	76,505
Zone 8	38,934	39,682	40,312	40,830	41,279
Zone 9	21,330	21,827	22,300	22,605	22,871
Total (Zones 1-5)	109,728	110,849	111,618	112,143	112,684
Total (Study Area)	302,266	306,186	309,489	311,888	313,777

Source: Experian Micromarketer G3 October 2016 data release

5.3.5 Table 5.2 above shows that Experian forecasts that the resident population across Zones 1 to 5 of the study area, which broadly conforms to the Darlington administrative area, is forecast to increase from 109,728 persons at the 2017 base year, to around 112,684 persons in 2036. This equates to a total population increase of approximately 2,956 persons, or 2.7 per cent, over the entire study period from 2017 to 2036.



5.3.6 Experian forecasts that the overall study area population will increase from 302,266 at 2017 to 313,777 at 2036. This equates to an estimated population increase of 11,511 persons over the 19-year study period, or 3.8 per cent.

Population Growth Scenario 2 – Target Population Growth Projections

5.3.7 Population growth Scenario 2 seeks to reflect the housing requirement identified by the Council for around 10,000 dwellings to be built in Darlington Borough by 2036 as identified in Darlington’s Strategic Housing Market Assessment and subsequent work on setting a housing requirement. We have assumed that the 10,000 dwellings target will be delivered over the 2017 to 2036 study period.

5.3.8 This target housing growth relates to the Darlington administrative area only, which broadly conforms to Zones 1 to 5 of the study area. Whilst parts of Zone 5 lie outside Darlington Borough, it is considered that such rural areas will not be a focus for future housing or population growth. Accordingly, under Scenario 2 it is considered robust to assume that the housing and population growth achieved over the plan period in the Darlington administrative area will correspond to that achieved across Zones 1 to 5 as a whole.

5.3.9 We have assumed that the total population growth in Darlington Borough will be phased over the study period and distributed across Zones 1 to 5 in accordance with the indicative phasing of residential development on draft allocated sites as provided by the Council and shown in Table 5.2.

Table 5.2: Distribution and Phasing of Target Housing Delivery over the Study Period and Zones (Number of Dwellings)

Study Zone	2017-2022	2022-2027	2027-2032	2032-2036	Total 2017-2036
Zone 1	35	41	23	19	118
Zone 2	233	261	153	142	789
Zone 3	449	1,028	983	1,430	3,891
Zone 4	550	704	591	649	2,493
Zone 5	579	876	674	582	2,710
Total (Zones 1-5)	1,847	2,910	2,422	2,822	10,000

Source: Darlington Borough Council

5.3.10 Applying an occupancy level of 2.26 persons per dwelling, which is the average number of persons per household calculated from 2015 population and household estimates sourced from Experian, the target housing growth of 10,000 dwellings amounts to a total population increase of approximately 22,591 persons over the study period of 2017 to 2036.



- 5.3.11 For the remaining study area zones (Zones 6-9), estimates of future population growth in the period to 2036 were sourced from Experian.
- 5.3.12 Table 5.3 below sets out the population projections under Scenario 2 for each zone in the study area for 2017 and reporting years 2022, 2027, 2032 and 2036.

Table 5.3: Scenario 2 - Study Area Population by Survey Zone (2017 to 2036)

Study Zone	2017	2022	2027	2032	2036
Zone 1	21,477	21,590	21,673	21,729	21,761
Zone 2	26,558	27,308	27,842	28,217	28,455
Zone 3	21,211	22,658	24,758	27,171	29,581
Zone 4	23,032	24,803	26,241	27,690	28,784
Zone 5	17,450	19,314	21,103	22,757	23,737
Zone 6	57,473	58,392	59,270	59,982	60,438
Zone 7	74,801	75,436	75,989	76,328	76,505
Zone 8	38,934	39,682	40,312	40,830	41,279
Zone 9	21,330	21,827	22,300	22,605	22,871
Total (Zones 1-5)	109,728	115,673	121,618	127,563	132,319
Total (Study Area)	302,266	311,010	319,489	327,308	333,412

Source: Experian Micromarketer G3 October 2016 data release

- 5.3.13 Table 5.3 shows that under Scenario 2, the resident population across Zones 1 to 5 of the study area is forecast to increase from 109,728 persons at the 2017 base year to 132,319 persons in 2036, or 20.6 per cent over the entire study period from 2017 to 2036. The overall study area population will increase from 302,266 at 2017 to 333,412 at 2036. This equates to an estimated population increase of 31,146 persons over the 19-year study period, or 10.3 per cent. Scenario 2 thereby represents a high population growth scenario.

5.4 Retail Expenditure

- 5.4.1 In order to calculate per capita convenience and comparison goods expenditure, we have again 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. Experian is a widely accepted source of expenditure and population data and is regularly used by retail planning consultants in calculating retail capacity.
- 5.4.2 The base year for the Experian expenditure data is again 2015 (the latest available). Per capita annual expenditure growth forecasts are derived from Experian Retail Planner Briefing Note 14 (published in November 2016). Figure 6 of Appendix 3 of the Retail Planner Briefing Note identifies the annual growth forecasts for convenience and comparison goods



reproduced in Table 5.4 below, which inform our assessment. Expenditure growth forecasts for 2036 are not provided by Experian. Expenditure growth for 2036 is therefore assumed to be the same as forecast by Experian for 2035.

Table 5.4: Annual Per Capita Expenditure Growth Forecasts

Year	Convenience (%)	Comparison (%)
2016	-0.1	3.3
2017	-0.1	1.5
2018	-0.9	0.9
2019	-0.1	2.1
2020	0.0	2.9
2021	0.2	3.3
2022	-0.1	3.4
2023	-0.1	3.4
2024	0.0	3.3
2025	0.0	3.1
2026	0.0	3.1
2027	0.1	3.1
2028	0.1	3.0
2029	0.0	3.1
2030	0.1	3.2
2031	0.2	3.4
2032	0.1	3.2
2033	0.2	3.3
2034	0.2	3.3
2035	0.2	3.4

Source: Figure 6 of Appendix 3, Retail Planner Briefing Note 14 (November 2016)

- 5.4.3 The latest growth forecasts suggest that Brexit will likely influence per capita expenditure growth in 2017 and 2018, but that retail sales should recover somewhat over the medium term as confidence in the economy returns. However, the outlook is considerably more positive for comparison goods expenditure than it is for convenience goods expenditure.
- 5.4.4 For convenience goods, Experian forecasts negative or static per capita expenditure growth between 2016 and 2020 (in the range -0.9% to 0.0%). Very modest growth of +0.2% is forecast at 2021 and the forecast position thereafter suggests that sales will generally remain relatively static over the longer term.
- 5.4.5 In contrast, whilst Experian forecasts that Brexit will result in comparison goods per capita expenditure growth decreasing from 3.3% at 2016, to 1.5% at 2017, and then to 0.9% at 2018, the position in the medium to long term is significantly more positive. Comparison goods per capita expenditure growth is forecast to increase to 2.1% at 2019, to 2.9% at 2020, and then to 3.3% at 2021. Experian forecasts that the annual growth rate will remain above at or above 3.0% in the period to 2035.



5.4.6 However, it should be noted that growth in expenditure forecasting in the longer term (beyond the next ten years) should be treated with caution given the inherent uncertainties in predicting the economy's performance over time. Assessments of this nature should therefore be reviewed on a regular basis in order to ensure that forecasts over the medium and long are reflective of any changes to relevant available data.

5.4.7 Experian Retail Planner Briefing Note 14 also provides forecasts in respect of the proportion of expenditure that will be committed through special forms of trading (comprising 'non-store retailing', such as internet sales, TV shopping and so on) over the reporting period. We have 'stripped out' any expenditure which survey respondents indicated was committed via special forms of trading and instead have made an allowance derived from Experian's recommendation.

5.4.8 In considering special forms of trading, it should be noted that many products which are ordered online are actually sourced from a physical store's shelves or stockroom (particularly in the case of convenience goods). As such, expenditure committed in this manner acts to support stores and should be considered 'available' to tangible retail destinations.

5.4.9 Accordingly, in order not to overstate the influence of expenditure committed via special forms of trading, our approach is based on Experian's 'adjusted' figure for special forms of trading (provided at Figure 5 of Appendix 3 of its Retail Planner Briefing Note 14) which makes an allowance for internet sales which are sourced from stores. The proportion of expenditure committed through special forms of trading cited below at Table 5.5 is 'stripped out' of the identified expenditure as it is not available to stores within the study area.

Table 5.5: Special Forms of Trading Forecasts

Year	Convenience (%)	Comparison (%)
2017	3.2	13.8
2022	4.1	15.8
2027	4.7	16.1
2032	5.1	16.4
2036	5.3	16.5

Source: Figure 5 of Appendix 3, Experian Retail Planner Briefing Note 14 (November 2016)
¹ No sales density growth forecasts for 2036 are provided by Experian. Sales density growth for 2036 was therefore assumed to be the same as forecast for 2035

5.4.10 Based on the above growth rates and special forms of trading allowances, it is possible to produce expenditure estimates for each survey zone under each population growth scenario at 2017, 2022, 2027, 2032 and 2036. In doing so, our assessment takes into account both per capita retail expenditure growth and population change.

Convenience Goods Expenditure

- 5.4.11 Taking into consideration the above changes in population and per capita expenditure, it is estimated that, at 2017, the resident population of the study area generates £590.9m of convenience goods expenditure¹⁵. Tables 5.6 and 5.7 below show that under population growth Scenario 1, available convenience goods expenditure is then forecast to increase to £601.6m at 2036, which represents a modest increase of £10.7m (or 1.8%) between 2017 and 2036. Under growth Scenario 2, convenience goods expenditure increases to £639.6m at 2036, which represents a more substantial increase of £48.7m (or 8.2%) between 2017 and 2036.
- 5.4.12 It is notable that, due to the negative or static convenience goods expenditure growth forecasts up to 2020, a small reduction in available study area convenience goods expenditure (of £3.1m) is actually forecast between 2017 and 2022. The continued relatively static growth forecast over the longer term means that convenience goods expenditure will not recover to 2017 levels until 2027.

Table 5.6: Total Available Study Area Convenience Goods Expenditure

Population Growth Scenario					
	£m	£m	£m	£m	£m
Scenario 1	590.9	587.8	590.6	595.7	601.6
Scenario 2	590.9	597.1	609.8	625.4	639.6

Source: Table 2a (Scenario 1) of Appendix 5 and Table 2a (Scenario 2) of Appendix 6
In 2015 prices

Table 5.7: Growth in Available Study Area Convenience Goods Expenditure

Population Growth Scenario	Convenience Expenditure Growth			
	2017-2022 £m	2017-2027 £m	2017-2032 £m	2017-2036 £m
Scenario 1	-3.1	-0.3	4.8	10.7
Scenario 2	6.3	18.9	34.5	48.7

Source: Table 2a (Scenario 1) of Appendix 5 and Table 2a (Scenario 2) of Appendix 6
In 2015 prices

- 5.4.13 The proportion of convenience goods expenditure which is spent during 'main food' shopping trips and through 'top-up' shopping trips has been estimated with reference to respondents' answers to Question 5 and Question 15 of the household survey, which ask respondents to estimate their weekly main food shopping expenditure and weekly top-up shopping expenditure respectively. We analysed responses to these questions to derive an estimate of

¹⁵ Expressed in 2015 prices, as is every subsequent monetary value



the split between main and top-up expenditure on a zonal basis as shown in Table 5.8 below.

Table 5.8: Assumed Split of Convenience Goods Expenditure Between Main and Top-Up Shopping

Zone	Main Food	Top-Up
1	80.9%	19.1%
2	78.5%	21.5%
3	76.9%	23.1%
4	79.4%	20.6%
5	80.9%	19.1%
6	81.9%	18.1%
7	77.7%	22.3%
8	80.7%	19.3%
9	80.0%	20.0%

Source: Derived from Table 2b of Appendix 5 (and Appendix 6)

- 5.4.14 By applying these estimates to the total convenience goods expenditure for each zone, we estimate that, across the study area at 2017, £470.2m of convenience goods expenditure will be spent during main food shopping trips and £120.7m during top up shopping trips (under both population growth scenarios).
- 5.4.15 Across the whole of the study area, we calculate (by adding together our estimates of the monetary split between main and top up shopping expenditure within each zone) that the proportion of residents' convenience goods expenditure spent during main food shopping trips equates to 79.6% of their overall convenience shopping expenditure. The remaining 20.4% of expenditure (which will typically be spent on regular purchases such as milk, bread and so on) is therefore attributed to the respondents' top-up convenience shopping destination.

Comparison Goods Expenditure

- 5.4.16 For comparison goods, Table 5.9 sets out our estimation that the resident population of the study area will generate £870.5m of comparison goods expenditure at 2017.
- 5.4.17 Under population growth Scenario 1, available comparison goods expenditure is then forecast to increase to £1,549.7m at 2036. As set out in Table 5.10, this represents an increase of £679.2m between 2017 and 2036, or 78.0%. Under population growth Scenario 2, expenditure increases to £1,650.7m at 2036, which represents an increase of £780.2m, or 89.6%. Clearly, the increase in the available comparison goods expenditure within the study



area is substantially greater under both population growth scenarios than that which is forecast to occur for convenience goods.

5.4.18 Whilst the identified expenditure increase is clearly significant under both scenarios, the rate of forecast growth is more modest than that which has previously been achieved. This is as a consequence of forecast growth being more modest than that which has historically been secured and also a consequence of further increases in expenditure committed through special forms of trading (most particularly, internet shopping).

Table 5.9: Total Available Study Area Comparison Goods Expenditure

Population Growth Scenario	Comparison Expenditure				
	2017 £m	2022 £m	2027 £m	2032 £m	2036 £m
Scenario 1	870.5	975.2	1,149.5	1,353.1	1,549.7
Scenario 2	870.5	991.3	1,188.3	1,423.1	1,650.7

Source: Table 8 (Scenario 1) of Appendix 5 and Table 8 (Scenario 2) of Appendix 6
In 2015 prices

Table 5.10: Growth in Available Study Area Comparison Goods Expenditure

Population Growth Scenario	Comparison Expenditure Growth			
	2017-2022 £m	2017-2027 £m	2017-2032 £m	2017-2036 £m
Scenario 1	104.7	279.0	482.6	679.2
Scenario 2	120.8	317.8	552.5	780.2

Source: Table 8 (Scenario 1) of Appendix 5 and Table 8 (Scenario 2) of Appendix 6
In 2015 prices

5.4.19 For the purpose of this Study, comparison goods expenditure has been divided into eight sub-categories: ‘DIY’, ‘Electrical’ and ‘Furniture’ (these three categories collectively being referred to as bulky goods); and, ‘Clothing & Footwear’, ‘CDs, DVDs and Books’, ‘Health and Beauty/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.

5.4.20 In considering the above, it should be noted that if an excess of expenditure manifests itself within the study area, this does not necessarily translate directly into a requirement for additional floorspace. In assessing quantitative need, it is also necessary to take account of:

- Existing development proposals;
- Expected changes in shopping patterns; and
- The future efficiency of retail floorspace.

6.0 Updated Assessment of Retail Capacity in Darlington Borough

6.1 Introduction

- 6.1.1 We have examined the need for new convenience and comparison goods floorspace over the study period from 2017 to 2036 and at five-year reporting periods from 2017 (i.e. at 2022, 2027, 2032 and 2036). Two different population growth scenarios were tested in assessing the potential future need for additional retail provision within the study area as detailed in Section 5.3 (Study Area Population) above.
- 6.1.2 Appendix 5 provides a complete series of quantitative capacity tables under population growth Scenario 1. The corresponding quantitative capacity tables under Scenario 2, the high population growth scenario, are provided at Appendix 6. The quantitative capacity tables provide further detail in terms of the step-by-step application of our quantitative assessment methodology.
- 6.1.3 At the outset, it is important to note that a quantitative assessment of capacity over the long term should be viewed with caution, due to the obvious difficulties inherent in predicting the performance of the economy and shopping habits over time. In any event, any identified capacity should not necessarily be viewed as justification for new retail floorspace outside of the town centre as this could prejudice the implementation of any emerging town centre redevelopment strategy and the development of more central sites that may be currently available or which could become available over time.

6.2 Capacity Formula

- 6.2.1 For all types of capacity assessment, the conceptual approach is identical, although the data sources and assumptions may differ. The key relationship is Expenditure (£m) (allowing for population change and retail growth) less Turnover (£m) (allowing for improved 'productivity') equals Surplus or Deficit (£m).
- 6.2.2 **Expenditure (£m)** – The expenditure element of the above equation is calculated by taking the population within the defined catchment and then multiplying this figure by the average annual expenditure levels for various forms of retail spending per annum. The expenditure is estimated with reference to a number of factors, namely:
- Growth in population;



- Growth in expenditure per person per annum; and
- Special Forms of Trading (e.g. the internet, catalogue shopping and so on).

6.2.3 **Turnover (£m)** – The turnover figure relates to the annual turnover generated by existing retail facilities within the study area. The turnover of existing facilities is calculated using Mintel Retail Rankings and Verdict UK Grocery Retailers reports – independent analysis which lists the sales densities for all major multiple retailers.

6.2.4 **Surplus/Deficit (£m)** – This represents the difference between the expenditure and turnover figures outlined above. A surplus figure represents an effective under provision of retail facilities within the study area (which, all things being equal, would suggest that additional floorspace could be supported), whereas a deficit would suggest a quantitative overprovision of retail facilities.

6.2.5 Although a surplus figure is presented in monetary terms, it is possible to convert this figure to provide an indication of the quantity of floorspace that may be required. The level of floorspace will vary dependent on the type of retailer proposed and the type of goods traded. For example, in the case of comparison goods, non-bulky goods retailers tend to achieve higher sales densities than bulky goods retailers. However, within the bulky goods sector itself there is significant variation, with electrical retailers tending to have a much higher sales density than those selling DIY or furniture goods.

6.3 Future Capacity for Convenience Goods Floorspace

6.3.1 In order to appraise the need for additional convenience goods retail floorspace, we first consider the performance of the current provision. Next, we assess how the performance of stores will be affected by future growth in expenditure. We then set out the anticipated increases in expenditure that will be available to the borough's convenience goods retail facilities under each population growth scenario.

6.3.2 Following these exercises, we then take account of any new convenience goods floorspace that has been implemented subsequent to the date of the household survey and consider the effect that extant planning commitments will have in addressing any identified convenience goods shopping needs under each of the population growth scenarios.

Trading Performance of Existing Convenience Provision

6.3.3 We assess the individual performance of each of the main convenience goods facilities in Darlington Borough by comparing the survey-derived turnover of each food retail destination



to its 'benchmark' turnover. The 'benchmark' turnover indicates the level of turnover that the store would generally be expected to attract, based on company average trading levels. A judgement can then be made on the trading performance of existing facilities by comparing the survey-derived turnover with the expected 'benchmark' turnover of existing provision.

- 6.3.4 The 'benchmark' turnover differs for each operator based on its average turnover per square metre throughout the country. Although robust up-to-date information is available in terms of the convenience goods floorspace provided by large foodstores and average turnover per square metre (from nationally published trading information from Mintel and Verdict), it can be more difficult to quantify the extent and performance of local convenience provision as there is no single comprehensive database to rely upon. Where we have been unable to verify the exact quantity or performance of floorspace provided by existing smaller-scale convenience goods stores (such as farm shops and 'corner shops' located within defined centres), we have assumed that stores are trading 'at equilibrium' (i.e. the survey-derived turnover equates to the expected level of turnover).
- 6.3.5 For each convenience goods retail destination, consideration has been given as to whether any of its turnover is likely to be derived as 'inflow' from outside the study area. However, the study area is very extensive in its scope and we consider it unlikely that residents of areas further afield (such as Middlesbrough, Spennymoor, Kirkby Stephen and Bedale) will travel to Darlington in very significant numbers to undertake food shopping.
- 6.3.6 Notwithstanding this, we consider that convenience goods retailers in the town centre and food superstores within the Darlington administrative area will benefit from some trade arising from visitors and commuters from outside of the area. Accordingly, we have estimated that these convenience goods shopping destinations will benefit from an additional 3% uplift to their survey-derived turnover to account for turnover drawn from the spending of residents outside of the study area.
- 6.3.7 Our assessment is based upon a 'goods based' approach, which disaggregates expenditure by category type, and it is important to recognise that major foodstore operators generally sell an element of non-food goods such as books, compact discs, clothing and household goods. To account for this, the typical ratio between convenience/comparison goods provision for each operator¹⁶ has been applied to the estimated net floorspace of each

¹⁶ Generally derived from Verdict's 2015 estimates of the typical floorspace split for major convenience goods retailers. Where Verdict data is not available or is considered not to appropriately reflect how a store trades in practice, we have applied professional judgement in the manner set out in the notes to Table 5 of Appendix 5 (and Appendix 6).



foodstore¹⁷. This provides an indication of the likely sales area dedicated to the sale of convenience goods at each store.

- 6.3.8 Whilst survey results are commonly accepted as a means by which to identify existing shopping patterns, their findings should be treated with a ‘note of caution’ as they can have a bias towards national multiple retailers and, as a consequence, may overstate the role and performance of larger national multiple stores whilst understating that of smaller stores and independent retailers. To minimise the potential for such bias, our household survey in November 2013 asked shoppers where they last undertook particular types of shopping rather than where they most frequently shop, which is more likely to record infrequent purchases that are typically made at smaller centres and stores.
- 6.3.9 The individual performance of each of the main convenience goods facilities is identified at Table 5 of Appendix 5. A summary of our benchmark assessment showing the current overall trading position of convenience goods floorspace in Darlington Borough compared against the expected ‘benchmark’ turnover is provided in Table 6.1 below.

Table 6.1: Overall Trading Performance of Foodstores in Darlington Borough at 2017

	Net Conv F'space sq.m	Benchmark Turnover £m	Survey Turnover £m	Inflow Allowance £m	Over- or Under-trading £m
Darlington Borough Total	22,421	228.0	232.3	5.4	9.6

Source: Table 5 at Appendix 5 (and Appendix 6)

- 6.3.10 Our assessment identifies that taking all convenience goods retail facilities in Darlington Borough together, the expected turnover of provision is £228.0m per annum at 2017, which is slightly less than the identified survey-derived turnover of £232.3m. This suggests that, taken cumulatively, existing convenience goods provision is marginally ‘overtrading’ by £9.6m when compared to its expected turnover.
- 6.3.11 Whilst this difference is limited, and suggests that existing provision is broadly appropriate to meet the existing quantitative need, there are instances where specific facilities trade very strongly or relatively poorly. For example, the Morrisons stores at Morton Park (in Zone 2) and North Road District Centre (in Zone 3) have estimated convenience goods benchmark turnovers of £35.8m and £34.9m, respectively, but turn over an estimated £47.5m and £51.4m. The Aldi store at Yarm Road local centre (in Zone 2) has an estimated convenience

¹⁷ Net sales areas have been sourced from Darlington Retail and Town Centre Study of July 2014 where available. Where such data is not available, we have applied professional judgement in the manner set out in the notes to Table 5 of Appendix 5 (and Appendix 6).

goods benchmark turnover of £12.0m, but turns over an estimated £20.0m of convenience goods expenditure.

- 6.3.12 By way of contrast, the estimated convenience goods turnover of the Asda stores at Neasham Road (in Zone 2) and Houghton Road (in Zone 3) are £5.7m and £5.8m less than their respective benchmark turnovers of £10.3m and £9.9m.
- 6.3.13 Whilst we have no doubt that the Morrisons stores and the Aldi store at Yarm Road are performing very strongly indeed, it should be noted that the estimation of stores' turnover is subject to a number of assumptions. For example, in apportioning main and top up convenience goods expenditure using the household survey, it is assumed that each resident of a zone spends the zonal per capita expenditure average on such items. However, in actuality, the typical discount foodstore customer may spend a lesser amount than the typical 'big four' foodstore shopper. Accordingly, there is the possibility that the turnover of certain discount foodstores may have been overestimated and that the turnover of certain 'big four' foodstores may have been underestimated. However, when considering convenience goods retail capacity across the study area as a whole, the methodology acts to balance out any such discrepancies.
- 6.3.14 We therefore consider that the overall £9.6m of over-trading identified in Darlington Borough, as set out in Table 6.1, can be regarded as surplus expenditure capacity available to support additional convenience floorspace. In assessing the quantitative capacity for convenience goods floorspace in the borough we therefore make an allowance for the over-trading to be counted towards capacity.
- 6.3.15 It should be noted that our assessment of the trading performance of existing convenience provision only takes into account retail venues that were trading at November 2013 when the household survey was undertaken. A number of new foodstores have opened in Darlington Borough since the completion of the household survey in 2013, which are not therefore included in our performance analysis. Most notably, a new Aldi store opened at Darlington North Retail Park in June 2016, which, along with the new Iceland store at the retail park, is likely to have diverted some trade from the Aldi store at Yarm Road as well as other nearby foodstores in the area.
- 6.3.16 Moreover, account needs to be taken of any new convenience goods floorspace that has been implemented subsequent to the survey as it will partly extinguish any identified future need for additional convenience goods floorspace. In assessing the capacity for convenience goods floorspace we therefore account for any new convenience goods floorspace that has



been implemented subsequent to the household survey in a similar manner to retail commitments.

Surplus Expenditure Available for Additional Convenience Goods Floorspace

- 6.3.17 Tables 6.2 and 6.3 on the following pages set out the surplus convenience expenditure available to support additional convenience goods retail floorspace in Darlington Borough under population growth Scenarios 1 and 2, respectively. The surplus expenditure assessment takes account of the current convenience goods trading position compared against the 'benchmark' (or anticipated) turnover of existing convenience goods floorspace and identifies the position prior to taking account of schemes implemented since the 2013 household survey and extant planning commitments.
- 6.3.18 Accordingly, Tables 6.2 and 6.3 set out the benchmark turnover of existing convenience retail facilities in Darlington Borough in the 2017 base year and project this forward to 2036 assuming that the benchmark turnover of existing floorspace will increase through improvements in floorspace efficiency at the rates set out in Experian Retail Planner Briefing Note 14.
- 6.3.19 The £232.3m of convenience goods expenditure generated by residents of the study area and spent in destinations within Darlington Borough at 2017 equates to a market share of 39.3% (the proportion of the study area residents' expenditure on convenience goods which is spent in Darlington Borough). Given the geography of the borough and its reasonably strong retention of convenience goods expenditure, our assessment assumes that the current market share of facilities in Darlington Borough is maintained over the study period to 2036.
- 6.3.20 After increases in population are considered against the forecast changes in floorspace productivity¹⁸ and expenditure per capita, we estimate that the total available convenience goods expenditure in Darlington Borough drawn from residents of the study area under population growth Scenario 1 will be £231.1m at 2022, increasing to £232.2m at 2027, £234.2m at 2032 and £236.5m at 2036. Under Scenario 2, we estimate that the available expenditure will rise to £234.7m at 2022, £239.7m at 2027, £245.9m at 2032 and £251.4m at 2036.

¹⁸ Account has been made for the turnover efficiency of existing convenience goods floorspace to change in accordance with the projections set out in Table 4a of Experian Retail Planner Briefing Note 14 (these being -0.4% at 2018, -0.1% per annum between 2019 and 2023, and +0.1% between 2024 and 2035). Operators have historically been able to make their existing floorspace more productive over time. However, these negative turnover efficiency growth rates reflect current forecasts for convenience goods floorspace productivity to fall or remain static over the study period.



- 6.3.21 Tables 6.2 and 6.3 include an allowance for inflow of expenditure from outside the study area, which we estimated to provide an additional £5.4m of available expenditure in Darlington Borough at 2017. The allowance for inflow is projected forward to 2036 assuming that the proportion of the total available expenditure in Darlington Borough derived through the inflow is maintained over the study period.
- 6.3.22 Tables 6.2 and Tables 6.3 show that a convenience goods expenditure surplus of £9.6m is identified in Darlington Borough at 2017 under both population growth scenarios, which corresponds to the current level of over-trading at existing foodstores in Darlington Borough as identified in Table 6.1 above.
- 6.3.23 Under population growth Scenario 1, we estimate that the expenditure surplus will rise £10.2m at 2022, £10.6m at 2027, £11.5m at 2032, and £13.0m at 2036. Under Scenario 2, we estimate that the expenditure surplus will rise £13.9m at 2022, £18.3m at 2027, £23.5m at 2032, and £28.3m at 2036.

Table 6.2: Scenario 1 – Surplus Expenditure Available for Additional Convenience Goods Floorspace in Darlington Borough

Year	Benchmark Turnover of Existing Stores £m	Available Expenditure		Surplus Expenditure £m
		Expenditure Drawn from Study Area £m	Inflow from Outside Study Area	
2017	228.0	232.3	5.4	9.6
2022	226.2	231.1	5.3	10.2
2027	226.9	232.2	5.4	10.6
2032	228.0	234.2	5.4	11.5
2036	229.0	236.5	5.5	13.0

Source: Table 7a of Appendix 5
2015 Prices

Table 6.3: Scenario 2 – Surplus Expenditure Available for Additional Convenience Goods Floorspace in Darlington Borough

Year	Benchmark Turnover of Existing Stores £m	Available Expenditure		Surplus Expenditure £m
		Expenditure Drawn from Study Area £m	Inflow from Outside Study Area	
2017	228.0	232.3	5.4	9.6
2022	226.2	234.7	5.4	13.9
2027	226.9	239.7	5.5	18.3
2032	228.0	245.9	5.7	23.5
2036	229.0	251.4	5.8	28.3

Source: Table 7a of Appendix 6



2015 Prices

Implemented Schemes and Commitments for New Convenience Goods Floorspace

- 6.3.24 The next stage is to make an allowance for convenience goods floorspace implemented subsequent to the household survey in November 2013 and extant commitments for new convenience floorspace.
- 6.3.25 There are a number of implemented schemes and commitments for new convenience goods floorspace in Darlington Borough that are expected to draw on the available convenience goods expenditure in Darlington Borough. Notable convenience goods floorspace is provided through the opening of Aldi and Iceland stores at Darlington North Retail Park in 2016, and the extant permissions for a further Aldi store along with an M&S foodstore at West Park in Darlington.
- 6.3.26 We are aware of a further substantial convenience goods planning permission, namely, the outline permission (reference 14/01249/OUT) to construct a new foodstore of approximately 2,400 sq.m gross on a site at West Park in Darlington. However, we understand that this planning permission has now expired and the scheme will not be pursued further, following permission being granted for an Aldi and M&S foodstore elsewhere at West Park.



Table 6.4: Extant Convenience Goods Commitments Drawn from Darlington Borough

Location	Proposal	Planning Application Reference	Net Convenience Sales Area Floorspace sq.m	Estimated Convenience Turnover £m	Convenience Turnover Diverted from Destinations in Darlington Borough £m	Planning Status
Darlington Borough						
Lingfield Point, Darlington	Mixed-use development including foodstore	08/00638/OUT	700	8.1	8.1	Extant
Central Park, Darlington	Mixed-use development including foodstore	12/00391/FUL	840	9.7	9.7	Extant
Neasham Road Local Centre, Darlington	Two units for A1/A2/A3 or A5 use	15/00977/FUL	90	0.5	0.5	Implemented (available to let)
Darlington North Retail Park, North Road, Darlington	Aldi	14/00503/FUL	912	11.3	11.3	Implemented and open
	Iceland		422	3.0	3.0	
	Poundland		107	0.4	0.4	
Nickstream Lane, Darlington	Redevelopment for two retail units	16/00602/FUL	96	0.5	0.5	Implemented
West Park, Darlington	Aldi	16/01041/FUL	1,003	12.4	12.4	Extant
West Park Darlington	M&S Food	16/01060/FUL	755	8.5	8.5	Extant
Hauxley Farm, Great Stainton	Farm shop	16/00990/FUL	140	0.7	0.4	Extant
Total (Darlington Borough)			5,066	55.1	54.7	

Source: Table 6d of Appendix 5
2015 Prices

- 6.3.27 As scheduled in Table 6.4 above, we estimate that implemented floorspace and extant retail planning permissions¹⁹ that are expected to draw on the available convenience goods expenditure in Darlington Borough together provide an estimated 5,066 sq.m of convenience goods sales floorspace²⁰.
- 6.3.28 We have assumed that all of the estimated convenience turnover of the commitments within Darlington will be drawn from the available expenditure within Darlington Borough. For the farm shop scheme in Great Stainton, which is located on the northern border of the borough, we have assumed that 50% of the convenience goods turnover of this scheme will be drawn from the available expenditure within the borough.
- 6.3.29 Overall, we estimate that the implemented schemes and commitments for new convenience goods floorspace would have a combined turnover of £55.1m, if operational in the 2017 base year, of which £54.7m is expected to be drawn from the available expenditure within Darlington Borough.
- 6.3.30 Full details of the assumptions made in estimating the turnover of commitments are provided in the notes which accompany Table 6 of Appendix 5.

Residual Quantitative Need for Additional Convenience Goods Floorspace

- 6.3.31 Tables 6.5 and 6.6 on the following page set out the residual convenience expenditure capacity in Darlington Borough under population growth Scenarios 1 and 2, respectively, taking into account the turnover requirements of floorspace implemented since the 2013 household survey and extant planning commitments for new convenience retail floorspace. The estimated turnover of the implemented floorspace and commitments is deducted from the surplus expenditure capacity figures identified in Tables 6.2 and 6.3 above.
- 6.3.32 The residual expenditure identified when taking account of the turnover of commitments is then converted into floorspace requirements using average sales densities of £13,085 per sq.m and £8,544 per sq.m, dependent on the nature of the convenience operator. The lower sales density is an average of retailers such as Aldi and Lidl, and the higher sales density is an average of the 'top four' convenience operators (Tesco, Asda, Sainsbury's and Morrisons). Using two sales density figures gives an idea as to how any identified quantitative needs could be met in practice.

¹⁹ As reported in the Darlington Annual Monitoring Report and subsequent retail monitoring data provided by the Council

²⁰ Only commitments providing a total gross retail floorspace of greater than 200 sq.m have been included in our assessment as it is not considered that proposals of a lesser scale will have a tangible effect on shopping patterns.

6.3.33 Under both population growth scenarios, the expenditure surplus reduces to a residual deficit of –£45.2m at 2017 once the turnover requirements of implemented floorspace and extant planning commitments are taken into account. Even after increases in population are considered against the changes in expenditure and floorspace productivity, the residual convenience expenditure capacity will remain in deficit over the entire study period to 2036 under both population growth scenarios, albeit decreasing to -£42.0m at 2036 under Scenario 1 and to -£26.7m at 2036 under Scenario 2.

6.3.34 Accordingly, such is the quantity of convenience goods floorspace already implemented and committed in Darlington Borough – which includes new Aldi and Iceland stores at Darlington North Retail Park, and a further Aldi and M&S foodstore at West Park – that there is no requirement for any additional convenience goods floorspace within the borough over the entirety of the 19-year study period to 2036 under either population growth scenario. However, given the inherent uncertainties in predicting the economy’s performance over time, we recommend that these longer term (beyond ten years) estimates are viewed with some caution.

Table 6.5: Scenario 1 - Residual Quantitative Need for Additional Convenience Goods Floorspace in Darlington Borough after Implementation of Commitments

Year	Convenience Goods Expenditure			Floorspace Requirement	
	Surplus £m	Turnover of Commitments* £m	Residual £m	Min sq.m	Max sq.m
2017	9.6	54.7	-45.2	-3,500	-6,500
2022	10.2	54.3	-44.1	-3,400	-6,400
2027	10.6	54.5	-43.9	-3,400	-6,300
2032	11.5	54.7	-43.2	-3,300	-6,200
2036	13.0	55.0	-42.0	-3,200	-6,000

Source: Table 7c at Appendix 5

*Includes floorspace implemented since the 2013 household survey was undertaken 2015 prices

Table 6.6: Scenario 2 - Residual Quantitative Need for Additional Convenience Goods Floorspace in Darlington Borough after Implementation of Commitments

Year	Convenience Goods Expenditure			Floorspace Requirement	
	Surplus £m	Turnover of Commitments* £m	Residual £m	Min sq.m	Max sq.m
2017	9.6	54.7	-45.2	-3,500	-6,500
2022	13.9	54.3	-40.4	-3,100	-5,800
2027	18.3	54.5	-36.1	-2,800	-5,200
2032	23.5	54.7	-31.3	-2,400	-4,500
2036	28.3	55.0	-26.7	-2,000	-3,800

Source: Table 7c at Appendix 6

*Includes floorspace implemented since the 2013 household survey was undertaken 2015 prices

6.4 Future Capacity for Comparison Goods Floorspace

- 6.4.1 Turning to comparison goods capacity, it is important to note that our methodology deviates from that in respect of convenience goods for two principal reasons. Firstly, it can be extremely difficult to attribute an appropriate benchmark turnover to existing comparison goods provision. Secondly, there tends to be greater disparity between the trading performance of apparently similar comparison goods provision depending on its location, the character of the area and the nature of the catchment.
- 6.4.2 As a consequence, we adopt the approach with comparison goods floorspace that the existing floorspace is trading 'at equilibrium' (i.e. our survey derived turnover estimate effectively acts as benchmark) at 2017. In doing so, we assume that any comparison goods development that was implemented subsequent to the 2013 household survey and is now occupied and open has maintained the borough's market share as identified from the 2013 household survey. New comparison goods floorspace implemented subsequent to the 2013 household survey that is not yet open and occupied is taken into account in a similar manner to retail commitments.
- 6.4.3 We are aware of a scheme outside of the borough – Princes Gate Retail Park in Catterick Garrison, which opened in 2015 – that was implemented after the 2013 household survey and could potentially have affected the market share achieved by Darlington Borough from the 43.9 per cent identified from the findings of the 2013 household survey. The impact of the Princes Gate Retail Park scheme on shopping patterns and the market share achieved by destinations within Darlington Borough would need to be identified through a new household survey.
- 6.4.4 Therefore, in assessing the future capacity for new comparison goods floorspace in Darlington Borough below, we first identify the total comparison goods expenditure generated by the residents of the study area and spent in destinations within Darlington Borough at 2017 assuming that the market share remains as identified from the 2013 household survey. We include an allowance for inflow of expenditure from outside the study area, which is projected forward assuming that the proportion of the total available expenditure in Darlington Borough derived through inflow is maintained over the study period. Next, we set out the anticipated increases in expenditure which will be available to the borough's comparison goods retail facilities under each population growth scenario.

- 6.4.5 We then identify the turnover of existing stores assuming that existing comparison goods floorspace²¹ is trading at equilibrium. We allow for the turnover of existing stores to increase over the study period to allow for year on year increases in the productivity of existing floorspace.
- 6.4.6 Following this exercise, we then take account of any new comparison goods floorspace that has been implemented subsequent to the household survey, but is not yet occupied, and consider the effect that extant planning commitments for additional comparison retail floorspace will have in addressing any identified comparison goods shopping needs under each of the population growth scenarios.

Surplus Expenditure Available for Additional Comparison Goods Floorspace

- 6.4.7 The £381.8m of comparison goods expenditure generated by residents of the study area and spent in destinations within Darlington Borough at 2017 equates to a market share of 43.9 per cent. Once again, it is assumed that the future performance of Darlington Borough's facilities will be commensurate with its current market share. Our assessment therefore 'rolls forward' this market share to examine the likely level of comparison goods floorspace required to maintain the role and function of Darlington's retail facilities under the two population growth scenarios.
- 6.4.8 We consider that Darlington town centre, its retail parks and its standalone large format retail units will attract some custom from outside the study area. Accordingly, we have assumed that such facilities attract an additional 10% of their turnover from outside of the study area. No inflow allowance has been attributed to smaller comparison goods retailers located in district and local centres as such retailers will generally cater for a localised need. The inflow allowance has the net effect of increasing Darlington Borough's identified survey derived turnover from £381.8m to £415.7m at 2017 (inflow therefore representing 8.1% of total turnover).
- 6.4.9 By maintaining the current market share and making provision for inflow from outside the study area, we estimate that the total available comparison goods expenditure in Darlington Borough under population growth Scenario 1 will increase from £415.7m at 2017 to £465.7m at 2022, £548.9m at 2027, £646.1m at 2032 and £740.0m at 2036. Under population growth Scenario 2, the available comparison goods expenditure in Darlington Borough is estimated to increase to £473.4m at 2022, £567.4m at 2027, £679.5m at 2032 and £788.2m at 2036.

²¹ Including floorspace constructed and open since the 2013 household survey.

- 6.4.10 Assuming that the existing comparison retail facilities in Darlington Borough, including facilities that were constructed and open subsequent to the 2013 household survey, are trading 'at equilibrium', we estimate that existing stores attract a total of £415.7m of comparison goods expenditure at 2017. We therefore assume that there is no surplus expenditure and no quantitative need for any additional floorspace across the borough at 2017. We then estimate the future turnover requirements of existing stores taking account of the forecast increases in the sales efficiency of existing comparison goods floorspace as set out in Experian Retail Planner Briefing Note 14²².
- 6.4.11 After accounting for forecast increases in population and comparison goods expenditure, and allowing for year on year increases in the productivity of existing floorspace, we estimate that under population growth Scenario 1, there will be a small expenditure surplus available to support additional comparison goods floorspace within Darlington Borough of £5.9m at 2022. The expenditure surplus thereafter increases to £35.7m at 2027, £74.0m at 2032, and £115.8m at 2036.
- 6.4.12 Under population growth Scenario 2, we estimate that there will be a more substantial expenditure surplus available to support additional comparison goods floorspace within Darlington Borough at 2022 of £13.5m, increasing to £54.3m at 2027, £107.4m at 2032, and then to £164.0m at 2036. The surplus expenditure available to support additional comparison goods floorspace under both growth scenarios is summarised in Tables 6.7 and 6.8 on the following page.

Table 6.7: Scenario 1 – Surplus Expenditure Available for Additional Comparison Goods Floorspace in Darlington Borough

Year	Available Expenditure			
	Expenditure Drawn from Study Area	Inflow from Outside Study Area	Turnover of Existing Stores	Surplus Expenditure
	£m		£m	£m
2017	381.8	33.8	415.7	0.0
2022	427.8	37.9	459.8	5.9
2027	504.2	44.7	513.2	35.7
2032	593.5	52.6	572.1	74.0
2036	679.7	60.2	624.2	115.8

Source: Table 29a of Appendix 5
2015 Prices

²² Table 4b of the Experian Retail Planner Briefing Note 14 identifies improvements in comparison goods floorspace sales efficiency of +1.0% at 2018, +2.3% per annum between 2019 and 2023, and +2.2% per annum between 2024 and 2034).

Table 6.8: Scenario 2 – Surplus Expenditure Available for Additional Comparison Goods Floorspace in Darlington Borough

Year	Available Expenditure		Turnover of Existing Stores £m	Surplus Expenditure £m
	Expenditure Drawn from Study Area £m	Inflow from Outside Study Area		
2017	381.8	33.8	415.7	0.0
2022	434.8	38.5	459.8	13.5
2027	521.2	46.2	513.2	54.3
2032	624.2	55.3	572.1	107.4
2036	724.0	64.2	624.2	164.0

Source: Table 29a of Appendix 6
2015 Prices

Implemented Schemes and Commitments for New Comparison Goods Floorspace

- 6.4.13 The next stage is to make an allowance for comparison goods floorspace in Darlington Borough that was implemented subsequent to the household survey in November 2013, but is not yet occupied, and planning commitments for new comparison goods floorspace.
- 6.4.14 There are a number of such implemented schemes and commitments for new comparison goods floorspace in Darlington Borough that are expected to draw on the available comparison goods expenditure in Darlington Borough. The most notable comparison goods scheme in the borough is the proposed Dunelm store at Morton Park Way in Darlington, which is currently under construction. Furthermore, there is one scheme outside of the borough that we expect will also divert comparison goods spending from destinations in Darlington borough, namely, the extant planning permission for a Designer Outlet Village in Scotch Corner.

Darlington Retail and Town Centre Study Update

Table 6.9: Extant Comparison Goods Commitments Drawn from Darlington Borough

Location	Proposal	Planning Application Reference	Comparison Sales Area Floorspace	Estimated Comparison Turnover	Comparison Turnover Diverted from Destinations in Darlington Borough	Planning Status
			sq.m	£m	£m	
Darlington Borough						
Lingfield Point, Darlington	Mixed-use development including foodstore	08/00638/OUT	700	2.1	2.1	Extant
Central Park, Darlington	Mixed-use development including foodstore	12/00391/FUL	175	0.5	0.5	Extant
Neasham Road Local Centre, Darlington	Two units for A1/A2/A3 or A5 use	15/00977/FUL	90	0.3	0.3	Implemented (available to let)
Morton Park Way, Darlington	Dunelm	16/00108/FUL	3,100	9.1	9.1	Under construction
Meynall Road/Wessoe Road, Darlington	Bulky goods retail unit	13/00225/FUL	438	1.1	1.1	
Nickstream Lane, Darlington	Redevelopment for two retail units	16/00602/FUL	96	0.2	0.2	Implemented
West Park, Darlington	Aldi	16/01041/FUL	251	2.1	2.1	Extant
West Park Darlington	M&S Food	16/01060/FUL	9	0.1	0.1	Extant
Hauxley Farm, Great Stainton	Farm shop	16/00990/FUL	140	0.4	0.2	Extant
Sub Total (Darlington Borough)			5,000	15.8	15.6	
Outside Darlington Borough						
Land West of Barracks Bank, Scotch Corner	Scotch Corner Designer Outlet Village (Scheme 1)	14/00687/FULL	16,196	98.2	15.0	Extant
Sub Total (Outside Darlington Borough)			16,196	98.2	15.0	
Total			21,196	114.0	30.7	

Source: Table 28 of Appendix 5 (and Appendix 6)
2015 Prices

- 6.4.15 As scheduled in Table 6.9 above, we estimate that unoccupied floorspace implemented since the 2013 household survey and extant retail planning permissions²³ that are expected to draw on the available comparison goods expenditure in Darlington Borough together provide an estimated 21,196 sq.m of comparison goods sales floorspace²⁴. Overall, we estimate that such implemented schemes and commitments would have a combined turnover of £114.0m if operational in the 2017 base year.
- 6.4.16 We have assumed that all of the estimated comparison turnover of the commitments within Darlington will be drawn from the available expenditure within Darlington Borough. For the farm shop scheme in Great Stainton, which is located on the northern border of the Borough, we have assumed that 50% of the comparison goods turnover of this scheme will be drawn from the available expenditure within the borough. We have assumed that 15.3% of the turnover of the proposed Scotch Corner Designer Outlet Village will be diverted from Darlington Borough.
- 6.4.17 Overall, we estimate that £30.7m of the total turnover of the unoccupied implemented schemes and commitments would be drawn from the available expenditure within Darlington Borough if operational in the 2017 base year.
- 6.4.18 Full details of the assumptions made in estimating the turnover of commitments are provided in the notes which accompany Table 28 of Appendix 5 (and Appendix 6).

Residual Quantitative Need for Additional Comparison Goods Floorspace

- 6.4.19 Tables 6.10 and 6.11 below set out the residual comparison expenditure capacity in Darlington Borough under population growth Scenarios 1 and 2, respectively, taking into account the turnover requirements of unoccupied implemented and extant planning commitments for new comparison retail floorspace, and converts this to a floorspace requirement.
- 6.4.20 Under both population growth scenarios, a residual comparison goods expenditure deficit of –£30.7m at 2017 is identified once the turnover requirements of unoccupied implemented floorspace and extant planning commitments are taken into account.
- 6.4.21 Under population growth Scenario 1, unoccupied implemented floorspace and extant planning permissions – most notably the Dunelm Mill and Scotch Corner Designer Outlet

²³ As reported in the Darlington Annual Monitoring Report and subsequent retail monitoring data provided by the Council

²⁴ Only commitments providing a total gross retail floorspace of greater than 200 sq.m have been included in our assessment as it is not considered that proposals of a lesser scale will have a tangible effect on shopping patterns.

schemes – are expected to absorb all of the surplus expenditure capacity in Darlington Borough in the medium term period up to 2027.

- 6.4.22 However, even accounting for the existing commitments, the population growth and growth in spending on comparison goods forecast over the study period will still generate a substantial expenditure residual to support additional comparison retail provision in Darlington Borough in the longer term periods up to 2032 and 2036. Table 6.10 identifies an expenditure residual under population growth Scenario 1 of £31.8m at 2032, rising to £69.8m at 2036.
- 6.4.23 Under population growth Scenario 2, the stronger population growth forecast over the study period generates a modest positive expenditure residual of £16.4m to support additional comparison retail provision in Darlington Borough in the medium-term period up to 2027. The comparison goods expenditure residual increases to a more substantial £65.2m and £118.0m in the longer-term periods to 2032 and 2036 respectively.
- 6.4.24 Tables 6.10 and 6.11 then translate the identified residual expenditure figures into floorspace requirements, using a maximum average sales density of £5,000 per sq.m and a minimum of £3,000 per sq.m. The maximum average sales density is based on the identified need being met through the delivery of high street floorspace and the minimum figure relates to need being met by bulky goods retailers or in smaller town centres (which both generally accommodate operators which achieve lesser sales densities).
- 6.4.25 As discussed, we do not estimate that there will be a comparison goods floorspace requirement until 2032 under population growth Scenario 1, when an additional 4,600 sq.m to 7,700 sq.m of comparison retail floorspace will be needed, rising to between 9,300 sq.m and 15,500 sq.m at 2036, depending on the format of the floorspace.
- 6.4.26 Under population growth Scenario 2, we estimate that there will be a modest floorspace requirement by 2027 when between 2,700 and 4,400 sq.m will be needed. This will increase to a more sizable requirement for between 9,500 sq.m to 15,800 sq.m at 2032 and between 15,700 sq.m and 26,200 sq.m at 2036, depending on the format of the floorspace.
- 6.4.27 Whilst these longer-term forecasts should be treated with caution, the figures do demonstrate that over the long-term there is potentially substantial capacity for additional comparison floorspace within Darlington Borough under both population growth scenarios.

Table 6.10: Scenario 1 - Residual Quantitative Need for Additional Comparison Goods Floorspace in Darlington Borough after Implementation of Commitments

Year	Comparison Goods Expenditure			Floorspace Requirement	
	Surplus £m	Turnover of Commitments ^a £m	Residual £m	Min sq.m	Max sq.m
2017	0.0	30.7	-30.7	-6,100	-10,200
2022	5.9	33.9	-28.1	-5,100	-8,500
2027	35.7	37.8	-2.1	-300	-600
2032	74.0	42.2	31.8	4,600	7,700
2036	115.8	46.0	69.8	9,300	15,500

Source: Table 29c at Appendix 5

*Includes unoccupied floorspace implemented since the 2013 household survey was completed 2015 prices

Table 6.11: Scenario 2 - Residual Quantitative Need for Additional Comparison Goods Floorspace in Darlington Borough after Implementation of Commitments

Year	Comparison Goods Expenditure			Floorspace Requirement	
	Surplus £m	Turnover of Commitments ^a £m	Residual £m	Min sq.m	Max sq.m
2017	0.0	30.7	-30.7	-6,100	-10,200
2022	13.5	33.9	-20.4	-3,700	-6,100
2027	54.3	37.8	16.4	2,700	4,400
2032	107.4	42.2	65.2	9,500	15,800
2036	164.0	46.0	118.0	15,700	26,200

Source: Table 29c at Appendix 6

*Includes unoccupied floorspace implemented since the 2013 household survey was completed 2015 prices

6.5 Qualitative Need

6.5.1 Paragraph 158 of the NPPF makes clear that local planning authorities should ensure that the Local Plan is based on adequate, up-to-date and relevant evidence about the economic, social and environmental characteristics and prospects of the area.

6.5.2 Paragraph 161 of the NPPF goes on to state that LPAs should use this evidence base to assess:

‘...the needs for land or floorspace for economic development, including both the quantitative and qualitative needs for all foreseeable types of economic activity over the plan period, including for retail and leisure development’.

Convenience Goods Floorspace

6.5.3 We considered in the original 2014 Study that main food shopping provision was generally appropriate and that there was no quantitative need for a further superstore of the format

preferred by the 'main four' operators (Asda, Morrisons, Sainsbury's and Tesco). The findings of the updated quantitative assessment remain broadly consistent with the 2014 Study in that there is no quantitative need for additional convenience goods floorspace identified over the study period to 2036.

- 6.5.4 However, in the 2014 Study we did note that main foodstore provision in Darlington was located centrally or to the east of the town centre, with no large food supermarkets or superstores in either Zone 1 or Zone 4. It was therefore considered that there may be qualitative benefits associated with improved main food retail provision in the western part of Darlington. Such benefits could derive from a reduced need to travel to access supermarket facilities and an improvement in the ability to meet all the needs of the community.
- 6.5.5 The 2014 Study further identified that the particularly strong performance of the Aldi store at Yarm Road suggested that the discount food sector may be underprovided for in Darlington.
- 6.5.6 Since the 2014 Study was completed, an Aldi store (along with an Iceland foodstore) has opened as part of the Darlington North Retail Park scheme on North Road, approximately 1km north of Darlington town centre. Furthermore, planning permission has since been granted for both an Aldi store (planning application ref. 16/01041/FUL) and an M&S foodstore (planning application ref. 16/01060/FUL) on the north-western edge of the Darlington urban area in the West Park area of Darlington.
- 6.5.7 The opening of the Aldi foodstore at Darlington North Retail Park has helped to provide additional consumer choice and address the pre-existing qualitative deficiencies in the convenience goods retail provision (as identified in the 2014 Study) by increasing representation in the discount food retail sector and by helping to reduce the need for residents, particularly those in the west of Darlington, to travel to access supermarket facilities. The Aldi and M&S foodstores permitted at West Park will provide additional main food shopping facilities in the west of Darlington and will therefore further increase consumer choice.
- 6.5.8 It is therefore considered that once the Aldi and M&S foodstore schemes at West Park are implemented, there will be a good choice of convenience goods provision available across Darlington, from premium operators (M&S Food), to the 'big four' supermarket operators (Asda, Sainsbury's, Morrisons and Tesco²⁵) and discounters (such as Aldi and Lidl).

²⁵ It is recognised that representation of Tesco within Darlington Borough is limited to the Tesco Express store within the Cornmill Shopping Centre in Darlington. However, overall representation of the main supermarket operators is considered to be good, with large Asda, Sainsbury's and Morrisons supermarkets all present in the borough.

Accordingly, it is considered that there is no qualitative need for further convenience goods provision in Darlington Borough over the study period.

Comparison Goods Floorspace

- 6.5.9 Turning to comparison goods provision, in the 2014 Study we identified that Darlington's market share in a number of comparison goods categories had declined since 2008 as a result of increased competition from destinations outside of the borough, including the emergence of a more comprehensive comparison goods retail offer at Teesside Shopping Park.
- 6.5.10 Accordingly, at the time of the 2014 Study we considered that there may be scope to secure an increase in the retention of particular types of comparison goods expenditure – namely, spending on clothing and footwear, books CDs and DVDs and household goods – as increasing numbers of residents were travelling further afield to source these types of goods.
- 6.5.11 Since the completion of the 2014 Retail Study, planning permission was granted for a Dunelm store at Morton Park in Darlington (application reference 16/00108/FUL), which is currently under construction. Dunelm is not currently represented in Darlington Borough, and we therefore expect that the opening of this store will substantially improve the choice and offer of home furnishings and small household items available in the borough. Aldi, Poundland, Jollyes, Card Factory and Barnados have also opened at Darlington North Retail Park. We expect that the new Aldi store at Darlington North Retail Park, along with the proposed new Aldi at West Park will further help to retain expenditure on household and other types of day-to-day comparison goods.
- 6.5.12 However, the development of Princes Gate Retail Park in Catterick Garrison is likely to have diverted some comparison goods spending from Darlington borough. Moreover, we expect that the planned development of a new Designer Outlet Village in Scotch Corner (application reference 14/00687/FULL) will divert significant comparison goods spending from Darlington borough, particularly in the clothing and footwear sector. We therefore consider that the scope to secure an increase in the retention of comparison goods spending in Darlington, particularly in the clothing and footwear sector, is now limited going forward. This is of course assuming no intervention through the introduction of a major comparison goods retail development within Darlington.
- 6.5.13 Nevertheless, our health check assessment of Darlington town centre found that the centre has broadly maintained and improved its vitality and viability since 2014. Whilst some major comparison retail operators have left the town centre in recent years, including Burton, BHS

and TK Maxx, we do not consider this to have had a significant detrimental impact on the overall vitality and viability of the town centre, particularly when considering the introduction of the Feethams scheme and emerging leisure scheme at the former TK Maxx unit.

- 6.5.14 We believe that at least some of the top national multiple retailers already present in Darlington (including Next, Primark and Topshop) would consider alternative larger premises should such accommodation become available in the town. The 2014 Study identified a potential shortfall in the supply of larger, modern units (of between approximately 300 sq.m to 600 sq.m) to accommodate high street multiple retailers and this position has not changed since 2014.
- 6.5.15 Accordingly, subject to its viability and its ability to secure key anchor tenants, we maintain that the Commercial Street site still has the potential to meet an identified qualitative deficiency in Darlington town centre over the longer term. The Commercial Street site remains the single opportunity to accommodate additional floorspace that has the potential to form part of the town centre's existing retail circuit and is the sequentially preferable site for additional retail development in the town.
- 6.5.16 We consider that significant new development of this type in Darlington town centre, providing a substantial quantity of additional comparison goods floorspace, would have the potential to help arrest the decline in market share seen in Darlington Borough since 2008 and minimise the potential impact of the Scotch Corner Designer Outlet scheme on the retention of comparison goods expenditure within the borough. Accordingly, the forthcoming Local Plan should continue to recognise the Commercial Street site as an opportunity to meet longer term comparison goods shopping needs in Darlington.

7.0 Key Findings and Policy Recommendations

7.1 Convenience Retail Need

7.1.1 With regard to convenience goods retailing, in Section 6 we identified that such is the quantity of convenience goods floorspace already implemented since the 2013 household survey and extant planning commitments in Darlington Borough – which includes new Aldi and Iceland stores at Darlington North Retail Park, and a further Aldi and M&S foodstore at West Park – that there is no quantitative need for additional convenience goods facilities within the borough throughout the period to 2036 under either population growth scenario as summarised below in Tables 7.1 and 7.2.

7.1.2 Moreover, the opening of the Aldi foodstore at Darlington North Retail Park has helped to provide additional consumer choice and address the pre-existing qualitative deficiencies in convenience goods retail provision identified in the 2014 Study, by increasing representation in the discount food retail sector and by helping to reduce the need for residents, particularly those in the west of Darlington, to travel to access supermarket facilities. The Aldi and M&S foodstores permitted at West Park will provide additional main food shopping facilities in the west of Darlington and will therefore further increase consumer choice. Accordingly, it is considered that there is no qualitative need for further convenience goods provision in Darlington Borough over the study period to 2036.

7.1.3 Accordingly, we do not believe that the council needs to plan for the provision of additional convenience goods floorspace over the forthcoming plan period.

Table 7.1: Quantitative Need for Convenience Goods Floorspace in Darlington Borough under Population Growth Scenario 1

Year	Floorspace Requirement	
	Minimum sq.m	Maximum sq.m
2017	-3,500	-6,500
2022	-3,400	-6,400
2027	-3,400	-6,300
2032	-3,300	-6,200
2036	-3,200	-6,000

Table 7.2: Quantitative Need for Convenience Goods Floorspace in Darlington Borough under Population Growth Scenario 2

Year	Floorspace Requirement	
	Minimum sq.m	Maximum sq.m
2017	-3,500	-6,500
2022	-3,100	-5,800
2027	-2,800	-5,200
2032	-2,400	-4,500
2036	-2,000	-3,800

7.2 Comparison Retail Need

- 7.2.1 Under population growth Scenario 1 after taking account of floorspace implemented since the 2013 household survey and existing commitments, we identified a quantitative need for an additional 4,600 sq.m to 7,700 sq.m of comparison retail floorspace at 2032, rising to between 9,300 sq.m and 15,500 sq.m at 2036 as summarised in Table 7.3 below.
- 7.2.2 Under population growth Scenario 2, we identified that there will be a modest comparison goods floorspace requirement at 2027 once implemented floorspace and commitments are taken into account, when between 2,700 and 4,400 sq.m will be needed. This will increase to a more sizable requirement for between 9,500 sq.m and 15,800 sq.m at 2032 and between 15,700 sq.m and 26,200 sq.m at 2036 as summarised in Table 7.4.
- 7.2.3 Under both population growth scenarios, it is therefore our view that it is necessary for the Council to consider allocating land to accommodate new comparison goods floorspace within Darlington Borough for delivery over the longer-term periods to 2032 and 2036. Nevertheless, given the uncertainty surrounding long-term expenditure growth rates, it will remain important that the Council view the identified long-term requirements with some caution and ensure the estimates are periodically reviewed and updated.

Table 7.3: Quantitative Need for Comparison Goods Floorspace in Darlington Borough under Population Growth Scenario 1

Year	Floorspace Requirement	
	Minimum sq.m	Maximum sq.m
2017	-6,100	-10,200
2022	-5,100	-8,500
2027	-300	-600
2032	4,600	7,700
2036	9,300	15,500

Table 7.4: Quantitative Need for Comparison Goods Floorspace in Darlington Borough under Population Growth Scenario 2

Year	Floorspace Requirement	
	Minimum sq.m	Maximum sq.m
2017	-6,100	-10,200
2022	-3,700	-6,100
2027	2,700	4,400
2032	9,500	15,800
2036	15,700	26,200

- 7.2.4 The identified requirements are based on the maintenance of Darlington’s current comparison goods market share as derived from the 2013 household survey. In the 2014 Study we considered that there may be scope to secure an increase in the retention of comparison goods expenditure in Darlington Borough. However, given the recent and planned retail development just outside the borough, namely the opening of Princes Gate Retail Park in Catterick Garrison and the Scotch Corner Designer Outlet Village, we consider that the scope to secure an increase in the comparison goods market share achieved by Darlington going forward is now limited – assuming no intervention.
- 7.2.5 The 2014 Study identified a potential shortfall in the supply of large modern units in the town centre (of between approximately 300 sq.m to 600 sq.m) and this position has not changed since 2014. We believe that at least some of the top national multiple retailers already present in Darlington would consider alternative larger premises should such accommodation become available in the town.
- 7.2.6 In our view, the Commercial Street site remains the sequentially preferable location to accommodate retail development within the town and, accordingly, we again recommend that the Council continues its efforts to bring forward this important regeneration opportunity. It will be for the market to determine the form of development that can be supported in practice and comparison goods retail space may form only one element of the scheme. Consideration may also need to be given to the site’s potential in respect of other uses such as leisure and food and drink operators, in order to secure a viable and deliverable form of development.
- 7.2.7 We consider that there is no need to allocate any other site or sites to meet comparison goods retail needs and any future proposal for such development should be assessed with appropriate consideration given to its potential to have a prejudicial impact on the implementation of the Commercial Street opportunity.

7.2.8 We note that the convenience and comparison goods retail floorspace requirements identified in this study are of some relevance to the determination of future planning applications for new retail floorspace in the borough, particularly development which seeks to meet local needs. However, whilst identified levels of quantitative need have some relationship to the test of impact, it is necessary to be mindful that 'need' is no longer a direct planning test. Accordingly, the identified floorspace requirements should not be considered a 'cap' on appropriately located development. In all cases, proposals for additional retail floorspace should be assessed against the relevant policies of the NPPF and the development plan.

Appendices

Appendix 1. Planning Policy Context

Appendix 2. Health Check Assessment of Darlington Town Centre

Appendix 3. Study Area Plans

Appendix 4. 2013 Household Survey Results

**Appendix 5. Quantitative Retail Capacity Tables – Population
Growth Scenario 1**

**Appendix 6. Quantitative Retail Capacity Tables – Population
Growth Scenario 2**