

Chesterfield Borough Council - Chesterfield's Retail Offer



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Chesterfield: Retail Study

Executive Summary

Executive Summary (I)

- Chesterfield's catchment contains a number of competing centres, without one centre in particular dominating. Sheffield (17.9%) and Meadowhall (13.2%) capture more of the catchment than Chesterfield (8.6%). However, Chesterfield has a strong local appeal gaining a 52.8% share of the core catchment, significantly ahead of Sheffield (8.0%) and Meadowhall (7.5%).
- Compared to East Midlands and UK averages, Chesterfield has a strong representation of the following ACORN consumer groups; Affluent Greys, Settled Suburbia, Blue Collar Roots, Struggling Families and Burdened Singles. Currently 31.3% of the multiple retail offer is classified as value and just 4.3% premium (a ratio of 7.3:1), so the more affluent groups in the catchment are mainly catered for in terms of the mass retail offer. Compared to the benchmark towns there is an under-representation in premium retail.
- Chesterfield is currently ranked 130th in in CACI's ranking of over 4,000 Retail Footprint centres in Great Britain and 6th in the East Midlands region. In 2015 if no Northern Gateway development takes place then Chesterfield will slip to 133rd in Great Britain with the Westfield Nottingham extension and Clay Cross town centre redevelopment only producing a minimal impact to the south of the catchment.
- After conducting a town audit, just 6.1% of units in Chesterfield are vacant. At the time of the audit the vitality of The Pavements Shopping Centre from observations appeared to be suffering with a concentration of vacancies. However, units are already earmarked for new large national retailers (Sports Direct already now trading), along with a commitment to improve the shopping environment within the bounds allowed by the listed building. Market Hall is also set to be refurbished as currently the shopping experience inside is confusing with a catacomb layout, requiring a familiarity in order to successfully discover each retailer inside. From anecdotal LDC vacancy data, Chesterfield is in line with national average for vacancy and outperforming similar centres in terms of Retail Footprint Class, along with outperforming Mansfield.
- In terms of units there is a clear focus towards value and mass retailers. This is further evidenced by the open-air market that is not included as part of the figures, but will extensively house a value offer. 49.3% of units offering comparison goods provided a value orientation, with 45.8% a mass market position. Just 4.9% were focused on the premium market within Chesterfield.
- Chesterfield has an under-provision of Premium retailers and a slight over-provision of Value and Mass retailers compared to the chosen aspirational benchmark centres (Carlisle, Darlington, Warrington and Gloucester based on market size and demographic fit). In order to realise the potential for an increase in Premium provision it is likely Chesterfield will need to also improve the Value and Mass provision in order to create an appropriate image that will appeal to Premium retailers. Retailers that could do this and are present in the benchmark towns include TK Maxx, Debenhams, Topman, Oasis and La Senza.

Executive Summary (2)

- The Northern Gateway development provides the opportunity to address this imbalance as new space can be created that caters for multiple retailers (such as happened with the Vicar Lane development), in a new area of town that can be shaped as desired to attract quality value, mass and premium retailers. The successful development of Northern Gateway would move Chesterfield up to an Average Centre class from Lower Average Centre and move Chesterfield in to the top 100 centres in Great Britain (in 2015), increasing market potential from £231.0 million to £271.0 million.
- The Northern Gateway development will make Chesterfield a more attractive shopping destination and increase the market share and thus the amount of shoppers across the entire spectrum of ACORN groups. The areas of intense competition (similar market share to competing centres) have been narrowed to the postal sectors where Chesterfield also has a significant market share (greater than 10%). These areas provide achievable targets for consolidating market share and reducing leakage to competing centres.
- In 2016, the New Retail Quarter in Sheffield has been forecast to open (although there is currently a question mark over funding), and this will potentially have a significant impact in terms of expenditure leakage from the catchment. If the Northern Gateway development does not take place then the spend flowing to Chesterfield contracts by £27.5 million or 11.9% (compared to 2009). However, the development of Northern Gateway has the potential to increase spend by £40.0 million (17.3%) if the Sheffield development does not take place and still by £15.1 million (6.5%) if it does.
- When assessing the retail mix of Chesterfield compared to the benchmark towns there was an under-representation in particular of Fashion Stores, Electrical, Sportswear & Equipment and Restaurants. Retailers present in benchmark towns, within these categories, but not currently in Chesterfield include Scotts Fashion, Sony Centre and Millets. There is also potential for improving the value and mass provision where Northern Gateway could provide suitable sized units for retailers like TK Maxx and Debenhams.
- Chesterfield has a great historic core and with features such as the open air market offers a differing shopping experience to some of the main competitors. A view of enhancing this offer and supplementing with the Northern Gateway development would prevent the annual comparison expenditure from declining in the face of increased competition from Sheffield especially.

Chesterfield: Retail Study

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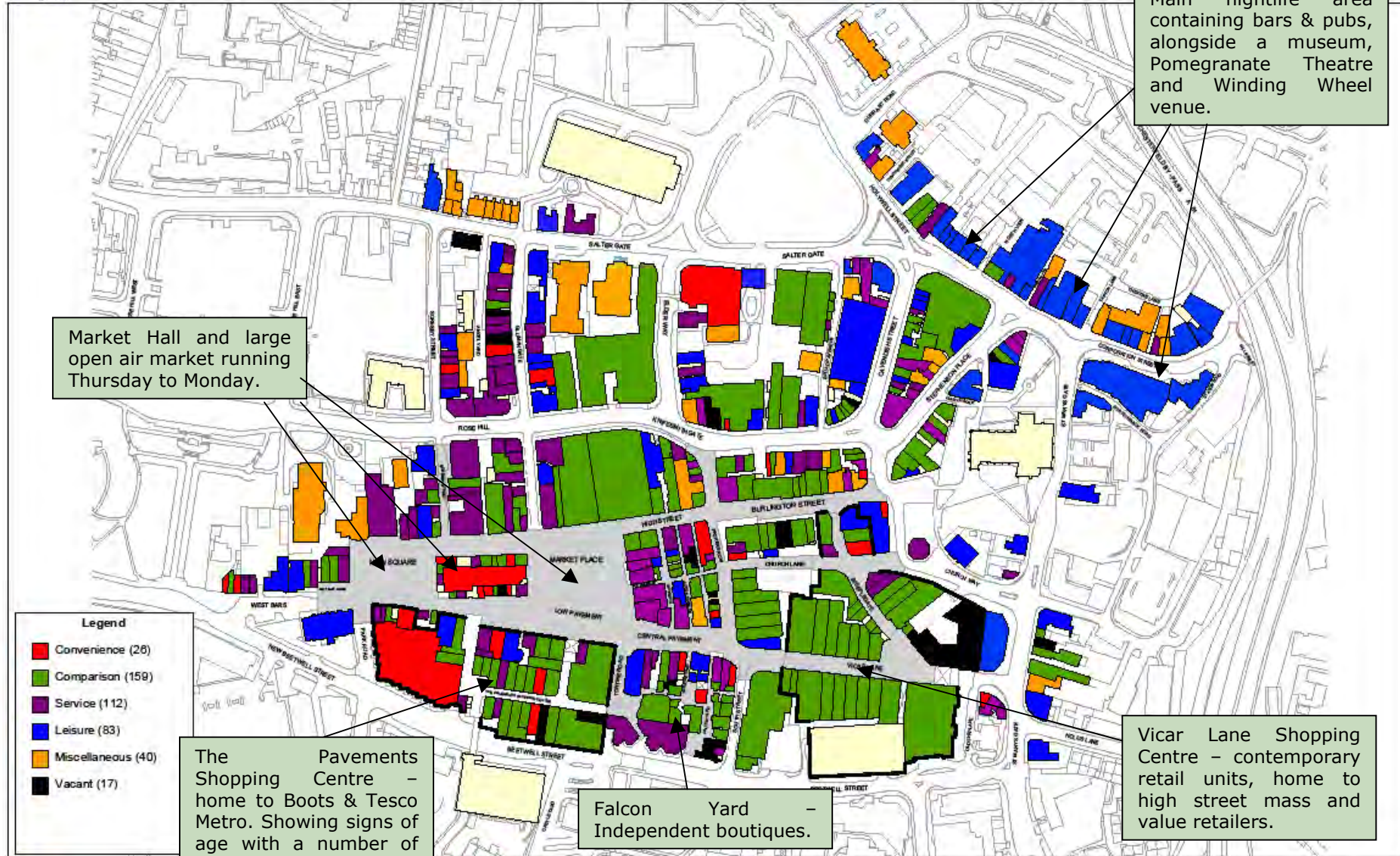
Introduction & Methodology

Project Scope

- ▶ CACI have been instructed by Chesterfield Borough Council to provide a strategic, independent evaluation of the market potential at Chesterfield.
- ▶ CACI will present Chesterfield currently, in 2015 if no development of Northern Gateway is undertaken and in 2016 based on the supplied Northern Gateway scenario. However, in 2016 the New Retail Quarter in Sheffield is projected to open, resulting in an increased level of competition from Chesterfield's most significant competitor. As such, a 'do nothing' and Northern Gateway scenario have also been provided in 2016 to demonstrate the impact of an increased retail critical mass in Sheffield.
- ▶ CACI have used the tenancy schedule outline to calculate the uplift in Retail Footprint attractiveness score for a 5-year horizon in 2015 and in 2016. These scenarios will incorporate the effects of competing retail developments in and around the centre's catchment.
- ▶ The scenario contains analysis on the change in catchment and associated demographics and spend. Market share by area of the catchment, along with leakage to competing centres are explored as well as highlighting the post-Northern Gateway Retail Footprint ranking, both regionally and nationally.
- ▶ An audit of the town also took place to assess the retail mix and market position of the town. Chesterfield has been benchmarked against comparative towns based on market size, retail class and demographics. The mix of these centres can then be used to identify gaps in the Chesterfield retail provision and also suggested retailers that are present in similar towns, but not currently Chesterfield.

Chesterfield: Stage I – Baseline Town Centre Audit

1. Baseline Town Centre Audit



Market Hall and large open air market running Thursday to Monday.

Main nightlife area containing bars & pubs, alongside a museum, Pomegranate Theatre and Winding Wheel venue.

Legend

Red	Convenience (28)
Green	Comparison (159)
Purple	Service (112)
Blue	Leisure (83)
Orange	Miscellaneous (40)
Black	Vacant (17)

The Pavements Shopping Centre - home to Boots & Tesco Metro. Showing signs of age with a number of vacancies that are in the process of being filled.

Falcon Yard - Independent boutiques.

Vicar Lane Shopping Centre - contemporary retail units, home to high street mass and value retailers.

Retailer Profile Summary: Detailed Categories

Category	Fine Category	Example Retailers	Chesterfield Units	Chesterfield % of Units	
Clothing	Childrenswear	Baby Linen House	2	0.5%	
	Department Stores	Co-op Department Store	3	0.7%	
	Fashion Stores	H&M, River Island, New Look	6	1.5%	
	Haberdashery/Fashion Accessories	Claire's	7	1.7%	
	Ladieswear	Evans, Ann Summers	18	4.4%	
	Menswear	Burtos, Greenwoods	5	1.2%	
	Mixed Clothing	Peacocks, Next	5	1.2%	
Footwear	Footwear	Clarks, Jonathan James	7	1.7%	
Jewellery	Jewellers	Ernest Jones, H Samuel	13	3.2%	
Leisure	Arts, Crafts & Giftware	Past Times, A for Art	6	1.5%	
	Books	Waterstone's, WH Smith	4	1.0%	
	Electrical	Panasonic, Comet	7	1.7%	
	Greeting Cards & Stationery	Clinton Cards, Card Factory	8	1.9%	
	Mobile Phones/Telecommunications	O2, Orange	8	1.9%	
	Music, DVD and Computer Games	HMV, Game	5	1.2%	
	Sportswear & Equipment	JD Sport, Yeomans	3	0.7%	
	Toys	Early Learning Centre	4	1.0%	
Personal Care	Drugs/Toiletry	Boots, Bodycare	9	2.2%	
Homewares	Catalogue Showrooms	Argos	2	0.5%	
	Drapery/Soft Furnishings	Amber Textiles	5	1.2%	
	Variety Stores	Wilkinson, Poundworld	5	1.2%	
Food Catering	Bakers	Greggs	6	1.5%	
	Cafes, Snack Shops & Tea Rooms	Costa, BB's	14	3.4%	
	Fast Food/Take Away	McDonalds, Subway	15	3.6%	
	Restaurants	The Spire Chinese Restaurant	7	1.7%	
Food Retail	Confectionery	Thorntons, Alcco	7	1.7%	
	Convenience Stores	West Bars Convenience Store	2	0.5%	
	Grocery	Tesco	11	2.7%	
	Health Foods	Holland & Barrett	3	0.7%	
Non Core	ABTA Travel Agents	Thomas Cook, Thomson	11	2.7%	
	Banks & Building Societies	RBS, Halifax	18	4.4%	
	Bookmakers	Ladbrosks	5	1.2%	
	Charity Shops	Age Concern	13	3.2%	
	CTN	Hurell's Newsagent	4	1.0%	
	Estate Agents	Frank Innes	12	2.9%	
	General Furniture	Holywell Carpets, Eyres	5	1.2%	
	Hair & Beauty Salons	Toni & Guy, Supercuts	18	4.4%	
	Opticians	Vision Express	11	2.7%	
	Pubs, Bars & Clubs	Livingstone's	47	11.4%	
	Other Services	Quiksilver Amusements	46	11.2%	
		Vacant		25	6.1%
	Total			412	100%

- ▶ The table shows a detailed retail category breakdown of units at Chesterfield, along with the proportion of units that fall in each category.
- ▶ Fashion is comprised of Clothing, Footwear and Jewellery, which was the use of 16.0% of units in Chesterfield.
- ▶ The largest category was Pubs, Clubs & Bars with 47 units dedicated to this area.
- ▶ Just 6.1% of units in Chesterfield are vacant. At the time of the audit the vitality of The Pavements Shopping Centre from observations appeared to be suffering with a concentration of vacancies. However, units are already earmarked for new large national retailers, along with a commitment to improve the shopping environment within the bounds allowed by the listed building.
- ▶ Vacancy reporting from LDC suggests the town is performing in line with the national average and outperforming other similar towns that are in the same Retail Footprint class, such as Blackburn, Burnley and Mansfield.

Retailer Profile Summary: Market Position

- The following chart shows a summary of market positioning of current comparison retailers in Chesterfield.

Market Position:

Category	Units	% of Units
Value	71	49.3%
Mass	66	45.8%
Premium	7	4.9%
Total	144	100.0%

- In terms of units there is a clear focus towards value retailers. This is further evidenced by the open-air market that is not included as part of the above figures, but will extensively house a value and mass offer.
- In terms of multiple fashion retailers, Monsoon is illustrative of the town's current level of premium retail offer. Of the independent retailers, Falcon Yard was a destination for premium boutique shopping, with Three Boutique fitted attractively, hosting bags and dresses. This same area also featured premium independent confectioner Alcco and jeweller M's Gallery. Other boutiques are dispersed such as Zebra on Holywell Street/Corporation Street and Newport on Cavendish Street.
- Vicar Lane is the most recently developed part of Chesterfield and as such provided units of suitable size for mass and quality value multiple retailers with familiar names that are found in many centres across the country.
- The Pavements Shopping Centre and Market Hall provided an almost exclusively value offer. This offer is supplemented outside by the large value focused open-air market.
- Overall, Chesterfield has retained a strong market town feel and avoided becoming a 'clone town' by interweaving high street brands, with retailers unique to Chesterfield. There would appear anecdotally to be a lack of shops that would appeal to younger shoppers, especially those affluent or interested in quality fashion be it affordable quality value or mass.

Photographs



2i. Retail Catchment Analysis

Retail Footprint '09

- ▶ Retail Footprint is the most extensive and expansive retail centre catchment model available.
- ▶ It is a gravity model that defines catchments for shopping centres selling Comparison Goods in Great Britain.
- ▶ These catchments overlap because, as in reality, people living in a postal sector will shop at a range of different shopping centres.
- ▶ Retail Footprint calculates comparison expenditure and shopper populations for each centre based on the principles that:
 - ▶ People are more likely to visit larger, more attractive centres.
 - ▶ People are more likely to visit centres that are easily accessible to them (based on a combination of distance and drive-time).
- ▶ This (non-bulky) Comparison Goods model looks specifically at catchments for 'comparison shopping' products, such as clothing and footwear, books and DVDs.
- ▶ Retail Footprint '09 features over 4,000 centres, and now includes catchments of freestanding supermarkets and includes in its scoring process the draw of bulky goods retailers.



Retail Footprint 2009: Gravity Modelling Methodology

- ▶ Within CACI's Retail Footprint gravity modelling system all retailers trading in every venue are scored based on average turnover (weighted based on specific quantitative & qualitative locational characteristics).
- ▶ The spatial distribution of expenditure for every GB postal sector is then calculated given this competitive hierarchy and a DriveTime matrix from every postal sector to every competing retail venue.
- ▶ In order to define sub-catchments, all GB postal sectors are ranked according to a centre's achieved market share penetration, with the greatest percentage at the top.
- ▶ These proportions are then accumulated until at least 50% of total available catchment expenditure captured by the centre has been assigned - this defines the primary catchment.
- ▶ The remaining sectors are then accumulated to define the 3 remaining catchments at 75% (secondary), 90% (tertiary) and 100% (quaternary) respectively.
- ▶ In order for Northern Gateway development scenarios to be comparable, the population and spend remains at 2009 level. The spend only relates to residents, with tourist spend outside the scope of Retail Footprint.

Expenditure Categories

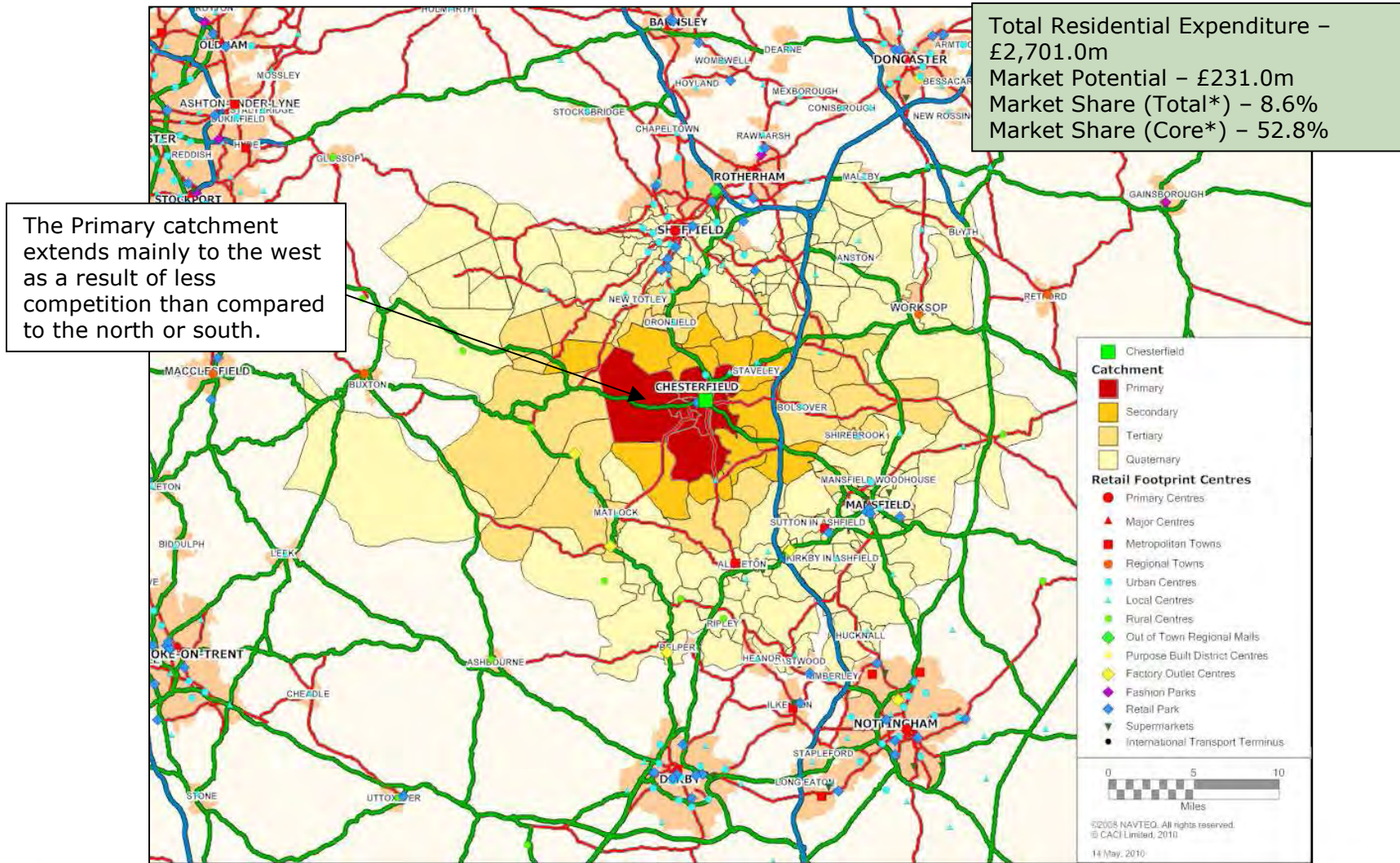
- The table shows CACI's definition of Comparison Goods categories. Expenditure figures quoted throughout this report refer to Comparison Goods, unless otherwise stated, and are at 2009 prices.

Retail Sector	Retail Category	Retail Product		
Comparison Goods	Clothing & Footwear	Womenswear	Clothing Materials	
		Menswear	Accessories	
		Childrenswear	Footwear	
		Haberdashery		
	House & Home	China, Glass & Fancy Goods		
		Small Household Electricals		
		Glassware, Tableware & Utensils		
Leisure Goods	Music & Video	Books		
	Toys & Hobbies	Bikes		
	Computer Games Consoles	Leather & Travel		
	Sports Equipment			
Personal Goods	Communications			
	Jewellery			
	Baby Equipment			
	Stationery & Cards			
Personal Care	Personal Care Electrical Appliances	Toiletries		
	Sunglasses	Cosmetics & Perfume		
	Chemist Goods			
	Other Medical Products			
Durable Goods	Furniture	Appliances	TV, Audio & Video	
	Garden Furniture	Tools	Cameras & Binoculars	
	Floor Coverings	Garden Tools	Personal Computers	
	Household Textiles	Other DIY	Paint & Wallpaper	
Convenience Goods	Convenience Goods	Provisions	Newspapers & Magazines	
		Alcohol	Confectionery	
		Tobacco	Household Convenience	
Catering	Catering	Restaurants		
		Take Away		

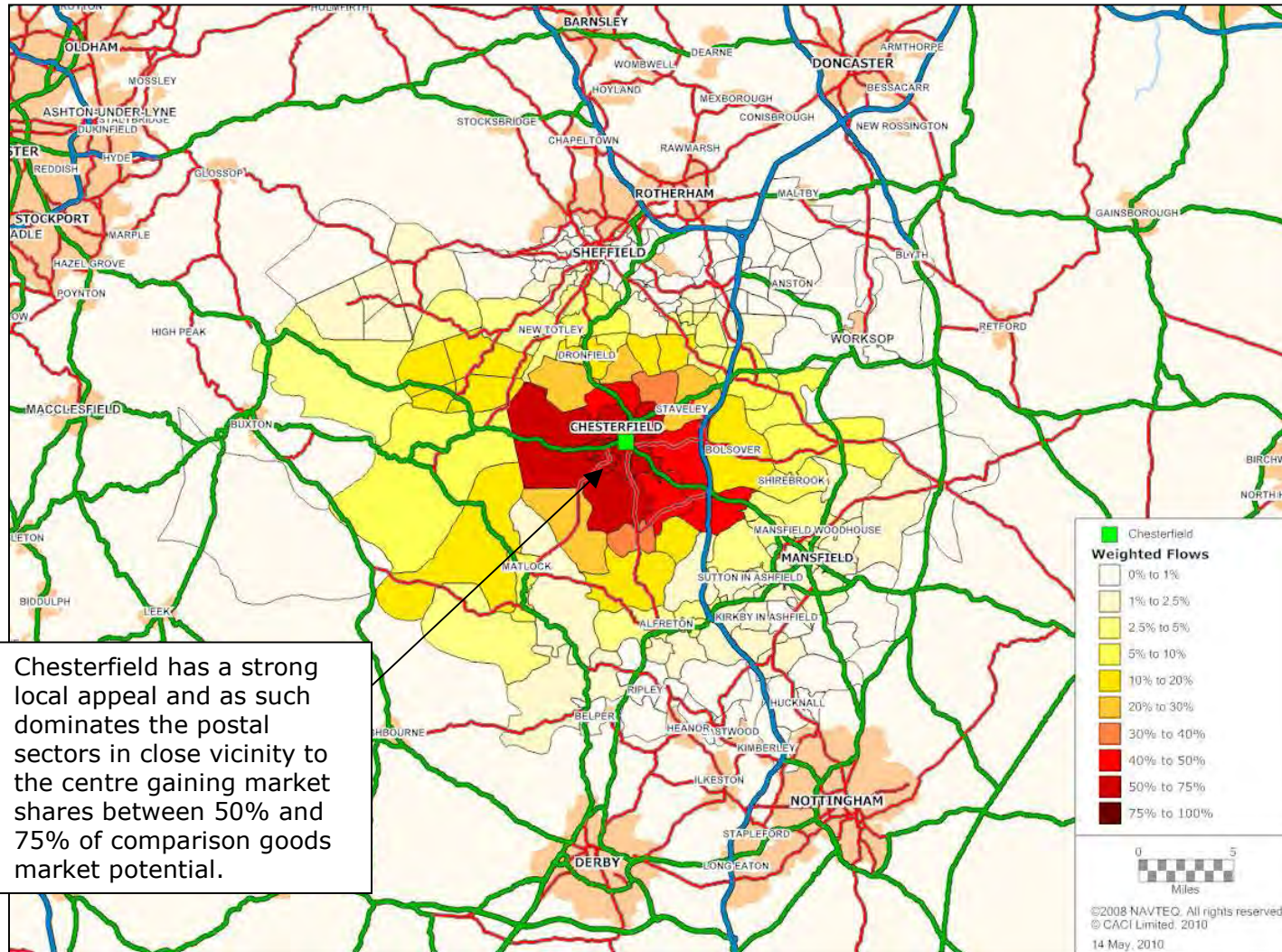
Chesterfield: Current Status

- ▶ Chesterfield is currently classed as a 'Lower Average Centre' in Retail Footprint, which forms part of the 'Major Centres' category. It has a Retail Footprint score of 391.
- ▶ 'Major Centres' are large 'traditional' High Street centres located in the middle of either large towns or 'secondary' regional cities. They are the second tier in the regional shopping hierarchy in terms of both the number of comparison outlets and shopper numbers.
- ▶ 'Lower Average Centres' have a majority of mass retailing, but also greater than 30% value retailing and hence possess a slight bias towards the lower end of the market.
- ▶ Other examples of 'Lower Average Centres' in Retail Footprint include:
 - ▶ Burton-on-Trent
 - ▶ Grimsby
 - ▶ Blackpool
 - ▶ Slough

Chesterfield: 2009 Catchment



Chesterfield: 2009 Market Shares



Chesterfield has a strong local appeal and as such dominates the postal sectors in close vicinity to the centre gaining market shares between 50% and 75% of comparison goods market potential.

Chesterfield: 2009 Catchment Summary

Catchment	Total Population	Shopper Population	Total Market Potential (£m)	Centre Expenditure Potential (£m)	Market Share (%)
Primary	89,696	56,569	£197.0	£124.4	63.1%
Secondary	61,425	22,539	£126.2	£46.1	36.6%
Tertiary	169,362	15,796	£384.4	£35.6	9.3%
Quaternary	843,628	10,415	£1,993.4	£24.8	1.2%
Total	1,164,111	105,319	£2,701.0	£231.0	8.6%

Source: Retail Footprint '09

- The table shows population and expenditure (Comparison Goods categories) for the Primary, Secondary, Tertiary and Quaternary areas of Chesterfield's current Retail Footprint catchment.
- Centre expenditure potential being attracted to Chesterfield from across its total catchment area is currently £231.0 million, which equates to an 8.6% market share of total available expenditure in the catchment.
- Market share rises to 63.1% in the Primary catchment, from where the first 50% of shopper flows originate, and which equates to £124.4 million of Comparison Goods expenditure per annum.
- Retail Footprint predicts that a further £46.1 million of Comparison Goods market potential is captured from the Secondary catchment, from where the next 25% of shoppers originate. This equates to a 36.6% market share in this area of the catchment.
- In the Tertiary and Quaternary catchment, from where the next 15% and final 10% of shoppers originate respectively, Chesterfield captures market shares of 9.3% and 1.2%.
- From a total catchment population of just over 1.16 million, Retail Footprint predicts that over 105,000 will be regular Chesterfield shoppers.

Chesterfield: 2009 Catchment Expenditure

	Chesterfield Expenditure per Annum (£m)	Chesterfield Spend per Household (£)	Chesterfield Spend per Household Index to East Midlands
Clothing	£57.2	£1,204	93
Footwear	£10.2	£215	92
House & Home	£9.6	£203	93
Leisure Goods	£42.8	£900	94
Personal Goods	£12.2	£256	94
Personal Care	£28.7	£603	94
Durable Goods	£70.2	£1,478	94
Comparison Goods	£231.0	£4,858	94
Convenience	£198.1	£4,166	97
Catering	£53.5	£1,125	92
Total Retail Spend	£482.5	£10,150	95

Source: Retail Footprint '09

- ▶ Chesterfield's Comparison Goods market potential of £231.0 million rises to £482.5 million when spend on Catering and Convenience Goods is included.
- ▶ Durable Goods is the largest of the Comparison Goods spend categories at £70.2 million.
- ▶ Clothing & Footwear is the next largest category, at £57.2 million of market potential.
- ▶ Spend on Comparison Goods categories in Chesterfield's catchment is around 6% below the East Midlands average.

Chesterfield: 2009 Leakage to Competing Centres

- Chesterfield currently has an 8.6% market share of its total catchment area; i.e. 91.4% of shoppers living in the catchment are currently shopping elsewhere.
- The catchment contains a number of competing centres, without one centre in particular dominating. Sheffield (17.9%) and Meadowhall (13.2%) capture more of the catchment than Chesterfield (8.6%).
- Chesterfield has the highest market share in the core (Primary + Secondary) catchment, at 52.8%. Other key competing centres in the core catchment include Sheffield (8.0%), Meadowhall (7.5%) and Nottingham (4.0%).

Retail Footprint Centre	Retail Footprint Class	RF Score	Distance (Miles)	Market Share (Core)	Market Share (Total)
Sheffield	Average Regional Centres	671	10.2	8.0%	17.9%
Meadowhall	Average Out of Town Regional Malls	676	12.4	7.5%	13.2%
Chesterfield	Lower Average Centres	391	0.0	52.8%	8.6%
Nottingham	Principal Centres	1,269	22.7	4.0%	7.6%
Mansfield	Value Centres	330	11.4	1.5%	5.6%
Sheffield - Crystal Peaks	Value Purpose Built District Centres	198	8.0	3.3%	4.8%
Worksop	Value Regional Towns	269	13.5	0.6%	3.2%
Mansfield - McArthurGlen Outlet Centre	Major FOCs Mass Market	66	10.1	3.1%	2.6%
Derby	Average Regional Centres	841	21.8	1.2%	2.5%
Sutton-in-Ashfield	Value Metropolitan Towns	167	10.3	0.2%	2.0%
Rotherham - Retail World Retail Park	Super Parks	200	14.8	0.6%	1.6%
Sheffield - Heeley Retail Park	Retail Parks Majority Fashion	54	8.6	1.3%	1.6%
Alfreton	Value Metropolitan Towns	118	9.7	1.2%	1.5%
Mansfield - St Peters Retail Park	Retail Parks Majority Fashion	50	11.5	0.6%	1.4%
Sheffield - Drake House Retail Park	Retail Parks Minority Fashion	81	8.2	0.8%	1.4%
Mansfield - Mansfield Retail Park	Retail Parks Minority Fashion	57	11.7	0.3%	1.3%
Sheffield - Hunters Bar	Average Non-London Urban Centres	56	9.7	0.1%	1.1%
Ripley	Rural Centres	76	12.8	0.2%	1.1%
Mansfield - Portland Retail Park	Retail Parks Minority Fashion	45	11.5	0.2%	1.0%

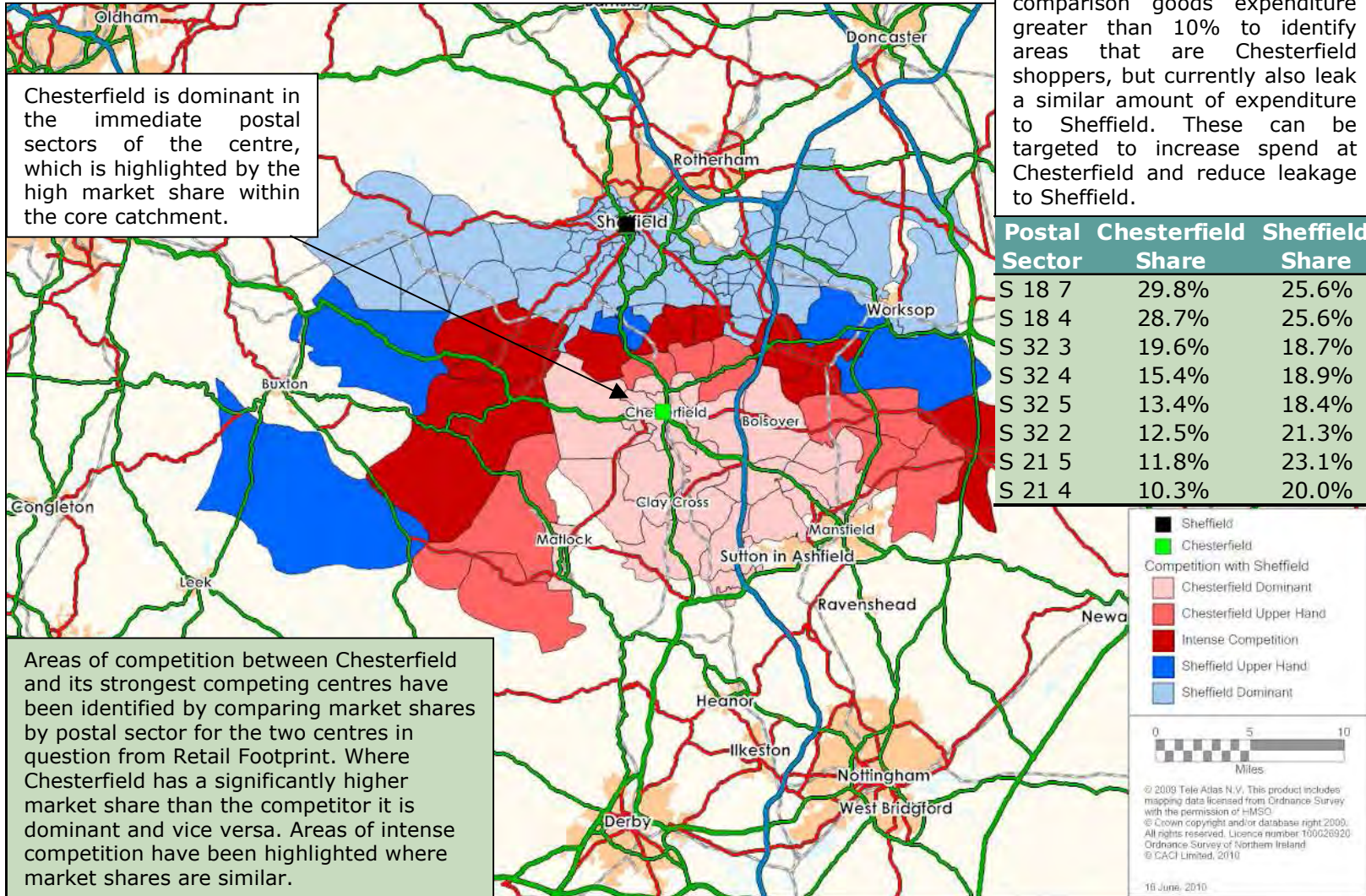
Source: Retail Footprint '09

Chesterfield: Tesco Extra

- ▶ There is a Tesco Extra located 0.84 miles outside of Chesterfield town centre on Lockoford Lane.
- ▶ The Tesco offers a pharmacy, phone shop, photo processing and café, a clothing section and along with free car parking could potentially have a negative impact on the town centre.
- ▶ However, Chesterfield has a great historical core and the local feel offers a different shopping experience to this modern competing destination.
- ▶ It is perhaps the familiarity of the town that leads the Tesco Extra to be viewed as almost exclusively a grocery destination, in spite of the alternative offers available in this location.



Chesterfield: Battle with Sheffield

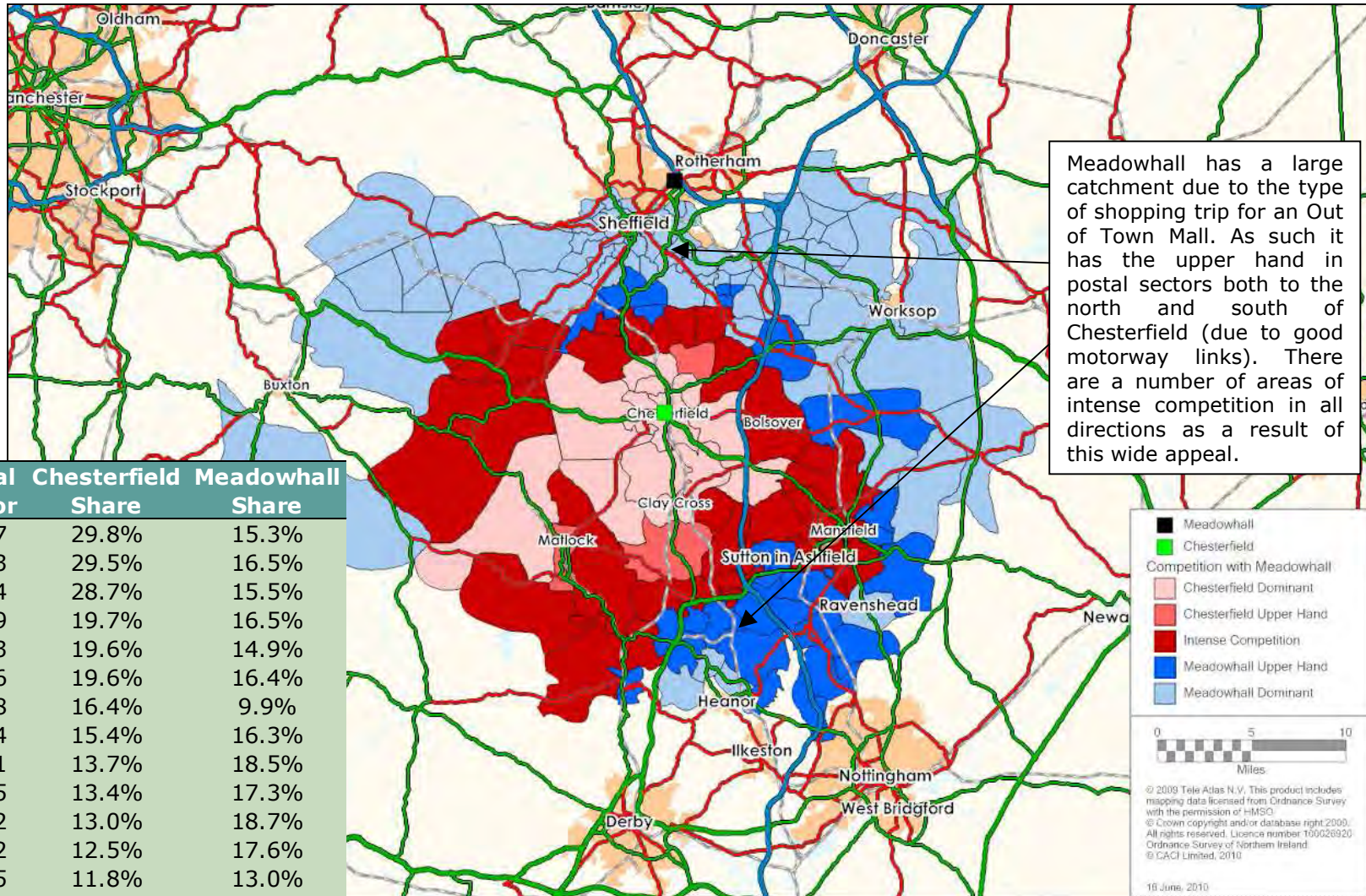


Chesterfield is dominant in the immediate postal sectors of the centre, which is highlighted by the high market share within the core catchment.

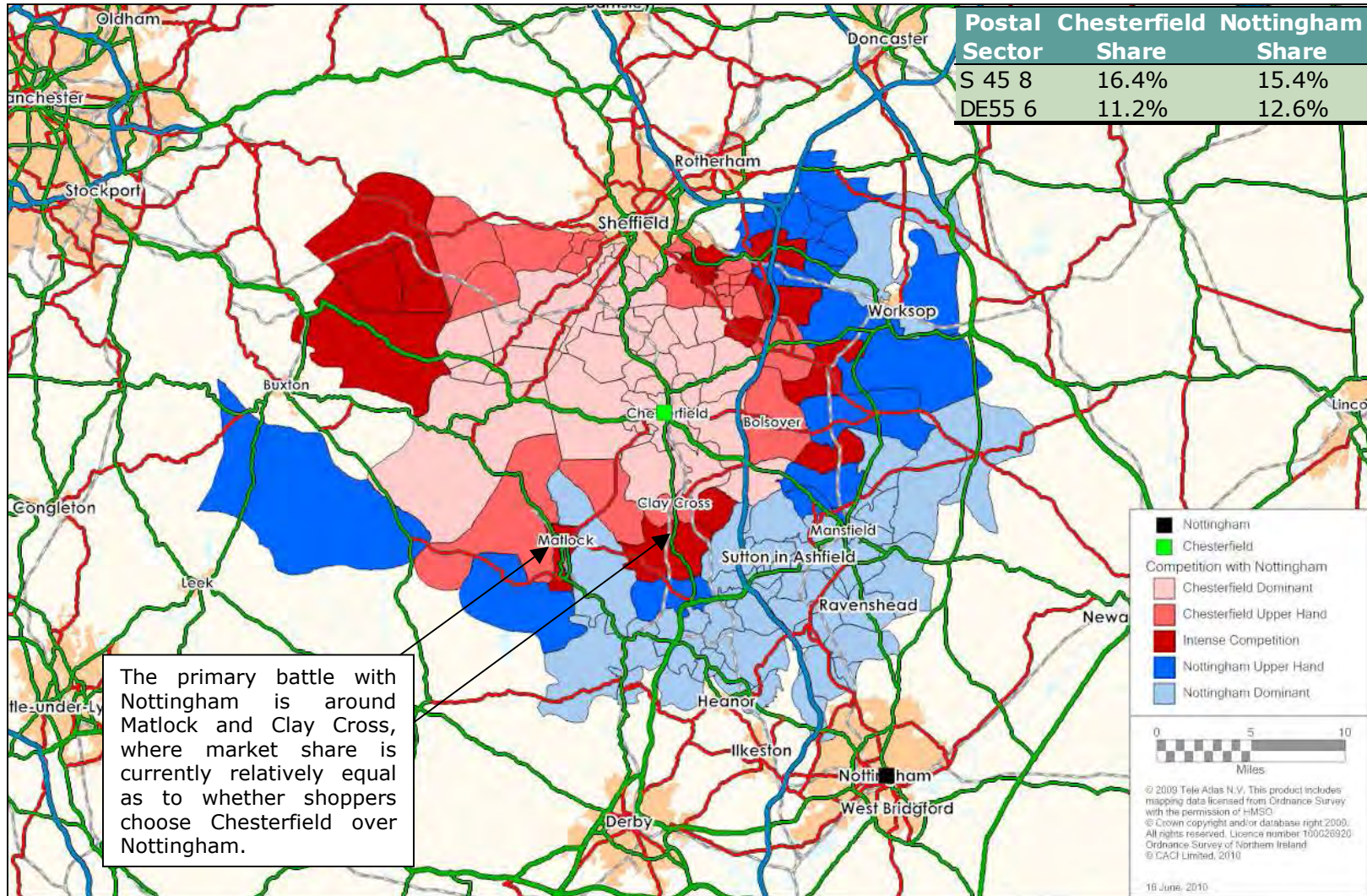
The areas of intense competition have been narrowed to the postal sectors where Chesterfield has a current market share of comparison goods expenditure greater than 10% to identify areas that are Chesterfield shoppers, but currently also leak a similar amount of expenditure to Sheffield. These can be targeted to increase spend at Chesterfield and reduce leakage to Sheffield.

Areas of competition between Chesterfield and its strongest competing centres have been identified by comparing market shares by postal sector for the two centres in question from Retail Footprint. Where Chesterfield has a significantly higher market share than the competitor it is dominant and vice versa. Areas of intense competition have been highlighted where market shares are similar.

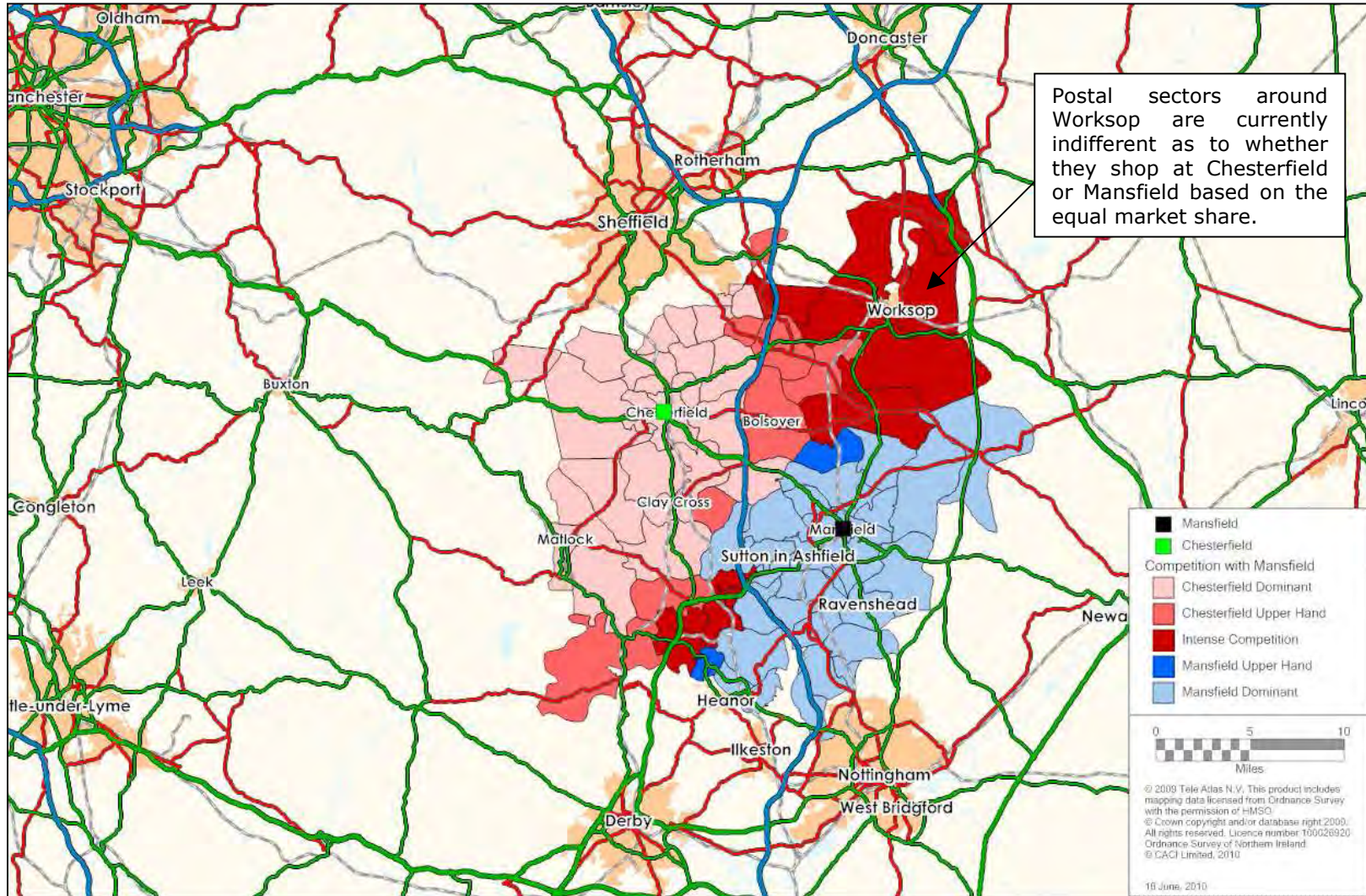
Chesterfield: Battle with Meadowhall



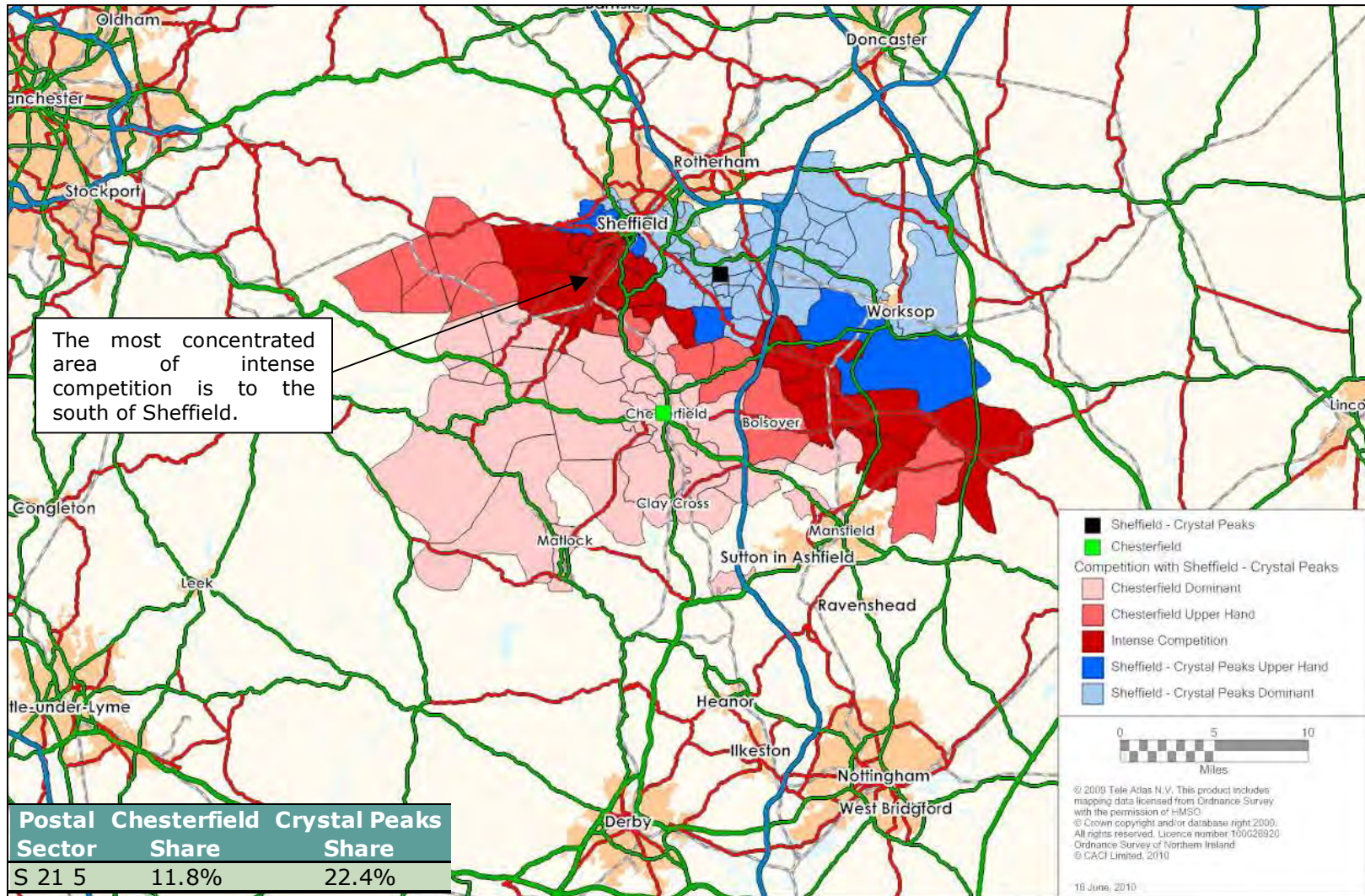
Chesterfield: Battle with Nottingham



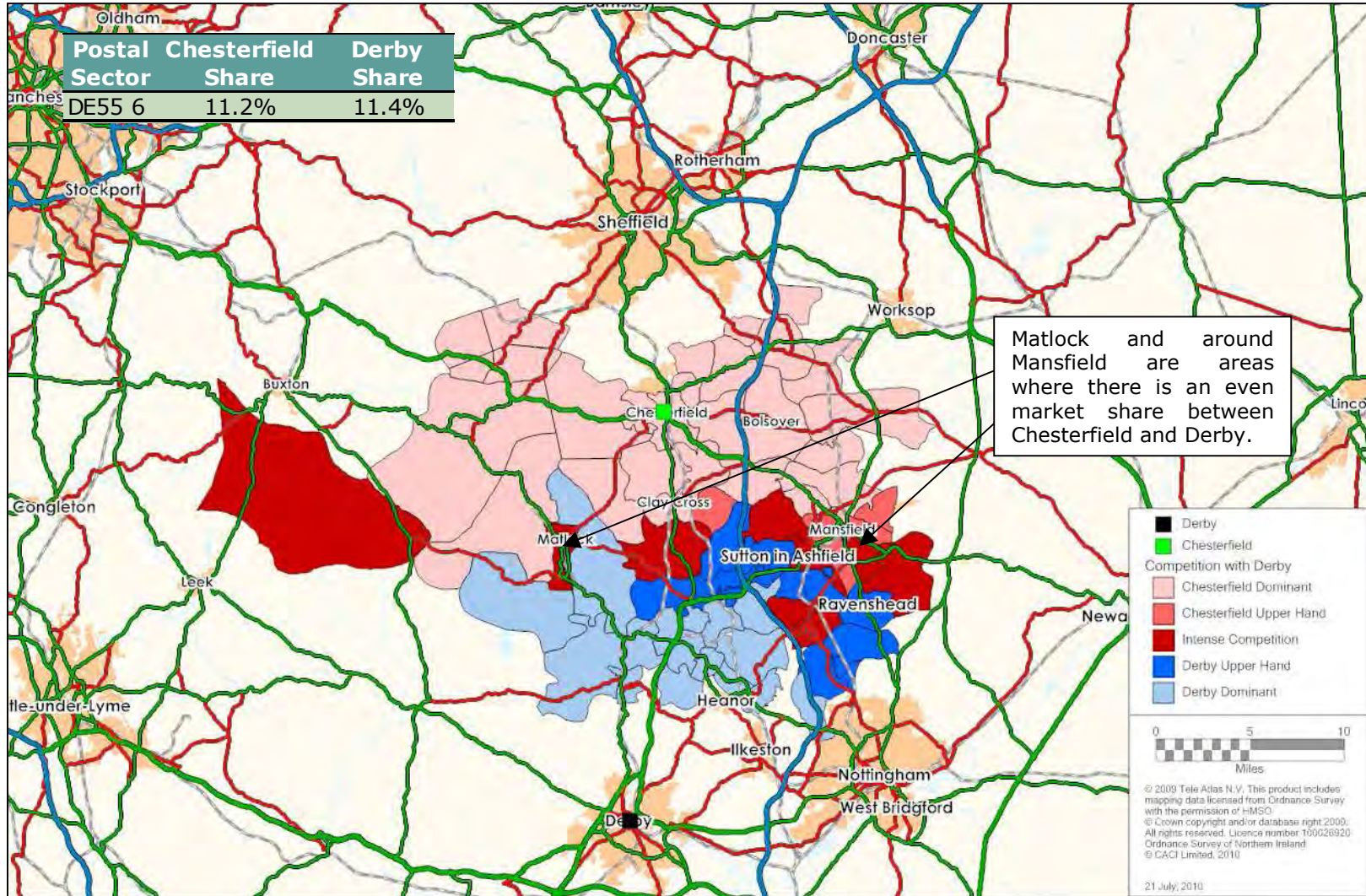
Chesterfield: Battle with Mansfield



Chesterfield: Battle with Sheffield – Crystal Peaks



Chesterfield: Battle with Derby



Chesterfield: 2009 Market Positioning – Multiple Retailers

- ▶ When only considering multiple retailers, Chesterfield currently has 31.3% of the market orientated towards value retail, with a further 64.5% of mass retail.
- ▶ There is very little premium provision (4.2%), with competitors Sheffield (15.3%), Meadowhall (27.3%) and Nottingham (27.8%) all containing a significantly greater proportion of premium retailers. Although Chesterfield has more premium retail provision than both Mansfield and Sheffield – Crystal Peaks.
- ▶ Therefore it is understandable that any shoppers looking to purchase premium goods will most likely be leaked to these destinations.

