

Greater Cambridge Retail and Leisure Study

Our ref 69892/01
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From Lichfields

Regulation. 19 Local Plan Interim Findings

1.0 Introduction

- 1.1 Lichfields has been commissioned by Cambridge City Council and South Cambridgeshire District Council (“the Councils”) to prepare a to prepare a Retail and Leisure Study to inform future planning policy on town centre, retail and leisure matters in the Greater Cambridge Shared Planning area, together with a wider strategy for the future of the designated centres, up to 2045. It will form part of the Council’s evidence base towards the Joint Local Plan.
- 1.2 This Briefing Note sets out the results of the statistical capacity analysis for new main town centre uses across the Greater Cambridge Shared Planning area over the plan period, as well as commentary on emerging settlements and policy recommendations to inform the Council’s upcoming Regulation 19 stage consultation.

2.0 Policy position

National Planning Policy Framework

- 2.1 The latest version (December 2024) of the National Planning Policy Framework (NPPF) remains unchanged in relation to the vitality of town centres. Paragraph 90 indicates planning policies should:
- define a network and hierarchy of town centres and promote their long-term vitality and viability - by allowing them to grow and diversify in a way that can respond to rapid changes in the retail and leisure industries, allows a suitable mix of uses (including housing) and reflects their distinctive characters;
 - define the extent of town centres and primary shopping areas, and make clear the range of uses permitted in such locations, as part of a positive strategy for the future of each centre;
 - retain and enhance existing markets and, where appropriate, re-introduce or create new ones;
 - allocate a range of suitable sites in town centres to meet the scale and type of development likely to be needed, looking at least ten years ahead. Meeting anticipated needs for retail, leisure, office and other main town centre uses over this period should not be compromised by limited site availability, so town centre boundaries should be kept under review where necessary;

- where suitable and viable town centre sites are not available for main town centre uses, allocate appropriate edge of centre sites that are well connected to the town centre. If sufficient edge of centre sites cannot be identified, policies should explain how identified needs can be met in other accessible locations that are well connected to the town centre; and
- recognise that residential development often plays an important role in ensuring the vitality of centres and encourage residential development on appropriate sites.

2.2 The rapid changes that are affecting the retail sector and town centres continue to be acknowledged and reflected in the latest NPPF. It recognises that diversification is key to the long-term vitality and viability of town centres, to 'respond to rapid changes in the retail and leisure industries'. Accordingly, planning policies should clarify 'the range of uses permitted in such locations, as part of a positive strategy for the future of each centre'.

Changes to the Use Classes Order

- 2.3 In September 2020, the UCO was significantly amended. Changes to town centre use classes now allow far greater flexibility for uses to change within town centres without the need to obtain planning permission. The UCO has significant implications for shop frontage planning policies, restricting the ability of local planning authorities to control the mix of uses and retain specific uses previously protected e.g. Class A1 retail.
- 2.4 In relation to main town centre uses, as defined in the NPPF Annex 2 glossary, the UCO changes provide for three new use classes:
- Class E (Commercial, business and service)
 - Class F.1 (Learning and non-residential institutions)
 - Class F.2 (Local community).
- 2.5 The UCO changes now combine: Shops (A1), financial/professional services (A2), cafés/restaurants (A3), indoor sports/fitness (D2 part), medical health facilities (D1 part), creche/nurseries and office/business uses (B1) into the new single Use Class E. The new Class E includes some uses that are not defined as 'main town centre uses' within the NPPF e.g. medical services and some light industrial uses.
- 2.6 Other changes potentially introduce more restrictions rather than flexibility. Partly in response to the impact of the Covid-19 pandemic, there is added protection against the loss of learning, non-residential and community facilities, including museums, public halls, sports facilities and local shops. These uses are now included in new Classes F.1 and F.2. Class F.2 also includes small, isolated shops (at least 1 kilometre from a similar shop) selling essential goods including food.
- 2.7 Other potential non-retail town centre uses have been placed in the list of Sui Generis uses, with no permitted changes of use e.g. pubs/bars (A4), takeaways (A5), cinemas and live music venues. The inclusion of these uses as Sui Generis appears to have a dual function i.e. controlling uses such as pub/bars and takeaways that may have an impact on nearby residential amenity, whilst protecting against the loss of other cultural facilities such as cinemas and music venues, most vulnerable to the impacts of Covid-19.

- 2.8 The previous distinction between Class A3, A4 and A5 uses has become more critical, with Class A3 uses now having more flexibility in the new Class E, but no flexibility for Class A4 and A5 uses. Many Class A3 restaurants offered a takeaway service during the Covid-19 pandemic and the categorisation of bar/restaurants has always been arguable and will be a matter of fact and degree on a case-by-case basis. In response to these changes, future land use surveys should categorise uses within centres and frontages to reflect the new UCO, which is helpful when considering appropriate policy options and change of use planning applications.
- 2.9 The potential implications of permitted changes in use outside town centres may also have unintended consequences. In theory large out-of-centre B1 office buildings or D2 commercial leisure uses, with no restrictive conditions, could be converted to retail use without planning permission or an assessment of the impact on the town centre or application of the sequential test. Allowing retail uses to occupy out-of-centre buildings could run counter to the objective of maintaining and enhancing town centres. This change could have implications for the effectiveness of retail impact and sequential test policies. However, to date there is limited evidence there has been an upturn in out-of-centre retail uses occupying employment or leisure buildings.
- 2.10 In December 2020, the Government began a consultation on a variety of further changes to permitted development rights relating to housing delivery and public service infrastructure. The consultation included a proposed Class E to Class C3 permitted development right. The outcome of several elements of this were published and the associated amendments to the Town and Country Planning (General Permitted Development) (England) Order 2015 (GPDO) which were laid before Parliament in the Town and Country Planning (General Permitted Development etc.) (England) (Amendment) Order 2021. The Government published an amendment to the General Permitted Development Order in March 2024.
- 2.11 A new Class MA business and commercial to residential permitted development right has introduced certain commercial to residential permitted development (PD) rights. The new class MA is different to previous retail and office to residential PD rights, with several different limitations and conditions. Delivering housing and the reuse of redundant shopping space is the Government's priority and the Class MA permitted development right emphasises this.
- 2.12 The new permitted development rights effectively reduce the scope of office to residential permitted development while increasing the scope of retail to residential and introduce new PD rights for other town centre uses to change to residential. The impact of these PD rights on the number of occupied retail premises in town centres is unclear at this stage, but generally the proportion of retail units have been falling over the past decade.
- 2.13 Class MA allows many properties within Class E to change to residential without consideration of impact on the high street where the proposal is outside of a conservation area and limited consideration if it is within a conservation area. The impact on the character and sustainability of the conservation area needs to be considered for ground floor proposals. There may also be restrictive planning conditions or legal agreements that prevent change of use via Class MA.
- 2.14 Subject to limitations and conditions, former uses classes Class A1 (shops); Class A2 (financial and professional services); Class A3 (food and drink); Class B1 (business); Class

D1(a) (non-residential institutions – medical or health services); Class D1(b) (non-residential institutions – crèche, day nursery or day centre) and Class D2(e) (assembly and leisure – indoor and outdoor sports), other than use as an indoor swimming pool or skating rink, now benefit from the Class MA PD rights. The changes introduced in March 2024 for Class MA remove the requirement that a building must have been vacant for a continuous period of at least 3 months immediately prior to the date of an application for prior approval. Additionally, Class MA is amended to remove the floorspace upper limit for buildings changing use under the right.

- 2.15 In a conservation area and where the change of use is at ground floor level, the impact on the character and sustainability of the conservation area is another new prior approval matter. Addressing this matter could potentially include a limited assessment of retail impact.
- 2.16 The requirement to meet space standards in relevant prior approval applications came into force in April 2021. The GPDO does not grant permission for any dwelling that would be less than 37 sqm or would not comply with the nationally described space standard. These measures have raised concerns about the potential impact on high streets and shopping parades, which are essential to support local communities.
- 2.17 Many Local Authorities have introduced Article 4 Directions as a mechanism to protect town centres, by removing some of the PD rights. These Article 4 Directions are usually focused on a specific area rather than across the entire town centre.

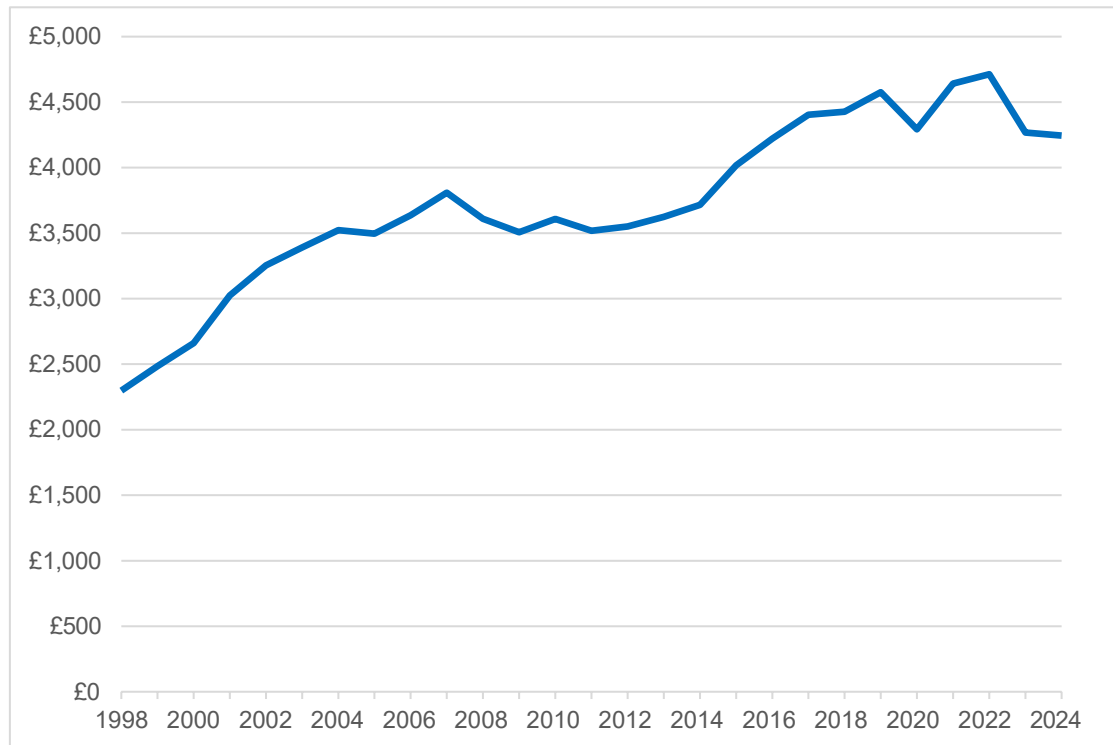
3.0 Recent trends and key changes

Implications of Brexit, Covid-19 and other trends

- 3.1 Historic trends indicate that consumer expenditure has grown consistently in real terms, generally following a cyclical growth trend. The growth in expenditure per person on comparison retail goods between 1998 and 2024 is shown in Figure 3.1.
- 3.2 High expenditure growth between 1998 and 2008 fuelled demand for new retail floorspace. Since the recession and credit crunch in 2009 expenditure growth has been much slower and the demand for retail floorspace has reduced, particularly comparison goods floorspace. Comparison goods expenditure per capita dropped sharply in 2020 due to the impact of Covid-19 lockdowns, but recovered to pre-Covid levels in 2022. However, expenditure per person declined in 2023 and 2024 due to the on-going cost-of-living and energy crisis.
- 3.3 The main implications of Brexit, Covid-19, high inflation, the cost-of-living and energy crisis for evidence base studies were as follows:
 - impact on the reliability of demographic and economic projections i.e., population growth and Experian expenditure forecasts;
 - short term impacts on the mix of uses and customer behaviour that distorted levels of expenditure during 2020, 2021 and 2022; and
 - longer-term structural impacts that could affect the nature of town centres and the way households shop, eat/drink out and participate in leisure activities.

- 3.4 The key on-going uncertainties relating to the first two points are primarily the length of the cost-of-living crisis and the potential implications of trade tariffs and other geopolitical issues. The longer-term structural implications are harder to predict and quantify at this stage, but recent data provides an early indication.

Figure 3.1 Comparison goods expenditure average per head in the UK (constant 2023 prices)



Source: Experian Retail Planner Briefing Note 23 (March 2026), Appendix 4b

- 3.5 Operators have continued to face elevated risks to cashflow and increased costs arising from a slump in consumer demand and disruption to supply chains. Non-essential products, hospitality and leisure services were the hardest hit during the Covid-19 pandemic. Short-term supply chain disruption led to inflationary pressure, which had an impact of consumer demand.
- 3.6 Retailers with infrastructure to fulfil on-line orders/home delivery benefitted during the Covid-19 pandemic. There has been a structural shift towards multi-channel shopping (home, TV and internet shopping), reducing the demand for physical space within town centres.
- 3.7 As a result of these trends, there has been a spike in town centre vacancies with many businesses failing, particularly non-food retail operators, restaurants and leisure uses. High levels of inflation and the cost-of-living crisis exacerbated difficult trading conditions. Many national operators have announced job losses and store closures.
- 3.8 Reflecting these trends, Experian's latest forecasts (published in March 2026) suggest slower expenditure growth and home shopping/internet spending is expected to grow at a much faster rate than traditional bricks and mortar shopping.

Experian's latest retail expenditure forecasts

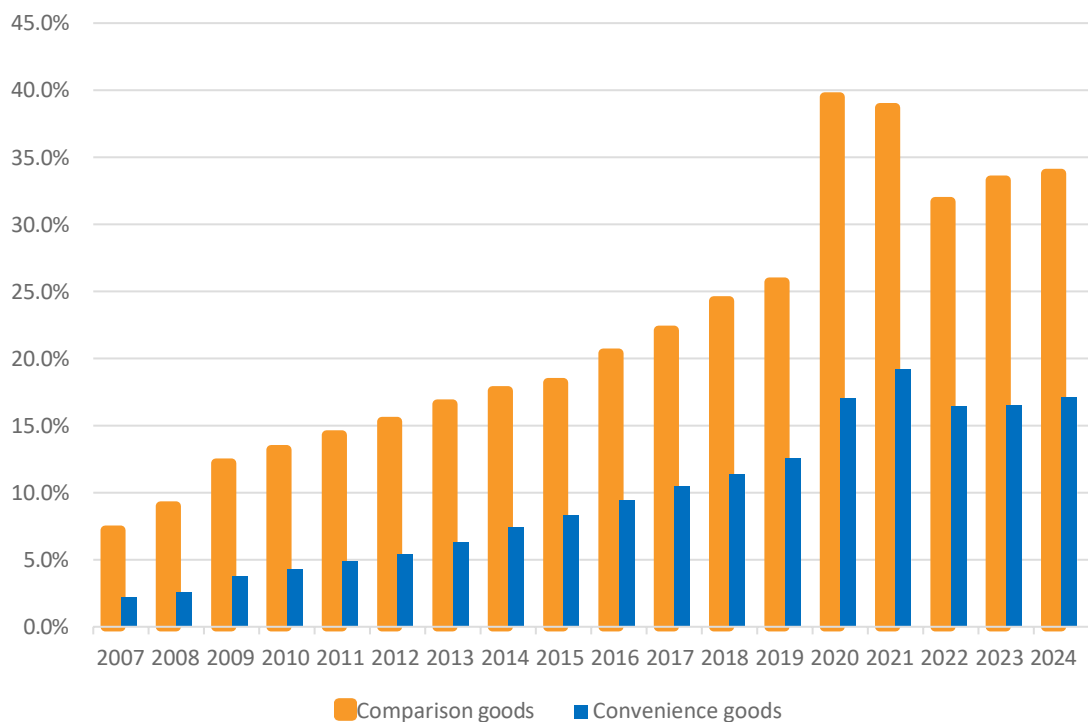
- 3.9 This study adopts Experian latest expenditure information and forecasts (Retail Planning Briefing Note 23 – March 2026). The study sets out expenditure projections during five-year intervals up to 2045.
- 3.10 The current cost-of-living crisis, including the high level of inflation, resulted in a reduction in retail expenditure per person during 2023, with many customers either trading down (buying cheaper products or using discount retailers) or cutting back (buying less products). Experian indicates a continued decline during 2024 and 2025. Low growth is predicted during 2026, but higher annual growth is expected in the longer-term.
- 3.11 Planning based on long-term expenditure growth projections up to and beyond ten years has always had inherent uncertainties. Despite these uncertainties, development plans should assume a return to reasonable rates of growth and relative normality, although the implications of the short-term impacts should not be ignored. It is better to plan for a return to growth and then modify the strategy later if levels of growth are lower than originally predicted, rather than not planning for growth because there are significant uncertainties. The latter approach is likely to fail to respond in time if higher levels of growth are achieved, and any growth will go elsewhere. Nevertheless, a cautious approach to expenditure growth, as now suggested by Experian, should be adopted, bearing in mind the uncertainties relating to the growth in on-line shopping.
- 3.12 For convenience goods, Experian's latest forecasts suggest a continued period of readjustment following high growth in expenditure experienced during the Covid-19 lockdowns in 2020. Convenience goods expenditure per capita is expected to continue to fall during 2026 and 2027. In the longer-term a small decline is forecast at -0.2% per annum thereafter. Despite this forecast reduction in total expenditure per capita, Experian expects continued growth in non-store sales. Any need for new convenience goods retail floorspace in Greater Cambridge is likely to relate to population growth, high current levels of trading or qualitative areas of deficiency.
- 3.13 Comparison goods expenditure per head is predicted to fall by -0.5% during 2024, and then have increased marginally by 1.2% during 2025, forecast to rise to 1.2% growth over 2026 and 1.8% by 2027. Modest growth is expected in the longer-term (between 2.5% to 2.6% per annum), but still at a lower rate than previous historic trends (5.8% per annum between 1998 and 2008). Historically comparison goods expenditure has grown significantly more than convenience goods expenditure, and Experian's latest national growth rate recommendations are consistent with these past trends.
- 3.14 New forms of retailing (multi-channel and home shopping) have and will continue to grow. Home/electronic shopping and home delivery has increased with the growth in the use of personal computers, smart phones and the internet. Click and collect / click and return shopping has become more popular. Recent trends suggest continued steady growth in multi-channel activity.
- 3.15 Experian's Retail Planner Briefing Note 23 (March 2026) suggests non-store retailing's market share increased from 20.6% in 2019 to 30.8% in 2021. Non-store sales include all on-line sales and other forms of sales not generated from physical retail floorspace e.g. market stalls, vending machines, and home deliveries. Comparison non-store sales

increased from 25.7% to 38.7% and convenience good sales increased from 12.6% to 19.2% between 2019 and 2021. However, Experian indicates comparison goods non-store sales figure fell during the post Covid lockdown period in 2022, reducing to 31.7%. Convenience goods non-store sales also fell to 16.4%. Nevertheless, the following years' figures remain significantly higher than the pre-Covid market shares in 2019. The growth in non-store retail sales for comparison and convenience goods between 2007 and 2024 in the UK is shown in Figure 3.2.

3.16

Between 2007 and 2024 the proportion of comparison goods non-store sales increased by over 25 percentage points from 7.2% to 33.8%. The proportion of convenience goods non-store sales increased by 15 percentage points, but increased by almost 8 times, starting from a lower 2007 base of only 2.2%. Experian data shows the sharp increase in non-store convenience goods sales during the Covid lockdowns during 2020 and 2021, but a decline in 2022. 2024 showed the first signs of a recovery for online convenience shopping, with rates rising back up to 2020 levels.

Figure 3.2 Non-store sales as a percentage of total sales in the UK



Source: Experian Retail Planner Briefing Note 23 (March 2026), Appendix 3

Note: Convenience goods spending in blue, comparison goods spending in orange

3.17

This data suggests the proportion of retail sales spent on-line will continue to grow, albeit at a slower rate than previously forecast, which will have an impact on traditional bricks and mortar retailing. Conversely the introduction of return fees for on-line shopping and increased minimum spend thresholds for free deliveries may benefit traditional retailing.

3.18

Reflecting these trends, Experian's latest projections recommend relatively modest levels of growth in on-line shopping when compared with previous trends. It is too early to plan for a significant shift towards on-line shopping, over and above the levels of growth already

predicted by Experian, but a higher shift to on-line shopping is possible. These longer-term forecasts should be monitored and kept under review.

- 3.19 The floorspace capacity assessment in this study goes on to make an allowance for future growth in e-tailing based on Experian's latest projections, with internet spending stripped out of the assessment for robustness.
- 3.20 Given the likelihood that multi-channel expenditure will continue to grow at a faster pace than other consumer expenditure, the need assessment adopts relatively cautious growth projections for expenditure and an allowance is made for operators to increase their turnover/sales density, due to growth in home shopping and click and collect.

Demand for Town Centre Uses

- 3.21 Lower expenditure growth and deflationary pressures (i.e. price cutting) in the non-food sector had an impact on the high street in the past 20 years. Because of these trends, the UK average shop vacancy rate (based on Goad Plan data) increased from around 10% in 2005 to about 14% in 2012. Vacancy rates gradually improved to 11.8% in 2018 before increasing to 14.8% in 2025. There was a sharp increase in shop vacancies in many town centres due to the impacts of Covid-19 and the growth in on-line shopping. The more recent impact of higher inflation and the cost-of-living crisis is also likely to constrain consumer demand, which may affect the demand for floorspace at least in the short term.
- 3.22 Land use information and site visits by Lichfields in 2025 indicates that there were a total of 91 (13.8%) vacant units in Cambridge City Centre. The majority of these vacancies were within Fitzroy / Burleigh Street, which had a high vacancy rate overall due to the Grafton Centre's planned redevelopment (40.7%). The vacancy rate in Cambridge's Main Centre was much lower (7.7%) and below the UK average of 14.8%. The town and district centres averaged a vacancy rate of just 6.9%. This demonstrates a strong performance relative to the national average, reflecting the growing population and relatively high spend of the catchment, the draw and attraction of the collective retailer and leisure offer, and limited available floorspace in the area for operators looking to enter the local market. A more detailed analysis of the mix of uses in designated centres compared with the national picture is set out in the health checks (Appendices to the full Study)
- 3.23 The underlying increase in vacant units across the UK is primarily due to the reduction of comparison goods retail outlets. National trends suggest that non-retail services have helped to replace some of the vacated comparison goods retail outlets.
- 3.24 Property owners, landlords and funds have come under increasing pressure with struggling occupiers seeking to renegotiate terms through a company voluntary arrangement (CVA) i.e., an insolvency process designed to let a firm with debt problems reach an agreement with creditors to help pay off part or all debts. Elsewhere, retailers have been continuing to 'right size' their portfolios, with operators announcing store closures. These trends have impacted on rental income and the capital value of retail/leisure assets. These trends were exacerbated by Covid-19 and the cost-of-living crisis and will continue in the short-term.
- 3.25 Whilst the CVA process has created difficulties for landlords in terms of rent negotiations, at the same time newly freed-up space has provided new opportunities. Vacated premises

have been reconfigured and reused for food/beverage, trampolines, climbing and indoor golf and other sports activities.

Food store operators

- 3.26 In addition to new forms of retailing, retail operators have responded to changes in customers' requirements. Retailers have also changed their trading formats to include smaller store formats capable of being accommodated within town and local centres (such as the Tesco Express/ Metro, Sainsbury's Local, Little Waitrose and Marks & Spencer's Simply Food formats).
- 3.27 Across the UK the number of Tesco Express, Sainsbury's Local and Little Waitrose stores has increased significantly during the last decade. The number of Tesco Express stores has increased by 35%, from 1,427 stores in 2012 to 1,920 stores in 2020, according to Mintel. During the same period Sainsbury's Local stores increased by 83% and the number of Little Waitrose stores doubled. The number of Asda Express and Morrisons Daily stores has also increased. This trend is evident in Cambridge, which features a Sainsbury's Local alongside two Tesco Express stores.
- 3.28 There are many examples of proposed larger food superstores receiving permission, or an allocation, and not being implemented across the country. There has been a move away from larger superstores to smaller formats, reflecting changes in some customers' shopping habits i.e. more frequent but smaller food and grocery shopping trips. This trend may have increased with more homeworking during the pandemic lockdowns, which may not move back to pre-Covid levels in the future.
- 3.29 The expansion of European discount food operators Aldi and Lidl has been rapid during the last decade. These operators are now competing more directly for market share with other main food store operators. Home Bargains and B&M have also expanded rapidly in recent years. This trend is now evident, with Aldi and Lidl stores located alongside Cambridge Retail Park on Newmarket Road east of Cambridge, in addition to an Aldi on Histon Road.
- 3.30 The table overleaf sets out the survey derived performance in 2025 against benchmark levels. The benchmark turnover is based on the sales area within each store and the respective company average sales densities. The survey derived turnover is not necessarily the actual turnover of the store, but it provides a useful benchmark to assess how well existing facilities are trading.
- 3.31 Convenience food stores across the study area are generally trading well, with some notable examples trading significantly above UK company averages for the named retailers. Whilst a couple of stores within the city centre are identified as trading below company averages, the stores across the centre as a whole are collectively trading around 150% UK average levels, indicating that there may be some nuances around the survey data for individual stores. Nonetheless, current population spending in foodstores across Cambridge is sufficient to support additional convenience goods floorspace. In particular, it is noted that the Asda in the Beehive Centre (which recently received planning permission for redevelopment) is trading above company average levels, as are the majority of stores across the surrounding town and district centres including the discounters at Newmarket Road, Sainsbury's in Eddington, and Morrisons in Cambourne.

Table 1 Foodstore convenience goods sales floorspace and benchmark turnover

Store	Sales floorspace (sqm net)	Convenience floorspace (%)	Convenience floorspace (sqm net)	UK average / benchmark sales density (£ per sq m)	Benchmark turnover (£m)	Survey derived turnover (£m)	Over / under trading levels (%)
Little Waitrose, Fitzroy St, Cambridge City Centre	367	85%	312	£11,865	£3.70	£2.81	76%
Asda, Beehive Centre	4,220	65%	2,743	£10,519	£28.85	£33.40	116%
Sainsbury's, Brooks Road	4,906	65%	3,189	£12,006	£38.29	£55.82	146%
Tesco Superstore, Yarrow Road	4,456	65%	2,896	£14,051	£40.70	£52.83	130%
M&S, Market Hill, Cambridge City Centre	852	95%	809	£11,960	£9.68	£21.34	220%
Sainsbury's, Sidney Street, Cambridge City Centre	1,516	80%	1,213	£12,006	£14.56	£7.39	51%
Waitrose, Hauxton Road	2,867	80%	2,294	£11,865	£27.21	£50.69	186%
Aldi, Histon Road District Centre	1,121	80%	897	£11,425	£10.25	£48.08	469%
Sainsbury's, Eddington Avenue	1,855	80%	1,484	£12,006	£17.82	£22.82	128%
Tesco Superstore, Newmarket Road	4,946	60%	2,968	£14,051	£41.70	£39.87	96%
Aldi, Newmarket Road	1,166	80%	933	£11,425	£10.66	£23.99	225%
Lidl, Newmarket Road	1,032	80%	826	£8,260	£6.82	£23.63	347%
Tesco Superstore, Milton	3,637	70%	2,546	£14,051	£35.77	£55.12	154%
Tesco Extra, Royston	5,747	55%	3,161	£14,051	£44.41	£64.97	146%
Aldi, Royston	1,128	80%	902	£11,425	£10.31	£25.70	249%
M&S, Royston	852	90%	767	£11,960	£9.17	£12.75	139%
Morrisons, Cambourne	3,458	70%	2,421	£10,555	£25.55	£53.93	211%
Tesco Extra, Bar Hill	10,566	50%	5,283	£14,051	£74.23	£80.67	109%

Comparison retailers

3.32 Comparison retailers responded to difficult market conditions before the Covid-19 pandemic. The bulky goods warehouse sector (i.e. DIY, furniture, floor coverings and electrical goods) had already rationalised, including mergers and failures, and scaled down store sizes. Other traditional high street retailers previously sought large out-of-centre stores, for example Next, TK Maxx and M&S. Matalan also opened numerous discount clothing stores across the UK. Sports clothing retail warehouses including Decathlon and Sports Direct had expanded out-of-centre. These trends have slowed significantly, and in some cases reversed, and are unlikely to re-emerge for the foreseeable future.

3.33 The demand for premises within the bulky goods sector, i.e. furniture, carpets, electrical and DIY goods, has been particularly weak in recent years. This has led to voids on some

retail warehouse parks and proposals to extend the range of goods sold to non-bulky comparison goods. This trend has also led to the relocation of retailers to out-of-centre locations, creating more vacant units in town centres. The discount sector has occupied many units on retail parks e.g. Home Bargains, Poundland and B&M Bargains. The retail warehouse sector has historically been reasonably well represented in Cambridge, with the Beehive Centre (awaiting redevelopment) located adjacent to Cambridge Retail Park providing a comprehensive local offer, albeit there is limited out-of-centre provision. There are concentrations of retail warehousing across the wider region, including in Cambourne, as well as Stevenage and Milton Keynes.

- 3.34 The findings of the household survey and analysis that supports the Retail and Leisure Study identifies that retailers in Cambridge City Centre caters for half (51%) of the City Centre's residents' comparison goods spending. A further quarter of the city's residents' comparison goods spending is made in retail warehousing across the Beehive Centre (8%) and Cambridge Retail Park/Newmarket Road (18%). These facilities are also identified as the most popular individual locations for comparison goods spending of residents across the wider study area, attracting 38% (Cambridge City Centre), 5% (Beehive Centre), and 13% (Cambridge Retail Park/Newmarket Road) of spending, respectively. The findings of the Study's quantitative capacity assessment for new comparison goods retail floorspace, and the implications of the potential loss of a significant proportion of the well-utilised retail floorspace at the Beehive Centre are set out in sections 5 and 6, below.
- 3.35 Within centres, many high street multiple comparison retailers have changed their format. For over two decades, high street national multiples have increasingly sought larger modern shop units (over 200 sqm) with an increasing polarisation into the larger regional and sub-regional centres. Many multiple retailers now require representation in fewer locations to service catchment areas. This trend is evident in Cambridge, which has largely been the beneficiary of such trends, serving as the main focus of comparison goods national multiples for the wider region, limited only by cost and availability of units.
- 3.36 In general, operator demand for space has decreased significantly during the last five years and, of those national multiples looking for space, many prefer to locate in these larger sub-regional and regional centres. Polarisation of investment in the larger centres is likely to continue, with many retailers reducing their overall number of outlets.
- 3.37 The continuation of these trends will influence future operator space requirements in Cambridge with smaller vacant units at a premium, and retailers increasingly looking to locate into larger units where available. However, smaller vacant units could still be attractive to independent traders and non-retail services looking to serve local catchment areas.

Charity and discount shops

- 3.38 The charity shop sector has grown steadily over the past 30 years, albeit this growth has slowed in recent years as national operators that made up the majority of the growth have sought to consolidate portfolios given wider macro-economic factors increasing energy and staffing costs, as well as online competition from platforms such as Vinted. This trend has raised concerns in some areas regarding over concentrations of charity shops at the expense

of other retail uses. Nevertheless, these outlets do provide an important role in offering affordable goods and a service to those wanting to recycle goods.

3.39 Planning policies cannot control the amount of charity shops because they fall within the same use class as other shops (now Class E). In many centres, charity shops have occupied vacated shop premises during previous recessions. This trend is evident in Cambridge (16 charity shops), but not pronounced, with charity shops making up 6.1% of comparison goods retailer in the centre, compared to 9.7% nationwide.

3.40 Charity shops can often afford higher rents than small independent occupiers because of business rate discounts. It does not follow that these charity shops will be replaced by traditional shops when the market recovers.

Non-retail services

3.41 Service uses perform an important role in the overall offer of a centre and encourage customers to shop locally. The non-retail service uses include the following Class E and Sui Generis uses:

- hairdressers, dry cleaners, travel agents, some sandwich shops (those not categorised as hot food takeaways), funeral parlours and post offices;
- banks, building societies, financial services, betting offices, pawnbrokers, estate agents and employment agencies;
- restaurants, cafés and hot food takeaways; and
- pubs/bars.

3.42 The number of bank/building society outlets has decreased significantly during the last two decades, with banks looking to reduce costs and the increase in on-line banking. Nationally, the proportion of town centre units occupied by banks/building societies was 4.6% of all units in 2005. This proportion had reduced to 2.8% in 2017 and was only 1.8% in 2023. Many smaller town centres now have no remaining banks/building societies. The 2025 land use surveys indicated there were 9 banks/building societies in Cambridge. Across the country banks/building societies tend to concentrate their outlets in the largest centres in local areas and, as such, Cambridge has retained most of its banks and building societies despite this trend.

3.43 Banking hubs enable major banks to maintain a high street presence whilst reducing costs, with different banks and post office sharing the same unit and operating on alternating days. Continued rationalisation of banks and financial services could lead to an increase in town centre vacancies, particular in rural centres, but is an important route for preserving town centre service offerings.

3.44 The growth of money lending/pay day loan shops, betting shops and hot food takeaways has raised concerns amongst many local planning authorities and has resulted in a change to permitted development rights (PDR) to control the growth of these uses in town centres. These growth trends are not particularly evident in Cambridge, which only featured three betting shops.

- 3.45 There were 27 hot food takeaways in the city centre, 10.8% of all non-retail services, which is slightly below the UK national average of 15.0%. There was a slightly high proportion across the town and district centres surveyed (17.2%), with Mitcham's Corner in particular featured 8 units (26.7% of all non-retail services). This reflects the smaller number of units in the town and district centres and the local nature of hot food takeaways.
- 3.46 Changes to the GPDO has had an impact on some town centres but the more recent changes to the Use Classes Order (UCO) and permitted development rights (PDR) are likely to lead to more significant changes in the future. These measures allow for much greater flexibility for changes of use from retail to non-retail uses. To date, these measures have not significantly changed the composition of most town centres, which may have been suppressed by the Covid pandemic.
- 3.47 Nonetheless, Use Class E will continue to allow for much greater flexibility for changes of use from retail to non-retail uses, with the cost-of-living crisis potentially increasing demand for change from retail to other uses. This will need to be carefully monitored by undertaking regular centre land uses surveys.

The evening / night-time economy

- 3.48 Food/beverage, leisure and entertainment are fast moving and creative sectors, with a steady flow of new concepts emerging. Within these sectors there has been a significant increase in the number of national multiple chains which have sought to increase their geographical coverage, but primarily in larger centres.
- 3.49 Recently restaurant chains have experienced difficulties resulting in closures, which suggests operators may have over-stretched. Demand continued to increase for coffee shops, such as Starbucks, Costa Coffee and Café Nero. National branded pub/restaurant chains invested heavily and not exclusively in larger centres. Themed restaurants also expanded rapidly. This sector in town centres was most adversely affected by the Covid-19 pandemic and the potential for growth is less certain than before the pandemic. The key categories for the food and beverage offer are:
- *Impulse*: characterised by their produce range that is typically highly visual and hand-held so that it can be eaten "on the go";
 - *Speed eating fast food*: food that can be purchased and consumed quickly, therefore price is low and ambience is less important. This sector is dominated by traditional high volume fast food offers such as burgers and fried chicken;
 - *Refuel and relax*: a drink, snack and a short break in a pleasant environment rather than focusing on eating a main meal; and
 - *Casual dining/leisure dining*: incorporating several food styles, types and ethnic origins. The ambience and environment of casual dining is as important as the food, drink and service provided. The style is informal but is normally table service.
- 3.50 The proportion of non-retail uses, excluding banks and building societies, within town centres across the UK increased significantly before the Covid-19 pandemic. This trend was evident in Cambridge, and this sector appears to have recovered well following the Covid pandemic. As discussed in the appendices to the full Study, Cambridge has a strong evening economy supported by a significant cultural and leisure offer and broad café/restaurants

offer. The Council may build upon this offer, as set out in the Greater Cambridge Cultural Infrastructure Strategy, highlighting how cultural development continues to contribute to economic development.

Pop-up spaces

- 3.51 The increase in vacant space across the UK has led to an increase in premises available for temporary uses or pop-up uses including temporary restaurants, bars, shops and galleries. Some landlords have opted for flexible leases, with changing attitudes towards short-term spaces. New independent brands have benefitted despite the lack of brand recognition.
- 3.52 E-commerce brands have also sought physical presence, as an essential part of their marketing strategy and an effective way to engage with existing and new customers off-line. Brands have opened pop-up outlets in different locations to test and learn before committing to permanent stores. This trend may increase during the cost-of-living crisis.

Summary

- 3.53 The trends and changes highlighted in this section, including the growth of home shopping, are not new and have been affecting the high street for many years. In response to these trends, most town centres have changed and diversified. The food/beverage, leisure and non-retail service sectors have to some extent been successful in occupying space no longer attractive to retail tenants. However, the shop vacancy rate in Cambridge City Centre remains relatively resilient at 13.8%, particularly taking account of significant areas of vacancies associated with the redevelopment of the Grafton Centre.
- 3.54 There have been cyclical trends in vacancy rates reflecting the macro-economic trends, but in most cases, town centres recovered during periods of stronger growth. Many believe the most recent decline is structural rather than cyclical and a more flexible approach to town centre uses is required.
- 3.55 The most recent trends suggest vacancy rates have been slow to recover in weaker centres, and many high street retailers are still experiencing difficulties. The Goad national shop vacancy rate has increased to over 14% and therefore a cautious approach to future development needs is required. The implications of the cost-of-living crisis also endorse a cautious approach to providing additional retail floorspace, particularly in out-of-centre locations.
- 3.56 Shopping behaviour will continue to change. Local Planning Authorities and town centres will need to respond. Centres will need to focus on their advantages over other forms of multi-channel shopping, for example using the internet as an extended shop window, click and collect facilities and providing a combined retail, leisure and cultural experience for those looking for a "day out" or "evening out."

4.0 Population

- 4.1 We highlight below the increase in the population across the study area for consistency across the Council's Local Plan evidence base. The Council's previous study (April 2025) utilised ONS trend-based population projections across the Study Area:

Table 2 Greater Cambridge Retail and Commercial Leisure Study, April 2025 (Urban Shape)

Zone	2023	2025	2030	2035	2040
1 - Cambridge South-East	56,322	56,660	57,726	58,278	58,600
2 - Cambridge South-West	33,823	33,904	34,243	34,232	34,114
3 - Cambridge North-West	49,148	49,374	50,245	50,835	51,205
4 - Cambridge North-East	36,415	36,537	37,057	37,320	37,462
5 - Sawston	28,984	29,249	29,740	29,998	30,148
6 - Melbourn	42,094	42,552	43,570	44,323	45,146
7 - Cambourne	34,157	34,590	35,342	36,013	36,681
8 - Northstowe	23,653	23,927	24,428	24,790	25,087
9 - Waterbeach	19,456	19,661	20,090	20,366	20,611
10 - Fulbourn	16,694	16,844	17,147	17,360	17,563
11 - Gamlingay	17,185	17,383	17,865	18,266	18,644
Total	357,931	360,681	367,453	371,781	375,261

Source: Appendix 1, Table 2

4.2

Lichfields' assessment has adopted the following updated population projections, based on the latest planned housing growth provided by GCSP. A base population was taken from Experian ONS data, projected forwards on the basis of planned housing delivery for Cambridge City / South Cambridgeshire, with population growth for areas beyond the authority areas derived from Experian ONS projections.

Table 3 Greater Cambridge Retail and Commercial Leisure Study, June 2026 (Lichfields)

Zone	2024	2025	2030	2035	2040	2045
1 - Cambridge South-East	55,387	56,517	62,167	65,047	65,730	66,413
2 - Cambridge South-West	35,733	35,894	36,702	37,754	39,480	40,306
3 - Cambridge North-West	50,392	51,653	57,961	65,754	76,815	86,027
4 - Cambridge North-East	36,507	36,686	37,583	39,824	45,001	50,178
5 - Sawston	29,080	29,414	31,082	31,767	32,139	32,512
6 - Melbourn	42,686	42,978	44,440	45,338	46,149	46,920
7 - Cambourne	36,167	37,300	42,964	48,187	55,205	62,703
8 - Northstowe	27,583	28,623	33,821	38,450	43,078	47,706
9 - Waterbeach	19,331	20,073	23,780	28,583	33,397	38,154
10 - Fulbourn	16,140	16,268	16,907	17,113	17,320	17,527
11 - Gamlingay	17,800	17,945	18,667	19,223	19,725	20,187
Total	366,806	373,351	406,075	437,040	474,039	508,631

4.3

This results in a comparative increase of 98,778 residents by 2040 over the trend-based analysis, in addition to a further 34,592 residents between 2040 and 2045. There are further changes in the spatial distribution of the planned growth compared to the previous trend-based ONS figures.

5.0 Expenditure and floorspace capacity

5.1 Urban Shape's April 2025 Study adopted Experian's 2023 local expenditure per capita estimates for the study area zones, in 2023 prices. Expenditure was projected based on Experian's recommended forecasts at that time, as well as changes in online spending or special forms of trading (SFT) which is deducted from available expenditure, as provided in their Retail Planner Briefing Note 21 published in February 2024.

5.2 Experian's latest Retail Planner Briefing Note 23 was published in March 2026 and provides new growth forecasts and allows for an update to 2024 prices. Population and expenditure per capita projections have been combined to recalculate total expenditure available in the study area zones.

5.3 The updated floorspace capacity projection, based on the new population, expenditure, SFT and sales density data, and market shares outlined above, are shown in Table 3 (convenience goods retail), Table 4 (comparison goods retail), Table 5 (food/beverage floorspace) and Table 6 (leisure, entertainment and culture floorspace).

Table 4 Convenience goods floorspace capacity up to 2045 (sqm gross) - cumulative

Zone	2030	2035	2040	2045
1 - Cambridge South-East	1,300	2,370	3,470	4,500
2 - Cambridge South-West	660	1,410	2,500	3,390
3 - Cambridge North-West	1,240	2,800	5,010	6,930
4 - Cambridge North-East	1,270	3,030	5,630	8,110
5 - Sawston	190	270	360	440
6 - Melbourn	190	310	490	690
7 - Cambourne	2,040	4,000	6,490	9,060
8 - Northstowe	570	1,090	1,630	2,170
9 - Waterbeach	260	610	960	1,310
10 - Fulbourn	30	40	40	40
11 - Gamlingay	10	30	30	40
Total	7,760	15,960	26,610	36,680

Table 5 Comparison goods floorspace capacity up to 2045 (sqm gross) - cumulative

Zone	2030	2035	2040	2045
Zones 1-4 (Cambridge)	9,040	20,140	33,270	47,500
5 - Sawston	170	360	490	690
6 - Melbourn	60	230	370	640
7 - Cambourne	1,190	2,510	4,040	5,800
8 - Northstowe	230	470	710	970
9 - Waterbeach	130	330	540	770
10 - Fulbourn	10	30	60	70
11 - Gamlingay	10	40	60	90
Total	10,840	24,110	39,540	56,530

Table 6 Food and beverage goods floorspace capacity up to 2045 (sqm gross) - cumulative

Zone	2030	2035	2040	2045
Zones 1-4 (Cambridge)	12,020	24,460	39,500	54,770
5 - Sawston	600	1,140	1,700	2,270
6 - Melbourn	610	1,310	2,090	2,880
7 - Cambourne	660	1,350	2,210	3,140
8 - Northstowe	350	710	1,090	1,490
9 - Waterbeach	420	950	1,600	2,280
10 - Fulbourn	130	240	350	460
11 - Gamlingay	30	80	130	180
Total	14,820	30,240	48,670	67,470

Table 7 Leisure, entertainment and cultural floorspace capacity up to 2045 (sqm gross) - cumulative

Zone	2030	2035	2040	2045
Zones 1-4 (Cambridge)	3,030	6,250	10,200	14,280
5 - Sawston	70	150	260	360
6 - Melbourn	100	220	330	450
7 - Cambourne	140	290	490	710
8 - Northstowe	30	50	90	130
9 - Waterbeach	60	140	230	320
10 - Fulbourn	20	30	50	60
11 - Gamlingay	10	10	20	30
Total	3,460	7,140	11,670	16,340

5.4 The combined retail floorspace projections (cumulative) are as follows:

- Up to 2030 = + 18,600 sqm gross
- Up to 2035 = + 40,070 sqm gross
- Up to 2040 = + 66,150 sqm gross
- Up to 2045 = + 93,210 sqm gross

5.5 The combined food/beverage, leisure, entertainment and cultural floorspace projections (cumulative) are as follows:

- Up to 2030 = + 18,280 sqm gross
- Up to 2035 = + 37,380 sqm gross
- Up to 2040 = + 60,340 sqm gross
- Up to 2045 = + 83,810 sqm gross

6.0 Accommodating growth

6.1 The combined retail floorspace projection up to 2040 was estimated to be just 545 sqm gross in the April 2025 Urban Shape Study (not accounting for sites and commitments).

This previous Study was undertaken earlier in Greater Cambridge's Local Plan process and was therefore informed by a household survey carried out prior to the Covid-19 pandemic in 2019 to derive market shares, as well as trend-based population data derived from ONS rather than the housing-based approach adopted for this 2026 Study.

- 6.2 The updated figure up to 2040 is 66,150 sqm gross, rising to 93,210 by 2045, almost entirely due to planned population growth aligned with Greater Cambridge's growth strategy. Some of this will be taken up by existing vacancies and commitments, with the rest to be provided through allocations and windfall development over the plan period.
- 6.3 We have also undertaken initial high-level calculations to identify the possible parameters and capacity for new retail and local centre provision across the Council's larger sites and new settlements.
- 6.4 It is important to caveat that the capacity figures provided are indicative of how much commercial floorspace and other main town centre uses that these sites could accommodate to aid the Council in planning for the future as a benchmark. They are based on assumptions that will change over time to reflect market trends and should not be taken to represent a specific target or minimum/maximum parameters.
- 6.5 Where the amount of retail and other main town centre uses is not already defined by existing permissions, it will be for developers of individual sites to demonstrate that the extent of any local centres and quantum and mix of floorspace meets the new populations' needs.
- 6.6 Key assumptions for the high-level analysis include:
 - A convenience goods retention rate of 70% of new resident spend to be undertaken locally within small top-up convenience stores and larger supermarkets to be provided within new centres in the large sites and new settlements. Local consideration may support planning for higher (or lower) levels of retention, and any future assessments and applications should provide evidence such an approach. The future spend per capita has been taken for 2045 (accounting for projected changes in spending patterns including the proportion of spending made online) from the Study Area zone in which the sites are located, as well as an average sales density in 2045.
 - For comparison goods, a lower retention rate of 30% has been adopted reflecting the need for a balance between the retail hierarchy and the ongoing role of Cambridge City Centre, and the need for local provision to encourage sustainable shopping patterns. A similar zonal approach has been taken to spend per capita, and a 2045 sales density has been adopted.
 - A lower rate of 20% is adopted for food and beverage retention, again recognising the role of the City Centre, as well as the need for a range and variety of provision for residents. No one centre is likely to cater to all of its local population's food and beverage spending.
 - There is no industry standard methodology for calculating the capacity for other non-retail service uses (e.g. hairdressers, barbers, beauty salons, estate agents, solicitor/financial services, travel agents etc.). Lichfields would normally expect at least

20% of total floorspace across a local centre to be occupied by these non-retail service uses.

Cambourne North

- 6.7 GCSP identifies that Cambourne North will accommodate a population of 7,268 over the plan period, with an additional population of 29,783 post-2045.
- 6.8 Over the plan period, this would generate c.£70m of spending. Based on the assumed retention rates, this would equate to c.£13m of convenience goods expenditure, c.£10m of comparison goods expenditure, and c.£3m on food and beverages.
- 6.9 Adopting sales densities for 2045 and suitable net-to-gross ratios would give a site capacity of approximately 3,600 sqm (gross internal areas) over the plan period:
- Convenience goods floorspace 1,700 sqm
 - Comparison goods floorspace 800 sqm
 - Food and beverage floorspace 400 sqm
 - Non-retail services 700 sqm
- 6.10 Notably, there is a significant additional population to come forward after the 2045 plan period. This population would generate c.£55m of additional convenience goods expenditure, c.£43m of additional comparison goods expenditure, and c.£14m of additional food and beverages expenditure.
- 6.11 In total, the planned population of the settlement at Cambourne North could support a total floorspace of 18,700 sqm, of which 8,600 sqm is for convenience goods, 4,300 sqm is for comparison goods, 2,100 sqm is for food and beverage, and 3,700 sqm for non-retail services.

Cambridge East Airport

- 6.12 The planned residential population for the collective Cambridge East Airport site is 10,665 over the plan period, with housing for a population of 10,935 to come forward following the 2045 end of the plan period.
- 6.13 This population would (based on the assumptions set out above) generate expenditure to support the following floorspace over the plan period:
- Convenience goods floorspace 2,300 sqm
 - Comparison goods floorspace 1,200 sqm
 - Food and beverage floorspace 700 sqm
 - Non-retail services 1,000 sqm
- 6.14 The post-plan population would increase the capacity for a new centre to 10,500 sqm in total, comprising 4,600 sqm for convenience goods, 2,400 sqm for comparison goods, 1,400 sqm for food and beverage, and 2,100 sqm for non-retail services.

Grange Farm

6.15 The Grange Farm settlement would support 7,268 residents by 2045, and a further 9,833 beyond the plan period. This population could provide for 3,500 sqm of main town centre uses over the plan period, as follows:

- Convenience goods floorspace 2,300 sqm
- Comparison goods floorspace 1,200 sqm
- Food and beverage floorspace 700 sqm
- Non-retail services 1,000 sqm

6.16 Beyond the plan period, the settlement as a whole could provide capacity for 8,400 sqm of main town centre uses, including 3,800 sqm for convenience goods, 1,900 sqm for comparison goods, 1,000 sqm for food and beverage, and 1,700 sqm for non-retail services.

Northstowe

6.17 Northstowe New Town will cater for a resident population of 21,971, of which the majority (17,753) will come forward under the allocation and existing permissions over the plan period to 2045.

6.18 Notwithstanding this exercise, it is important to note that the site benefits from existing planning permissions with various commitments to deliver retail and commercial floorspace across town and local centres, and is currently coming forward in phases. We are also cognisant of the 2024 Town Centre Strategy, suggesting that much of the convenience goods capacity for the area is currently taken up by the large Tesco Extra at Bar Hill. The latest Study analysis identifies that the Tesco is currently trading well and would suggest that the emerging residents could support additional convenience retail floorspace as the population comes forward and settles. As a new designated centre in a new settlement, the centre in Northstowe would also serve as the preferred location for new retail and other main-town centre uses. Subject to further assessment and analysis, including any local considerations that may support higher (or lower) levels of retention and updated spending data, that could indicate capacity for additional floorspace. The calculations and assumptions should be kept under review as emerging applications to deliver Northstowe New Town come forward.

6.19 Nonetheless, to assist the Council in future planning, we have adopted the assumptions set out above to provide a high-level indication of the capacity for retail and other local centre floorspace that this population could support. Based on the assumptions adopted, there is capacity for the following floorspace over the plan period:

- Convenience goods floorspace 4,300 sqm
- Comparison goods floorspace 2,200 sqm
- Food and beverage floorspace 1,000 sqm
- Non-retail services 1,900 sqm

- 6.20 The full extent of Northstowe New Town, beyond 2045, could support a total floorspace of 11,500 sqm, of which 5,300 sqm is for convenience goods, 2,700 sqm is for comparison goods, 1,200 sqm is for food and beverage, and 2,300 sqm for other non-retail services.

Waterbeach

- 6.21 The development of Waterbeach New Town is also coming forward via a number of existing permissions, made up of two outline permissions for a total of 11,000 dwellings. Over the plan period, this would equate to a resident population of 16,322, rising a further 15,028 post 2045.
- 6.22 The existing permissions suggest the provision of up to 16,500 sqm (former A1-A5 uses) and up to 9,000 sqm, respectively.
- 6.23 Nonetheless, as above, we have undertaken a high-level capacity analysis to assist GCSP in future planning and engagement with the site. The resident population over the plan period could support a total of 8,800 sqm of floorspace:
- Convenience goods floorspace 4,100 sqm
 - Comparison goods floorspace 2,000 sqm
 - Food and beverage floorspace 900 sqm
 - Non-retail services 1,800 sqm
- 6.24 Beyond 2045, based on the assumptions adopted, the full extent of Waterbeach New Town could support a total floorspace of 17,000 sqm, of which 7,900 sqm is for convenience goods, 3,900 sqm is for comparison goods, 1,800 sqm is for food and beverage, and 3,400 sqm for other non-retail services.

North East Cambridge

- 6.25 The North East Cambridge Policy Area is not currently proposed as an allocation as a new settlement in the emerging Local Plan. Previous options for the site included an allocation of 7,925 houses, of which 3,950 would come forward over the plan period (a population of 8,098) with a further 8,149 residents following the end of the plan period in 2045.
- 6.26 In the event that a similar scale proposal comes forward over the plan period, this could generate c.£78m of spending over the plan period, equating to c.£20m of convenience goods expenditure, c.£27m of comparison goods expenditure, and c.£20m on food and beverages. Applying the retention and sales density assumptions, this expenditure could support 4,000 sqm of retail and commercial floorspace for town centre uses as follows:
- Convenience goods floorspace 1,800 sqm
 - Comparison goods floorspace 900 sqm
 - Food and beverage floorspace 500 sqm
 - Non-retail services 800 sqm
- 6.27 Taken as a whole, assuming the full complement of housing is delivered, a similar scheme across the North East Cambridge Policy Area could be expected to provide capacity for total main town centre uses floorspace of 8,000 sqm, of which 3,600 sqm is for convenience

goods, 1,800 sqm is for comparison goods, 1,000 sqm is for food and beverage, and 1,600 sqm for non-retail services.

Other allocations

- 6.28 In addition to the large sites and new settlements and allocations identified above, there are a number of existing commitments and outline permissions that would include provision of new retail and other main town centre uses.
- 6.29 It should be noted that the list identified below is not considered to be exhaustive of all committed retail and commercial leisure development over the plan period. It covers the more significant sites identified by the GCSP over the course of the Study. Figures have been converted from gross external area to gross internal area where required. It is also noted that wording of conditions setting the parameters for development for larger sites at outline planning permission is often phrased as a maximum of ‘up to’ a specified floor area. It should not be taken that each site will be delivering the maximum amount of floorspace specified in the permissions, and this will often depend on market interest and other local delivery considerations when bringing a scheme forward.
- 6.30 Nonetheless, the following maximum floorspace of retail and commercial uses is currently permitted in various forms:
- | | |
|--|-----------|
| • Land South of Coldham’s Lane, Cambridge | 900 sqm |
| • Land at Barnwell Road and Newmarket Road | 500 sqm |
| • Bourn Airfield | 3,500 sqm |
| • Wellcome Genome Campus | 3,000 sqm |
| • West Cambridge | 4,000 sqm |
| • Cambourne West | 1,500 sqm |
| • Darwin Green | 2,000 sqm |
- 6.31 In addition, plans to demolish the existing Beehive Centre retail park were approved by the Housing Secretary following a call-in and planning inquiry in December 2025. If implemented, this will result in the loss of c.13,500 sqm of predominantly comparison goods retail floorspace from the Beehive Centre Policy Area.
- 6.32 Finally, we also note that stores in the Fitzroy/Burleigh Street/Grafton Policy Area had already vacated at the time of the surveys that underpinned the Study and so the loss of c.21,500 sqm of retail and commercial floorspace is accounted for within the above capacity analysis. This site will make way for a comprehensive redevelopment including laboratory space, offices, a new hotel and a reduced retail offer.
- 6.33 We then go on to consider the potential implications of this planned development on the statistical capacity analysis, as well as the reoccupation of existing vacant floorspace, and the conclusions on retail need for the Local Plan in the following sections.

Vacant shop premises

- 6.34 The existing stock of premises could also help to accommodate projected growth. The need assessment in this report assumes that existing retail and service floorspace can, on average, increase its turnover to sales floorspace densities. In addition to the growth in sales densities, vacant shop premises should help to accommodate future growth.
- 6.35 The Experian Goad and Lichfields' land use surveys (2025) indicate there were 41 vacant shop units across Cambridge City Centre (excl. the Grafton Centre). This is an average vacancy rate of 7.7%, which is notably below the UK average (14.8%) and the pre-Covid UK average (12.4%). We have calculated the total amount of vacant floorspace in Cambridge city centre as 7,350 sqm gross.
- 6.36 Given the relative performance of the centre, it may be reasonable to assume the shop unit vacancy rate could reduce to around 5%, particularly given the additional expenditure from the growing resident population over the plan period. If achieved, this reduction in the shop unit vacancy rate indicates that the reoccupation of existing facilities could theoretically accommodate c. 2,550 sqm of new uses from the capacity available over the plan period.

Summary of retail need

- 6.37 The assessment of the potential for new retail, food/beverage, and leisure, entertainment and cultural floorspace suggests that there is long-term scope for new development, driven by population growth.

Table 8 Total floorspace capacity (sqm gross) - cumulative

Convenience goods floorspace	15,960	36,680
Comparison goods floorspace	24,110	56,530
Retail floorspace	40,070	93,210
Food and beverage floorspace	30,240	67,470
Leisure, entertainment and cultural floorspace	7,140	16,340
Total food/beverage, leisure, entertainment and cultural	37,380	83,810

- 6.38 Long term projections have inherent uncertainties, but it is better to plan for higher growth and then modify the strategy later if levels of growth are lower than originally predicted. Development plans should identify the scale of need for main town centre uses and assess whether the need can be met on town centre sites or through the expansion of centres. The NPPF indicates that local plans should allocate a range of suitable sites to meet the scale and type of retail, leisure and other development needed in town centres for at least 10 years.
- 6.39 Over the plan period, the future distribution of growth associated with the council's spatial strategy needs to be considered in identifying the locations of new retail floorspace. Given the identified capacity is largely driven by population growth, it is anticipated that emerging housing delivery sites may include local or neighbourhood scale centres that would account for a significant proportion of the capacity identified. Taken collectively, the large site and new settlement allocations are summarised in the table below:

Table 9 Capacity across large site and new settlement allocations (sqm gross) - cumulative

Convenience	Comparison	Food/beverage	Non-retail	Total
15,800	7,900	3,900	6,900	34,500

- 6.40 Other existing commitments collectively provide a further 15,400 sqm (gross) of new retail and commercial floorspace over the plan period and the reoccupation of existing vacancies could provide 2,550 sqm, whilst the redevelopment of the Beehive Centre will result in the loss of 13,500 sqm.
- 6.41 Taken collectively the capacity for new retail and local centre provision across the Council's larger sites and new settlements broadly correspond to the wider Greater Cambridge area's needs over the 10-year period that the NPPF requires local authorities to plan for. Beyond this period capacity for a further 10,000 sqm of convenience goods floorspace is identified (equivalent to a further 3-5 convenience stores); however, as with any longer term analysis and projections, we would suggest that this is kept under review and revisited depending on the delivery of existing provision, and to avoid impacting on the delivery of existing sites.
- 6.42 The larger sites and settlements will provide around a third of the identified capacity for comparison goods floorspace, with existing commitments and loss of floorspace leaving a gap of around 10,000 sqm between the existing and planned provision and the quantitative capacity identified by 2035 (rising to a gap of around 40,000 sqm by the end of the plan period in 2045). However, this is partly a result of previous decisions that resulted in the loss of the retail provision at the Beehive Centre and Fitzroy/Burleigh Street/ Grafton Area. In the circumstances, we did not identify a qualitative deficiency in Cambridge City Centre or surrounding centres that would indicate a specific need to plan for further comparison retail floorspace through additional allocations. Whilst this will also need to be kept under review, the further loss of comparison goods floorspace from the City Centre would begin to limit the overall offer and provision. As such, we support policy direction for the provision of additional retail floorspace at Cambridge Retail Park, within Cambridge City Centre.
- 6.43 Growth in the food/beverage and commercial leisure, entertainment and culture sectors provide an opportunity to enhance the evening and night-time economy in Cambridge City Centre, as well as planned and emerging centres (including the repurposing of retail floorspace). However, the nature and formats of these sectors are constantly evolving to reflect changing customer demands and the commercial viability of such uses. Notwithstanding the quantitative capacity identified, we did not find any specific qualitative deficiencies or requirements that would justify additional allocations in their own right, and would caution against any allocations without express landowner and/or operator interest.
- 6.44 The emerging Local Plan should recognise the potential for additional food/beverage, commercial leisure, entertainment and cultural development over the plan period (particularly when aligned with any new mixed-use and residential schemes), balanced against the potential negative environmental and amenity effects and considering appropriate management strategies and mitigation measures.

7.0 Further policy considerations

Hierarchy of centres

- 7.1 The hierarchy of centres is identified in the emerging Local Plan (Policy J/RC) to ensure the vitality and viability of town and local centres is maintained and enhanced. Designated centres remain the expected focus for retail, leisure and other main town centre uses. The continued classification of centres within the hierarchy is important in identifying which centres are relevant in the search for sequential sites.
- 7.2 Cambridge is the largest and dominant centre in the authority area, consistent with its designation as a city centre. The other existing and emerging designated district and town centres all continue to play an important role as a focal point in their respective areas. It is appropriate to continue to differentiate these district centres from smaller local centres and non-designated neighbourhood centres.
- 7.3 The network of existing and emerging town, district, and local centres identified in the retail hierarchy set out within the council's draft Local Plan (Policy J/RC) remains appropriate.
- 7.4 Local centres, neighbourhood centres, and minor rural centre should continue to be protected and enhanced to ensure appropriate accessibility to important facilities for all sections of the community and the needs of the wider rural hinterland, to ensure sustainable shopping patterns whilst parades of *purely neighbourhood significance* should continue to be excluded from designation within the retail hierarchy, as currently drafted.

Policy changes and recommendations

- The order of the hierarchy is appropriate and does not require any amendments
- Whilst they are not within the retail hierarchy, Greater Cambridge's neighbourhood centres and minor rural centres should be distinguished from small parades of shops of purely neighbourhood significance, for the purpose of the sequential test

Impact and sequential tests

- 7.5 The NPPF states that, if there is no locally set threshold, the default impact threshold is 2,500 sqm gross¹. The PPG states that where authorities do not have their own floorspace thresholds for impact assessments in local development plans, national policy requires impact assessments to be submitted for retail and leisure developments over 2,500 sqm gross. PPG also acknowledges the need to consider the impact of proposals below this floorspace threshold, e.g. if they are large developments when compared with the size of a nearby centre, or likely to have a disproportionate effect or 'tip the balance' of a vulnerable centre.
- 7.6 Guidance for setting local thresholds is provided in the PPG, and as such we have considered the overall scale, vitality and viability of the centres, recent developments and opportunity sites, and market patterns. Draft Policy J/RC (Retail and other complementary town centre uses) proposes a retail impact threshold of 300 sqm gross.

¹ While the NPPF presents the floorspace threshold as a gross external area, Local Plan policies generally present the threshold as a gross internal area.

- 7.7 The NPPF minimum threshold of 2,500 sqm gross continues to be an inappropriate threshold for Cambridge, not least because of the overall performance of facilities across the city and designated centres, low levels of leakage, and low vacancy rates.
- 7.8 On the basis of floorspace data for Cambridge City Centre (excl. the Grafton Centre), the average floorspace of a vacant unit is 180 sqm. The average unit size is 205 sqm for convenience and comparison goods retailers, 183 sqm for only occupied properties, and 183 sqm for all properties across the city centre. This high-level analysis essentially highlights that retail units are generally larger, but there are no other patterns between occupied properties and vacancies that would suggest that either larger or smaller units are any more vulnerable.
- 7.9 All of these factors would suggest that the centres are vital and vibrant, and we have also identified a notable quantitative (if not qualitative) capacity for new retail and leisure floorspace indicating that the projected population and spending growth can support additional retail and leisure provision across Greater Cambridge. As such, the centres can withstand a greater level of competition and support a lower threshold. However, we are also mindful of uncertainties around the on-going cost-of-living crisis that would suggest that certain town centre uses are more vulnerable to out-of-centre developments.
- 7.10 The council should consider raising the impact threshold from 300 sq.m to 500 sq.m (gross), in order to avoid capturing stores of purely local significance that would trade under the Sunday trading limit (280 sq.m net) to reflect that nature of stores more likely to divert trade and impact centres.
- 7.11 This threshold should apply to retail and leisure uses combined, also combined floorspace across different phases of development. All retail and leisure developments over 500 sq.m gross (combined) proposed outside or on the edge of town, district and local centres should be required to prepare a proportionate impact assessment.
- 7.12 Policy should indicate that impact assessments should be proportionate to the scale of development proposed. The use of planning conditions to restrict the mix of Class E uses within new development will need to be considered on a case-by-case basis and it is for the applicant to provide robust justification that their impact assessment is robust, appropriate and proportionate.
- 7.13 All main town centre uses located outside or on the edge of designated town, district and local centres should be required to consider the sequential test. The area of search for sequential sites i.e. relevant centres will depend on the scale, nature and location of the proposed town centre uses and the catchment area they are likely to serve, should be considered on a case-by-case basis. Some proposed main town centre uses may have market and locational requirements that cannot be met within designated centres. Where this requirement is suggested, robust justification must be provided by the applicant.

Policy changes and recommendations

- A local threshold of 500 sqm gross internal area is suggested, above which, relevant developments should require an assessment of impact
- Sequential site search areas should cover designated centres within the catchment area that the development is likely to serve

Controlling the mix of uses

- 7.14 The ability to control the mix of uses within centres and frontages has changed significantly since the previous development plans were adopted, with the NPPF specifically dropping the requirement to designate frontages in 2018 and across subsequent updates. Current and future market trends; the population driven retail floorspace capacity projections (taking account of commitments and vacancies); and changes to the NPPF and the UCO; indicate a more flexible approach to retail policies and the mix of uses within centres should be considered.
- 7.15 A balanced approach is recommended that recognises the need to maintain and enhance each centre's role in the hierarchy, as well as allowing the managed introduction of suitable non-retail uses including activities that support the early evening and night-time economy. Nonetheless, floorspace projections suggest there is still a need to retain and encourage new retail uses previously categorised as Class A1 uses within the town, district and local centres.
- 7.16 It is also highlighted that changes to the Use Classes Order (UCO) and Permitted Development Rights (PDR) restrict the future policy approach (notwithstanding the Council's proposed Article 4 direction). Taking account of changes to the UCO and PDR, overly restrictive policies (that seek to limit unwanted uses to a certain number or proportion of units within identified frontages) may be unsound and unimplementable for existing premises. The UCO/PDR changes prevent a more restrictive approach, but the introduction of a proposed Article 4 direction would enable the Council to remove permitted changes of use from Class E to residential (Class MA) if taken forward. It is important to clarify that Article 4 directions cannot prevent movement within the same use class i.e., new Class E.
- 7.17 Notwithstanding the reduced controls, the mix of uses within Use Class E can still be controlled via planning conditions or legal agreements, where planning permission is required in the same way planning conditions / legal agreements were previously used to control movement usually permitted within the former Class A uses.
- 7.18 This approach could also be used to control the mix of ground floor uses on development site allocations. Planning policy could also seek to control the mix of uses within Class E for new development where planning conditions can be introduced restricting movement within the use class.
- 7.19 Where possible, possible applications should identify the subset of Class E uses that are proposed (i.e. Class E(a) retail, E(b) café/restaurant etc.), to enable an assessment of the potential impacts of the proposed use, as well as the suitability of any planning conditions restricting changes within Class E. Where an application does not distinguish the specific use within Class E, or would prefer to benefit from the flexibility afforded by Class E, the application should be accompanied by a proportionate assessment of the impacts of the different uses that fall within Class E to enable the Council to assess a reasonable worst case scenario associated with the permission.
- 7.20 Within the PSA and district and local centre boundaries, the objective should be to maintain and enhance the existing offer of retail and other uses within Class E, with the loss of any such uses controlled by the requirement of draft Policy J/RC (Retail and other

complementary town centre uses) and Policy J/SA (Cambridge City's Primary Shopping Area).

- 7.21 Within the wider Cambridge City Centre boundary, a wider range of main town centre uses, including Class E, Sui Generis and Class F, could be promoted and protected. Proposals that require planning permission that would result in the loss of these uses at ground floor level in the wider centre boundary could be permitted subject to criteria relating to:
- individual or cumulative impact on neighbouring amenity;
 - adverse impact on the vitality and viability of the centre as a whole;
 - provision of an active frontage at ground floor level which relates well to the design of the building and to the street-scene and its setting; and
 - adequate marketing of the unit for Class E uses in the PSA or Class E, Sui Generis and Class F uses in other parts of the centre.
- 7.22 Class E uses within the PSA will include non-retail main town centre uses not previously permitted at ground floor level e.g. offices and leisure uses as defined in draft Policy J/SA.
- 7.23 Non-Class E uses, including pubs, bars, hot food takeaways and other Sui Generis uses, can be controlled in the PSA, but could be encouraged to locate in other parts of the town centres where appropriate i.e. preventing breaks in active frontages, amenity issues (noise/smells), impact on the nature and character of the retail frontages.
- 7.24 Betting shops and hot food takeaways are Sui Generis uses that can still be controlled by planning policy and are not affected by changes to the Use Classes Order or Permitted Development Rights.

Policy changes and recommendations

- Planning conditions restricting the mix of Class E uses may be appropriate for new developments in out-of-centre locations, on a case-by-case basis
- Planning restrictions on the loss of retail and other uses within Class E within designated centres (the PSA and district and local centre boundaries) within the draft policy are appropriate
- Consideration could be given to the appropriateness of a range of main town centre uses, including Class E, Sui Generis and Class F, within the wider Cambridge City Centre boundary (beyond the PSA) and related restrictions of the loss of such uses

Pay day loan shops, betting shops, hot food takeaways, and public houses

- 7.25 Whilst Class E uses no longer include money lenders, pawnbrokers and bookmakers, hot food takeaways, or public house (as these are each Sui Generis), they have been recorded for the purposes of this assessment.
- 7.26 The perceived rise in proliferation of such uses, filling otherwise vacant spaces across town centres has raised concerns, with change to PDRs enacted to control the growth of these uses in town centres. Paragraph 200 of the NPPF references the 'agent of change' principle, whereby a new development should not have a significant adverse effect on the operation of an existing business or community facility.

- 7.27 There were currently only 11 betting shops in the centres surveyed in 2025, accounting for 1.1% of all units, below the UK average (3.5%). There are no obvious concentrations of betting shops in the centres at the time of the assessment, albeit the individual proportion of units are higher in Arbury Court (1 unit, 20% of the centre) and Cherry Hinton High Street (2 units, 16.7%) given the scale of the existing centres.
- 7.28 Nonetheless, this study suggests that provision of additional space to accommodate further uses of this kind is not a priority. The Council has undertaken further analysis to inform future policy controls over gambling premises.
- 7.29 The qualitative audit of centres also allows for analysis of hot food takeaway uses within Greater Cambridge (56 units across the designated centres). This equates to 5.7% of all units, which is below the UK national average of 6.4%. There are, however, discrepancies across the centres and Cambridge City Centre shows a higher concentration of 10.8%. Whilst this is not a pressing concern at the current time, it does not indicate that there is a specific market need for such facilities.
- 7.30 Draft Policy WS/HD indicates that hot food takeaways should not be permitted where they are within 400 metres walking distance from the entrances/exits to primary and secondary schools. The objective of this policy criterion relates to public health concerns rather than the appropriate mix of uses. However, the over-concentration of hot food takeaways could also be managed in town centres and other areas, with the agent of change and other amenity-based policies appropriate to control such uses.
- 7.31 Whilst pay day loan shops, betting shops, and hot food takeaways are not defined as main town centre uses within the NPPF, bars and pubs specifically are, reflecting their broader cultural offer.
- 7.32 There were 50 pubs/bars (5.1% of all units), which is broadly equivalent to the UK average (5.2%). The number of pubs/bars is higher in Cambridge City Centre (13, 12.4%), reflecting its position in the hierarchy and regional role.
- 7.33 The Local Plan should be supportive of new pub and bar proposals and the continued development of the evening economy to increase the provision of pubs and bars also presents an opportunity to reduce vacancies across the authority area, where such changes comply with the relevant agent of change and neighbouring amenity considerations. Proposals to adapt the format of public houses, improving operational efficiencies, and their overall viability should be supported.

Policy changes and recommendations

- Following the changes to Class E, these uses may be subject to standalone planning controls. Whilst there are no specific concerns identified relating to the mix of uses, other policy considerations relating to public health and amenity impact may apply

Centre boundaries and primary shopping areas

- 7.34 The NPPF (Para. 90) sets out that development plans should define detailed boundaries for town centres. Designated town, district and local centre boundaries should be tightly drawn to assist in controlling the appropriate scale and nature of development. Designated centres remain the expected focus for retail, leisure and other main town centre uses. The

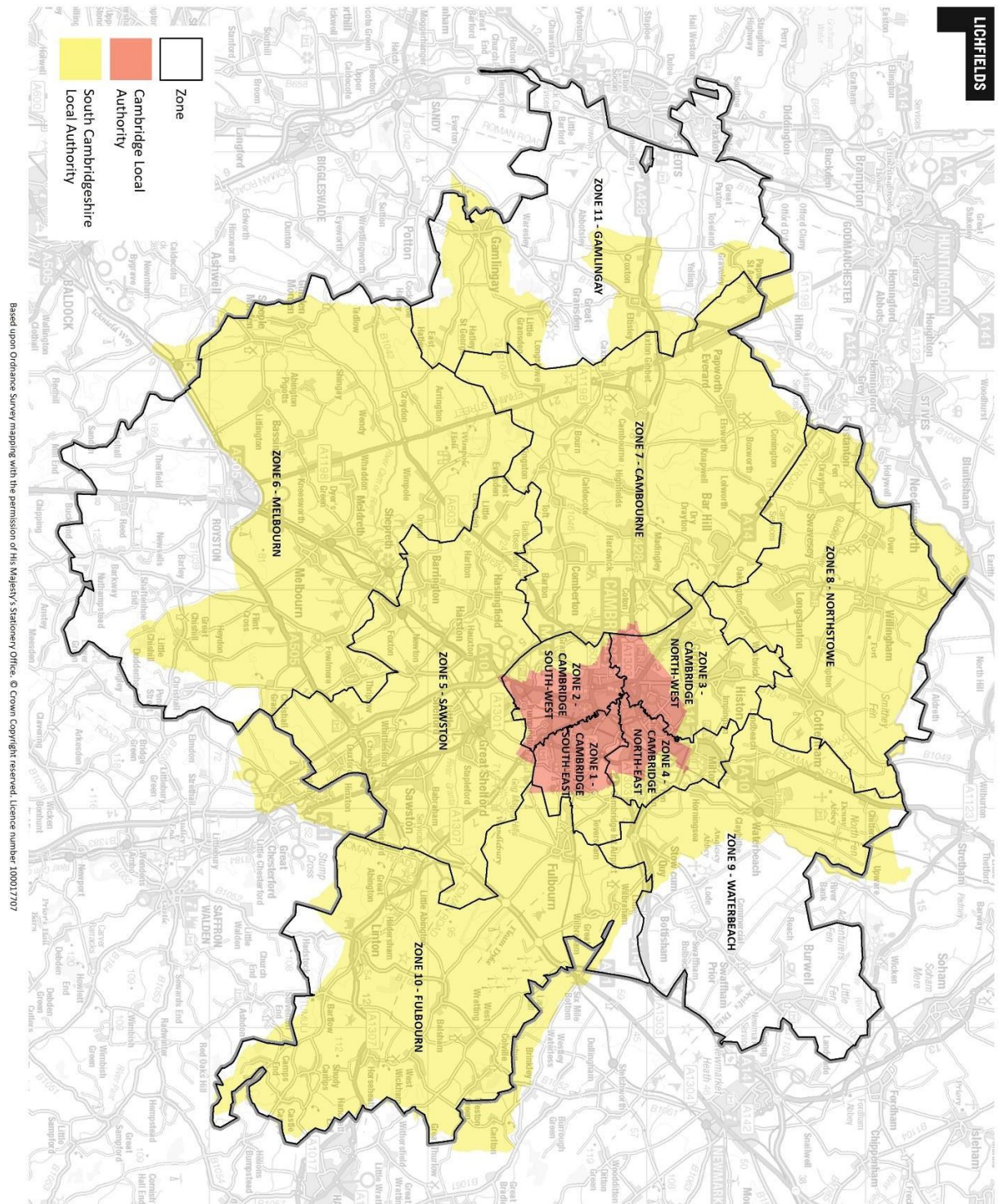
continued classification of centres within the hierarchy is important in identifying which centres are relevant in the search for sequential sites.

- 7.35 The continued identification of town centre boundaries is important when applying the sequential approach, to direct retail and other town centre uses to sustainable locations and determine whether a retail impact assessment is required. The NPPF continues to indicate that the first preference for retail and other town centre uses should be the primary shopping areas (PSA) for retail uses and the town centre boundary for other town centre uses. The first preference for leisure uses is normally the wider defined town centre, which usually includes the PSA and other parts of the town centre. The ability to focus new retail uses within the PSA, rather than the wider town centre area, has become more difficult with the introduction of the new Class E, which allows free movement to and from retail use and other town centre uses and the policy implications for draft Policy J/SA (Cambridge City's Primary Shopping Area) is considered in the previous section.
- 7.36 Local Plan policy regarding edge and out-of-centre development should be consistent with the NPPF in terms of the sequential and impact tests and should be worded to refer to being beyond the centre boundaries and PSA. In the district and local centres, the PSA and town centre boundary may cover the same area, it is unnecessary to designate two separate boundaries.
- 7.37 The extension of centre boundaries should only be necessary where there are existing retail/town centre uses, just outside the centre boundary, that are worthy of future protection. The contraction of centre boundaries could be considered where there is a concentration of non-town centre uses on the periphery of centres e.g. residential gaps in frontages or a concentration of vacant shop units.
- 7.38 Cambridge City Centre's Primary Shopping Area boundary is tightly drawn around the existing retail and commercial premises. This includes the Grafton Centre, which should be removed to facilitate the redevelopment proposals that are currently underway. Other minor amendments may be necessary to align the boundary to the footprint of buildings, reflecting redevelopments and changes to buildings and uses that have occurred since the boundary was last reviewed.
- 7.39 Despite wider national trends around the reduction of retail floorspace, longer term floorspace capacity projections and the relatively low proportion of vacant shop units suggest that it is not necessary to propose any significant contractions of district and local centres.

Policy changes and recommendations

- Cambridge City Centre would justify a Primary Shopping Area, whilst all other designated town, district and local centres would only require a centre boundary
- The current draft boundaries are appropriate and do not require any significant amendments other than to align the boundary to the footprint of buildings
- The Grafton Centre is to be controlled by its own standalone policy, and so is appropriate to remove from the PSA

Figure 3 Study Area



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