

BLACK COUNTRY CENTRES STUDY

2024 REFRESH: Volume 1

Prepared for:

The Black Country Authorities Comprising: City of Wolverhampton Council Dudley
Metropolitan Borough Council Sandwell Metropolitan Borough Council Walsall Council

October 2024

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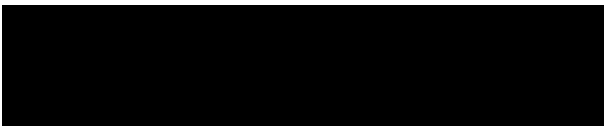
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For and on behalf of Lambert Smith Hampton

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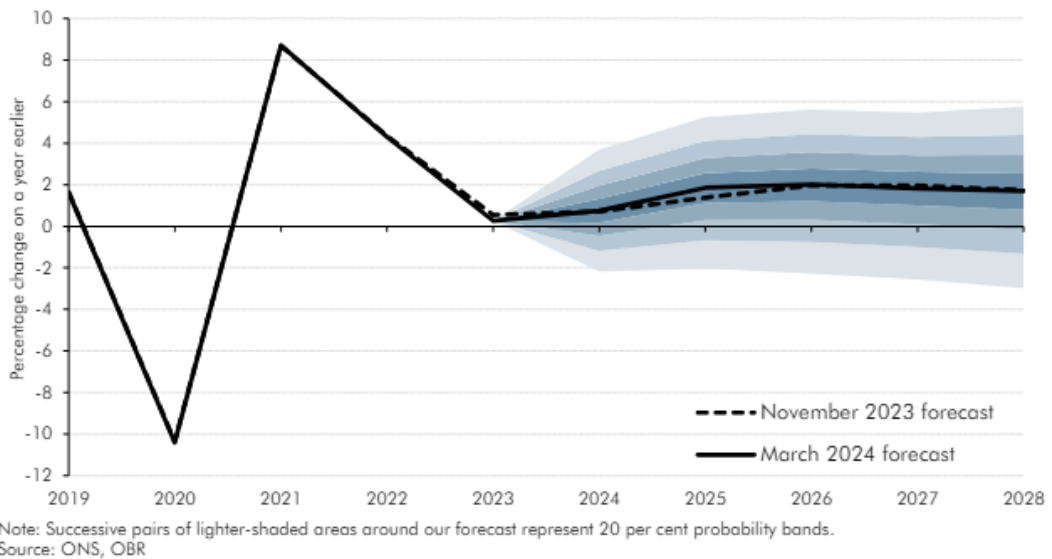
1. INTRODUCTION

1. Lambert Smith Hampton (LSH) was jointly commissioned by the City of Wolverhampton Council (CWC); Dudley Metropolitan Borough Council (DMBC), Sandwell Metropolitan Borough Council (SMBC) and Walsall Council (WC) hereafter 'The Black Country Local Authorities (**BCLA**)' to update and provide a 'refresh' to the key findings of the following studies that had informed the emerging Black Country Plan (**BCP**) and the BCLA's individual local plans following the decision in October 2022 to no longer progress the BCP:
 - the '2020 Black Country Centres Study'
 - the '2021 Black Country Centres Study Update' that took account of the impacts of the Covid-19 pandemic and the then latest available forecasts. It also accounted for the BCP period extending to 2039 and changes to the planning system (such as use-class and permitted development rights).
 - the '2022 Black Country Centres Study – Addendum' that updated the findings of the 2020 and 2021 studies.
2. This 'refresh' updates the future need ('capacity') assessment for new retail (convenience and comparison goods) floorspace and extends to cover the period to 2042. This utilises the same study area and market share analysis from the household survey that informed the 2020 Centres Study together with the latest forecasts from Experian Business Strategies.
3. For ease of reference this report is structured as follows:
 - **Section 2** highlights current trends that are driving the dynamic changes in town centres and the retail sector generally.
 - **Section 3** sets out the key assumptions and forecasts underpinning the quantitative need ('retail capacity') assessment.
 - **Section 4** details the updated outputs of LSH's in-house CREATE (excel-based) capacity model.
 - **Section 5** provides a brief update for the leisure sector.
 - **Section 6** provides a brief update on the office sector.
 - **Section 7** summarises the findings and advice set out in this refresh document.

2. TOWN CENTRE & RETAIL TRENDS

4. This section summarises some of the key economic, consumer and property market trends that have driven the changes in the retail sector over the last decade and how town centres can respond to these dynamic trends to remain competitive and enhance their overall vitality and viability in the future.
5. The pandemic created one of the toughest trading environments for the retail and leisure sectors and the post pandemic phase has been characterised by low growth, inflation, high prices and the cost-of-living crisis. This section details the impact of these factors on the commercial retail and leisure market.
6. Over the last five years the UK economy has faced significant headwinds from shocks of the pandemic, surging inflation, high energy costs and supply chain disruptions. According to the Office for Budget Responsibility (OBR) (Economic and fiscal outlook – March 2024), the period between 2022-23 remained the fiscal year with the largest year-on-year drop in living standards since ONS records began in the 1950s. The UK economy fell into a mild technical recession in the second half of 2023 after two consecutive quarters of contraction (-0.1% in 2023 (third quarter) and -0.3% in 2023 (fourth quarter)). Subsequently further data released from the Office for National Statistics (ONS) points at a mixed performance through 2024. ONS data for April 2024 showed that GDP remained stagnant compared to 0.4% growth in March, and by 0.6% in the three months to March 2024. In the three-months to April-May 2024 real GDP is estimated to have risen by 0.9%, and by 1% compared to the same period of 2023.
7. Overall, real GDP grew by 0.1 per cent in 2023, 0.4 percentage points weaker than anticipated in their November 2023 forecast. They forecast GDP growth to pick up only slightly to 0.8 per cent in 2024, as the economy continues to be constrained by weak real wage growth, the ongoing effects of recent interest rate rises and fading fiscal support. Growth is anticipated to accelerate to around 2% in 2026 as interest rates decline and spare capacity in the economy is used up.

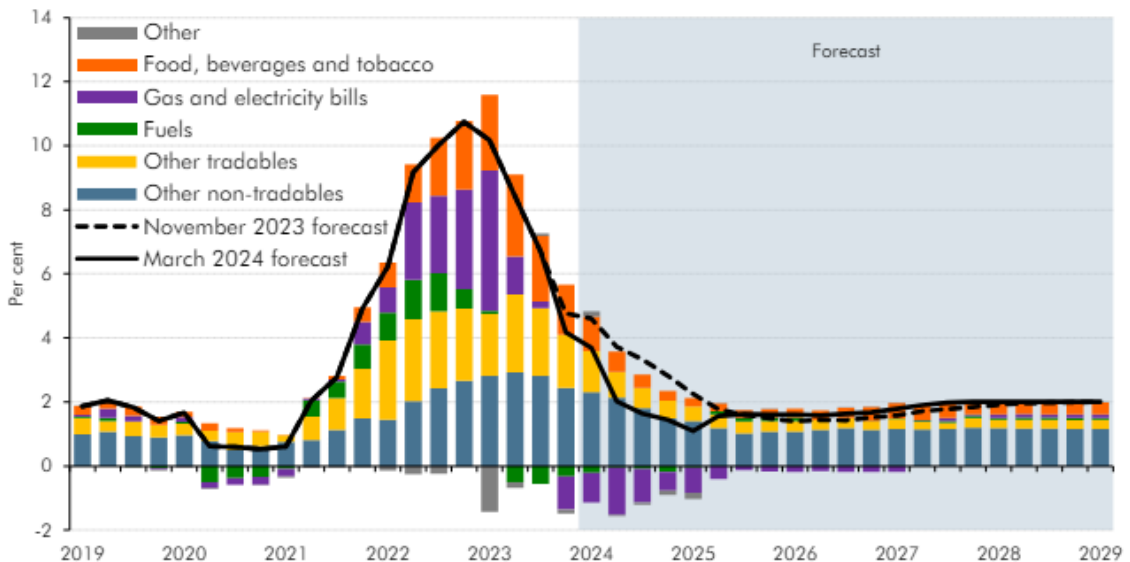
Figure 1: Real GDP Forecasts



Source: Office for Budget Responsibility - Economic and Fiscal Outlook (March 2024)

8. Consumer Price Inflation (CPI) dropped from a 41-year high of 11.1 per cent in October 2022 to 4.2 per cent in the final quarter of 2023, (well above the Bank of England target rate of 2%). CPI is forecast to average 2.2 per cent over 2024, then slow to 1.5 per cent in 2025 before rising to the target rate of 2% in 2028. However, there is considerable uncertainty around this forecast from both domestic and external inflationary pressures, especially around energy prices.

Figure 2: Contributions to CPI Inflation (March 2024)



Source: Office for Budget Responsibility - Economic and Fiscal Outlook (March 2024)

9. Having steadily declined since early 2022, according to the OBR real GDP per person is forecast to begin to recover later this year and regain its pre-pandemic level in 2025. Real household disposable income (RHDI) per person – a measure of real living standards per person is anticipated to recover to its pre-pandemic peak by 2025-26,
10. Experian Business Strategies (Experian) predict in their latest Retail Planner Briefing Note 21 (February 2024) ('**RPBN 21**') that GDP growth is expected to accelerate marginally in 2024, compared to 2023, but retail sales growth will take longer to rebound. Spending growth over the course of 2024 will remain affected by the lingering effects of the cost-of-living crisis, as though inflation is slowing towards target, high interest rates continue to constrain household budgets, particularly those with mortgage debt. A high tax burden is also acting as a dampener on discretionary income.

RETAIL SPENDING

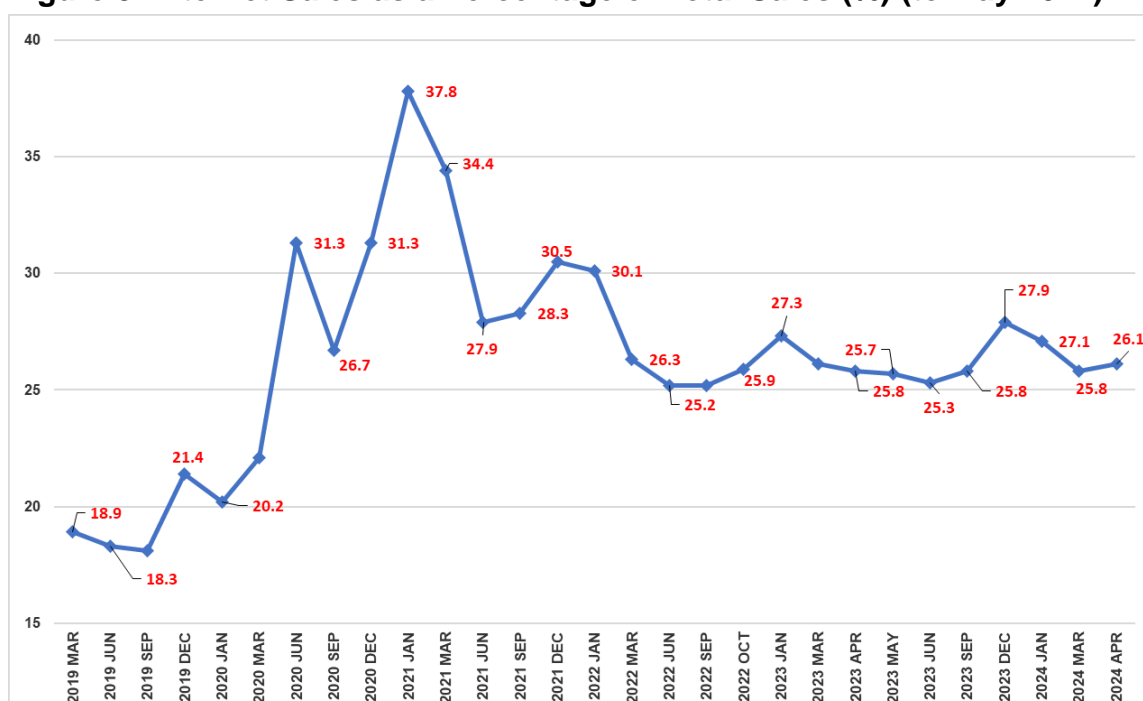
11. The latest Experian forecasts from RPBN 21 and for retail spend per head show:
 - **Convenience goods:** The impact of COVID-19 resulted in a significant +8.6% surge in spend per head in 2020 but a contraction of -1.7% in 2021. This followed negative growth of -1.7% between 1998 and 2022. The overall level of negative growth in convenience goods spending has had a significant impact on the grocery sector and on retailer business models. Experian reported a fall in convenience spend in 2023 (-3.0%); 2024 (-0.5%); and 2025 (-0.2%). With no growth projected over the medium term to 2030 and long term "flatlining" at around +0.1% to 2040.
 - **Comparison goods:** Experian figures show negative growth to 2024 (-3.3% in 2023; -1.2% in 2024). The predicted (per capita) growth for 2025 is 2.7% which will settle at around +3.1% to 2030 and falling to +2.8% up to 2040. The longer-term growth forecast is higher than the historic long-term trend (1998-2022) of +2% per annum.
12. These expenditure growth trends, and forecasts, have informed the updated assessments of retail capacity. Clearly any further dampening of growth rates over the short to medium term due to external shocks such as rising inflation and the cost-of-living crisis will have implications for the viability of existing retail businesses and the demand for new space.

ONLINE SHOPPING

13. The growth in non-store retail sales has undoubtedly had the most significant impact on consumer spend and behaviour over the last decade, and on our High Streets and traditional shops. Non-store retailing is commonly referred to as Special Forms of Trading (SFT).

14. This comprises all non-store retail sales made via the internet, mail order, stalls and markets, door-to-door and telephone sales. On-line sales by supermarkets, department stores and catalogue companies are also included in the data collected by the Office for National Statistics (ONS).
15. ONS figures show that as a percentage of total sales, online retail sales accounted for up to 26.1% of sales in May 2024. The graph also shows the steep increase from 20.2% in January 2020 to 37.8% in January 2021. Overall, the trend suggests that since 2020 online accounts for between a quarter to a third of the amount spent on retail goods.

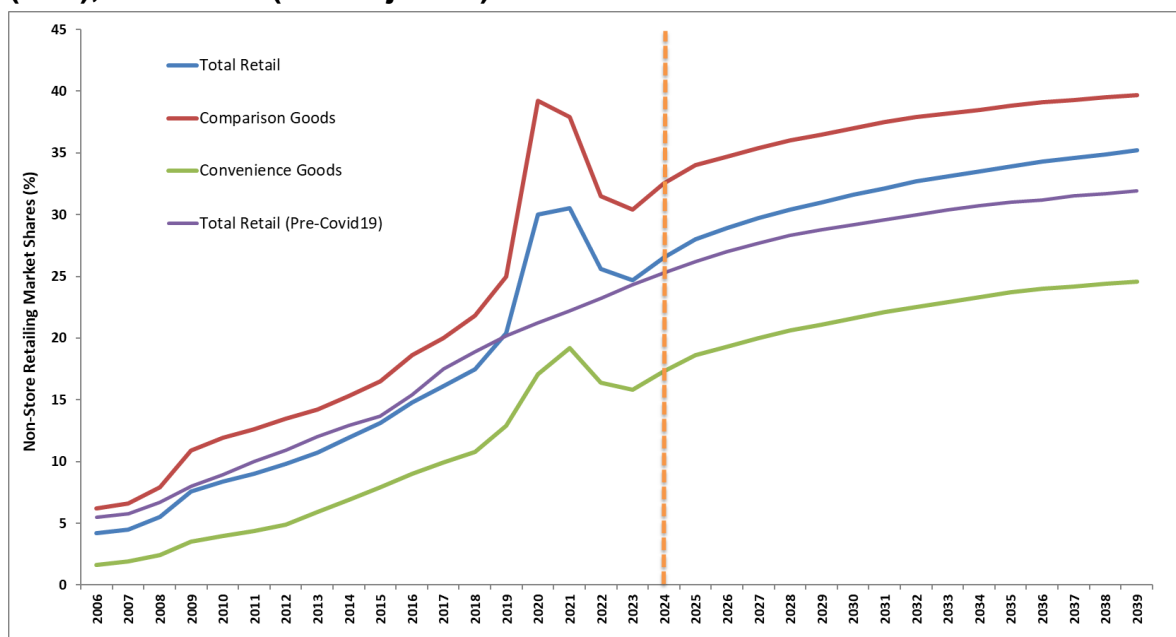
Figure 3: Internet Sales as a Percentage of Total Sales (%) (to May 2024)



Source: ONS: Retail sales, Great Britain: May 2024

16. As the figure below from Experian shows, SFT's overall market share (as a proportion of total UK retail sales) increased from 4.2% in 2006 to 30% in 2020. In other words, online accounted for almost one in every three pounds spent on retail goods in 2020. Of this total non-store retail sales, Experian estimate that comparison and convenience goods retailing achieved market shares of 39.2% and 17.1% respectively in 2020. They further estimate that comparison and convenience goods retailing achieved market shares of 30.4% and 15.8% respectively in 2023.

Figure 4: Estimated and Projected Market Shares of Non-Store Retail Sales (SFT), 2006-2039 (Not Adjusted)



Source: ONS: Retail sales, Great Britain: May 2024

17. The latest Experian forecasts indicate that total SFT market shares will increase to 35.2% by 2039. Comparison and convenience goods non-store retail sales are forecast to reach 39.7% and 24.6% respectively by 2039.
18. According to Experian, the rising share of internet sales in total retail transactions is the key trend. The ease of online purchasing has also continued to improve rapidly, with technological advances, particularly around smartphones and connectivity. Faster delivery times, including same day delivery, and easier returns processes have also encouraged the trend. The expansion of 5G and fibre networks should ensure the momentum is maintained over the medium term. The proliferation of the buy now pay later business model and price tracker sites is also supporting growth.
19. With the growth predicted in online sales and market shares, it is clear that high streets, town centres and physical retailers will need to work even harder to retain their existing customer base and attract new customers over the short (post-pandemic), medium and long term.
20. In terms of forecasting the potential capacity for new physical retail floorspace, Experian estimate that approximately 25% of all SFT sales for comparison goods and 75% for convenience goods are still sourced through traditional ('bricks-and-mortar') retail space, rather than through 'virtual' stores and/or 'dot com' distribution warehouses. On this basis, Experian adjust their SFT market shares downwards for total retail to 16.8% in 2024, 17.8% by 2025, 20.3% by 2030 and 23.1% by 2039. In line with standard approaches these adjusted/recalibrated

market share figures are preferred for retail capacity assessments and used in this assessment.

21. In summary, both retailers and high streets will need to compete for shoppers and expenditure through a variety of means including creating experiences that will attract the interest and attention of potential consumers across all age and socio-economic groupings.

RETAILER BUSINESS MODELS AND REQUIREMENTS

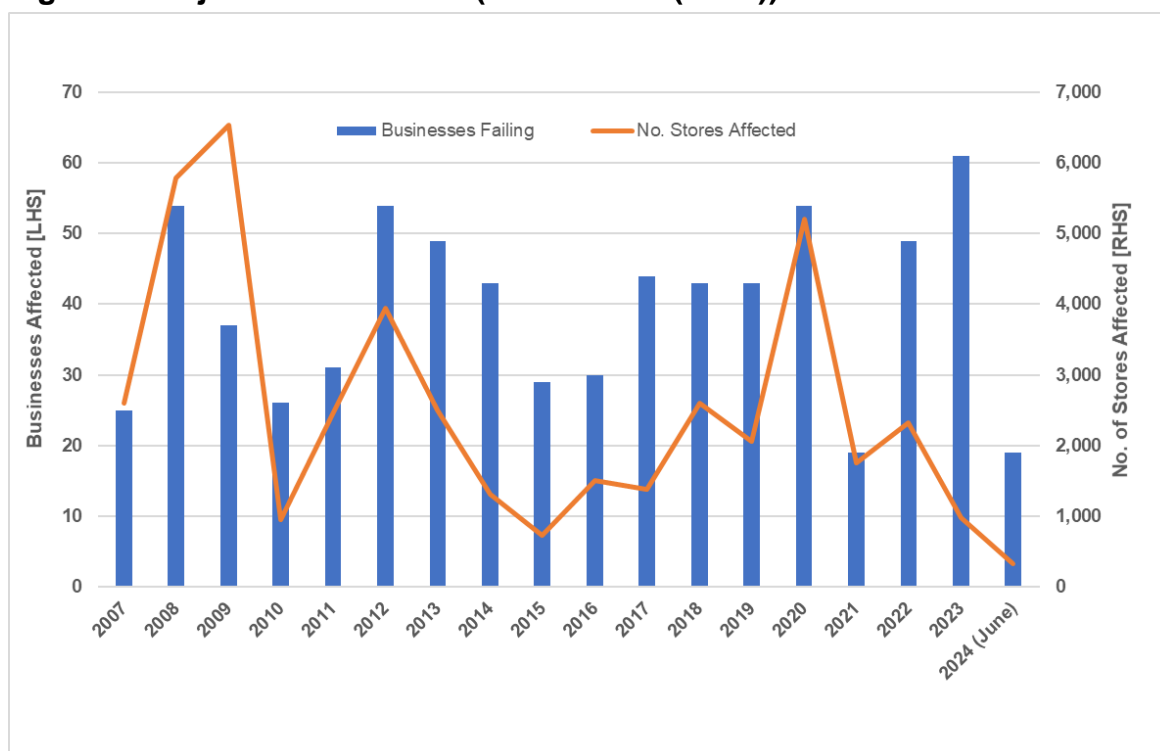
22. The challenging economic conditions and growth in online sales have had a significant and permanent impact on consumer shopping and spending behaviour. Retailers have faced challenges across the supply chain, inflationary pricing, economic uncertainty and geo-political factors.
23. This has created significant challenges for traditional “bricks-and-mortar” retailing and the high street. Consequently, national multiple retailers are having to constantly review and rapidly adapt their business strategies, requirements and store formats to keep pace with the dynamic changes in the sector and consumer demand. As retailers adjust to the “new normal”, a seamless experience and hybrid shopping are shaping the future of retail; the key trends that will impact the industry include:
 - Hybrid or ‘Phygital’ (physical and digital) shopping – Retailers want to deliver a seamless experience across all shopping methods, including online, in-store, mobile devices, social media, live streaming and shopping and virtual storefronts.
 - Use of Artificial Intelligence (AI): using AI in augmented chatbots to aid customers with product inquiries, sizing questions, and order tracking, further enhancing the customer experience.
 - Social media sentiment monitoring is collecting and analysing information about a retailer or brand on social media. Actively engaged on social media, retailers are able to better understand data about their customers' sentiments, preferences, and attitudes toward their company and its competitors. Social media and e-commerce are converging, enabling brands, influencers and other sellers to pitch products directly on social platforms in an engaging way, creating stronger consideration and higher conversions to online sales.
 - Physical retail stores and websites are becoming increasingly crucial as sources for additional advertising revenue for retailers.
 - Changes to retail formats and design – retailers are testing different formats as well as including new offerings on the click and collect method including out-of-centre operators such as IKEA opening a store on Oxford Street.
 - Changes in Consumer behaviour – the growing trend in repair, recycling, reuse, and thrifting is set to grow. This is seen in the rise of the popularity of

second-hand shops, vintage clothing and markets, and charity shops once again. Additionally, more brands are championing sustainability, including:

- IKEA has launched its buy-back and re-sale scheme, in an attempt to reduce the number of products going to landfill.
- The George at Asda brand has joined forces with specialist wholesaler Preloved Vintage Kilo. The supermarket's clothing brand, George, will be selling second-hand clothing in 50 UK stores after a successful trial in Leeds in 2021.
- H&M were the first fashion brand to launch a global garment collection initiative in 2013, allowing customers to hand in any unwanted clothing to a H&M store.
- Decathlon's Second Life initiative, where repaired products (e.g., bikes, fitness equipment, kayaks, tents) are sold.

24. These dynamic trends are best illustrated by the changes in the grocery sector over the last decade. Since 2010, the top 5 main grocery operators have been Tesco, Sainsbury's, Asda, Waitrose and Morrisons who have dramatically changed their business models; their focus has been on growing market share through online sales and new smaller convenience store formats (including Tesco Express, Sainsbury's Local, Asda Express and Little Waitrose). As a consequence, applications for large store formats have slowed to a virtual standstill over the last decade and extant permissions have not been implemented.
25. Previously outside of the so-called top 5 grocers, the 'deep discount' food operators (namely Aldi and Lidl) have significantly increased their respective market shares through new store openings. Notwithstanding this the grocery and convenience sector has had buoyant sales during the pandemic, particularly in town, district and local centres as many households have been forced to work from home and only the food stores and 'essential stores' have been open during the series of lockdowns, including local independents.
26. The non-food retail sector has also experienced a significant impact from the rise of online shopping over the last decade, which has impacted on business models and store viability. Many well-known retailers have either closed or have significantly reduced their store portfolios.
27. The challenges facing consumers, businesses and town centres continue to intensify. The latest industry research shows that over 971 stores closed in 2023 due to businesses entering administration, with almost 21,000 jobs lost. This compared with 5,200 store closures in 2020, and over 109,000 job losses. The latest for 2024 (as of June 2024) indicates 328 store closures with 11,900 job losses.

Figure 5: Major Retail Failures (2007 – 2024 (June))



Source: Centre for Retail Research (May 2024)

28. National retailers with extensive high street store portfolios are struggling to maintain market shares and remain profitable in the increasingly competitive environment. The higher costs of trading from high streets compared with online and out-of-centre retailing, also means that it is not a “level playing field.” This is a further contributing factor to the sizeable number of store closures that have occurred over recent years.
29. In summary, although some retailers are better positioned to cope with the growth in online shopping and the shifts in consumer behaviour and preferences, many are struggling to position themselves quickly enough to absorb rising costs and engineer the vital transition to a more technology-focussed business model.

RISING OCCUPANCY COSTS

30. ‘Bricks and mortar’ retailers are having to absorb higher than inflation increases in year-on-year occupancy costs (for example, rents, business rates, service charges, utility bills, staff costs, etc). This outpaces sales growth for many retailers, eroding profitability and resulting in more store closures.
31. As described above it is not a “level playing field” between high street and online retailing, or between high street and out-of-centre retailing. In response to the budgetary challenges from rising costs and tight margins, retailers will need to drive up efficiencies and productivity from existing floorspace to remain viable.

32. It is standard practice for retail planning assessments to make a reasonable and robust allowance for the year-on-year growth in the average sales densities of existing and new (comparison and convenience) retail floorspace for it to remain vital and viable. However, there is limited evidence detailing actual changes in the turnover and profitability of retailers over time.
33. The latest Retail Planner Briefing Note (RPBN 21) (February 2024) provides forecasts of annual floorspace productivity growth rates based on two different scenarios: (i) the 'constant floorspace scenario', based on limited potential for new retail development, resulting in greater efficiency of existing floorspace; and (ii) the 'changing floorspace scenario', which takes account of the impact of new retail development on average retailer sales performance. The table below sets out the differences between the two scenarios.

Table 1: Floorspace Productivity Growth Rates (year-on-year growth %)

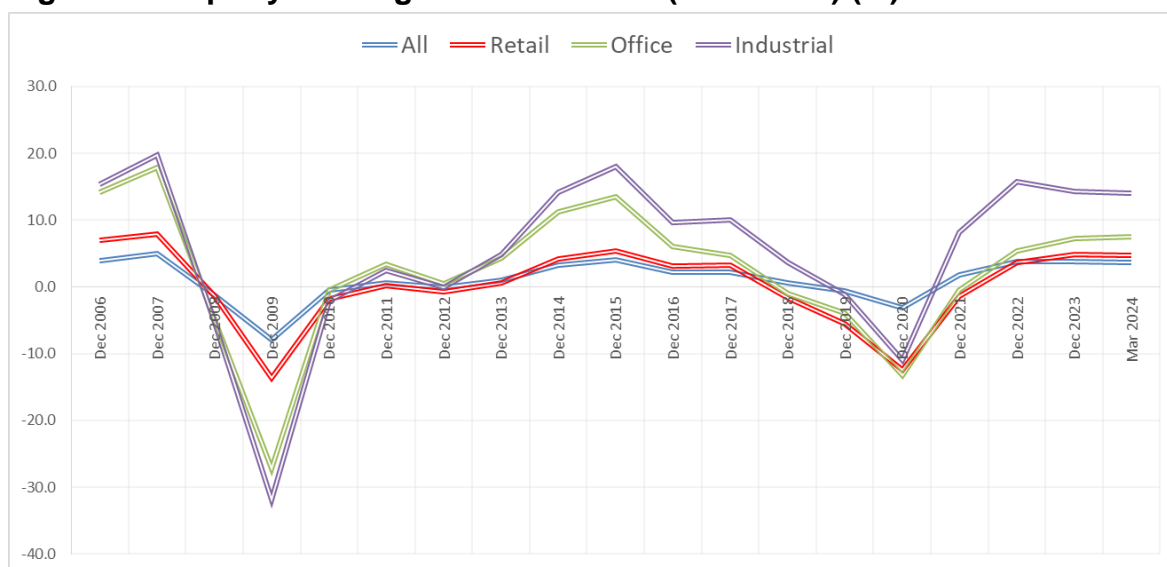
	2022	2023	2024	2025	2026-2030	2031-2040
CONSTANT FLOORSPACE						
Convenience Goods	-5.9%	-2.5%	-0.6%	-0.2%	0.2%	0.3%
Comparison Goods	4.7%	-1.2%	-2.7%	1.5%	2.8%	2.8%
CHANGING FLOORSPACE						
Convenience Goods	-5.9%	-2.5%	-0.1%	0.0%	0.2%	0.1%
Comparison Goods	4.7%	-1.2%	-2.6%	1.5%	2.6%	2.6%

Source: Experian Retail Planner Briefing Note 21, (February 2024); Figures 3a/3b and 4a/4b

34. As Experian explain the volatility in sales densities in 2021 and 2022 have been driven by sharp swings in retail spending due to temporary business closures during the pandemic and subsequently the impact of high inflation. Sales density growth rates are expected to be weak in 2024 given the poor near term outlook for retail sales volumes. Budgetary challenges from rising costs and tight margins will be a key factor underpinning floor space efficiencies over the coming years. These results reflect national trends and there will be marked differences between local areas.
35. On this basis, budgetary pressures mean that retailers will have to increase efficiencies from current floorspace including through redevelopment/repurposing of existing floorspace; adoption of modern technology and innovations; more effective marketing strategies; and adopting an 'omni-channel' strategy (refers to the integration of different methods of shopping available to consumers e.g., via the internet, in a physical shop, or by phone) that uses internet sales to increase the sales performance of physical shops. This is against a backdrop of weak demand for retail property, high vacancy levels and a significant fall in new retail-led development in centres across the UK.
36. For these reasons we prefer to test higher '**constant floorspace productivity**' growth rates for retail planning assessments, as they better reflect national trends and the need for existing retailers to increase their sales potential and profit margins to remain viable.

37. Demand for retail space in centres across the UK has fallen dramatically since 2007 and is currently at an all-time low. In turn this fall in demand is impacting on property values and rents. As shown below the retail sector has performed poorly compared with the other property sectors with its origins back to the economic crisis in 2007/08. This trend has been further exacerbated by the pandemic and current cost of living crisis.

Figure 6: Property: Average Rental Growth (2006-2024) (%)



Source: MSCI UK Quarterly Property Index (May 2024)

38. One of the obvious impacts of the difficulties experienced within the retail sector is the fall in retail rental values. The larger retail groups have enjoyed a particularly strong negotiating position and lease events represent an opportunity to reduce costs and increase flexibility. Over the past year we have experienced multiple retailers seeking some or all the following lease provisions when agreeing lettings:
- An increase in rentals linked to turnover as opposed to contracted rents linked to market rental value.
 - Where rent reviews are to market value a cap as to the quantum of any future increase.
 - Shorter leases and regular tenant break options.
 - Capped increases to service charge.
 - Pandemic clauses with rent cessation provisions in case of forced closure.
 - Larger incentive packages, including capital contributions.
39. Overall, many centres and shopping locations across the UK simply have too much retail floorspace stock, or they have the “wrong type” of retail floorspace that does not meet the needs of modern national retailers for larger format shop units.

40. Our recent (April 2024) research together with REVO titled '**Places & Spaces Reinvented**' indicated that high occupancy costs, along with business rates, are consistently identified amongst the top five challenges facing our towns, high streets and shopping centres, alongside an oversupply of retail space and the growth of online retail spend.
41. This over-supply of retail floorspace and limited market demand is placing further pressures on the viability of existing stores and shopping centres. In turn, this makes it difficult for landlords, investors and retailers to justify additional capital expenditure.

OUT-OF-CENTRE RETAILING

42. As mentioned in our previous assessments the development and take-up of food and non-food out-of-centre space has also slowed over recent years, in line with the trends impacting on high streets and town centres. The main grocery retailers have pulled back from new larger format superstore openings in edge and out of centre locations to focus on maintaining and increasing market shares through online sales and opening smaller convenience outlets. The exception to this is the discounters, Aldi and Lidl, who continue to seek new sites in mainly edge and out-of-centre locations.
43. Notwithstanding this, most out-of-centre shopping locations retain their significant competitive advantages over town centres and high streets in terms of their supply of larger format modern outlets, ease of access and ability, their lower occupancy costs, extensive free parking as well as their ability to serve as last-mile delivery hubs. This remains an attractive proposition for those retailers that are still seeking space in the current market. For example, as part of its revised business model Marks & Spencer has closed a number of its traditional high street stores and "replaced" these with 'Simply Food/Food Hall' branded stores in out-of-centre locations.
44. The latest Investment Property Forum (IPF) Consensus Forecasts, published in May 2024, predict that shopping centre rental growth will remain negative in the immediate term, with a decline of 0.2% expected in 2024. Retail warehouses are forecast to continue outperforming the wider retail sector, with growth of 1.3% predicted for 2024, while standard retail is projected to see growth of 0.9%.

VACANCY RATES

45. At the end of 2023, the GB national average 'All Vacancy Rate' (retail and leisure combined) according to the Local Data Company (LDC) stood at 14% (an increase from 13.8% in 2022). The current rate is still higher than the pre-pandemic (H2 2019) level of 12.1%, so the sector has yet to fully recover.
46. LDC state that over the past five years, retail parks and shopping centres have shown an overall decline in vacancy rates, while high streets have experienced an

increase. From a vacancy high of 19.4% in the second quarter of 2021, shopping centres dropped to 17.7% by the final quarter of 2023.

SUMMARY

47. Our towns, traditional high streets and shopping centres have been challenged for more than a decade by falling market demand, rising occupancy costs and increasing competition from online and out-of-centre shopping. Trends accelerated and compounded by the COVID-19 pandemic are resulting in an increase in vacant shop units, often in primary shopping areas, as retailers and occupiers either choose to downsize and/or close stores in some locations (or they are forced out of business altogether due to failing business models and unmanageable debts). As online spending has increased, the demand for physical retail demand has been impacted. Where there is vacant space there is a need for a strategic evaluation as to how town centres realign themselves.
48. Today, many of our traditional towns and shopping centres simply have too much retail space. The critical challenge over the short, medium and long term will be how to retain existing businesses, fill/replace the voids and attract new investment so that long-term vacancies in centres do not cause decline; confidence in town centres grow and people are attracted away from increased online shopping.
49. As town centres evolve, residential provision in centres is already being encouraged, including by previous national planning changes (such as office to residential conversions through prior approval, and permitted development for two flats above a shop). In those cases where retail vacancies are long-term and more often than not concentrated in secondary shopping streets/pitches, it will be necessary to plan for alternative uses and/or consider options for redevelopment. As a result of the increasing drive towards more flexible planning through changes to the Use Classes Order and Permitted Development Rights, there will inevitably be more mixed-uses within centres particularly residential, and this should be encouraged and planned for through enabling planning policies.
50. It will be important to maximise intergenerational residential provision in the most sustainable locations, particularly in centres, as part of a balanced mix of uses. Therefore, consideration needs to be given to planning policies and allocations enabling the growth of other uses, such as education, leisure and recreation, within centres, which, along with residential, are particularly positive in terms of enhancing the vitality of centres.

3. QUANTITATIVE RETAIL NEEDS: 2024 ASSUMPTIONS

51. This section provides an update on the key assumptions and forecasts underpinning the quantitative need (capacity) assessment for new retail (comparison and convenience goods) floorspace in the BCLA area up to 2042. The assessment updates and supersedes the retail capacity findings identified in the 2020 Centres Study and subsequent updates in 2021 and 2022.

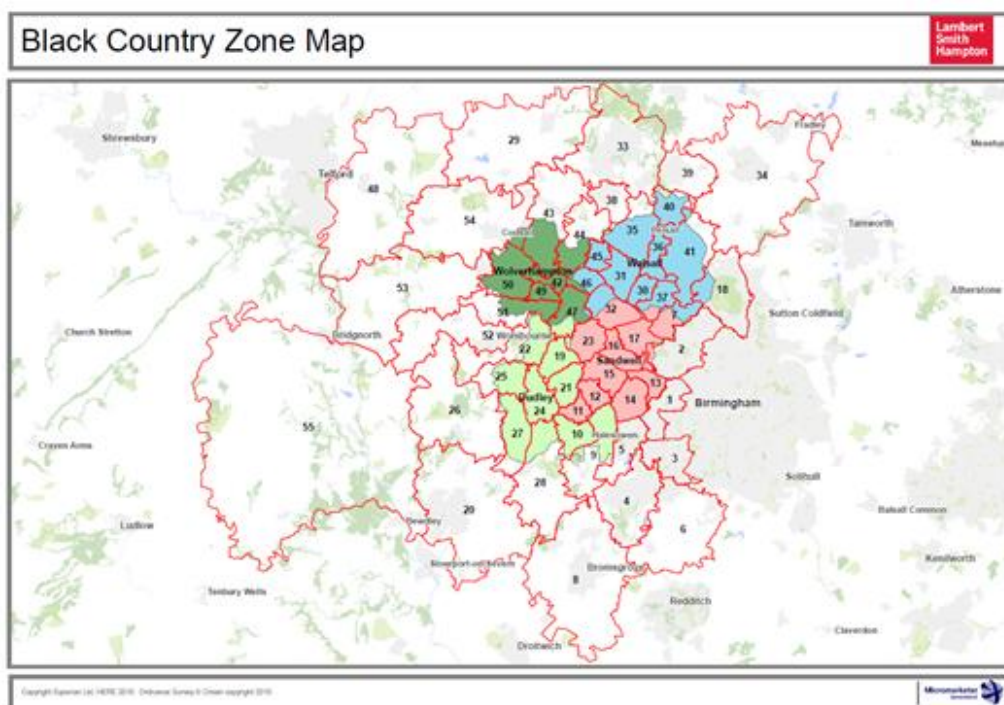
ASSUMPTIONS & FORECASTS

52. The 'baseline' capacity tabulations are set out in **Appendices 2 to 5D (Volume 2)** for convenience goods and **Appendices 6 to 9D (Volume 2)** for comparison goods. The capacity forecasts are based on the most recent population growth projections from Experian, which are derived from the Office of National Statistics' (ONS) ONS 2022 mid-year estimates at Local Authority District level (released June 2023)) (Source: Experian: Retail Planner UK 2023 Release Note). This approach reflects best practice when undertaking capacity modelling.
53. The following describes the key steps and assumptions underpinning the retail capacity assessment.

STUDY AREA AND ZONES

54. The Study Area and zones remain the same as that defined under the 2020 Centres Study (as shown below).

Figure 7: Black Country Centres Study: Study Area



MARKET SHARES

55. The capacity assessment is underpinned by market shares for stores and centres across the BCLA, which was identified by a Household Telephone Interview Survey (HTIS) conducted by NEMS Market Research in June and July 2019 to inform the 2020 Centres Study and subsequent updates including this refresh. The HTIS covered 5,500 respondents and an additional 550 online surveys were undertaken. This approach is robust and reflects well-established best practice, particularly in terms of the methodology and content of the survey.

POPULATION PROJECTIONS

56. **Table 1, (Volume 2, Appendix 2** for convenience goods and **Appendix 6** comparison goods) sets out the latest base year (2024) population and projections (to 2026, 2031, 2036, 2041 and 2042) sourced from the Experian Location Analyst Geographic Information System (GIS) for the Study Area.
57. Experian's population projections show the Study Area population (Zones 1-55) is forecast to increase by +7.9% (+172,375 people) between 2024 and 2042. In contrast the 2021 Update indicated higher increase of +8.2% (+178,078 people) between 2021 and 2039.

EXPENDITURE PER CAPITA & SPECIAL FORMS OF TRADING (SFT)

58. **Table 3 of Appendices 2 and 6 (Volume 2)** forecasts the growth in total available convenience goods and comparison goods retail expenditure (total expenditure is derived by multiplying the population and average expenditure per capita levels together) respectively across the Study Area and zones between 2024 and 2042 (excluding SFT).
59. The base year average expenditure figure is based on 2022 prices (the 2020 Centres Study was based on 2017 prices and 2021 Update on 2019 prices).
60. In identifying expenditure per capita, an allowance has been made for the market share of non-store retail sales (i.e. Special Forms of Trading) at the base year and over the forecast period. As with previous updates an allowance for SFT at the base year has been informed by the results of the household telephone interview survey and 'adjusted' to take account of goods sourced from traditional ('physical') retail space based on Experian's latest Retail Planner Briefing Note 21 (February 2024) (see also paragraphs 16-20).

AVERAGE EXPENDITURE GROWTH FORECASTS

61. The growth in average expenditure per capita levels over the period to 2042 has been informed by the forecasts set out in Experian's latest Retail Planner Briefing Note 21 (as described in **Section 2**). Experian's forecasts show for:
- **convenience goods** – a fall in convenience spend in 2024 (-0.5%) and 2025 (-0.2%), with no growth projected over the medium term to 2030 and long term "flatlining" at around +0.1% to 2040 (and projected at this rate to 2042).
 - **comparison goods** – following negative growth to 2024 (-3.3% in 2023; -1.2% in 2024), the predicted (per capita) growth for 2025 is 2.7% which will settle at around +3.1% to 2030 and falling to +2.8% to 2040 (and projected at this rate to 2042).

TOTAL AVAILABLE EXPENDITURE

62. Total available retail expenditure over the period to 2042 show:
- a 7.7% (+£383.4m) growth in total **convenience goods** expenditure over the period 2024 and 2042 (**Table 3, Appendix 2, Volume 2**).
 - a 58.8% (+£3,296.9m) growth in total **comparison goods** expenditure by 2039 (**Table 3, Appendix 2, Volume 2**). The 2021 Study forecast a 61% (+£3,804.9m) growth in total comparison goods expenditure between 2024 and 2042.

'INFLOW' (TRADE DRAW) FROM OUTSIDE STUDY AREA

63. We have necessarily made informed judgements about the likely 'inflow' (trade draw) from outside the Study Area in line with previous assessments.
64. The 'inflow' of convenience goods expenditure to the main centres and stores from outside the wider Study Area will also be more limited than for comparison goods, as households generally carry out their main food shop at their more local and convenient stores, and do not generally travel longer distances for food purchases.
65. Based on the (survey-derived) market analysis and the 'inflow' assumptions, **Table 1, Appendices 5A – 5D (Volume 2)** sets out the revised turnover estimates for convenience across the BCLA with estimates for comparison goods turnover presented in **Table 1, Appendices 9A – 9D (Volume 2)**.

PLANNED COMMITMENTS & NEW DEVELOPMENT

66. In terms of retail commitments, **Table 2 in Appendices 5A to 5D (Volume 2) (convenience goods)** and **Table 2 Appendices 9A to 9D (comparison goods)** set out planned retail floorspace identified for both goods types.
67. This updates the major planned / committed retail schemes across the BCLA area as detailed in the 2020 and 2021 Centres Studies and updated by the BCLA with the latest available information. Commitments that have been built-out since 2019 are accounted for in the modelling work as they would not have been identified by respondents in the Household Survey.
68. The major planned / committed retail schemes in the City of Wolverhampton LPA area by type of goods are:

Table 2: City of Wolverhampton LPA Area: Commitments: Convenience Goods

	CENTRE	PLANNING REF	SCHEME	Gross Floorspace (sq m)	Net Floorspace (sq m)
[1]	Wolverhampton - Edge-of-City Centre	16/00598/PAOTH	Interchange: Railway Station - Wolverhampton Railway Station Railway Drive City Centre Wolverhampton West Midlands WV1 1LE	825	356
[2]	Wolverhampton - Out-of-Centre	13/00871/FUL	Pountney Street, unit shops - Change of use of the existing basement area to create a mixed use development comprising retail units, bar, restaurant, creche and indoor parking Basement Of Former J W Braithwaite Pountney Street Wolverhampton West Midlands WV2 4HX	1,098	384
[3]	Wolverhampton - Out-of-Centre	16/00678/FUL	Aldi Portobello: Land Between New Street South Street Portobello Wolverhampton West Midlands. New Food Retail Store.	1,505	1,064
[4]	Parkfield Local Centre	19/01048/FUL	Aldi, Parkfield	421	320
[5]	Bilston - 72-84 High St, Bilston.	21/01456/FUL	Lidl, Bilston	2,486	327
[6]	Wolverhampton (Out-of-Centre)	21/00402/FUL	Lidl - Former Quality Hotel Site, 126 Penn Road	1,926	943
[7]	Wolverhampton (Out-of-Centre)	23/00380/FUL	Former Talisman PH Wildtree Avenue	308	273
[8]	Wolverhampton (Out-of-Centre)	22/01168/RC & 23/01227/RC	Home Bargains Unit C4 Bentley Bridge Retail Park Bentleybridge Way Wolverhampton	2,603	500
[9]	Whitmore Reans (Avion Centre)	23/01219/FUL	Former Bagot Arms PH Newhampton Road West WV6 0RX	607	136
[10]	Blakenhall (Dudley Road)	24/00092/FUL	Shri Guru Ravidass Community Centre, 372 - 379 Dudley Road - creation of four retail units	430	58
TOTAL				11,779	4,303

Notes:

- [1] Built-out, Council states two convenience units with a floorspace of 356sqm net.
- [2] One 120sqm unit built out, previously occupied by a comparison operator and now vacant. Assumed that of the total permitted floorspace of 1,098 sqm the convenience /comparison split will be 50% / 50% and netted down using a gross to net factor of 70%.
- [3] Built-out, occupied. Of the 1,254sqmnet sales area 190sqm net is for comparison goods and the remaining 1,064sqm net is convenience goods.
- [4] Built-out, Aldi Goldthorn Hill Wolverhampton, WV2 3HP. Extension of existing food retail store (Class A1) with associated alterations to existing car parking, access, servicing & landscaping. Net increase of 320 sqm is for convenience goods.
- [5] Lidl Bilston - Land And Buildings At 72-84 High St WV14 0EZ. Demolition of existing buildings and erection of a retail foodstore (Class E) and two commercial units (Class E) with access, car parking, landscaping and associated engineering works. Planning permission granted and conditions discharged. The Council details that the replacement Lidl store would create an additional 327sqm convenience goods net sales area.
- [6] Lidl - Former Quality Hotel Site, 126 Penn Road (including 42 Oaklands Road And Business Centre) Wolverhampton WV3 0ER Demolition of existing buildings and erection of a Class E limited assortment discount foodstore with associated car parking, access, landscaping and engineering works. Council has detailed planning permission granted and s106 signed. Condition restricts convenience sales area to 943sqm net and comparison goods to 236 sqm net.
- [7] Former Talisman PH, Wildtree Avenue, Wolverhampton - erection of retail convenience store unit (Ea) and 14No., 1 & 2 bedroom apartments (C3) with associated parking areas, landscaping, amenity space and ancillary development. Council has provided a gross retail area of 308 sqm and a net retail floorspace area of some 273 sqm.
- [8] Minor Material Amendment to vary condition 6 of planning permission 22/00446/RC to allow 550 square metres of food retailing use within Unit A1/A2 (a proposed uplift in retail food use within Unit A1/A2 of 272 sqm); and Minor Material Amendment to vary condition 6 of planning permission 22/01168/RC to allow an additional 228 square metres of food retail space within Unit C4. Council has provided a gross retail area of 2,603 sqm and a net retail floorspace area of some 500 sqm all for convenience goods.
- [9] Former Bagot Arms PH Newhampton Road West WV6 0RX - alterations and extensions to form eight retail units (Use Class E) at ground floor level and three one bedroom apartments at first floor level. Planning permission granted. Council has provided a gross retail area of 607 sqm and a net floorspace area of some 272 sqm net. Of this net floorspace it is assumed that it is split evenly between convenience (136sqm net) and and comparison goods (136sqm net).
- [10] Shri Guru Ravidass Community Centre, 372 - 379 Dudley Road - creation of four retail units. Planning permission granted. Council has provided a gross retail area of 430sqm and a net floorspace area of some 116 sqm net. Of this net floorspace it is assumed that it is split evenly between convenience (58sqm net) and and comparison goods (58sqm net).

Table 3: City of Wolverhampton LPA Area: Commitments: Comparison Goods

	CENTRE	PLANNING REF	SCHEME	Gross Floorspace (sq m)	Net Floorspace (sq m)	Sales Density 2024 (£ per sqm)
[1]	Blakenhall District Centre (Dudley Road)	18/00132/FUL	Community Centre: Proposed part change of use from Industrial building to form 4 Retail units.	314	55	2,000
[2]	Wolverhampton - OTC	19/00349/FUL	Installation of 697sqm mezzanine and elevational changes to Unit F. St Johns Retail Park Church Street City Centre Wolverhampton West Midlands WV2 4SJ	697	600	3,000
[3]	Wolverhampton - OTC	13/00871/FUL	Pountney Street, unit shops - Proposed change of use of the existing basement area to create a mixed use development comprising retail units, bar, restaurant, creche and indoor parking Basement Of Former J W Braithwaite Pountney Street Wolverhampton West Midlands WV2 4HX	1,098	384	3,000
[4]	Wolverhampton - OTC	16/00678/FUL	Aldi Portobello: Land Between New Street South Street Portobello Wolverhampton West Midlands. Proposed new Food Retail Store (Use Class A1), with associated car parking, servicing and landscaping (amended proposal following earlier approval).	1,505	190	4,000
[5]	Wolverhampton - City Centre	14/00310/FUL	Mander Centre reconfiguration	8,360	3,855	4,000
[6]	Wolverhampton - OTC	21/00402/FUL	Lidl - Former Quality Hotel Site, 126 Penn Road	1,926	236	4,000
[7]	Chapel Ash Local Centre	22/00683/FUL	Former Wolverhampton And Midland Counties Eye Infirmary Compton Road Wolverhampton West Midlands WV3 9QR	516	181	4,000
[8]	Whitmore Reans (Avion Centre)	23/01219/FUL	Former Bagot Arms PH Newhampton Road West WV6 0RX	607	136	4,000
[9]	Blakenhall (Dudley Road)	24/00092/FUL	Shri Guru Ravidass Community Centre, 372 - 379 Dudley Road - creation of four retail units	430	58	4,000
	TOTAL			15,453	5,695	

Notes:

- [1] Built-out, Council states one comparison goods unit with a floorspace of 55sqm net.
- [2] Built-out, occupied. Permission provides for maximum 600sqm mezzanine net sales area.
- [3] One 120sqm unit built out, previously occupied by a comparison operator and now vacant. Assumed that of the total permitted floorspace of 1,098 sqm the convenience /comparison split will be 50% / 50% and netted down using a gross to net factor of 70%.
- [4] Built-out, occupied. 190sqm max sales area for comparison goods.
- [5] Built-out; Demolition of south western corner of Mander Centre fronting Bell Street, to be replaced by a new 8,360 sqm department store unit. Creation of larger retail units at ground floor, construction of a new retail kiosk fronting Woolpack Alley and refurbishment of existing mall. Council provided an uplift of 5,507 sqm gross. Applied gross to net ratio of 70% representing a net increase of 3,855 sqm net.
- [6] Lidl - Former Quality Hotel Site, 126 Penn Road (including 42 Oaklands Road And Business Centre) Wolverhampton WV3 0ER Demolition of existing buildings and erection of a Class E limited assortment discount foodstore with associated car parking, access, landscaping and engineering works. Council has detailed planning permission granted and s106 signed. Condition restricts convenience sales area to 943sqm net and comparison goods to 236 sqm net.
- [7] Partial redevelopment of the Former Eye Infirmary site, including demolition in a conservation area, the change of use of the old Eye Infirmary building for the provision of residential dwellings, a new stepped residential building with ground floor commercial space, the refurbishment of the existing Nurses Home and two storey extension for an Eating Disorder Clinic and development of SEN School building, car parking, landscaping and other associated works. Council has provided a gross retail area of 516 sqm and a net retail comparison floorspace area of some 181 sqm net.
- [8] Former Bagot Arms PH Newhampton Road West WV6 0RX - alterations and extensions to form eight retail units (Use Class E) at ground floor level and three one bedroom apartments at first floor level. Planning permission granted. Council has provided a gross retail area of 607 sqm and a net floorspace area of some 272 sqm net. Of this net floorspace it is assumed that it is split evenly between convenience (136sqm net) and comparison goods (136sqm net).
- [9] Shri Guru Ravidass Community Centre, 372 - 379 Dudley Road - creation of four retail units. Planning permission granted. Council has provided a gross retail area of 430sqm and a net floorspace area of some 116 sqm net. Of this net floorspace it is assumed that it is split evenly between convenience (58sqm net) and comparison goods (58sqm net).

69. The major planned / committed retail schemes in the Dudley MBC area by type of goods are:

Table 4: Dudley MBC LPA Area: Commitments: Convenience Goods:

	CENTRE	PLANNING REF	SCHEME	Gross Floorspace (sq m)	Net Floorspace (sq m)
[1]	Dudley-Town Centre	P18/0590	Demolition, remodelling and remediation; redevelopment to allow: retail, service and leisure accommodation (use classes A1, A2, A3, A4, A5, D2); student accommodation (Use Class C2); dwelling houses (C3); hotel accommodation (C1); offices (B1a); non-residential institution uses (D1); car showroom (sui generis) taxi rank; public space; highways, access and pedestrian connectivity works; car parking; landscaping; associated works (outline, all matters reserved)	2,322	1,625
[2]	Lye-Out-of- Centre	P15/0845	Former Clarkson Place Unit, Thorns Road, Lye, DY5 2LD; Erection of retail store (Aldi) (A1) with associated car parking and landscaping.	1,738	1,003
[3]	Dudley-Out- of-Centre	P20/1428	Unit 10 Castle Mill Works: change of use from B2/B8 to Members Retail Warehouse Club	1,977	1,143
[4]	Kingwindsford- Out-of- Centre	P19/0352	Former petrol filling station, Stream Rd, Kingswindsford; Erection of a new convenience store and associated parking	345	233
[5]	Gornal-Town Centre	P21/1233	Land at, Zoar Street, Lower Gornal, DY3 2PA. Demolition of 23 & 25 (Eggingtons Chemist) Abbey Road and 7, 8 & 9 Zoar Street	1,786	1,052
[6]	Lye-Out-of- Centre	P21/1626	Top Bell Public House, Belmont Road, Lye, Stourbridge, DY9 8AS. Change of use and extension of public house (sui generis) to a convenience store	474	207
[7]	Netherton- Out-of- Centre	P22/1614	The Crown (Proposed Redevelopment), Simms Lane, Netherton, Dudley, DY2 0PQ. Demolition of the vacant former public house and the redevelopment of the site for a Class E convenience foodstore and two Class E non-food retail units, together with associated access, parking, servicing arrangements and landscaping,	370	254
[8]	Sedgley- Town Centre	P22/0650	Land South of, Bilston Street, Sedgley, Dudley. Demolition of existing buildings and structures and erection of a Food Retail St	1,839	1,003
TOTAL				10,851	6,520

Notes:

- [1] A1 shops (food): maximum 2,322 sqm, netted down by 70%.
- [2] Built-out, Council states 1,738 sq m of gross A1 retail floorspace and some 1,254 sq m net. The net floorspace figure is broken down into 1,003 sqm net convenience goods and 251 sqm net for comparison goods.
- [3] Built-out, Unit 10 Castle Mill Works: change of use from B2/B8 to Members Retail Warehouse Club. Dudley Council has provided a gross retail area of 1,977 sqm and net retail floorspace area of some 1,143 sqm.
- [4] Under construction; Erection of a new convenience store and associated parking. Dudley Council has provided a gross retail area of 345 sqm and a net retail floorspace area of some 233 sqm.
- [5] Aldi application, as per planning and retail statement Gross Area of 1,786sqm with a net sales area of 1,315 sqm net of which 1,052 sqm net (80%) is for convenience goods and 263 sqm net (20%) is for comparison goods.
- [6] Built-out, Council states 474 sq m of gross convenience goods retail floorspace netted down to 207 sq m net - Occupied Tesco Express store.
- [7] One Stop application, as per planning and retail statement Gross Area of 370 with a net sales area of 254 sqm net (all assumed for convenience goods). Non-food units total 162 sqm gross netted down to 113sqm net (based a gross to net ratio of 70%).
- [8] Aldi application, as per planning and retail statement Gross Area of 1,839 sqm with a net sales area of 1,254 sqm net of which 1,003 sqm net (80%) is for convenience goods and 251 sqm net (20%) is for comparison goods.

Table 5: Dudley MBC Area: Commitments: Comparison Goods

	CENTRE	PLANNING REF	SCHEME	Gross Floorspace (sq m)	Net Floorspace (sq m)
[1]	Dudley - Town Centre	P18/0590	Demolition, remodelling and remediation; redevelopment to allow: retail, service and leisure accommodation (use classes A1, A2, A3, A4, A5, D2); student accommodation (Use Class C2); dwelling houses (C3); hotel accommodation (C1); offices (B1a); non-residential institution uses (D1); car showroom (sui generis) taxi rank; public space; highways, access and pedestrian connectivity works; car parking; landscaping; associated works (outline, all matters reserved)	4,180	2,926
[2]	Lye-Out-of-Centre	P15/0845	Former Clarkson Place Unit, Thorns Road, Lye, DY5 2LD; Erection of retail store (Aldi) (A1) with associated car parking and landscaping.	1,805	251
[3]	Brierley Hill - Edge of Centre	P21/1786	Unit B2 The Boulevard, Merry Hill: installation of a mezzanine floor	998	977
[4]	Brierley Hill - Edge of Centre	P18/0370	Unit 9c, Station Drive, Merry Hill, Brierley Hill, DY5 1SY. Extension to existing mezzanine floor for retail use (Class A1.	473	331
[5]	Gornal-Town Centre	P21/1233	Land at, Zoar Street, Lower Gornal, DY3 2PA. Demolition of 23 & 25 (Eggingtons Chemist) Abbey Road and 7, 8 & 9 Zoar Street	1,786	263
[6]	Netherton-Out-of-Centre	P22/1614	The Crown (Proposed Redevelopment), Simms Lane, Netherton, Dudley, DY2 0PQ. Demolition of the vacant former public house and the redevelopment of the site for a Class E convenience foodstore and two Class E non-food retail units, together with associated access, parking, servicing arrangements and landscaping,	162	113
[7]	Sedgley-Town Centre	P22/0650	Land South of, Bilston Street, Sedgley, Dudley. Demolition of existing buildings and structures and erection of a Food Retail St	1,839	251
TOTAL				11,243	5,112

Notes:

- [1] A1 shops (non-food): maximum 4,180 sqm gross netted down by a ratio of 70%.
- [2] Built-out, Council states 1,738 sq m of gross A1 retail floorspace and some 1,254 sq m net. The net floorspace figure is broken down into 1,003 sqm net convenience goods and 251 sqm net for comparison goods.
- [3] Built-out. Plan accompanying application shows 998 sqm gross area and 977 sq m net sales area.
- [4] Built-out. Council data states 473sq m of gross A1 retail floorspace and some 331sq m net.
- [5] Aldi application, as per planning and retail statement Gross Area of 1,786sqm with a net sales area of 1,315 sqm net of which 1,052 sqm net (80%) is for convenience goods and 263 sqm net (20%) is for comparison goods.
- [6] One Stop application, as per planning and retail statement Gross Area of 370 with a net sales area of 254 sqm net (all assumed for convenience goods). Non-food units total 162 sqm gross netted down to 113sqm net (based a gross to net ratio of 70%).
- [7] Aldi application, as per planning and retail statement Gross Area of 1,839 sqm with a net sales area of 1,254 sqm net of which 1,003 sqm net (80%) is for convenience goods and 251 sqm net (20%) is for comparison goods.

70. The major planned / committed retail schemes in the Sandwell MBC area by type of goods are:

Table 6: Sandwell MBC LPA Area: Commitments: Convenience Goods:

	CENTRE	PLANNING REF	SCHEME	Gross Floorspace (sq m)	Net Floorspace (sq m)
[1]	West Bromwich-Town Centre	DC/13/56479	3 Bull Street West Bromwich Ringway West Bromwich B70 6EU. mixed use development including retail, restaurant and five apartments.	300	210
[2]	West Bromwich-Town Centre	DC/16/59740	Proposed mixed use development consisting of 4 No. ground floor commercial units with 49 No. apartments above with undercroft car parking to rear and cycle and refuse storage Car Park Victoria Street West Bromwich	295	103
[3]	West Bromwich-Edge of Town Centre	DC/18/62210	Staples Limited Tildasley Street West Bromwich B70 9SJ. Proposed variation of condition 1 of planning permission DC/18/62210 (Proposed change of use to supermarket (Class A1), external alterations including new store access, loading bay extension, trolley bay canopy, and alterations to car park and landscaping) to remove loading bay extension and replace with rear access ramp and new ramp to customer service entrance.	1,973	1,052
[4]	Great Bridge-Town Centre	DC/15/58596	87 Whitehall road and land adjacent to West Bromwich, Great Bridge. 2 No. retail units with 2 No. two bedroom flats above and two storey building comprising of 8 No. two bedroom flats with associated parking.	150	105
[5]	Wednesbury - Out-of-Centre	DC/15/57967	Johal Supersave 90 Oxford Street Wednesbury WS10 0PY - replacement shop with five apartments above	203	180
[6]	Smethwick Local Centre - Town Centre	DC/15/58733	Site Of 2 To 4 Cape Hill Smethwick. Proposed three storey development comprising of 3 No. retail units at ground floor and 6 No. 2 bed apartments at first and second floor.	202	141
[7]	Wednesbury Town Centre	DC/20/64006	41 Lower High Street; Wednesbury; WS10 7AJ. Proposed change of use of the former Barclays Bank into a shop (Class A1) at ground floor and self-contained flats (Class C3) on first and second floors with external alterations to windows and doors.	207	145
[8]	Out-of-Centre: Gorse Farm Road	DC/19/63758	The Red Admiral; 52 Gorse Farm Road; Great Barr; B43 5LR. Proposed demolition of existing public house and erection of 1 No. single storey retail building (Class A1) with associated car parking and plant area.	366	256
[9]	Tipton Local Centre-In-Centre	DC/19/63355	Unit 12 - 16; Unity Walk; Tipton; DY4 8QL. Proposed change of use to shops (Class A1).	430	151
[10]	Oldbury Town Centre	DC/19/63208	Former Perrott Arms; 2 Birmingham Road; Oldbury; B69 4ED. Proposed change of use and two storey rear extension to create 3 No. shops at ground floor and 2 No. one bedroom flats above.	205	72
[11]	West Bromwich-Town Centre	DC/21/65782	9B Astle Park West Bromwich B70 8NS. Proposed change of use to retail (Class E(a)).	555	389
[12]	Tipton Local Centre-Out-of-Centre	DC/18/62117	The Sportsman, St Marks Road, Tipton. Proposed re-development and extension of existing Public House to provide new Class A1 local food store along with associated car parking and servicing.	404	280
[13]	Tipton Local Centre-Out-of-Centre	DC/21/66194	The Jolly Collier 29 Leabrook Road Tipton DY4 0DX. Proposed change of use of the former Jolly Collier Public House to a convenience store (Use Class E(a)) to include external alterations, extensions to side, front and rear, new car park layout, new bin store, cycle store, landscaping and other associated works.	484	339
[14]	West Bromwich-Town Centre	DC/21/65989	Kings Cinema Kings Square West Bromwich. Proposed demolition of existing Kings Cinema with ground floor retail and basement storage and construction of 15 storey building consisting of ground floor retail units with first floor storage and 77 apartments with basement residential parking and second floor open-air podium garden as residential amenity are	972	322
[15]	Cradley Heath Town Centre-Edge of Centre	DC/22/66899	217 Halesowen Road Cradley Heath B64 6JQ. Proposed change of use from bank to 2 No. retail units at ground floor with single storey side and rear extension.	497	348
[16]	Oldbury Town Centre-Edge of Centre	DC/23/67955	Units 4 and 5 Oldbury Green Retail Park, Oldbury Ringway, Oldbury B69 3DD. Proposed amalgamation of units 4 and 5 with single storey rear extension, external alterations to rear and new glazed shop frontages.	1,858	1,040
	TOTAL			9,101	5,132

Notes:

- [1] Built-out. Assumed gross to net ratio of 70% and that all the floorspace is for convenience goods.
- [2] Built-out. Assumed gross to net ratio of 70% and that 50% of the floorspace is for A1 convenience goods and that 50% is for A3 uses.
- [3] Built-out. Aldi application, as per planning and retail statement net sales area of 1,315. It is assumed that of this 80% of all the floorspace is for convenience good and that remainder 20% is for comparison goods.
- [4] Built-out. Assumed gross to net ratio of 70% and that all the floorspace is for convenience goods.
- [5] Built-out, Council states 202 sq m of gross convenience goods retail floorspace netted down to 180 sq m net .
- [6] Built-out. Assumed gross to net ratio of 70% and that all the floorspace is for convenience goods.
- [7] Assumed gross to net ratio of 70% and that all the floorspace is for convenience goods.
- [8] Built-out. Assumed gross to net ratio of 70% and that all the floorspace is for convenience goods.
- [9] Built-out. Assumed gross to net ratio of 70% and that 50% of the floorspace is for convenience goods and that 50% is for comparison goods.
- [10] Assumed gross to net ratio of 70% and that 50% of the floorspace is for convenience goods and that 50% is for comparison goods.
- [11] Built-out. Assumed gross to net ratio of 70% and that all the floorspace is for convenience goods.
- [12] Built-out. Assumed that all the floorspace is for convenience goods.
- [13] Built-out, Council states 484 sq m of gross convenience goods retail floorspace netted down to 339 sq m net assuming a gross net ratio of 70%.
- [14] Design & Access Statement indicates GIA of 972 sqm net of which NIA is 643 sqm net. It is assumed that of this net floorspace it will be split equally between convenience and comparison goods.
- [15] Council states 497 sq m of gross convenience goods retail floorspace netted down to 348 sq m net assuming a gross net ratio of 70%.
- [16] Aldi application, as per planning and retail statement Gross Area of 1,858sqm with a net sales area of 1,300sqm net of which 1,040 sqm net (80%) is for convenience goods and 260 sqm net (20%) is for comparison goods.

Table 7: Sandwell MBC LPA Area: Commitments: Comparison Goods

	CENTRE	PLANNING REF	SCHEME	Gross Floorspace (sq m)	Net Floorspace (sq m)
[1]	West Bromwich-Edge-of-Town Centre	DC/18/62210	Staples Limited Tildasley Street West Bromwich B70 9SJ. Proposed variation of condition 1 of planning permission DC/18/62210 (Proposed change of use to supermarket (Class A1), external alterations including new store access, loading bay extension, trolley bay canopy, and alterations to car park and landscaping) to remove loading bay extension and replace with rear access ramp and new ramp to customer service entrance.	1,973	263
[2]	Tipton Local Centre-In-Centre	DC/19/63355	Unit 12 - 16; Unity Walk; Tipton; DY4 8QL. Proposed change of use to shops (Class A1).	430	151
[3]	Oldbury Town Centre	DC/19/63208	Former Perrott Arms; 2 Birmingham Road; Oldbury; B69 4ED. Proposed change of use and two storey rear extension to create 3 No. shops at ground floor and 2 No. one bedroom flats above.	205	72
[4]	Out-of-Centre: Wolverhampton Road	DC/20/64517	Former Toys R Us, Wolverhampton Road, Oldbury. Proposed demolition of existing entrance, sub-division of existing retail unit (Class A1) together with external alterations, new shop frontage and cladding, mezzanine floor in Unit 1, creation of ancillary external garden centre area for Unit 2, construction of extension to form new unit for assembly and leisure use (Class D2), and construction of a standalone cafe/drive-thru restaurant, with associated landscaping and alterations to existing car park and internal vehicle circulation.	2,386	1,670
[5]	West Bromwich-Town Centre	DC/21/65989	Kings Cinema Kings Square West Bromwich. Proposed demolition of existing Kings Cinema with ground floor retail and basement storage and construction of 15 storey building consisting of ground floor retail units with first floor storage and 77 apartments with basement residential parking and second floor open-air podium garden as residential amenity area.	972	322
[6]	Oldbury Town Centre-Edge of Centre	DC/23/67955	Units 4 and 5 Oldbury Green Retail Park, Oldbury Ringway, Oldbury B69 3DD. Proposed amalgamation of units 4 and 5 with single storey rear extension, external alterations to rear and new glazed shop frontages.	1,858	260
TOTAL				7,824	2,737

Notes:

- [1] Built-out. Aldi application, as per planning and retail statement net sales area of 1,315. It is assumed that of this 80% of all the floorspace is for convenience good and that remainder 20% is for comparison goods.
- [2] Built-out. Assumed gross to net ratio of 70% and that 50% of the floorspace is for convenience goods and that 50% is for comparison goods.
- [3] Assumed gross to net ratio of 70% and that 50% of the floorspace is for convenience goods and that 50% is for comparison goods.
- [4] Built-out. The gross floorspace is 2,386 sqm to which a gross to net ratio of 70% has been applied.
- [5] Design & Access Statement indicates GIA of 972 sqm net of which NIA is 643 sqm net. It is assumed that of this net floorspace it will be split equally
- [6] Aldi application, as per planning and retail statement Gross Area of 1,858sqm with a net sales area of 1,300sqm net of which 1,040 sqm net (80%) is for convenience goods and 260 sqm net (20%) is for comparison goods.

71. The major planned / committed retail schemes in the Walsall Council area are:

Table 8: Walsall Council LPA Area: Commitments: Convenience Goods

	CENTRE	PLANNING REF	SCHEME	Gross Floorspace (sq m)	Net Floorspace (sq m)
[1]	Willenhall Town Centre-In-Centre	18/0438	Proposed demolition of existing class A1 retail (Budgens) store. Erection of new class A1 retail store (Aldi) with associated amendments to access, car	1,831	195
[2]	Birchills Local Centre	18/0460	15 Old Birchills, Walsall, WS2 8QH. Change of Use from A4 to A1 (Costcutter) with external installation of plant and machinery to accommodate internal refrigeration.	292	204
[3]	Brownhills Town Centre	17/1629	Land Between 75-85 High Street, Brownhills. New 2.5 storey development of 3 commercial units and 3 x 1 bed flats	171	60
[4]	Darlaston (Out-of-Centre)	18/1494	Demolition of existing petrol station and construction of new shop and forecourt to include 3 x new pump islands, canopy including parking	230	121
[5]	Walsall Wood (Out-of-Centre)	22/0548	Horse And Jockey, 146, Walsall Road, Walsall Wood, Walsall, WS9 9AJ. Erection of a new discount food store (Use Class E) with access, car parking, landscaping, biodiversity improvements and other associated	2,215	1,129
[6]	Delves (Out-of-centre)	19/0622	Johal Supermarket, 19, West Bromwich Road, Walsall, WS1 3HS. Demolition of existing buildings and creation of 3 x retail (E (a)) units at ground floor and 5 x residential flats (C3) at first floor.	412	224
TOTAL				5,151	1,933

Notes:

- [1] Built-out, the net additional floorspace proposed is 278sqm gross (Existing: 1,553 sqm and proposed 1,831 sqm); the applied gross to net ratio of 70% and that all of this space is for convenience goods.
- [2] Built-out, assumed gross to net ratio of 70% and that all the floorspace is for convenience goods.
- [3] Assumed gross to net ratio of 70% and that 50% of the floorspace is for convenience goods and that 50% is for comparison goods.
- [4] Built-out, Council has stated that net new convenience goods space amounts to 121 sqm.
- [5] Lidl application, as per planning and retail statement gross floorspace of 2,215sqm. Of which the total net sales area is 1,411 sqm. Of this total, the convenience goods net sales area is 1,129sqm (80%) and comparison goods 282 sqm net (20%).
- [6] Council data states 412 sq m of gross new net additional retail floorspace. It is estimated that from this some 224 sqm net is for convenience goods and some 90sq m net for comparison goods.

Table 9: Walsall LPA Area: Commitments: Comparison Goods

	CENTRE	PLANNING REF	SCHEME	Gross Floorspace (sq m)	Net Floorspace (sq m)
[1]	Brownhills Town Centre	17/1629	Land Between 75-85 High Street, Brownhills. New 2.5 storey development of 3 commercial units and 3 x 1 bed flats	171	60
[2]	Walsall Wood (Out-of- Centre)	22/0548	Horse And Jockey, 146, Walsall Road, Walsall Wood, Walsall, WS9 9AJ. Erection of a new discount food store (Use Class E) with access, car parking, landscaping, biodiversity improvements and other associated works.	2,215	282
[3]	Delves (Out- of-centre)	19/0622	Johal Supermarket, 19, West Bromwich Road, Walsall, WS1 3HS. Demolition of existing buildings and creation of 3 x retail (E (a)) units at ground floor and 5 x residential flats (C3) at first floor.	412	90
TOTAL				2,798	432

Notes:

- [1] Assumed gross to net ratio of 70% and that 50% of the floorspace is for convenience goods and that 50% is for comparison goods.
- [2] Lidl application, as per planning and retail statement gross floorspace of 2,215sqm. Of which the total net sales area is 1,411 sqm. Of this total, the convenience goods net sales area is 1,129sqm (80%) and comparison goods 282 sqm net (20%).
- [3] Council data states 412 sq m of gross new net additional retail floorspace. It is estimated that from this some 224 sqm net is for convenience goods and some 90sq m net for comparison goods.

72. The turnover of the above commitments is then discounted from residual expenditure in order to estimate net residual expenditure from which forecast new retail floorspace is identified (as detailed in the next section).

4. RETAIL NEEDS ASSESSMENT: 2024 REFRESH

73. This section sets out the updated results of the quantitative need (capacity) for new retail floorspace (comparison and convenience goods) across the BCLA over the period to 2042. The results update the capacity findings of all other updates. It also updates the population projections, expenditure forecasts and commitments.

METHODOLOGY

74. The update is based on the CREAT^e model and draws on the most up to date population and average retail (convenience and comparison goods) expenditure reviewed in **Section 3**. The forecasts are presented for the individual BCLA with breakdowns by centres and locations (tier-one strategic centres, tier-two town centres (including Walsall's District Centres), tier-three district and local centres and finally out-of-centre locations). As emphasised in all previous reporting, any potential out-of-centre 'capacity' does not support the need for future out-of-centre provision but should be subject to the national and local 'centres first' policy steer.
75. The capacity forecasts will enable the BCLA to test the strategic options for the spatial distribution of any new retail-led development to 2042 and make informed policy choices about where any forecast need should be met in accordance with the advice set out in NPPF paragraph 90. The potential inclusion in Local Plans of any retail targets and any allocations of sites to meet any identified need will depend on a range of key considerations, including the suitability, viability and availability of sites in or on the edge of existing centres.
76. It has necessarily been assumed for the purpose of this strategic capacity assessment that the BCLA's (convenience and comparison goods) retail market is in 'equilibrium' at the base year. In other words, we assume that existing centres and stores are broadly trading in line with appropriate 'benchmark' turnover levels at the base year and based on adjusted market shares for new store openings. Therefore, any residual expenditure available to support new retail floorspace within the study area over the period to 2042 is derived from the difference between the forecast growth in 'current' (survey-derived) turnover levels; and the growth in 'benchmark' turnovers based on applying year-on-year 'productivity' ('efficiency') growth rates to all existing and new retail floorspace.
77. For all existing and new convenience floorspace we have assumed an annual average 'productivity' growth rate of -0.2% (in 2025); (+0.2% (to 2030) and +0.3% (to 2040 – and to the forecast period to 2042). Corresponding annual productivity growth for comparison floorspace is higher, ranging from +1.5% (2025) to 2.8% (to 2040 – and to the forecast period to 2042). These growth rates have been informed by Experian's latest Briefing Note 21 (February 2024).
78. As with previous updates, we advise the BCLA that the greatest weight should be placed on the short-term forecasts (carried out up to a five year period), which can

also assist with Development Management decisions. Whilst capacity forecasts covering a shorter period of time are more certain, notwithstanding this, and also consistent with the NPPF (Paragraph 90(d)), account should also necessarily be taken of the forecast growth over a longer period (at least ten years ahead) as set out below.

RETAIL CAPACITY FORECASTS

79. To robustly assess the potential capacity for new **convenience goods** floorspace up to 2042 we have necessarily tested the same two trading scenarios as per previous assessments:
- ‘Superstore format’ trading scenario – assuming the residual expenditure could support one of the ‘top 6’ foodstore operators (i.e. Tesco, Sainsbury’s, Asda, Morrisons, Waitrose and Marks & Spencer), which together could achieve an average sales density of approximately £12,500 per sqm in 2024 (2022 prices); and
 - ‘Supermarket/discounter’ trading scenario – assuming the residual expenditure is taken up by a supermarket (e.g. Co-op, Budgens, etc.) trading at a slightly lower average sales level of circa £7,000 per sq.m in 2024.
80. For **comparison goods** it is assumed that new floorspace will achieve average sales levels of circa £6,000 per sqm in 2024.

BCLA AREA SUMMARY

81. After accounting for all known commitments there is no identified convenience or comparison goods capacity overall within the BCLA area.

Table 10: BCLA Area: Aggregated Convenience Goods Capacity (Net sqm) Forecasts

LPA	Foodstore Format (sqm net)					Local Supermarket / Deep Discounter Format (sqm net)				
	2026	2031	2036	2041	2042	2026	2031	2036	2041	2042
Wolverhampton	-3,351	-2,977	-2,579	-2,043	-1,930	-5,984	-5,317	-4,605	-3,648	-3,446
Dudley	-4,523	-4,079	-3,606	-2,968	-2,835	-8,077	-7,284	-6,439	-5,301	-5,062
Sandwell	-3,365	-2,901	-2,406	-1,740	-1,600	-6,010	-5,181	-4,297	-3,108	-2,858
Walsall	-1,431	-1,116	-780	-329	-234	-2,555	-1,993	-1,394	-587	-418
TOTAL: BCLA AREA	-12,670	-11,073	-9,372	-7,080	-6,599	-22,626	-19,774	-16,735	-12,644	-11,784

Figure 11: BCLA Area: Aggregated Comparison Goods Capacity (Net sqm) Forecasts

LPA	2026	2031	2036	2041	2042
Wolverhampton	-3,662	-3,353	-3,012	-1,044	-501
Dudley	-3,488	-2,966	-2,388	947	1,866
Sandwell	-1,835	-1,526	-1,185	785	1,328
Walsall	-317	-125	87	1,313	1,651
TOTAL: BCLA AREA	-9,301	-7,971	-6,497	2,001	4,343

82. Despite showing no capacity, this does not preclude facilitating any further future investment and improvements to the strategic, town, district or local centres.

CITY OF WOLVERHAMPTON LPA AREA: CAPACITY FORECASTS

83. The following sets out the convenience and comparison goods capacity forecasts for the main centres and stores in the City of Wolverhampton LPA area. The detailed capacity tabulations for convenience and comparison goods are set out in **Appendix 5A and 9A (Volume 2)** respectively.
84. As with the previous assessments, the capacity findings across both foodstore formats indicates no identified LPA area-wide capacity up to 2042.

Table 12: City of Wolverhampton LPA Area: Convenience Goods Capacity (Net sqm) Forecasts by Location

CENTRE TYPE	STORE FORMAT									
	Foodstore Format (sqm net)					Local Supermarket / Deep Discounter Format (sqm net)				
	2026	2031	2036	2041	2042	2026	2031	2036	2041	2042
Residual Expenditure (after Commitments) (£m)	-£41.9	-£37.6	-£33.1	-£26.6	-£25.2	-£41.9	-£37.6	-£33.1	-£26.6	-£25.2
Strategic Centre Wolverhampton	-235	-144	-47	84	111	-420	-257	-84	150	199
Town Centre Bilston Wednesfield	-262 2	-214 4	-164 8	-96 12	-81 13	-468 3	-383 8	-292 13	-171 21	-145 22
District & Local Centres	-323	-241	-154	-37	-13	-576	-431	-276	-67	-23
Out-of-Centre	-2,533	-2,382	-2,222	-2,005	-1,960	-4,524	-4,254	-3,967	-3,580	-3,499
CITY OF WOLVERHAMPTON COUNCIL AREA	-3,351	-2,977	-2,579	-2,043	-1,930	-5,984	-5,317	-4,605	-3,648	-3,446

85. In relation to comparison goods the table below shows that for the main centres and stores there is no overall identified capacity over the period to 2042. The nominal capacity identified by 2036 for individual centres (e.g., Bilston - 50 sqm net; Wednesfield 11 sqm net) will be absorbed by infill development, change of use applications and/or extensions to existing stores without the need to identify sites.

Table 13: City of Wolverhampton LPA Area: Comparison Goods Capacity (Net sqm) Forecasts by Location

CENTRE TYPE		2026	2031	2036	2041	2042
Residual Expenditure (after Commitments) (£m)		-£22.9	-£24.1	-£24.9	-£9.9	-£4.9
Strategic Centre	Wolverhampton	-2,599	-2,409	-2,200	-989	-656
Town Centre	Bilston	-4	22	50	215	260
	Wednesfield	-1	5	11	46	55
District & Local Centres		-270	-258	-245	-168	-147
Out-of-Centre		-788	-712	-629	-146	-14
CITY OF WOLVERHAMPTON COUNCIL AREA		-3,662	-3,353	-3,012	-1,044	-501

DUDLEY MBC LPA AREA: CAPACITY FORECASTS

86. **Table 3 (Appendix 5B, Volume 2)** sets out the total residual capacity for new convenience goods floorspace in the Dudley MBC area. In the important 10 year period to 2036, there is no identified capacity overall. There is modest identified quantum by individual centres (e.g., 124 sqm net – Brierley Hill; 172 sqm net Stourbridge; 92sqm net Halesowen) this is likely to be absorbed by infill development, change of use applications and/or extensions to existing stores without the need to identify sites.

Table 14: Dudley MBC LPA Area: Convenience Goods Capacity (Net sqm) Forecasts by Location

CENTRE TYPE		STORE FORMAT									
		Foodstore Format (sqm net)					Local Supermarket / Deep Discounter Format (sqm net)				
		2026	2031	2036	2041	2042	2026	2031	2036	2041	2042
Residual Expenditure (after Commitments) (£m)		-£56.5	-£51.6	-£46.3	-£38.7	-£37.0	-£56.5	-£51.6	-£46.3	-£38.7	-£37.0
Strategic Centre	Brierley Hill (Traditional High St +Merry Hill)	26	74	124	193	207	46	132	222	344	370
Town Centre	Dudley	-1,031	-1,014	-995	-970	-965	-1,841	-1,810	-1,777	-1,733	-1,723
	Stourbridge	36	102	172	267	287	64	182	308	477	512
	Halesowen	19	55	92	143	154	34	98	165	256	275
District & Local Centres		-1,757	-1,664	-1,564	-1,429	-1,401	-3,138	-2,971	-2,792	-2,552	-2,502
Out-of-Centre		-1,816	-1,632	-1,436	-1,172	-1,117	-3,243	-2,915	-2,565	-2,093	-1,994
DUDLEY MBC AREA		-4,523	-4,079	-3,606	-2,968	-2,835	-8,077	-7,284	-6,439	-5,301	-5,062

87. **Table 3 (Appendix 9B, Volume 2)** sets out the total LPA area-wide capacity for new comparison goods floorspace after allowing for the turnover of all known commitments. This shows that there is no overall capacity over the key ten year period to 2036. Capacity emerges over the longer term beyond the 10 year period and it is assumed that by this time the forecasts will have been reviewed and revised.

Table 15: Dudley MBC LPA Area: Comparison Goods Capacity (Net sqm) Forecasts by Location

CENTRE TYPE		2026	2031	2036	2041	2042
Residual Expenditure (after Commitments) (£m)		-£21.8	-£21.3	-£19.7	£9.0	£18.2
Strategic Centre	Brierley Hill (Traditonal High St +Merry Hill)	-932	-539	-102	2,412	3,105
Town Centre	Dudley	-1,956	-1,924	-1,888	-1,685	-1,629
	Stourbridge	-5	25	58	247	300
	Halesowen	-4	20	45	192	233
District & Local Centres		-345	-328	-308	-195	-164
Out-of-Centre		-247	-221	-192	-25	21
DUDLEY MBC AREA		-3,488	-2,966	-2,388	947	1,866

SANDWELL MBC LPA AREA: CAPACITY FORECASTS

88. The following sets out the convenience and comparison goods capacity forecasts for the main centres and stores in the Sandwell MBC LPA area. The detailed capacity tabulations for convenience and comparison goods are set out in **Appendix 5C and 9C (Volume 2)** respectively.
89. The global capacity convenience capacity assessment indicate no capacity for new convenience goods floorspace over the ten year period to 2036 and beyond to 2042.

Table 16: Sandwell MBC LPA Area: Convenience Goods Capacity (Net sqm) Forecasts by Location

CENTRE TYPE		STORE FORMAT									
		Foodstore Format (sqm net)					Local Supermarket / Deep Discounter Format (sqm net)				
		2026	2031	2036	2041	2042	2026	2031	2036	2041	2042
Residual Expenditure (after Commitments) (£m)		-£42.1	-£36.7	-£30.9	-£22.7	-£20.9	-£42.1	-£36.7	-£30.9	-£22.7	-£20.9
Strategic Centre	West Bromwich	-1,565	-1,511	-1,454	-1,376	-1,360	-2,794	-2,698	-2,596	-2,458	-2,429
Town Centre	Blackheath	17	49	82	128	137	31	87	147	228	245
	Cradley Heath	-258	-220	-180	-125	-114	-460	-393	-321	-224	-203
	Great Bridge	-4	49	106	183	199	-8	88	189	326	355
	Oldbury	-920	-888	-853	-806	-796	-1,643	-1,585	-1,523	-1,439	-1,421
	Wednesbury	-35	-14	9	39	46	-62	-24	16	70	81
	Cape Hill	21	58	98	152	164	37	104	175	272	292
	Bearwood	11	31	52	80	86	19	55	92	143	154
District & Local Centres		-62	-4	57	140	157	-111	-8	102	249	280
Out-of-Centre		-570	-451	-325	-155	-119	-1,018	-806	-580	-276	-212
SANDWELL MBC AREA		-3,365	-2,901	-2,406	-1,740	-1,600	-6,010	-5,181	-4,297	-3,108	-2,858

90. **Table 3 (Appendix 9C, Volume 2)** sets out the total LPA area-wide capacity for new comparison goods floorspace after allowing for the turnover of all known commitments. The table shows no capacity overall over the ten year period to 2036 after allowing for all known commitments. Capacity emerges over the longer

term beyond the 10 year period, and it is assumed that by this time the forecasts will have been reviewed and revised.

Table 17: Sandwell MBC LPA Area: Comparison Goods Capacity (Net sqm) Forecasts by Location

CENTRE TYPE		2026	2031	2036	2041	2042
Residual Expenditure (after Commitments) (£m)		-£11.5	-£11.0	-£9.8	£7.4	£12.9
Strategic Centre	West Bromwich	-402	-324	-238	256	392
Town Centre	Blackheath	-2	9	21	91	110
	Cradley Heath	0	2	5	21	25
	Great Bridge	-2	9	21	92	111
	Oldbury	-215	-179	-140	86	148
	Wednesbury	-2	12	28	118	143
	Cape Hill	-1	7	17	70	85
	Bearwood	-2	9	22	92	111
District & Local Centres	-77	-66	-55	12	31	
Out-of-Centre	-1,133	-1,006	-865	-53	171	
SANDWELL MBC AREA		-1,835	-1,526	-1,185	785	1,328

WALSALL LPA AREA: CAPACITY FORECASTS

91. The following sets out the convenience and comparison goods capacity forecasts for the main centres and stores in the Walsall LPA area. The detailed capacity tabulations for convenience and comparison goods are set out in **Appendix 5D and 9D (Volume 2)** respectively.

The table below summarises the convenience goods capacity for the main centres and stores. This shows that over the ten period to 2036 and beyond to 2042 there is no identified capacity. There is modest identified quantum by individual centres but not to a scale that requires the need to identify sites as this is likely to be absorbed by infill development, change of use applications and/or extensions to existing stores.

**Table 18: Walsall LPA Area: Convenience Goods Capacity (Net sqm)
Forecasts by Location**

CENTRE TYPE	STORE FORMAT									
	Foodstore Format (sqm net)					Local Supermarket / Deep Discounter Format (sqm net)				
	2026	2031	2036	2041	2042	2026	2031	2036	2041	2042
Residual Expenditure (after Commitments) (£m)	-£17.9	-£14.1	-£10.0	-£4.3	-£3.1	-£17.9	-£14.1	-£10.0	-£4.3	-£3.1
Strategic Centre Walsall	33	95	160	248	266	60	169	285	442	475
Town Centre Bloxwich	14	41	69	106	114	26	72	122	190	204
Brownhills	-32	7	47	102	114	-57	12	84	182	203
Aldridge	20	56	95	148	159	36	101	170	264	283
Willenhall	-151	-114	-75	-22	-11	-270	-204	-134	-40	-20
Darlaston	14	40	67	104	112	25	71	120	186	200
District & Local Centres	-168	-147	-124	-93	-86	-300	-262	-221	-165	-154
Out-of-Centre	-1,161	-1,093	-1,020	-922	-901	-2,074	-1,951	-1,821	-1,646	-1,609
WALSALL MBC AREA	-1,431	-1,116	-780	-329	-234	-2,555	-1,993	-1,394	-587	-418

92. For comparison goods, the table below shows that after allowing for all known commitments over the ten year period to 2036 there is overall a modest capacity of some 87sqm net. This is principally being driven by the identified capacity in the strategic centre of Walsall of some 225sqm net. However, this is not of scale to identify a site and will be absorbed by infill development, change of use applications and/or extensions to existing stores. Capacity emerges over the longer term beyond the 10 year period to 2042 and it is assumed that by this time the forecasts will have been reviewed and revised.

**Table 19: Walsall LPA Area: Comparison Goods Capacity (Net sqm)
Forecasts by Location**

CENTRE TYPE	2026	2031	2036	2041	2042
Residual Expenditure (after Commitments) (£m)	-£2.0	-£0.9	£0.7	£12.4	£16.1
Strategic Centre Walsall	-18	98	225	962	1,165
Town Centre Bloxwich	-2	9	20	85	103
Brownhills	-41	-34	-27	16	27
Aldridge	-2	11	25	108	131
Willenhall	-2	8	20	83	101
Darlaston	-1	3	7	29	35
District & Local Centres	-1	3	8	34	41
Out-of-Centre	-252	-223	-191	-4	47
WALSALL MBC AREA	-317	-125	87	1,313	1,651

STRATEGIC ALLOCATIONS

93. As the strategic BCLA has shown, there is no identified capacity. As with previous updates if any strategic allocations are implemented in full, capacity would be eroded further.

SUMMARY

94. This refresh of the capacity figures has yet again indicated that over a 10 year period to 2036 (in line with NPPF paragraph 90(d)) there is no identified capacity across the BCLA area for both comparison and convenience goods and there is no need to identify and allocate new sites for retail development over the ten-year period up to 2036.
95. Any capacity findings for individual centres must be seen in the context of the global capacity. This does not preclude facilitating any further investment or improvements to strategic, town, district or local centres.
96. As previously highlighted, a robust policy approach should therefore be adopted, especially development management policies in accordance with the NPPF (paragraphs 90 – 95), to enable the assessment and determination of future proposals that are not in a centre and not in accordance with an up-to-date development plan.
97. If any capacity for new retail floorspace should emerge in the future and it is likely to be beyond the 10 year horizon post 2036 and this will have been updated through a plan review. Overall, capacity should be directed to the existing network of centres.

5. COMMERCIAL LEISURE ASSESSMENT: 2024 REFRESH

98. This section sets out the key economic and consumer trends affecting the main elements of the commercial leisure sector. It also updates the commercial leisure assessment across the BCLA over the period to 2042. Other specific elements of leisure provision are often very difficult to specify and quantify in terms of 'need', with new provision being predominantly market-led and subject to centres-first tests; and for existing provision the planning focus is based on having robust tests for when assessing the proposed loss of such facilities.

LEISURE TRENDS

99. The most recent leisure spend projections by Experian Business Strategies (EBS) as set out in Retail Planner Briefing Note 21 (February 2024) shows that following a dramatic -35.4% fall in leisure spend per head in 2020 due to the pandemic, there was an upsurge in 2021 of 28.6% that continued until 2022 (of some 21.3%) followed by a reduction in 2023 (-1.3%) due the cost of living crisis and rising inflation. Experian predict a continued reduction in 2024 (-0.3%) followed by a return to growth of +0.6% in 2025 and +1.1% till 2030; thereafter, a +0.8% growth to 2040 (and also applied to the forecast period to 2042). This growth in leisure spend is higher than the long term trend (-1.5% per annum) over the period 1998-2022.

Table 20: Leisure Spend and Projections (year-on-year growth %)

	2019	2020	2021	2022	2023	2024	2025	2026-30	2031-40
Leisure Spend Growth (%)	0.1%	-35.4%	28.6%	21.3%	-1.3%	-0.3%	0.6%	1.1%	0.8%

Source: Retail Planner Briefing Note 21 (February 2024)

100. Spending on leisure is linked to consumer confidence and the wider economy. In recent times, higher mortgage rates, the rate of inflation and the broader cost of living crisis has impacted the sector. This is illustrated with a review of the following selective commercial leisure categories:

- **Cinemas:** the sector is going through change as consumers become more price conscious and as a result are more selective in their frequency of trips. The cinema sector remains under pressure and operators such as Cineworld and Empire having filed for administration in 2023.
- **Food & Beverage (F&B)** sector has faced a number of challenges from the prevailing macro-economic situation, the pandemic and the cost of living crisis and rising inflation has meant that the sector has been under strain for a while. Eating in has become the norm as consumers are forced to cut back on spending. Currently online food delivery companies are competing for consumer spend as consumers choose to stay at home and continue to treat themselves despite potential economic cutbacks. Within the leisure sector,

and most notably pubs, costs have risen sharply, through increased costs of energy, staffing and goods exerting pressure on operators. Growth in eating out is predicted as consumer wages and confidence grow.

- **Coffee shops** seem to remain an essential for consumers. The coffee shop spend trend links to retail trends, where visitors to the high street and shopping centres see the coffee shop break as integral to the shopping experience. However, the price of coffee has pushed up prices, so whilst demand volume is stable, price increases account for the revenue growth in the sector.
- **Competitive socialising:** Despite the inevitable impact on consumer finances, former retail spaces are being repurposed into leisure venues that are having an impact on the vitality of town centres. Competitive socialising is a key trend driving this change. The range of leisure activities include escape rooms, axe throwing and immersive group virtual reality (VR) experiences. This is being driven by the younger demographic seeking new and diverse forms of entertainment and a desire for real social connection together with the availability of previously retail-dominated space.
- **Night Time Economy:** According to recently published analysis from the Night Time Industries Association (June 2024), the UK night-time economy was worth £33.3 billion in 2022, down from £37.2 billion in 2019. From its declining music scene to the loss of significant numbers of clubs and pubs, the UK's night time economy is under strain. The government's Interdepartmental Business Register (IDBR) indicates that the number of pubs and bars declined by 10% in the decade to 2022, while the number of licensed clubs fell by 28%, amounting to a total loss of around 7,000 establishments over ten years. In the same period, however, the number of licensed restaurants in the UK has increased by 30%. The decline in the night-time economy is attributed to squeezed consumer finances detailed previously as well as changing consumer preferences including the decline in drinking particularly among younger demographics.
- **Health & Fitness (H&F):** According to the State of the UK Fitness Industry Report 2023 the UK had slightly fewer gyms (0.9 per cent) in 2023 than in 2022 but member numbers were up by 3.9%. The increases in member numbers were greater in the private sector than in the public sector, with budget chains, PureGym and The Gym Group, the two leading operators in terms of new gym openings. The increasing emphasis on wellbeing, good health and preventative healthcare remain a positive sign of the sector's longer term resilience.

BCLA AREA: LEISURE EXPENDITURE & FORECASTS

101. Based on the latest Experian growth forecasts the table below updates average expenditure per head per annum on commercial leisure services in the BCLA area. As shown in previous updates, household spending on leisure services is dominated by the restaurant and café category (including pubs).

Table 21: Estimates of Expenditure per Capita on Leisure Services (2024)

Zones	Accommodation	Cultural services	Games of chance	Hairdressing salons & personal grooming	Recreational & sporting services	Restaurants, cafes, etc.	Total
Study Area (Zones 1-55) Average (£)							
Zones 1 - 55	£243	£354	£168	£83	£148	£1,465	£2,460
(% of Total)	9.9%	14.4%	6.8%	3.4%	6.0%	59.5%	100.0%
Core Zones (£)							
Wolverhampton	£199	£315	£145	£68	£125	£1,316	£2,167
(% of Total)	9.2%	14.5%	6.7%	3.1%	5.8%	60.7%	100.0%
Dudley	£256	£366	£176	£89	£155	£1,502	£2,543
(% of Total)	10.1%	14.4%	6.9%	3.5%	6.1%	59.1%	100.0%
Sandwell	£177	£291	£131	£60	£111	£1,228	£1,999
(% of Total)	8.9%	14.6%	6.6%	3.0%	5.6%	61.4%	100.0%
Walsall	£212	£325	£152	£74	£132	£1,359	£2,256
(% of Total)	9.4%	14.4%	6.8%	3.3%	5.9%	60.3%	100.0%
UK Average (£)							
UK Average (£)	£279	£401	£187	£93	£198	£1,724	£2,883
(% of Total)	9.7%	13.9%	6.5%	3.2%	6.9%	59.8%	100.0%

102. The base year expenditure per capita levels for leisure have been projected forward to 2042 using Experian's forecast annual growth rates (shown in Table 5.1), and then applied to the projected population for each Study Zone to identify the total available expenditure on leisure and recreation goods and services.

Table 22: Total Forecast Growth in Commercial Leisure Expenditure: 2024 – 2042 (£m)

Zone	2024	2026	2031	2036	2041	2042	Change: 2024-2036	Change: 2024-2036	Change: 2024-2042	Change: 2024-2042
	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(£m)	(%)	(£m)	(%)
Study Area Total (Zones 1-55)(£m)										
Zones 1 - 55	£5,330.0	£5,467.5	£5,877.1	£6,239.0	£6,626.4	£6,705.9	£909	14.6%	£1,376	20.5%
Core Zones Total (£m)										
Wolverhampton	£641.3	£658.3	£708.3	£752.5	£800.0	£809.8	£111	14.8%	£168	20.8%
Dudley	£837.4	£858.3	£920.2	£975.5	£1,036.3	£1,048.8	£138	14.2%	£211	20.2%
Sandwell	£732.7	£751.9	£808.7	£860.1	£916.2	£927.8	£127	14.8%	£195	21.0%
Walsall	£570.9	£586.9	£633.6	£675.5	£720.7	£730.0	£105	15.5%	£159	21.8%
Total BCLA	£2,782.4	£2,855.3	£3,070.8	£3,263.7	£3,473.2	£3,516.4	£481	14.7%	£734	20.9%

103. The available commercial leisure expenditure across the Study Area is forecast to increase by +14.6% (+£909m) up to 2036 and up to +20.5% (+£1,376m) by 2042. By way of comparison, the 2021 Centres Update forecast a lower commercial leisure expenditure across the defined Study Area of +28.5% (+£1,263.7m) up to 2029 and up to +37.2% (+£1,882m) by 2039. The reduced level of forecast leisure expenditure growth in the current forecast is attributed to the lower levels of current projected growth in leisure spend over the period to 2042.

EATING AND DRINKING OUT

104. Based on the latest forecast and across the Study Area (Zones 1-55) the total available expenditure for food and drink is £3,208m in 2024 and this is forecast to increase by +17.1% (+£547.5m) by 2036 and by +25.8% (£828.9m) over the period to 2042.

Table 23: Leisure Spend by Type (£m) (2024 – 2042)

Zone	2024 (£m)	2026 (£m)	2031 (£m)	2036 (£m)	2041 (£m)	2042 (£m)	Change: 2024- 2036 (£m)	Change: 2024- 2036 (%)	Change: 2024- 2042 (£m)	Change: 2024- 2042 (%)
Accommodation	£514.3	£527.5	£567.0	£601.7	£638.9	£646.5	£87.4	17.0%	£132.2	25.7%
Cultural services	£759.1	£778.7	£837.2	£888.8	£944.1	£955.5	£129.7	17.1%	£196.4	25.9%
Games of chance	£357.8	£367.0	£394.5	£418.7	£444.6	£450.0	£60.9	17.0%	£92.2	25.8%
Hairdressing salons & personal grooming	£176.1	£180.7	£194.2	£206.0	£218.7	£221.3	£29.9	17.0%	£45.2	25.7%
Recreational & sporting services	£314.7	£322.8	£347.0	£368.3	£391.1	£395.7	£53.6	17.0%	£81.0	25.7%
Restaurants, cafes, etc.	£3,208.0	£3,290.7	£3,537.4	£3,755.5	£3,988.9	£4,036.9	£547.5	17.1%	£828.9	25.8%
Overall Total	£5,330.0	£5,467.5	£5,877.1	£6,239.0	£6,626.4	£6,705.9	£909.0	17.1%	£1,375.9	25.8%

105. By way of comparison, the 2020 Centres Study estimated total available expenditure for food and drink in the Study Area of £2,217.8m in 2019 with a forecast increase by 36.7% (+£813.1m) to £3,030.9m in 2038.
106. The pattern of growth in the F&B sector is replicated across the representative core zones as shown below.

Table 24: Total Leisure Spend Across BCLA Area (£m)

Year	LPA / Area	Accommodation	Cultural services	Games of chance	Hairdressing salons & personal grooming	Recreational & sporting services	Restaurants, cafes, etc.	Total
2024								
	Wolverhampton	£59.6	£93.4	£43.7	£20.4	£37.5	£386.8	£641.3
	Dudley	£83.7	£120.5	£57.8	£29.0	£50.9	£495.6	£837.4
	Sandwell	£64.8	£106.5	£48.2	£21.8	£40.8	£450.5	£732.7
	Walsall	£53.5	£82.7	£38.5	£18.4	£33.3	£344.6	£570.9
	BCLA Area	£261.6	£403.1	£188.2	£89.6	£162.4	£1,677.6	£2,782.4
2026								
	Wolverhampton	£61.1	£95.8	£44.8	£20.9	£38.5	£397.0	£658.3
	Dudley	£85.8	£123.5	£59.3	£29.7	£52.1	£508.0	£858.3
	Sandwell	£66.5	£109.3	£49.5	£22.4	£41.8	£462.3	£751.9
	Walsall	£54.9	£85.0	£39.5	£18.9	£34.2	£354.3	£586.9
	BCLA Area	£268.4	£413.7	£193.1	£91.9	£166.7	£1,721.6	£2,855.3
2031								
	Wolverhampton	£65.8	£103.1	£48.2	£22.5	£41.4	£427.2	£708.3
	Dudley	£91.9	£132.4	£63.5	£31.8	£55.9	£544.7	£920.2
	Sandwell	£71.5	£117.6	£53.2	£24.0	£45.0	£497.3	£808.7
	Walsall	£59.3	£91.8	£42.6	£20.4	£36.9	£382.6	£633.6
	BCLA Area	£288.5	£444.9	£207.6	£98.8	£179.2	£1,851.8	£3,070.8
2036								
	Wolverhampton	£69.9	£109.6	£51.2	£23.9	£44.0	£453.9	£752.5
	Dudley	£97.4	£140.4	£67.3	£33.7	£59.2	£577.4	£975.5
	Sandwell	£76.1	£125.1	£56.6	£25.6	£47.8	£529.0	£860.1
	Walsall	£63.1	£97.8	£45.4	£21.7	£39.3	£408.1	£675.5
	BCLA Area	£306.5	£472.8	£220.6	£104.9	£190.4	£1,968.4	£3,263.7
2041								
	Wolverhampton	£74.3	£116.5	£54.4	£25.4	£46.8	£482.6	£800.0
	Dudley	£103.5	£149.1	£71.5	£35.8	£62.9	£613.4	£1,036.3
	Sandwell	£81.0	£133.3	£60.3	£27.2	£51.0	£563.5	£916.2
	Walsall	£67.3	£104.3	£48.4	£23.1	£41.9	£435.6	£720.7
	BCLA Area	£326.0	£503.2	£234.7	£111.6	£202.5	£2,095.2	£3,473.2
2042								
	Wolverhampton	£75.2	£117.9	£55.1	£25.7	£47.4	£488.5	£809.8
	Dudley	£104.7	£150.9	£72.4	£36.2	£63.7	£620.9	£1,048.8
	Sandwell	£82.0	£134.9	£61.0	£27.5	£51.6	£570.7	£927.8
	Walsall	£68.1	£105.7	£49.0	£23.4	£42.4	£441.3	£730.0
	BCLA Area	£330.0	£509.5	£237.6	£112.9	£205.0	£2,121.3	£3,516.4
Change: 2024-2036 (£m)								
	Wolverhampton	£10.3	£16.2	£7.6	£3.5	£6.5	£67.1	£111.2
	Dudley	£13.7	£19.9	£9.5	£4.7	£8.4	£81.8	£138.1
	Sandwell	£11.2	£18.5	£8.4	£3.8	£7.1	£78.5	£127.5
	Walsall	£9.7	£15.1	£7.0	£3.3	£6.0	£63.4	£104.5
	BCLA Area	£44.9	£69.8	£32.4	£15.3	£28.0	£290.9	£481.3
Change: 2024-2036 (%)								
	Wolverhampton	17.3%	17.4%	17.3%	17.2%	17.3%	17.4%	17.3%
	Dudley	16.4%	16.5%	16.5%	16.3%	16.4%	16.5%	16.5%
	Sandwell	17.3%	17.4%	17.3%	17.3%	17.3%	17.4%	17.4%
	Walsall	18.1%	18.3%	18.1%	18.0%	18.1%	18.4%	18.3%
	BCLA Area	17.2%	17.3%	17.2%	17.1%	17.2%	17.3%	17.3%
Change: 2024-2042 (£m)								
	Wolverhampton	£15.6	£24.6	£11.5	£5.3	£9.8	£101.7	£168.5
	Dudley	£21.0	£30.5	£14.6	£7.2	£12.8	£125.3	£211.4
	Sandwell	£17.2	£28.4	£12.8	£5.8	£10.8	£120.2	£195.1
	Walsall	£14.7	£23.0	£10.6	£5.0	£9.1	£96.6	£159.0
	BCLA Area	£68.5	£106.4	£49.4	£23.3	£42.6	£443.8	£734.0
Change: 2024-2042 (%)								
	Wolverhampton	26.2%	26.3%	26.2%	26.1%	26.2%	26.3%	26.3%
	Dudley	25.1%	25.3%	25.2%	25.0%	25.2%	25.3%	25.2%
	Sandwell	26.5%	26.6%	26.5%	26.4%	26.5%	26.7%	26.6%
	Walsall	27.4%	27.8%	27.5%	27.3%	27.5%	28.0%	27.9%
	BCLA Area	26.2%	26.4%	26.3%	26.0%	26.2%	26.5%	26.4%

107. The table shows that the total available expenditure for food and drink in the representative BCLA area is £1,677.6m in 2024 rising to £1,968.4m by 2036 and to £2,121.3m by 2042.
108. By way of comparison the 2020 Centres Study estimated a total available expenditure for food and drink in the representative BCLA area of £1,153m in 2019 with a forecast rise to £1,579.7 by 2038 (+£425.9m, +36.9%).
109. The 2020 Centres Study showed that the contributing HTIS indicated the BCLA area collectively having a retention level of 66.6% for eating and drinking out. To update the high-level assessment of the potential need for new food and beverage uses over the forecast period using this retention level to the available F&B spend of £1,677.6m in 2024 (see table below). This results in retained F&B expenditure of £1,117m in 2024, which is forecast to increase to £1,310.7m by 2036 and to £1,412.5m by 2042.

Table 25: Total Food & Beverage Spend Across BCLA Area (£m)

	2024	2026	2031	2036	2041	2042
BCLA Area - Available Spend on F&B:	£1,677.6	£1,721.6	£1,851.8	£1,968.4	£2,095.2	£2,121.3
BCLA Area - Participation Levels (%)	66.6%	66.6%	66.6%	66.6%	66.6%	66.6%
BCLA Area - Market Share (£m)	£1,117.0	£1,146.4	£1,233.0	£1,310.7	£1,395.1	£1,412.5
BCLA Area - Benchmark Turnover (£m)	£1,117.0	£1,150.8	£1,239.7	£1,335.5	£1,438.7	£1,460.3
Net Residual F&B Spend Capacity	£0.0	-£4.4	-£6.7	-£24.8	-£43.7	-£47.8

110. Applying a year-on-year 'productivity' ('efficiency') growth rate of 1.5% to the BCLA-wide turnover of £1,117 (in 2024) to allow for existing businesses to cover their reasonable costs over time to remain viable, results in no net residual expenditure capacity over the period to 2042.
111. As detailed previously this is a sector that has been hit hard prior to, and even more so, during the pandemic and the prevailing macro-economic position will also influence discretionary leisure spending. The sector was effectively shut down and carried high overheads. On this basis, it can be reasonably assumed that a proportion of any growth is likely to be absorbed by existing businesses to cover the debt incurred during the pandemic, rising operational / occupancy costs and inflation.
112. The growth to sustain new cafés, restaurants and bars will be very much subject to market demand. Focusing new uses in the main town centres will help increase competition and consumer choice, and to underpin both daytime and evening economies. Any market demand from operators is likely to be satisfied by the take-up of suitable vacant units in existing centres, the repurposing of floorspace and/or as part of mixed-use developments.

CINEMAS

113. As mentioned, the cinema industry has had a tough few years and continues to do so for the major chains some of whom who filed for administration in 2023 including Cineworld and Empire. The future growth in the sector is dependent on the levels of available discretionary spending.
114. The broad level of retention in the BCLA area is 85.2%. This level of participation is used in the forecasting growth.

Table 26: Cinema Facilities Market Shares (%)

LPA	Venue	Study Area	CORE ZONES				BCLA Area
			Wolverhampton	Dudley	Sandwell	Walsall	
Wolverhampton	Cineworld, Bentley Bridge Leisure Park, Wolverhampton	12.9%	60.6%	0.9%	2.8%	21.1%	18.1%
	Light House, Wolverhampton	1.5%	9.6%	0.3%	0.2%	0.6%	2.3%
	Arena Theatre, Wulfruna Street, Wolverhampton	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%
	Subtotal	14.4%	70.4%	1.2%	3.0%	21.7%	20.4%
Dudley	Odeon, Merry Hill, Brierley Hill, Dudley	9.1%	1.0%	41.5%	6.7%	0.0%	13.9%
	Showcase, Castlegate Way, Dudley	12.0%	13.4%	39.8%	23.9%	0.2%	21.2%
	Subtotal	21.0%	14.4%	81.2%	30.6%	0.2%	35.2%
Sandwell	Odeon, New Square, West Bromwich	5.9%	0.3%	0.1%	28.5%	2.2%	9.1%
	Reel Cinema, Quinton	2.0%	0.0%	5.4%	6.3%	0.0%	3.4%
	Subtotal	7.9%	0.3%	5.5%	34.8%	2.2%	12.5%
Walsall	Showcase, Bentley Mill Way, Walsall	4.0%	3.6%	0.4%	6.3%	14.7%	5.8%
	The Light Cinema, Walsall	7.3%	2.7%	0.0%	3.0%	46.1%	11.1%
	Aldridge Youth Theatre, Noddy Park Road, Aldridge, Walsall	0.1%	0.0%	0.0%	0.0%	0.2%	0.0%
	Subtotal	11.3%	6.3%	0.4%	9.4%	61.0%	17.0%
	Sub-total: BCLA	54.7%	91.3%	88.6%	77.7%	85.0%	85.2%
Centres outside BCLA	Birmingham	30.0%	3.6%	10.3%	20.7%	8.7%	11.7%
	All Other	15.2%	5.0%	1.1%	1.6%	6.3%	3.2%
	Subtotal-Other	45.3%	8.7%	11.4%	22.3%	15.0%	14.8%
	Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Note: It is acknowledged that in relation to Walsall, the Showcase Cinema closed in March 2020 and partly demolished in May 2021. At the time of the 2019 Household Survey it was open and it is likely that its market share will now be redistributed elsewhere.

115. As per previous updates we have used the standard accepted approach to assess the current level of cinema provision and future needs based on national and regional 'screen density' averages (i.e., the number of screens per unit of population). According to the British Film Institute (BFI) the UK average was 6.9 screens per 100,000 people, up from 6.6 screens in 2017 and 6.1 screens in 2014. The average for the West Midlands region is 5.9 screens per 100,000 people down from 6.3 screen in 2020 and 6.1 screens in 2017.
116. Across the BCLA area and without considering any commitments there is no forecast capacity to 2036 or beyond to 2042.

Table 27: BCLA Area Potential Capacity for New Cinema Screens – Without Commitments

	2024	2026	2031	2036	2041	2042
Potential Cinema Catchment Population	1,063,991	1,073,840	1,097,467	1,121,807	1,148,357	1,153,678
Cinema Screen Density (screens per 100,000 persons)	5.9	5.9	5.9	5.9	5.9	5.9
Cinema Screen Potential	63	63	65	66	68	68
Existing Screens	71	71	71	71	71	71
Net Screen Potential	-8	-8	-6	-5	-3	-3

117. This output above is reflective of the previous updates in which no capacity was identified overall.
118. The disaggregated forecast capacity for each LPA area based on the representative zones follows below. For Wolverhampton, the independent, two-screen Lighthouse Cinema in the Chubb Buildings closed in November 2022. City of Wolverhampton Council agreed heads of terms for the space with a new [developer/operator](#) in March 2024, with a view to re-opening it as a refurbished, [four-screen independent cinema](#) early next year. Therefore, the quantitative figures in Table 28 relate to the number of existing screens. Although, technically, there is no quantitative increase in screen capacity identified in the table, the newly refurbished cinema will help regeneration, the leisure and evening economy and contribute to the qualitative need for cinema provision in the city centre, consistent with the advice in paras 120 and 125 below.

Table 28: Wolverhampton LPA Area: Potential Capacity for New Cinema Screens – Without Commitments

	2024	2026	2031	2036	2041	2042
Potential Cinema Catchment Population	254,758	257,117	262,774	268,602	274,959	276,233
Cinema Screen Density (screens per 100,000 persons)	5.9	5.9	5.9	5.9	5.9	5.9
Cinema Screen Potential	15	15	16	16	16	16
Existing Screens	17	17	17	17	17	17
Net Screen Potential	-2	-2	-1	-1	-1	-1

Table 29: Dudley LPA Area: Potential Capacity for New Cinema Screens – Without Commitments

	2024	2026	2031	2036	2041	2042
Potential Cinema Catchment Population	439,583	443,652	453,414	463,470	474,439	476,637
Cinema Screen Density (screens per 100,000 persons)	5.9	5.9	5.9	5.9	5.9	5.9
Cinema Screen Potential	26	26	27	27	28	28
Existing Screens	24	24	24	24	24	24
Net Screen Potential	2	2	3	3	4	4

Table 30: Sandwell LPA Area: Potential Capacity for New Cinema Screens – Without Commitments

	2024	2026	2031	2036	2041	2042
Potential Cinema Catchment Population	156,102	157,547	161,013	164,584	168,480	169,260
Cinema Screen Density (screens per 100,000 persons)	5.9	5.9	5.9	5.9	5.9	5.9
Cinema Screen Potential	9	9	9	10	10	10
Existing Screens	9	9	9	9	9	9
Net Screen Potential	0	0	0	1	1	1

Table 31: Walsall LPA Area: Potential Capacity for New Cinema Screens – Without Commitments

	2024	2026	2031	2036	2041	2042
Potential Cinema Catchment Population	212,299	214,264	218,978	223,835	229,132	230,194
Cinema Screen Density (screens per 100,000 persons)	5.9	5.9	5.9	5.9	5.9	5.9
Cinema Screen Potential	13	13	13	13	14	14
Existing Screens	21	21	21	21	21	21
Net Screen Potential	-8	-8	-8	-8	-7	-7

Note: As detailed at Table 26, in relation to Walsall, the Showcase Cinema closed in March 2020. It was a twelve screen cinema with eight operational screens. The analysis only considered the eight operating screens. Hence at the quantitative level its removal would still result in no net screen capacity. This notwithstanding, and as detailed in Paragraph 120 below, any market interest and demand from cinema operators should be directed to town centres.

119. The disaggregated capacity outputs show potential capacity for Dudley, but which would be diminished once any commitments are taken in to account. As detailed in previous assessments, within the Dudley LPA Area approved permission P18/0590 provides for a cinema and for the purpose of this assessment that there could be up to 9 screens (as also detailed in previous assessments). If implemented, this would erode any capacity. A nominal capacity is also identified in the Sandwell LPA area by 2036 (1 screen).
120. In summary, there does not appear to be any significant capacity or demand for new cinema provision. Any market interest and demand from cinema operators seeking representation in the BCLA area should be directed to the town centres first, to further help diversify daytime and evening economies.

HEALTH & FITNESS NEED

121. In relation to the need for new health club/gym facilities, the latest projected growth in the BCLA based on the representative zonal area population is some 67,859 up to 2036 and up to 105,266 by 2042. By applying the participation rate for gym and health club activities identified for the BCLA area in the 2020 Centres Study of some 20%; this results in some 13,599 potential new gym members over the period to 2036 and 21,095 over the period to 2042. Based on average membership levels for key premium gym operators (average 2,897 members per

facility) or a budget gym (which 3,452 average members per facility) this could potentially support up to 5 private (or 4 budget gyms) by 2036, or up to 7 commercial gyms (or 6 budget gyms) by 2042.

122. Investment in new health and fitness facilities will be determined by the level of market interest and demand.

SUMMARY

123. Consumers are becoming increasingly selective in terms of where and how they spend their discretionary leisure expenditure. There will also be a continued increase in at-home which has been compounded by the current 'cost of living crisis.' The challenge for town centres and leisure operators in the future will be how to attract customers away from their homes.
124. The leisure needs update assessment has identified:
- **Food and Beverage** - there is no potential for additional new cafés, restaurants and bars by 2036 and beyond to 2042 based on projected population and expenditure growth.
 - **Cinemas** – existing venues in the BCLA area show a good level of participation but overall, there is no quantitative capacity for new cinema provision.
 - **Gyms / Health and Fitness facilities** – the projected growth in the population over the period to 2042 could potentially support up to 5 private (or 4 budget gyms) by 2036, or up to 7 commercial gyms (or 6 budget gyms) by 2042.
125. In all cases, the potential for new commercial leisure venues, facilities and attractions will be subject to dynamic economic, market and consumer trends over time. Where demand from operators does arise for representation, this should be directed to town centres first, aligned with national and all local plan policy objectives.

6. OFFICE MARKET

126. As with other property sectors, the impact of macro-economic factors has had a corresponding effect on the office sector. Previous updates to this study have shown the following:
- The effect of the pandemic in 2020 was acutely felt in the office sector as the nation was asked to stay at home.
 - In 2021, the effects started to fade as a return to offices began.
 - At the start of 2022 there was the beginning of some level of consistency with daily office occupancy averaged close to 30% nationally.
 - However in 2022, the office market was impacted by high cost inflation and rising finance costs. Notwithstanding this, rising activity highlighted the importance of quality in office provision. The pandemic's legacy of increased hybrid working pushing occupiers in ever greater numbers to exchange quantum for quality.
 - All of the above resulted in the office sector going through a period of pricing adjustment.
127. In 2024, amid sluggish economic conditions, quality remains key to demand, with a limited pool of super prime buildings driving rates of rental growth. According to our research (LSH: Prime Time Regional Offices Report 2023), there is a discernible flight to quality seen since the pandemic, grade A space continues to command a significant proportion of demand. Grade A space accounted for 43% of take-up over 2023 to Q3, rising from 42% in 2022 and comparing with a 38% share in the five years prior to the pandemic.
128. The figure takes on more significance considering the low level of activity witnessed at the larger end of the market. The fact that grade 'A's share of take-up is significant despite limited larger deals highlights the growing demand for high quality space among both existing Small and Medium-sized Enterprises (SMEs) and those occupiers seeking to consolidate whilst exchanging quantum for quality. In times past, rising levels of grade 'A' space amidst a challenging economic backdrop might be a cause for concern. However, given the flight to quality in occupier demand and increased commitment to Environmental, Social, and Governance (ESG), a healthy choice of grade 'A' supply is anticipated to be key to underpinning future activity. Moreover, a greater degree of separation is emerging between 'conventional' grade 'A' space and prime space that incorporates:
- strong ESG credentials;
 - low operational carbon impact in the form of A or B-rated Energy Performance Certificate (EPC) certification;

- more environmentally encompassing accreditations such as the Building Research Establishment Environmental Assessment Methodology (BREEAM) ratings;
 - also accreditations more closely associated with the physical quality of the workspace and staff wellbeing are becoming commonplace, notable examples including WELL and FITWEL certifications.
 - An office also needs to offer a mix of high quality amenities e.g. outside space is now highly sought after, in particular roof terraces with associated hospitality / café facilities, while 'spa-quality' changing facilities and gyms often feature at basement level.
129. According to our latest UK Investment Trends Report Quarter 2 (2024), all property returns are forecast to improve again in 2025, rising to 8.1%. With returns expected to converge across the sectors, performance will depend more closely on the asset characteristics. To this end, some of the best-returning opportunities may lie in the successful repositioning of office assets, reflecting improving staff attendance alongside a lack of genuinely prime options that occupiers are increasingly demanding. There is a growing sense that the bottom of the market has already been reached across most sectors of the market, the one possible exception being poor quality secondary offices that lack change of use potential.
130. Regionally and in the context for the Black Country, Birmingham is presently a key focus of prime supply, with availability of 53,140 sqm (572,000 sq ft) making up 18% of the total (LSH: Prime Time Regional Offices Report 2023). Grade A space now stands at a relatively elevated 72,000 sqm (775,000 sq ft). While this may have been a cause for concern in times past, it is perhaps reassuring given the flight to quality being seen across the market, with the greater challenges arguably surrounding the letting prospects for second-hand supply. Our agents report that Birmingham's prime headline office rent currently stands at £457.50 per sqm (£42.50 per sq ft).
131. According to data providers Co-Star, The City Core is Birmingham's largest office submarket, home to around 929,030 sqm (10 million sq ft) of office space, more than half of which is rated 4 or 5 Star. It includes many of its largest and newest office buildings, with recent developments around Snow Hill, Paradise Circus and Colmore Row.
132. Within the Black Country Wolverhampton has a notable office market where strong rental growth has also been observed at the top end of the market in recent years. This has been fuelled by the general scarcity of prime Grade A supply and the delivery of i9, being the latest phase of the city's gateway development scheme. This was delivered to the market in 2021 and reset the headline rent for the city at circa £231.40 per sqm (£21.50 per sq ft), being the rent attributable to the top floor

taken by The Ministry of Housing, Communities and Local Government (MHCLG). The vacancy rate currently stands at 5.2% - a modest 1.8% higher than it was last year. Over the last year, market activity in the office market has been a little subdued with 5 sales in the Wolverhampton office market amounting to £680,000 of volume and 20,000 sq ft only of stock (source: Co-Star).

133. In terms of forecasting for the future and consistent with our previous assessments we continue to urge caution in predicting the scale of future office development. This is because any provision will inevitably be market-led. Overall, the current Use Class E effectively amalgamates offices (former Class B1), retail (former Class A1), financial and professional services (former Class A2), restaurants/cafes (former Class A3) along with health/medical uses, creches, nurseries (former Class D1) and indoor sports/recreation (formerly D2). On this basis the office sector has to be seen as part of a mix of uses within the Black Country centres and our advice is the same as for the previous Centres Studies. Inevitably future planning and provision will also be facilitated by the strategic priorities of the BCLA.
134. In summary:
- High interest rates and the cost of debt over the past year have brought about a sharp slowdown in investment volumes.
 - Demand remains strongest for newly built top-quality buildings and the highest-specified refurbished offices, as occupiers take less but better space.
 - Offices form a mix of uses in centres and further office growth will be linked to market demand and the strategic priorities for future growth, regeneration and job creation of the Black Country authorities.

7. CONCLUSIONS

135. This report provides an update on the quantitative need for new retail (comparison and convenience goods) floorspace in the BCLA area and its centres over the period to 2042.
136. The findings update the results of the ‘2020 Black Country Centres Study’; the ‘2021 Black Country Centres Study Update’ and the ‘2022 Black Country Centres Study – Addendum 2022’.
137. The NPPF requires that: “...*planning policies and decisions should support the role that town centres play at the heart of communities, by taking a positive approach to their growth, management and adaptation*” (paragraph 90). The NPPF supports the need to maintain and enhance the long term vitality and viability of town centres first, as the most appropriate and sustainable locations for new investment and development.
138. Based on the key baseline assumptions that the retail market is in ‘equilibrium’ at the base year (2024) and that market shares remain constant over the study period, the analysis shows that there is no capacity for new retail (convenience and comparison goods) floorspace over the broad 10 year forecast period to 2036, as shown below.

Figure 32: BCLA Area: Aggregated Convenience Goods Capacity (Net sqm) Forecasts

LPA	Foodstore Format (sqm net)					Local Supermarket / Deep Discounter Format (sqm net)				
	2026	2031	2036	2041	2042	2026	2031	2036	2041	2042
Wolverhampton	-3,351	-2,977	-2,579	-2,043	-1,930	-5,984	-5,317	-4,605	-3,648	-3,446
Dudley	-4,523	-4,079	-3,606	-2,968	-2,835	-8,077	-7,284	-6,439	-5,301	-5,062
Sandwell	-3,365	-2,901	-2,406	-1,740	-1,600	-6,010	-5,181	-4,297	-3,108	-2,858
Walsall	-1,431	-1,116	-780	-329	-234	-2,555	-1,993	-1,394	-587	-418
TOTAL: BCLA AREA	-12,670	-11,073	-9,372	-7,080	-6,599	-22,626	-19,774	-16,735	-12,644	-11,784

Figure 33: BCLA Area: Aggregated Comparison Goods Capacity (Net sqm) Forecasts

LPA	2026	2031	2036	2041	2042
Wolverhampton	-3,662	-3,353	-3,012	-1,044	-501
Dudley	-3,488	-2,966	-2,388	947	1,866
Sandwell	-1,835	-1,526	-1,185	785	1,328
Walsall	-317	-125	87	1,313	1,651
TOTAL: BCLA AREA	-9,301	-7,971	-6,497	2,001	4,343

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139. As per previous updates, the conclusions remain the same in that the BCLA need to plan for less, not more retail floorspace over the next 5-10 years and beyond, with an emphasis on repurposing and diversifying town centres.
 140. On this basis there is no need to justify floorspace targets in the strategic policies of Local Plans. It also highlights the importance of having a locally set threshold for the undertaking of NPPF impact tests.
 141. Hence beyond 2024, town centres are likely to consolidate their retail and shopping role further with more emphasis on place and non-transactional uses, this could include high activity-based land uses such as health and education being located in more central locations and stem previous trends of decentralisation. Furthermore with the increasing drive towards more flexible planning there will inevitably be more mixed-uses within town centres such as residential, and this should be encouraged and planned for through enabling planning policies.