SUNDERLAND CORE STRATEGY

Retail Needs Assessment Update

Volume 1: Executive Summary

Sunderland City Council

April 2012

in association with

Mike Holliss
m: 07773 398813 **e:** mike@hollissvincent.com
Hollie Vincent
m: 07500 864479 **e:** hollie@hollissvincent.com

www.hollissvincent.com

CONTENTS

1 STUDY BRIEF AND CHANGES SINCE THE SRNA

Study Brief

1.1 Sunderland City Council commissioned Roger Tym and Partners, in association with hollissvincent, to undertake this Retail Needs Assessment Update in January 2012. The Update draws on the original Sunderland Retail Needs Assessment (SRNA) of September 2009, which utilised a survey of households undertaken by NEMS Market Research in November 2008 to establish patterns of shopping expenditure in the comparison and convenience goods sectors.

1.2 The study brief has four elements, as follows:

i. to identify the likely requirement for new retail floorspace in the comparison and convenience sectors up to 2032;

ii. to assess qualitative need and identify deficiencies in retail provision across the City Council's administrative area;

iii. to identify where the additional comparison and convenience floorspace should be located; and

iv. to consider whether there is a requirement to amend the City Centre Retail Core boundary, as defined in UDP Alteration No.2, Policy S2A.

1.3 The Update Study has a forward time horizon to 2032 and forms part of the evidence base for the Council's emerging Core Strategy Development Plan Document.

1.4 In undertaking this Update Study, we have utilised the most up to date data available. In particular we use:

i. information on per capita expenditure provided by Pitney Bowes Business Insight for 2009 in 2009 prices;

ii. population per zone in 2009, again as provided by Pitney Bowes Business Insight;

iii. the ONS 2008 based sub-national population projections;

iv. the most up to date forecast for per capita expenditure growth, using a mid-point between Experian's forecast from Figures 1a and 1b of its Retail Planner Briefing

Note 9, published in September 2011, and the Pitney Bowes Business Insight/Oxford Economics forecast in Table 3.5 of its Retail Expenditure Guide Spending Update of November 2011; and

v. data on retailer sales densities from Verdict 2011.

1.5 All monetary figures in this Update Report are expressed in year 2009 prices, whereas the original study had a year 2006 price base.

Changes Since the Original Sunderland Retail Needs Assessment

1.6 The original Sunderland Retail Needs Assessment (SRNA) identified need in the comparison goods sector up to 2026 in the range 60,600 sq.m to 87,700 sq.m gross (Paragraph 6.70 of the original study). This range assumed a moderate to significant increase in the proportion of comparison goods expenditure retained by shopping centres and shopping facilities within the catchment area. However, the depth and duration of the recession has meant that expenditure growth forecasts are now much lower, so that a scaling back of the quantitative need is inevitable.

1.7 In the convenience sector, the original study found that there was a limited quantitative need overall of just 4,460 sq.m gross up to 2026 (Paragraph 6.75 of the original study). Nevertheless, the study identified localised deficiencies in convenience goods to the north of the City Centre and in the area surrounding Houghton-le-Spring (Paragraph 6.76 of the original study). The study also identified a qualitative need for further convenience retail provision within Sunderland City Centre itself.

1.8 Since the time of the original study, planning permissions have been granted for the redevelopment of the Sunderland Retail Park, to be anchored by a Tesco superstore with a sales area of 8,400 sq.m, and for the redevelopment of a site at Riverside Road, which will provide for a superstore for Sainsbury's, with a sales area of 5,611 sq.m. In addition, planning consent has been given for a new local centre at North Hylton, which will provide for a medium sized foodstore, together with a range of non-food units. As a consequence, the localised deficiency in North Sunderland is being addressed by these commitments.

1.9 In Houghton-le-Spring, the localised deficiency will be met by bringing forward a food superstore at the Houghton Colliery site, which has long been identified for mixed-use development, including shopping, under Policy HA31 of the adopted UDP.

1.10 In the City Centre, the major development opportunity at Holmeside has not yet progressed, but this site still offers potential for both convenience and comparison retailing as part of mixed-use development. Other development opportunities within the City Centre include the Crowtree Leisure Centre, the land to be brought forward as a result of the proposed realignment of St. Mary's Way and Sunderland Station.

1.11 In Washington, the Western Car Park site, identified under Policy WA34.1 of the UDP, remains undeveloped after many years, which is perhaps an indication of significant viability issues.

Structure of Report

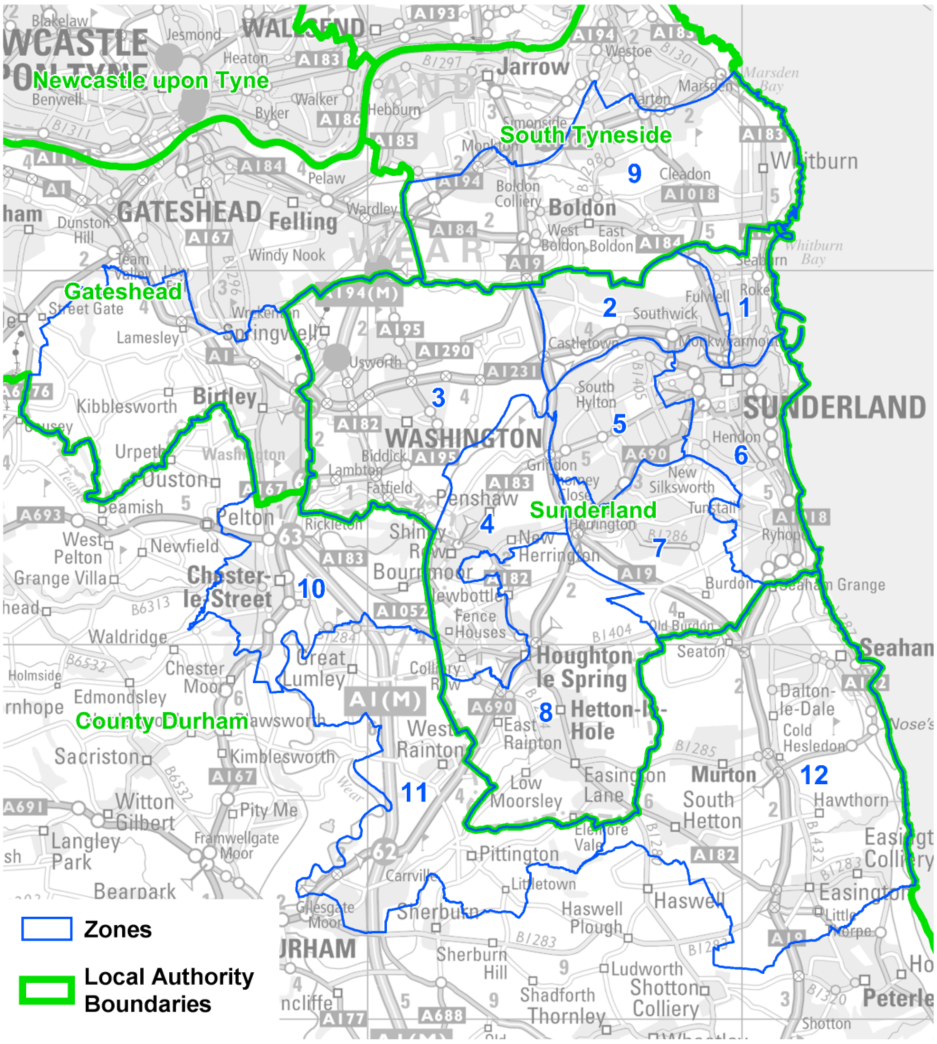
1.12 The remainder of this executive report is as follows:

- Section 2 provides a resume of existing shopping patterns, as derived from the NEMS from the November 2008 survey;
- Section 3 sets out the findings in relation to quantitative need;
- Section 4 deals with qualitative need; and
- Section 5 sets out are recommendations in relation to locations for meeting the identified retail needs.

2 SHOPPING PATTERNS IN 2008

2.1 The retail spending patterns derive form a survey of 1,200 households undertaken by NEMS Market Research in November 2008. The survey area (Figure 2.1) covers the whole of the administrative area of Sunderland and part of South Tyneside to the north, part of Gateshead to the west and parts of Durham to the south-west and the south-east. The survey area, which represents the overall catchment area for Sunderland, has a population in 2011 of approximately 438,000 and was divided into twelve zones based on wards. Zones 1 and 2 form North Sunderland, Zone 3 is Washington, Zones 4 and 8 are the Coalfield and Zones 5, 6 and 7 represent Central Sunderland.

Figure 2.1 The Overall Catchment Area (the OCA) of Sunderland



Digital Map Data © Collins Bartholomew Ltd 2011

2 0 2 4 6 8 10
Kilometres

Comparison Goods Spending Patterns

2.2 The November 2008 NEMS survey has been rolled forward to a new base year of 2011, assuming that comparison goods shopping patterns have not changed materially in the intervening period (Spreadsheets 2 and 3a). Indeed, the only significant retail developments that have occurred since November 2008 are an extension to the Sainsbury's store at Silksworth Lane and an extension to the retail floorspace at the ASDA store at Leechmere Road. Thus, the main findings in relation to comparison goods spending patterns (Spreadsheet 3a) are that:

- 56.0 per cent of the comparison goods expenditure of residents of Sunderland's overall catchment area (the OCA) is spent in town centres, retail parks and free-standing stores located within the OCA.
- The highest localised levels of comparison goods expenditure retention, as expected, are Zone 6, which contains Sunderland City Centre and Zone 3, which contains Washington Town Centre.
- Sunderland City Centre secures a comparison goods market share in excess of 40 per cent in Zones 1, 2, 5, 6 and 7, which collectively constitute its core catchment. The City Centre's comparison goods market share is highest in Zones 2 (North West Sunderland) and in Zone 5 (West Sunderland).
- The City Centre's comparison goods market share is lower than 20 per cent in all other zones, except Zone 12 (Seaham and Easington), which suggests that there is room for improvement in its performance as a sub-regional centre. Indeed, the City Centre's comparison goods market share for residents of the Coalfield is just 16 per cent and for residents of Washington it is just five per cent.
- The primary sources of leakage of comparison goods expenditure are to Special Forms of Trading (SFT), which accounts for £111m, to Newcastle City Centre which accounts for £88m, to the Metro Centre at Gateshead which accounts for £75m and to South Shields Town Centre which accounts for £45m.
- Sunderland City Centre has an estimated comparison goods turnover of £291m and Washington Town Centre has an estimated comparison goods turnover of £92m.

- Houghton-le –Spring Town Centre has a comparison goods turnover of just £4.6m, which is less than a third of the expenditure which flows to each of the Pallion and Trimdon Street Retail Parks and to the ASDA at Boldon Colliery.

2.3 In order to assess likely changes in retail spending patterns up to 2017, we have modelled the impact of eight planning commitments, including the extensions which have already occurred to the Sainsbury's store at Silksworth Lane and to the ASDA at Leechmere Road. Other commitments include the Sunderland Riverside Retail Park, the proposed Sainsbury's store at Riverside Road, the new Local Centre at North Hylton, Phase 2 of the Peel Centre in Washington and the Armstrong Retail Park in Washington.

2.4 The effect of these commitments increases the aggregate comparison goods retention rate from 56.0 per cent to 58.7 per cent (Spreadsheet 10). However, all of the commitments are located in out of centre locations, so that there would be a drop in the share of comparison goods expenditure achieved by the City Centre from 28.1 per cent at the time of the 2008 survey, to 24.1 per cent (Spreadsheet 10 compared to Spreadsheet 3a). There would also be a reduction in Washington Town Centre's market share from 8.9 per cent to 7.9 per cent.

Convenience Goods Spending Patterns

2.5 The pattern of convenience goods spending, as revealed by the November 2008 NEMS survey, are set out in Spreadsheets 12 and 13a; these reveal that:

- the overall aggregate retention level is 82.0 per cent, with the main leakage destinations being to stores in Durham and to South Shields Town Centre;
- the highest localised retention rates – which is the proportion of expenditure of residents of a specific zone which is spent in shops located within that zone – is highest in Zone 3 (Washington), at 87.5 per cent, and in Zone 1 (North East Sunderland), at 72.1 per cent;
- the localised retention rate in Zone 2 (North West Sunderland) is just 8.3 per cent and the combined retention rate for the Coalfield area (Zones 4 and 8) is also low, at 23.3 per cent.

2.6 The low localised retention rates in Zones 2, 4 and 8 were the reasons for the identification of the Coalfield and North Sunderland as gap areas in the original study.

2.7 Table 2.3 of our main report summarises the primary destinations for convenience goods expenditure, based on the November 2008 survey. Table 2.3 reveals the dominance of large food superstores. Indeed, some £313m of convenience expenditure flows to just seven stores, which represents almost half of the aggregate convenience expenditure of all residents in the OCA. The four largest stores have convenience turnovers in excess of £50m, these being the ASDA stores at Leechmere Road, at The Galleries in Washington and at Boldon Colliery and the Wm Morrisons store at Doxford Park.

2.8 However, since the original study the J Sainsbury's store at Silksworth Lane has been extended and three new commitments have arisen that will provide for further convenience floorspace; these are the redevelopment of the Sunderland Retail Park for Tesco, the redevelopment of Riverside Road for Sainsbury and a new Local Centre incorporating a medium sized supermarket at North Hylton.

2.9 Thus, in order to assess likely changes in convenience shopping patterns in the period up to 2017, we have constructed an impact model which incorporates these commitments. Spreadsheet 20 sets out the resultant market shares and Spreadsheet 21 sets out the corresponding pattern of absolute money flows. Spreadsheet 21 reveals that the aggregate retention rate for convenience goods expenditure increases only marginally to 82.9 per cent as a result of implementation of the commitments. However, Spreadsheet 20, when compared with Spreadsheet 12, reveals a significant improvement in the localised market share in Zone 2, from 8.3 per cent to 60.1 per cent.

3 QUANTITATIVE RETAIL NEED

Introduction and Methodology

3.1 In undertaking our updated assessment of quantitative need we have undertaken a seven step approach which is consistent with the methodology employed in the original study. These seven steps are as follows:

a) Establish the overall catchment area for Sunderland (the OCA), which is shown in Figure 2.1 and covers the whole of the administrative area of Sunderland, together with parts of South Tyneside, Gateshead and County Durham.

b) Assess the existing level of population and existing volume of retail expenditure of those who reside within the defined catchment area and apply forecasts of population change and per capita expenditure growth, so as to establish the overall level of projected growth in expenditure for residents of the catchment area.

c) Establish where the expenditure of residents of the catchment area is currently spent, through the use of an empirical survey of households resident within the catchment area, and thereby establish the proportion of expenditure which is currently retained by town centres and freestanding stores located within the catchment – that is the aggregate retention rate - and assess the growth in retained expenditure, using, initially, a constant retention assumption.

d) Make an allowance for growth in inflows of expenditure into the catchment area from those who reside outside the catchment area, if this is justified.

e) Make an allowance for under-trading or over-trading in the base year, if this is justified on the basis of clear empirical evidence.

f) The growth in retained expenditure (step c.), is added to the growth in inflows (step d.), and an allowance for under / over-trading (step e.), so as to derive an initial expenditure surplus. Thus, the next step is to make allowance for 'claims' on the initial surplus expenditure, as a result of:

- floorspace efficiency change;

- growth over time in special forms of trading (SFT); and
- planning commitments.

g) The culmination of steps a. to f. is the calculation of the residual expenditure pot which is potentially available for new retail floorspace, under a constant retention assumption. Thus, the final step is to develop alternative scenarios for calculating growth in residual expenditure, based on:

- increases or decreases in the projected retention level; and
- sensitivity testing of key assumptions.

3.2 The methodology we have employed is the same in both the comparison and convenience sectors. In the comparison sector, however, we have allowed for a larger increase in the aggregate retention level. Indeed, we consider that the Core Strategy should aspire to achieve an increase in the comparison goods expenditure rate of seven percentage points in the period up to 2032, with a five percentage point increase in the period to 2022. In the convenience sector, we consider it reasonable to plan for an increase in the aggregate retention level of four percentage points from 82.0 per cent in 2011, to 84.0 per cent in 2022 and to 86.0 per cent in 2032.

Quantitative Need in the Comparison Goods Sector

3.3 The findings of our need assessment in the comparison goods sector are set out in Spreadsheets 4a and 4b of Volume 3, and summarised in Table 3.1 for both the static retention and uplift in retention scenarios. It should be noted that this quantitative need is over and above the eight comparison commitments listed in Spreadsheet 5a.

Table 3.1 Summary of Quantitative Need in the Comparison Goods Sector for the OCA

	Static Retention (sq.m gross)	Uplift in Retention (sq.m gross)
2011 - 2017	- 13,500	- 3,200
2017 - 2022	17,000	26,700
2022 - 2027	18,100	25,600
2027 - 2031	20,800	29,700
2011 - 2022	3,500	23,500
2011 - 2027	21,600	49,100
2011 - 2032	42,300	78,800

3.4 Thus, under both retention scenarios, there is no quantitative need in the comparison goods sector in the first period to 2017, with a negative residual that ranges from minus 13,500 sq.m gross, to minus 3,200 sq.m gross for the overall catchment area (the OCA). This is as a result of the suppressed expenditure growth in this period, and the fact that growth in retained expenditure is more than offset by the claims made on this growth as a result of growth in floorspace efficiency (sales per sq.m) for existing retailers, existing commitments and growth in money spent through Special Forms of Trading (SFT).

3.5 However, in the second period from 2017 to 2022, there is a positive requirement that is in the range 17,000 sq.m gross to 26,700 sq.m gross. Thus, over the total period 2011 to 2022, the positive requirement is in the range 3,500 sq.m gross to 23,500 sq.m gross, depending on the retention scenario.

3.6 In the period between 2011 and 2027, the requirement increases to a range of 21,600 sq.m gross to 49,100 sq.m gross. The assessment of need post 2027 is difficult because of the uncertainty regarding expenditure forecasts over such an extended period. Moreover, the effects of expenditure growth over time become exponential. Thus, with this caveat in mind, the quantitative need in the overall period up to 2032 is in the range 42,300 sq.m gross to 78,800 sq.m gross.

3.7 We recommend that the Core Strategy seeks to provide for the floorspace associated with the uplift in expenditure retention, rather than the need identified under the static retention scenario.

Quantitative Need in the Convenience Goods Sector

3.8 The findings of our need assessment in the convenience goods sector are set out in Spreadsheets 15a and 15b of Volume 3, and is summarised in Table 3.2 for both the static retention and uplift in retention scenarios. Again, the floorspace requirement we have identified is over and above the four existing commitments listed in Spreadsheet 16a.

3.9 It should be noted, also, that the floorspace requirement we have identified is dependent, ultimately, on the end operator; for example, some operators (such as Lidl and Aldi) will trade at much lower sales densities than the four leading operators (Tesco, ASDA, Sainsbury and Wm Morrison). For the purposes of this assessment, we have utilised an average sales density of £10,000 per sq.m in 2011, rising to £10,554 per sq.m by 2032, so that the floorspace requirement we have identified represents the mid-range in terms of lower and higher order operators.

Table 3.2 Summary of Quantitative Need in the Convenience Goods Sector for OCA

	Static Retention (sq.m gross)	Uplift in Retention (sq.m gross)
2011 - 2017	- 3,900	- 2,900
2017 - 2022	2,000	3,200
2022 - 2027	2,400	3,600
2027 - 2031	2,300	3,600
2011 - 2022	- 1,900	300
2011 - 2027	500	3,900
2011 - 2032	2,800	7,500

3.10 Under both retention scenarios, there is a negative convenience goods floorspace requirement in the period 2011 to 2017 for the OCA as a whole, which is in the range minus 3,900 sq.m gross to minus 2,900 sq.m gross. As with the comparison goods sector, the negative residual reflects the fact that growth in retained expenditure up to 2017 is more than offset by floorspace efficiency growth, the turnover requirements of existing commitments and a small amount of growth in Special Forms of Trading (SFT).

3.11 Indeed, even under the retention uplift scenario, there is a negligible quantitative need in the convenience goods sector up to 2022. In the longer term, the quantitative need up to

2027 under the retention uplift scenario is only 3,900 sq.m gross, rising to 7,500 sq.m gross by 2032.

3.12 However, this floorspace requirement relates to the OCA as a whole, and our assessment of spending patterns in Section 2 reveals that even following the implementation of existing commitments, there remain two clear localised deficiencies. The first is in the Coalfield, where the existing level of convenience goods expenditure retention is only 23 per cent and where there is a clear need for a food superstore in Houghton-le-Spring. The second convenience goods deficiency is in the City Centre, where the largest store is the Tesco Metro, which has a sales area of 615 sq.m.

3.13 Thus, in the Coalfield area (Zones 4 and 8) we consider that an uplift in the localised convenience goods retention level to 60.0 per cent is desirable and achievable. This would increase the retention of convenience goods expenditure in the Coalfield by £27.5m which would support a new food superstore with a sales area of approximately 2,800 sq.m. Such a store is likely to have a comparison goods component of around 1,500 sq.m sales area giving a total sales area of 4,300 sq.m, which would represent a store of approximately 6,600 sq.m gross. We understand that a superstore of approximately this dimension is to be provided on the former Colliery site, which has long been identified for mixed-use development, under Policy HA31 of the UDP.

3.14 In the City Centre, we consider that the Holmeside site continues to represent an opportunity for mixed-use development that could incorporate a foodstore with a sales area of around 3,400 sq.m, which would translate into a store of around 5,200 sq.m gross.

Conclusion in Relation to Quantitative Retail Need

3.15 We recommend that the Core Strategy seeks to provide for up to 23,500 sq.m gross of comparison floorspace by 2022, increasing to 49,100 sq.m gross by 2027 and to 78,800 sq.m gross by 2032. These requirements are over and above existing commitments. However, the provision of new floorspace beyond 2022 needs to be subject to a plan, monitor and manage approach given the uncertainty in forecasting expenditure beyond the next ten years. In Section 5, we make recommendations as to where this floorspace should be provided and consider whether there is a requirement to amend the Retail Core, as defined in UDP Alteration No.2.

3.16 In the convenience sector, the two clear remaining gaps, following implementation of the commitments, will be in the Coalfield, which is being addressed by development at Houghton Colliery and in the City Centre.

4 QUALITATIVE NEED

Introduction

4.1 In our view, there are five indicators of qualitative need in the retail sector; these are as follows:

- deficiencies, or 'gaps' in existing provision;
- consumer choice and competition;
- overtrading, congestion and overcrowding of existing stores;
- location specific needs such as deprived areas and underserved markets; and
- the quality of existing provision.

Comparison Goods Sector

4.2 Existing shopping patterns in the comparison goods sector reveal substantial leakage of expenditure to electronic forms of retailing and to competing destinations such as Newcastle City Centre and the Metro Centre at Gateshead. Thus, the priority in the comparison goods sector is to establish Sunderland City Centre as the destination of choice for comparison goods shopping for residents of its core catchment (Zones 1, 2, 5, 6 and 7). At present the City Centre achieves a comparison goods market share of at least 40 per cent for each of these five zones, but its market share is less than 20 per cent in all other zones, except Zone 12 (Seaham and Easington).

4.3 Indeed, the City Centre's market share for the residents of the Coalfield is just 16 per cent, which is too low for a strongly performing sub-regional centre. Moreover, the City Centre attracts only five per cent of the comparison expenditure of residents of Washington, again reflecting its relatively poor performance as a sub-regional centre.

4.4 Thus, in order to perform more strongly as a sub-regional centre there is a need to secure a critical mass of quality retail floorspace which is attractive to retailers in the middle and upper middle sectors of the market. Such development is unlikely in the short term, but much of the need we have identified in the comparison sector arises after 2017, so that there will be time to identify development opportunities over the next few years.

4.5 Elsewhere in the catchment area, Washington Town Centre provides a diverse range of comparison goods retailing, albeit focused towards the middle to lower end of the retail spectrum in terms of the quality of the offer. Nevertheless, Washington Town Centre performs well within its local zone, attracting 40.1 per cent of the comparison goods expenditure of Zone 3 residents, and we consider that there is limited physical capacity within Washington Town Centre for any large-scale floorspace extensions.

4.6 Thus, the focus in Washington should be to maintain and enhance the centre's attractiveness in the face of competing development which is proposed at the nearby Peel Centre and Armstrong Retail Park. Thus, the owner of The Galleries Shopping Centre should be encouraged to continue with its investment programme in improving the physical appearance of the centre and maintaining the low level of vacancy which currently exists.

4.7 Despite its designation in the UDP as a town centre alongside Washington, Houghton-le-Spring performs a notably lesser role than Washington Town Centre in comparison goods terms. Indeed, Spreadsheet 3a reveals that Houghton-le-Spring has a comparison goods turnover of just £4.6m in 2011, compared to a turnover of £92.3m for Washington Town Centre.

4.8 Indeed, the findings of the health check of Houghton-le-Spring, which informed the 2009 retail study, revealed that the centre has a limited comparison sector, so that there is a qualitative need to further enhance the role and function of the centre in retail terms. Nevertheless, we acknowledge that there is limited physical capacity or market demand, to support a large-scale expansion of the centre in retail terms, so that the focus in Houghton should remain on qualitative improvements to the centre, and, where the opportunities arise, infill development to provide small scale improvements to the comparison retail offer.

Convenience Goods Sector

4.9 A key indicator of qualitative need in the convenience sector is the existence of localised deficiencies, or 'gap' areas. Figure 4.1 sets out the existing distribution of foodstores and centres within Sunderland's administrative area, superimposed on mapping of the year

2010 Index of Multiple Deprivation. Figure 4.1 reveals that a gap area exists in the Coalfield sub-area (Zones 4 and 8). The Coalfield contains Houghton-le-Spring Town Centre and Hetton Local Centre. However, there is no food superstore in the Coalfield and the largest convenience store is the Co-op in Houghton-le-Spring. Figure 4.1 also shows that there is no food superstore in Zone 2, although this is being rectified by the Sainsbury's commitment at Riverside Road.

4.10 Zone 5 is the only other zone without a food superstore and this area has significant levels of multiple deprivation. However, the highest level of acute deprivation is in the four LSOAs which surround the City Centre and this provides further evidence of a qualitative need for enhancement of the City centre's convenience goods offer.

4.11 The gap areas are characterised by low levels of retention of convenience goods expenditure. Table 4.1 provides a summary of the aggregate retention rates for five sub-areas, both before the implementation of existing commitments, in 2011, and post implementation in 2017.

Figure 4.1 Existing Provision of Foodstores and Centres within the Sunderland Catchment Area

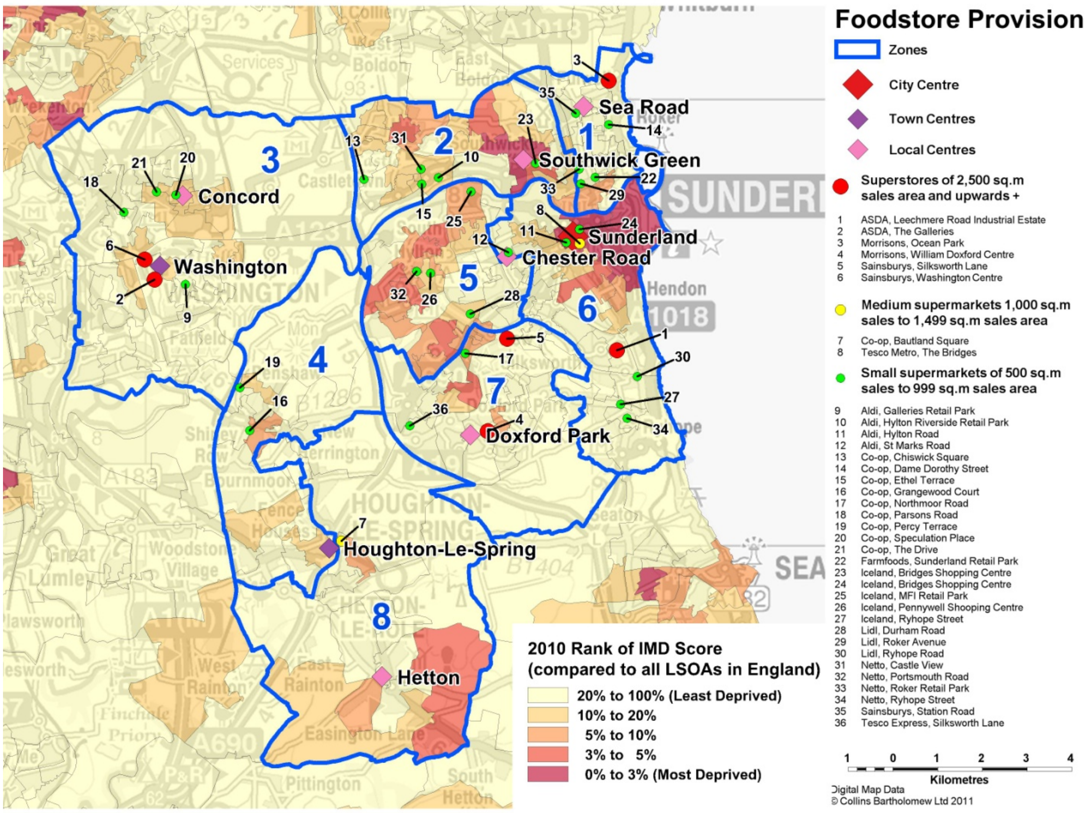


Table 4.1 Summary of Aggregate Convenience Goods Retention Levels for the Five Sunderland Sub-Areas Before and After Implementation of Existing Commitments

Sub-Area	Retention Level in 2011 Pre-Commitments (%)	Retention Level in 2017 Post Commitments (%)
North (Zones 1 and 2)	50.8	85.5
South (Zones 5 and 7)	48.5	47.0
Washington (Zone 3)	87.5	84.4
Coalfield (Zones 4 and 8)	23.3	22.7
Central Sunderland (Zone 6)	64.1	55.6

4.12 Table 4.1 shows that implementation of the commitments at Sunderland Retail Park and at Riverside Road will boost the localised convenience goods retention level in Zones 1 and 2 to 85.5 per cent. Thus, these commitments meet all of the quantitative and qualitative need likely to arise in north Sunderland for the foreseeable future.

4.13 Thus, the obvious remaining gap area is the Coalfield where the qualitative need for a new food superstore is being addressed at the Houghton Colliery site, which has long been identified for mixed-use development, including shopping, under Policy HA31 of the adopted UDP.

4.14 In Washington, the localised retention rate for convenience goods is already very high. Nevertheless, we are aware of the current market interest in providing for further convenience retailing in Washington's catchment area and there are planning applications to develop new food superstores at the out-of-centre Peel Centre and at the out-of-centre Armstrong Industrial area. These applications will need to be determined, having regard to the impact and sequential tests incorporated in the NPPF.

4.15 Within the South Sunderland sub-area, the localised convenience retention will reduce very slightly to 47 per cent following implementation of commitments by 2017. Thus, whilst the qualitative need in this sub-area is not as pressing as in the Coalfield area, there is still some scope for improvement. Such a need could be met through the extension of one of the existing stores located within this area, and we note that the Wm Morrison at Doxford Park is currently overtrading by approximately £18m (See Spreadsheet 14).

4.16 So far as Central Sunderland is concerned, there remains a localised deficiency in convenience goods provision within the City Centre given that the largest foodstore in the

City Centre is the Tesco Metro in the Bridges, which has a convenience goods sales area of just 615 sq.m; this store is currently overtrading by around £10m. This lack of provision is reflected in the low localised convenience goods retention rate for the Central Zone of just 55.6 per cent in 2017, and with the City Centre attracting just 15 per cent of the convenience expenditure of the residents of the Central Zone (Spreadsheet 20).

5 LOCATIONS FOR ACCOMMODATING THE IDENTIFIED NEED

Comparison Goods Sector

5.1 In the comparison goods sector, we have identified a quantitative need for up to 78,800 sq.m gross of additional comparison goods floorspace throughout the OCA in the period 2011 to 2032, assuming success in increasing the retention level. However, in the medium term the focus must be on meeting the need we have identified up to 2027 of 49,100 sq.m gross. We consider that around three quarters of this need should be directed towards the City Centre i.e. up to around 37,000 sq.m gross by 2027, with much of the balance provided in Washington Town Centre, and not in out-of-centre locations, given the number of out–of-centre commitments which already exist.

5.2 Potential sites for meeting comparison goods retail need in the City Centre in the period up to 2027 include:

- **Holmeside Triangle** – This site is currently allocated for mixed-use development, including A1 retail, in the adopted UDP Alteration No. 2 (Policy SA55A.1). A recent proposal by Ashall Property included approximately 6,000 sq.m gross of comparison goods retail as part of a mixed-use scheme that also included a foodstore and leisure uses.
- **Crowtree Leisure Centre** – This site is likely to offer the best opportunity for an extension to the Bridges Shopping Centre, the latter forming the existing focus of the City Centre's comparison retail offer. The Crowtree Centre is in the ownership of the City Council, so that land assembly would not present a barrier to the redevelopment of this key site. In total, we estimate that this site has the potential to accommodate around 15,000 sq.m to 20,000 sq.m gross of modern, high quality comparison retail floorspace on two to three levels.
- **The Station** – There is potential to provide some element of retail development as part of transforming Sunderland's Station into a new gateway into the City, as envisaged in the Economic Master Plan. However, the quantum of any retail floorspace associated with redevelopment of the Station is likely to be limited.

5.3 Thus, it is unlikely that these three development opportunities will be able to provide for the full quantum of comparison goods retail need that we have identified for the City Centre, of around 37,000 sq.m gross by 2027. We consider, therefore, that there will be a need to make a small amendment to the boundary of the existing Retail Core, as currently defined by Policy S2A of the UDP Alteration No.2. Indeed, we note the provisions of Paragraph 23 of the recently published NPPF, which states that:

> *'It is important that needs for retail, leisure, office and other main town centre uses are met in full and are not compromised by limited site availability. Local planning authorities should therefore undertake an assessment of the need to expand town centres to ensure a sufficient supply of suitable sites.'*

5.4 Thus, we recommend a small extension of the Retail Core at the western end of High Street West. This would be enabled following the proposed realignment of St. Mary's Way, which the Council anticipates will be completed by 2017. Facilitating additional, high quality comparison retail development in this area would assist, also, in promoting the redevelopment of the Crowtree Leisure Centre. It is anticipated that extending the retail core in this manner would accommodate up to 15,000 sq.m gross of additional comparison goods floorspace, some of which would be set over three floors.

Figure 5.1 Suggested Extension to the Retail Core (shaded in green) and Realignment of St. Marys Way (in red)

Convenience Sector

5.5 In the convenience sector there is no further aggregate requirement for new floorspace until after 2022. Indeed, the quantitative need in the convenience sector, up to 2027 is just 3,900 sq.m gross and this increases to only 7,500 sq.m gross by 2032. However, two clear gap areas will remain, even after implementation of these commitments. The first gap area is the Coalfield, where there is a quantitative and qualitative need for a new food superstore in Houghton-le-Spring. Indeed, we understand that a proposal for such a store is being brought forward at the former Houghton Colliery site, which has long been identified for mixed-use development in the UDP.

5.6 The second gap is in the City Centre, where convenience retailing is dominated by the relatively small Tesco Metro store and Iceland. There is a qualitative case for a relatively large foodstore to form part of the mixed-use development potential of the Holmeside

Triangle site, but other opportunities for convenience retail may include the re-use of relatively large units such as the existing Primark store on Fawcett Street, following Primark's relocation to The Bridges.