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St Albans City & District Council

Retail Study Update

EXECUTIVE SUMMARY

July 2009

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EXECUTIVE SUMMARY

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1. EXECUTIVE SUMMARY

1.1 Strategic Perspectives LLP was instructed by St Albans City and District Council (hereafter referred to as 'the Council') in 2008 to update the previous retail study published in January 2006. This study will provide the baseline evidence to help inform the preparation of the Council's Core Strategy as part of the forthcoming Local Development Framework (LDF). Our assessment primarily covers the period up to 2026, but also gives consideration to the period up to 2031. The study has been prepared in the context of the most current national, regional and local retail planning policy guidance.

1.2 This Executive Summary sets out the headline findings and key recommendations of the final study.

Key Aims and Objectives

1.3 This strategic District-wide study specifically assesses the role, attraction and performance of St Albans City Centre and Harpenden Town Centre. It also examines the relative importance and role of the smaller Neighbourhood Centres in the District's retail hierarchy, as well as out-of-centre shopping facilities. The key aims and objectives of the study include the need to:

- Identify gaps in the current supply of retail floorspace relative to demand.
- Provide advice on the future direction of retail policy in the District, to assist in the preparation of the District's Core Strategy.
- Identify retail centres within the District and define their future role to ensure vitality and viability through the LDF.
- Where a need for new retail floorspace is forecast, identify potential sites to accommodate this additional floorspace in accordance with PPS6 and the sequential assessment.

1.4 In addition, this study also provides a high level assessment of the potential need for new retail floorspace (comparison and convenience goods) that could be required to serve Major New

Residential Areas (MNRA) to meet the dwelling allocations identified by the emerging Regional Spatial Strategy (RSS) for the East of England[1].

1.5 This study forms the baseline position. It will help to underpin future work elements including policy formulation, the development of town centre visions and strategies and the identification / allocation of potential development opportunity sites in the District.

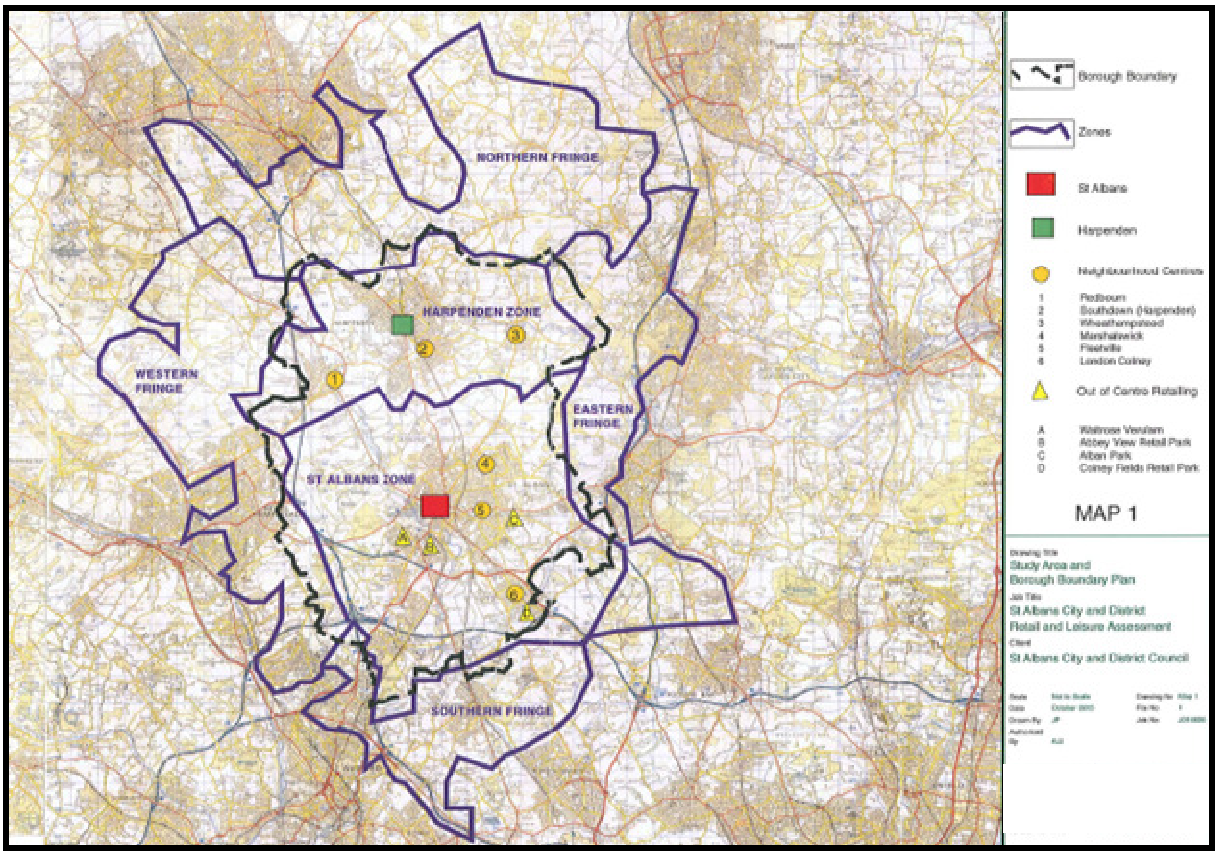
Approach

1.6 The study first comprises a detailed qualitative assessment of current provision and shopping patterns in the District and its main centres. This is then used to inform the quantitative (retail capacity) assessment of the potential for new retail floorspace (both comparison and convenience goods) over the forecast period (i.e. 2011, 2016, 2021, 2026 and 2031).

1.7 It is important to state at the outset that during this current unprecedented recessionary period forecasts even over the short term should be interpreted with caution. This is because the expenditure forecasts underpinning the capacity assessment are subject to continual review and update depending on the performance of the economy and the prospects for growth. We therefore advise the Council that the capacity forecasts identified by this study should only be regarded as a broad indication of the potential for new retail floorspace, rather than as a maximum/minimum threshold (or 'target') that should necessarily be met.

1.8 For the purpose of our assessment we have used the same Study Area as the 2006 Retail Study (see plan below).

[1] Please note that St Albans District Council and Hertfordshire County Council challenged the proposals in the East of England Plan for major expansion at Hemel Hempstead and Welwyn Garden City / Hatfield whilst this study was being prepared. The challenge was subsequently upheld as it was determined that the environmental appraisal in relation to proposed expansions was inadequate. Those aspects of the Plan relating to these expansions have been remitted to the Secretary of State and are to be treated as not having been approved or adopted. This means that there are at present no housing targets for Dacorum and Welwyn Hatfield and it is up to the Secretary of State is to decide how to resolve this issue. The Retail Study was finalised prior to legal challenge being decided and does not therefore take account of this decision. This has implications for the economic capacity assessments set out in Sections 9 and 10 of this study. The planned update of the Retail Study in Autumn 2009 will reflect the position as it stands at that time.



Source: St Albans City & District Council (2006 Retail Study)

1.9 The study area extends beyond the St Albans and City District area and is sub-divided into six zones. The spatial framework for this updated assessment is based on geographic areas defined by postcode sectors, rather than by local authority boundaries. This best reflects the sub-region's shopping provision, shopping patterns and catchment areas. Nevertheless, Zone 1 ('St Albans Core') and Zone 2 ('Harpenden Centre') broadly represent the District Area. The definition of the study area is described in more detail in Section 9 of the main report.

1.10 Our assessment has also been informed by the household telephone interview survey carried out for the Council's original Retail Study. Please note that the Council is to commission a new survey in late 2009 to update the evidence base and economic capacity assessment[2].

[2] This updated survey will help to identify any changes in shopping patterns since the last survey was carried out. It will also specifically enable the Council to monitor and assess the impact of competing centres and other (out-of-centre) shopping locations on the market shares and performance of the District's two main centres and smaller neighbourhood centres. The

The Planning Context

1.11 Section 3 of the study comprises a detailed review of the relevant national, regional and local retail planning policy.

1.12 One of the central messages of **Planning Policy Statement 6 (PPS6)** ***Planning for Town Centres*** (March 2005) is the requirement for a more proactive approach to securing new investment in centres and achieving more sustainable patterns of development. The Government's key objective for town centres is to promote their vitality and viability by: (i) planning for the growth and development of existing centres; and (ii) promoting and enhancing existing centres, by focusing development in such centres and encouraging a wide range of services in a good environment, accessible by all.

1.13 Chapter 2 of PPS6 sets out the plan-led approach for promoting growth and managing change in town centres. It states that, wherever possible, opportunities within existing centres should be identified for sites suitable for development or redevelopment to accommodate mixed use schemes, with residential or office development above ground floor retail, leisure and other facilities. Local planning authorities should also seek to ensure that the number and size of sites identified for development or redevelopment are sufficient to meet the scale and type of need identified. Where growth cannot be accommodated in identified existing centres, PPS6 states that local planning authorities should plan for the extension of the primary shopping area or, where appropriate, plan for the extension of the town centre. Such extensions may also be appropriate where a need for large developments has been identified and this cannot be accommodated within the centre. In such cases local planning authorities should seek to identify, designate and assemble larger sites adjoining the primary shopping area (i.e. in edge-of-centre locations).

1.14 Town centre strategies are also identified by PPS6 (paragraph 2.18) as providing an important and complementary role in ensuring the continued vitality and viability of centres. These may be part of the evidence base for development plan documents, including Area Action Plans (AAPs) and for supporting the use of compulsory purchase orders (CPO) for site assembly.

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economic capacity assessment will also be updated as part of the commissioning of this new household survey and this will take account of any significant changes to the expenditure and population growth forecasts and other baseline assumptions.

1.15 PPS6 states at paragraph 2.22 that different but complementary daytime and evening uses can reinforce each other, making town centres more attractive to local residents, shoppers and visitors. Local planning authorities should therefore encourage diversification of town centre uses in the town centre as a whole, and ensure that tourism, leisure and cultural activities, which appeal to a wide range of age and social groups, are dispersed throughout the centre.

1.16 PPS6 also identifies the "valuable contribution" that street and covered markets (including farmers' markets) can make to local choice and diversity in shopping, as well as the vitality of town centres and to the rural economy. As an integral part of the vision for town centres, local authorities should therefore seek to retain and enhance existing markets and, where appropriate, reintroduce or create new ones

1.17 The **East of England Plan** constitutes the Regional Spatial Strategy for Hertfordshire County and the rest of the East of England. The RSS covers the period to 2021, but also sets a vision, objectives and core strategy for the longer term. Policies SS1 to SS9 set out the core strategy and overall framework for development in the region and complements and reinforces national planning policy statements. These policies are reviewed in Section 2 of the Retail Study and are reproduced in full in Appendix 3 to the study. Policy SS6 (*City and Town Centres*) specifically states that thriving, vibrant and attractive city and town centres are fundamental to the sustainable development of the East of England and should continue to be the focus for investment, environmental enhancement and regeneration. Whilst Policy SS6 sets the overall aims for city and town centre development, Policy E5 (*Regional Structure of Town Centres*) identifies nine Regional Centres, including Watford and eleven Major Town Centres, including St Albans, Hemel Hempstead, Luton, Stevenage and Welwyn Garden City, which are the primary focus for major new development and complementary town centre uses. Below this level Policy E5 states that LDDs will identify a network of more local town centres, district centres, neighbourhood centres and village centres.

1.18 The relevant development plan documents for the City and District of St Albans comprise the **Local Plan Review** adopted November 1994 and the emerging Local Development Framework (LDF) and Core Strategy. The Council's emerging LDF and Core Strategy confirm that the vision for the District is for St Albans to retain its status as the highest order settlement and for Harpenden to successfully fulfil its role as a smaller town with an appropriate range of shops, businesses, schools and other facilities for a settlement of its size.

1.19 Although both national (PPS6) and local planning policy are currently under review and in the process of being updated, Government guidance is clear that new development and investment should be promoted in town centres first, followed by edge-of-centre locations, in accordance with the sequential approach. New out-of-centre development is therefore only appropriate where there are no suitable, viable and available sites in more central locations and it can be demonstrated that they will not have an adverse impact on the vitality and viability of existing centres.

The Context for Growth

1.20 The retail and urban landscape has changed dramatically over the last two decades. Increased car ownership has resulted in greater household mobility and therefore the choices of shopping locations and the distances that can be travelled are much greater. The so-called 'three waves' of retail decentralisation has resulted in substantial new comparison and convenience goods retail floorspace being developed in out-of-centre locations. Over the last five years the growth of Internet shopping has taken an increasing market share of retail sales and this is set to continue as the availability of the Internet and computers increases.

1.21 There has also been a long-term polarisation of new retail development and investment in the country's top 50-100 larger centres. In some cases this has further weakened the vitality and viability of those smaller and medium-sized centres that are also competing with out-of-centre shopping locations. Where smaller centres have been unable to diversify their offer or create niche markets they have generally suffered. The focus on urban renewal has increased demand for town centre sites for a wider range of land uses. At the same time, the national multiple retailer and leisure operators have become increasingly "space hungry". The requirement for larger stores and buildings to accommodate the wider product offer of the national operators has intensified over the last five years. In turn, this is placing increased pressure on local planning authorities to identify and allocate larger sites in town centres for comprehensive retail and mixed use developments. These trends present significant opportunities and challenges to the District's centres.

1.22 Retailers have also continued to evolve their formats and offer, particularly in the grocery sector. The tighter policy controls on out-of-centre retailing over the last decade, along with changing demographic and socio-economic trends, has resulted in the main foodstore operators and larger format retailers "returning to the high street". In order to maintain and increase their market share of the grocery sector, retailers such as Tesco and Sainsbury's have "moved" into the convenience goods sector through the rapid expansion of their respective Express and Local stores. The major foodstore operators are also developing major mixed use schemes in town centre locations, generally comprising a superstore as anchor along with a mix of other complementary uses, including residential, offices and leisure. At the same time, the main operators are increasing the comparison goods offer in their existing stores through extensions and as part of the wider offer of new store proposals. Some of the larger superstores are emerging as typical variety or department stores. This trend could represent a threat to smaller centres, where the larger out-of-centre stores evolve into one-stop shopping destinations.

1.23 National retail trends and recent forecasts by Experian Business Strategies (EBS) indicate a continued long-term growth in incomes and expenditure, but not at such strong levels as experienced in the last 15-20 years. The growth in expenditure will primarily be focused on comparison goods, with a limited growth in convenience goods expenditure. Furthermore, the impact of the "credit-crunch" and global economic downturn on retail spending has resulted in a significant downward revision in the forecasts prepared by Experian Business Strategies.

The Economic Capacity for Growth

1.24 Table 1 below summarises the capacity for new comparison goods floorspace in the St Albans (Zone 1) and Harpenden (Zone 2) areas between 2008 and 2031 based on the different population growth projections for the District identified by the East of England Plan.

Table 1: Comparison Goods Capacity Assessment (m^2 net)

	2011	2016	2021	2026	2031
ST ALBANS (ZONE 1):					
Scenario 1: 'Baseline' Assessment:	970	3,800	8,120	14,160	20,970
Scenario 2: 'Sensitivity' Analysis:	1,480	4,850	9,830	16,710	24,540
HARPENDEN (ZONE 2):					
Scenario 1: 'Baseline' Assessment:	1,010	1,340	1,850	2,560	3,350
Scenario 2: 'Sensitivity' Analysis:	1,070	1,660	2,050	2,860	3,770
ST ALBANS CITY CENTRE:					
Scenario 1: 'Baseline' Assessment:	9,430	11,690	15,150	19,980	25,420
Scenario 2: 'Sensitivity' Analysis:	9,840	12,540	16,520	22,030	28,290

Source: 2009 Retail Study - Appendix 11(i) and 13(i)

Notes: The forecasts are cumulative (i.e. the forecasts for each year include the forecasts for the previous years and are not additional to the earlier forecasts.

1.25 The 'sensitivity' analysis (Scenario 2) assumes a higher population growth for St Albans District based on the 'Modified' EERA ('Group 3') dwelling-led projections. However, as the table shows, these higher population projections only result in a modest uplift in retail capacity. This is because capacity forecasts are generally more sensitive to changes in expenditure growth than population increases. Furthermore, any increase in the capacity for new floorspace is mainly post-2016, as this is when most of the new dwellings potentially identified for the District will be delivered.

1.26 The capacity assessment forecasts the potential for 3,800 – 4,850 m^2 net of new comparison goods floorspace in the St Albans area (Zone 1) by 2016, increasing to 20,970 – 24,540 m^2 by 2031.

1.27 The forecast capacity for the City Centre is higher at 11,690 – 12,540 m^2 net in 2016, increasing to 25,420 - 28,290 m^2 net by 2031. The capacity for new floorspace in the City Centre is therefore higher than for the St Albans area (Zone 1) as whole. This is because the existing floorspace in the City Centre is estimated to be trading significantly above its 'benchmark' levels, whereas the out-of-centre retail floorspace in the rest of the St Albans area is trading below 'benchmark' turnover levels. This indicates that the residual expenditure to support new comparison goods retailing in St Albans is being generated by the City Centre rather than out-of-centre floorspace.

1.28 For Harpenden the forecast capacity for new comparison goods floorspace is significantly lower at 1,340 - 1,660 m^2 net in 2016, increasing to 3,350 – 3,770 m^2 net by 2031. This reflects the more limited scale, role and function Harpenden town centre compared to St Albans City Centre.

1.29 Table 2 below summarises the capacity forecasts for <u>convenience goods</u> retailing.

1.30 The table shows that the quantitative need for new floorspace is primarily located to the north of the District in the Harpenden Zone (Zone 2). This reflects the fact that there is significant (out-of-centre) foodstore provision in the St Albans area, particularly to the south and east of the City Centre, which takes-up the majority of expenditure available in Zone 1. It also reflects the relatively strong sales performance of existing foodstores in Harpenden that are trading above their 'benchmark' turnover levels. The capacity forecasts therefore suggest that there could be potential to extend the existing foodstore provision in Harpenden town centre, particularly if it is shown that existing stores are overtrading and congested.

Table 2: Convenience Goods Capacity Assessment – Superstore Format (m^2 net)

	2011	2016	2021	2026	2031
ST ALBANS (ZONE 1):					
Scenario 1: 'Baseline' Assessment:	620	900	1,290	1,690	2,110
Scenario 2: 'Sensitivity' Analysis:	810	1,270	1,850	2,450	3,080
HARPENDEN (ZONE 2):					
Scenario 1: 'Baseline' Assessment:	2,400	2,520	2,690	2,860	3,040
Scenario 2: 'Sensitivity' Analysis:	2,480	2,670	2,920	3,170	3,440
TOTAL:					
Scenario 1: 'Baseline' Assessment:	3,020	3,420	3,980	4,550	5,140
Scenario 2: 'Sensitivity' Analysis:	3,290	3,940	4,760	5,620	6,520

Source: 2009 Retail Study - Appendix 12(ii) and Appendix 13(ii)

Notes: Capacity forecasts represent residual net floorspace after allowing for all commitments.

1.31 However, our qualitative health check has identified a significant 'gap' in St Albans City Centre's foodstore offer compared to Harpenden's provision and the District's wider out-of-centre offer. Specifically the City Centre lacks a superstore anchor to help meet the main ('bulk') food shopping needs of its catchment population. A superstore anchor would also help to 'claw back' shopping trips and expenditure from out-of-centre stores to the south of the District. This, in turn, would benefit other shops and business in the City Centre through linked trips and 'spin-off' expenditure.

1.32 If a new superstore format cannot be accommodated on suitable sites in the City Centre and there is also no potential to extend the existing convenience goods floorspace in Harpenden town centre, then the Council will need to assess the potential for new retailing on other edge and out-of-centre locations in accordance with the key considerations set out in PPS6.

1.33 It is important to restate that the floorspace capacity forecasts identified by this study should be treated as a broad indication of the potential need for new retail floorspace, rather than as a maximum or minimum threshold (or 'target') that should necessarily be met. In the current economic climate even forecasts over the short term are inherently less certain and should therefore be treated with caution.

1.34 Furthermore, the capacity forecasts are based on <u>constant</u> market shares up to 2031. Although this is an accepted approach for retail studies, it inevitably does not take account of changing shopping patterns that can arise from new development. This will be one of a number of important considerations for the Council when assessing and determining future planning applications. For example, if an opportunity is identified for a large scheme in St Albans City Centre or a sequentially preferable edge-of-centre site, then this could increase the city's market share of comparison goods expenditure in the District and wider catchment area. Any uplift in market shares arising from new development would, therefore, generate additional residual expenditure and forecast capacity for new floorspace over and above the forecasts identified by this study.

St Albans City Centre

1.35 National, regional and local planning policy reinforces the Government's *"town centre first"* approach to new development and investment. St Albans City Centre is identified as one of eleven 'Major Town Centres' by the East of England Plan. The Council's adopted plan, emerging LDF and Vision/Action Plan all identify the need to maintain and enhance the overall vitality and viability of the city centre.

1.36 The qualitative (health check) assessment in Section 4 of the Retail Study shows that St Albans is a healthy and vibrant City Centre. It functions at a level in the retail hierarchy appropriate to its status as a major town centre and comprises a good choice of multiple and independent specialist retailers, providing a range of discount to high end products.

1.37 The centre's food and convenience offer is also supplemented by a vibrant street market which comprises over 170 stalls and is held on Wednesdays and Saturdays. The market runs along the length of St Peter's Street and makes an important contribution to the overall vitality and viability of the City Centre's more mainstream shops and businesses. The stallholders are well established and sell a range of food and non-food products, including meat, fish and bakery items as well as fresh fruit and vegetables. A Farmers' Market is also held once a month in St Peters Street /Market Place and offers local and organic fresh produce, including a range of homemade goods, fresh fruit and dairy products. There are also Continential and Italian Markets held throughout the year that sell a range of foods, delicacies, clothing, art and other products. In accordance with existing (PPS6) and emerging national policy (PPS4) it is vital that the Council looks to retain and enhance existing markets and smaller shops in order to proactive plan for consumer choice. Where possible the Council should also assess the potential for investment in existing and new markets to ensure that they remain attractive and competitive.

1.38 The study has found that the City Centre lacks a major department store and foodstore to anchor its retail offer. There has also been limited retail investment and development in the city's retail floorspace for a number of years. As a result, St Albans currently has a limited stock of larger modern shop units to meet the strong requirements from retailer representation in the centre.

1.39 Although the City Centre is performing well benchmarked against other 'Major Town Centres' in the region (including Hemel Hempstead, Welwyn Garden City, Stevenage and Luton), without new investment and development in the City Centre we consider that there is a real danger that St Albans will fall behind its competitors. This will be further exacerbated by the fact that many of the competing centres have benefitted, or are set to benefit from major new town centre retail-led developments. Over time, the scale, quality and attraction of the retail offer in competing shopping locations will erode the City Centre's market share of shopping trips and expenditure. This could potentially harm the city's overall vitality and viability as a shopping location. The fall in pedestrian flowcounts across the City Centre since 2004 is one possible indication that people are increasingly choosing to shop elsewhere to satisfy their needs.

1.40 The economic capacity assessment shows that St Albans City Centre is currently trading significantly above 'benchmark' turnover levels at the base year. This needs to be considered in the context of the key findings of the qualitative assessment. Specifically the health check found that there is a relatively strong demand from retailers and leisure operators for representation in the City Centre, but this market interest is not currently being met by the supply of large modern units. Furthermore rental and yield levels indicate that market confidence in the centre also remains strong, despite the impact of the economic downturn. Based on the economic and qualitative assessments it is our view that there is 'pent-up' capacity for new comparison goods floorspace in the City Centre. Our capacity forecasts indicate the potential for 11,690 – 12,540 m^2 net of new retail floorspace by 2016.

1.41 There would therefore appear to be 'market appetite' for new retail investment and development in the City Centre, if suitable sites can be identified for major new retail and mixed use development.

1.42 From our assessment of potential sequential sites in St Albans in Section 11 we conclude that there are a number of significant opportunities for new development that could be delivered by 2016. However there are various potential constraints to the planning and development of these sites, including ownership and land assembly issues. As a result, the Council will need to take a proactive role in site assembling and delivering new retail-led mixed use development on one or more of these sites. This may include the need for the Council to use their compulsory purchase (CPO) powers.

Harpenden Town Centre

1.43 The qualitative (health check) assessment in Section 5 of the Retail Study indicates that Harpenden is a vital and viable town centre. It is performing will in terms of a number of key performance indicators. For example it has a strong foodstore offer, low vacancy levels and an attractive shopping environment. However, this only provides part of the picture of the town's overall health, attraction and performance.

1.44 Our more in-depth assessment of Harpenden's vitality and viability has found that its comparison goods offer is limited and has been declining over a number of years. The centre has only three major national non-food multiples and there is an under-supply of larger shop units. This confirms the findings of the Council's 2006 *Retail and Leisure Study*, which found that the town's primary shopping area is being 'squeezed' by the demand from service business, and specifically A3, A4 and A5 operators. Furthermore, the 2006 study indicated that local business confidence in the future vitality and viability of the town centre was relatively 'fragile', particularly in the context of rising retail rents.

1.45 In our judgement the further loss of Class A1 retail floorspace and particularly one or more of the centre's major multiple retailers could undermine Harpenden's overall attraction and performance, and harm the centre's vitality and viability. In this context we are aware that Argos could potentially close its store in the town centre following the permission at Appeal for the redevelopment of 27 High Street for residential uses at first floor level and above. If this is the case then it would leave only two major non-food multiples in the town centre, namely Boots and WH Smiths.

1.46 The Council's July 2007 Consultation Document also recognises at paragraph 10.106 that Harpenden town centre should: *"...continue to maintain its current role in the District's hierarchy and ... emphasis should be placed on protection and enhancement of existing retail, service and employment uses within the town centre, rather than providing any additional floorspace for these uses"*. In this context we advise the Council that Harpenden should be re-classified as a 'Town Centre' rather than a 'Minor District Centre' in the context of the typologies of centres set out in PPS6 (Annex A).

Neighbourhood Centres

1.47 Our audit of the District's Neighbourhood Centres in Section 6 of the Retail Study has confirmed that overall they generally have a good mix of convenience, comparison and service businesses. This offer is supplemented in most cases by a range of other health and communities facilities, including libraries, doctor surgeries, churches, youth centres, etc.

1.48 The District's hierarchy of neighbourhood centres comprises different types of smaller centres, each of which has distinct characteristics, uses and roles within their specific geographic areas. In considering their appropriate classification within the District's overall network of centres, we have had regard to the typology of centres identified by PPS6 (Annex A, Table 1), which identifies the main characteristics of District and Local Centres as follows:

- **District Centres** – usually comprise groups of shops often containing at least one supermarket or superstore and a range of non-retail services, such as banks, building societies and restaurants, as well as local public facilities such as a library.

- **Local Centres** – include a range of small shops of a local nature, serving a small catchment. Typically local centres might include, amongst other shops, a small supermarket, a newsagent, a sub-post office and a pharmacy. Other facilities could include a hot-food takeaway and launderette. In rural areas, large villages may perform the role of a local centre.

1.49 We have assumed that the Council's classification of 'neighbourhood centres' is analogous to the PPS6 definition for 'district centres'. Based on PPS6 and our qualitative assessment, we have identified the following particular 'groupings' or typologies of centres.

1.50 In our judgement, the first 'grouping' comprises the suburban centres of Fleetville and Marshalswick in the St Albans urban area and Southdown in Harpenden. They primarily function as convenience shopping destinations, primarily serving the shopping needs of their local resident catchment populations. In the case of Fleetville, the larger Morrisons store is an important anchor to its overall retail offer and also functions as a main food shopping destination. The convenience offer of these centres is largely supplemented by other service businesses, which form an important an important component of their overall offer. In general terms their comparison goods offer is secondary to their main convenience and service business role, although they do comprise specialist 'destination' shops that attract specific trips and purchases from across the wider District area, as well as ethnic retailers in the case of Fleetville. In our judgement their designation as 'neighbourhood' or preferably 'district' centres is therefore appropriate.

1.51 The second 'grouping' comprises Redbourn, London Colney and Wheathampstead. These neighbourhood centres have a more limited retail offer in comparison to the larger centres of Fleetville and Marshalswick. They primarily serve the more frequent 'top-up' (basket) shopping needs of their local resident population and each centre's offer is anchored by Tesco Express and/or Co-op. These smaller centres perform important roles and functions for their local, more rural catchment areas and their vitality and viability should therefore be maintained and enhanced. Overall these smaller centres could be reclassified as 'local centres' based on the PPS6 typologies of centres.

1.52 As identified by this section, the extension of the Waitrose in Verulam has resulted in the loss of four smaller shops units, leaving just a pharmacy. The centre therefore lacks the mix of retail, service businesses, health and community facilities more normally associated with a district centre's role and function as classified by PPS6. We therefore recommend that the Council assesses the potential to provide a more diverse mix of uses in this location, to supplement the attraction of Waitrose. If this is not possible, then it may be necessary to reclassify Waitrose as an out-of-centre shopping location.

Local Parades

1.53 There are a number of local shopping parades in the District. These are broadly defined as small clusters of shops, generally comprising three or more Class A1 units. PPS6 (Annex A) defines small parades of shops as having a purely neighbourhood significance and they are not regarded as centres for the purposes of the policy statement.

1.54 Nevertheless, the smaller shopping parades and clusters of shops have an important function and role in the District's network of shopping. They provide easily accessible core facilities, such as smaller convenience stores, newsagents, pharmacy, post office and other services to meet the day-to-day needs of nearby residential areas. For most shoppers these complement the larger facilities available in the District's main centres, as well as the free-standing foodstores and retail warehouses. Nevertheless a proportion of the District's less mobile population are also dependent upon these more accessible shops and services within easy walking distance of their homes.

1.55 It was not part of our brief to carry out an analysis of these smaller local parades and shops. Nevertheless, we understand that there have been limited changes in provision since the Council's previous retail study. We therefore advise the Council that the vitality and viability of these smaller local shopping parades should be monitored over time and that their important retail and service function for the local community should be maintained and enhanced. In certain cases where local shopping parades are clearly failing, leading to significant long term vacancies and the lack of investment in the shops and environment, then the Council should consider the reoccupation of the outlets by other uses, including the potential conversion to residential and/or office uses.

Out-of-Centre Shopping Provision

1.56 Section 7 of the Retail Study shows that St Albans has a good provision of out-of-centre foodstores and large format retail warehouse operators, particularly in the St Albans area (Zone 1) to the south of the District. In policy terms any identified need for new comparison and convenience goods floorspace should be directed to town centre and edge-of-centre sites in the first instance.

1.57 Any applications for new out-of-centre retail floorspace will have to satisfy the key tests set out in national, regional and local planning policy. Specifically the applicants will need to demonstrate that there are no sequentially preferable sites that can accommodate the scale, format and type of retailing proposed and that the application will not have an adverse impact on existing centres. Any assessment of the potential impact of new out-of-centre development will need to take account of the considerations set out in PPS6, including the extent to which new development would put at risk the Council's vision and strategy for the City Centre and other centres; the likely effect on future public and private sector investment needed to safeguard the vitality and viability of the District's centres; and the likely impact of any proposed development on the trade/turnover of existing centres.

1.58 Where new comparison goods floorspace allocations and/or proposals are identified in edge and/or out-of-centre locations we advise the Council that the retail uses should be carefully conditioned to prevent Open A1 retailing so as to minimise the potential harmful impact on the vitality and viability of the City Centre and the District's other main centres.

Conclusion

1.59 This study is intended to help the Council to prepare its development plan policies as part of the LDF and to assist development control decisions over the plan period. The economic assessment has provided a broad overview of the potential need for new convenience and comparison goods floorspace over the short term (up to 2011) and medium term (up to 2016), with longer term forecasts up to 2026 and 2031. However, in the current economic climate even forecasts over the short term are subject to uncertainty and therefore all forecasts should be treated with caution.

1.60 It has been demonstrated that there is economic capacity for major new comparison goods floorspace in St Albans City Centre over the short to medium term. A number of potential sequential sites have been identified that could accommodate the forecast capacity up to 2016. The "challenge" for the local planning authority is therefore to help deliver new retail-led mixed use development on one or more of these sites as a priority. If new development in the City Centre cannot be achieved, then alternative sites in edge-of-centre and out-of-centre locations will have to be considered. If this is the case, then the preference in planning terms will be to extend and redevelop existing shopping locations to provide more mixed use sustainable locations.

1.61 PPS6 indicates that local planning authorities should adopt a positive and proactive approach to planning for the future of the centres within their areas, whether planning for growth, consolidation or decline. Development within centres should also be appropriate in terms of their nature and scale to the role of the centre. Thus new retail developments which are likely to attract customers from a significantly wider area than the centre's intended catchment area may be considered out-of-scale with the role of the centre.

1.62 Given the current uncertainty with regard to economic forecasting and the fact that the capacity assessment is based on a household survey that is now some four years old, the Council intends to commission a new household survey and economic capacity assessment in late 2009. This will provide supplementary baseline evidence to help inform the plan making process.

Finally, in the context of PPS6 and the emerging guidance set out in draft PPS4, we advise that the centre health checks should be updated on an annual basis in order to monitor the changing vitality and viability of the District's centres and assess the impact of the Council's strategy and policies on its centres.