

St Albans City & District Council

2009 Retail Study Update

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Prepared by:

Strategic Perspecti>es LLP

24 Bruton Place

London

W1J 6NE

Tel: 020 7529 1500

Fax: 020 7491 9654

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1. INTRODUCTION

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 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.

Key Aims and Objectives

1.2 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.

1.3 The key aims and objectives of this study include the need to:

- Update the information on the current supply of and the future demand for retail floorspace.
- Take account of revisions to expenditure and population forecasts, as well as any new retail developments and commitments in the District since 2006.
- 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 England¹.

- 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 approach adopted for this 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 However, it is important to state at the outset of this study that during this current unprecedented recessionary period, even forecasts 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 the reproduced plan in **Appendix 1**). The study area extends beyond the St Albans and City District and has been 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, as 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.
- 1.9 Our assessment has also been informed by the household telephone interview survey carried out for the Council's 2006 Retail Study. The headline results for convenience and comparison goods

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 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.

shopping are set out in **Appendix 2(i)** and **2(ii)** respectively. It is assumed for the purpose of our assessment that the household survey results broadly represent 'average' year-round shopping patterns.

- 1.10 Notwithstanding the use of the 2005 household survey, the Council has identified the need to commission a new survey in late 2009 to update the evidence base. This 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 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 assumptions¹.

Report Structure

- 1.11 This report draws together the results of our research, incorporating the findings of the 2006 household survey, qualitative (health check) assessments and the quantitative need (capacity) assessment for comparison and convenience goods retailing.
- 1.12 The report is structured as follows:
- **Section 2** summarises the national, regional and local retail planning policy framework which provides the context for this study, as well as other relevant planning and regeneration policy.
 - **Section 3** reviews the research evidence on some of the key trends that are driving the dynamic changes in the retail property market, shaping the urban and retail landscape.
 - **Section 4** sets out our qualitative (healthcheck) assessment of St Albans City Centre's overall vitality and viability. It is based on the key performance indicators (KPIs) set out in Chapter 4 of PPS6. Our assessment also describes, where possible, the changes in the town centre's KPIs since the 2006 Retail Study. This section provides a robust overview of the town's overall attraction, health and performance as a shopping location, as well as for wider town centre uses.
 - **Section 5** provides a qualitative analysis of the relative attraction and performance of Harpenden Town Centre. We review the main strengths and weaknesses of the centre, the opportunities to improve its current attraction and viability, and the potential threats to its future health and vitality.

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- **Section 6** summarises the findings of our qualitative assessment (health checks) of the smaller Neighbourhood Centres in the District. This section identifies the relative role, attraction and performance of each centre in the District's shopping network.
 - **Section 7** identifies the main out-of-centre shopping locations in the District that currently compete with existing centres for comparison and convenience goods shopping trips and expenditure.
 - **Section 8** briefly reviews the current and proposed retail offer in major competing centres in neighbouring local planning authorities that have an impact on shopping patterns and expenditure flows across the defined catchment area.
 - **Section 9** sets out our quantitative retail capacity assessment of the potential for new (comparison and convenience goods) retail floorspace in the District and its main centres over the forecast period. This economic assessment is informed by the findings of the household survey and qualitative healthchecks. The retail capacity forecasts take account of new developments in the District since 2006, as well as any other known commitments.
 - **Section 10** tests the 'sensitivity' of the economic capacity assessment based on alternative population projections proposed by EERA for the East of England Plan¹. In accordance with the Council's brief, we have also carried out a high level assessment of the potential capacity for new comparison and convenience goods floorspace that could be supported by proposals for 'Major New Residential Areas' (MNRA) ranging from 2,500 to 7,000 new dwelling allocations in the District by 2031.
 - **Section 11** provides our high level assessment of the availability, sustainability and viability of a number of town centre, edge-of-centre and out-of-centre development opportunity sites that could potentially accommodate any identified quantitative and qualitative need for new retail floorspace over the short, medium and longer term.
 - Finally, **Section 12** sets out our key findings and recommendations.

1.13 The evidence base, research and economic tables in support of this study are appended in a separate supporting volume to this study.

2. RETAIL PLANNING POLICY CONTEXT

- 2.1 This section reviews the relevant national, regional and local retail planning policy relevant to this Retail Study.

National Planning Policy Context

- 2.2 The relevant national planning policy considered as part of our study includes Planning Policy Statement 1 (PPS1) *Delivering Sustainable Development*; Planning Policy Statement 6 (PPS6) *Planning for Town Centres* (March 2005); the recently revised Planning Policy Statement 12 (PPS12) *Local Spatial Planning*; and PPG13 *Transport* (March 2001). The following summarises and reviews some of the main issues and advice set out in these inter-related guidance notes.

PPS1: Delivering Sustainable Development

- 2.3 PPS1 comprises the Government's overarching planning policies on the delivery of sustainable development through the planning system. It is the core principle underpinning planning. At the heart of sustainable development is the simple idea of ensuring a better quality of life for everyone, for now and for future generations. The government is committed to promoting a strong, stable and productive economy that aims to bring jobs and prosperity for all. Planning authorities should therefore ensure that suitable locations are available for industrial, commercial, retail, public sector, tourism and leisure developments, so that the economy can prosper.
- 2.4 In preparing development plans, planning authorities should seek to bring forward sufficient land of a suitable quality in appropriate locations to meet the expected needs for retail and commercial development, taking into account issues such as accessibility and sustainable transport needs; the provision of essential infrastructure, including for sustainable waste management; and the need to avoid flood risk and other natural hazards. New developments should also be located such that they attract a large number of people. It specifically refers to new retail developments in existing town centres to promote their vitality and viability, social inclusion and more sustainable patterns of development.

PPS6: Planning for Town Centres

- 2.5 One of the central messages of PPS6 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. The other key objectives include:

- enhancing consumer choice by making provision for a range of shopping, leisure and local services, which allow genuine choice to meet the needs of the entire community and particularly socially excluded groups;
- supporting efficient, competitive and innovative retail, leisure, tourism and other sectors, with improving productivity; and
- improving accessibility, ensuring that existing or new development is, or will be, accessible and well-served by a choice of means of transport.

2.6 PPS6 states that regional planning bodies and local planning authorities should plan positively for town centre growth and development by:

- developing a hierarchy and network of centres;
- assessing the need for further main town centre uses and ensuring that there is capacity to accommodate them;
- focusing development in, and planning for the expansion of, existing centres as appropriate;
- identifying at the local level appropriate sites for development in the development plan documents;
- promoting town centre management, creating partnerships to develop, improve and maintain the town centre, and managing the evening and night-time economy; and
- regularly monitoring and reviewing the impact and effectiveness of policies for promoting vital and viable town centres.

2.7 Chapter 2 of PPS6 sets out the plan-led approach for promoting growth and managing change in town centres. It confirms that in order to deliver the Government's key objective of promoting vital and viable town centres, development should be "*...focussed in existing centres in order to strengthen and, where appropriate, regenerate them*" (paragraph 2.1). It states that, wherever possible, growth should be accommodated by the more efficient use of land and buildings within existing centres. Opportunities within existing centres should be identified for sites suitable for

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- development or redevelopment or where conversions and change of use will be encouraged for specific buildings or areas. Subject to other planning considerations, residential or office development should be encouraged as appropriate uses above ground floor retail, leisure and other facilities within centres. 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.
- 2.8 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 if there is a need for additional retail provision 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). PPS6 also states at paragraph 2.6 that: *“Larger stores may deliver benefits for consumers and local planning authorities should seek to make provision for them in this context”*.
- 2.9 Paragraph 2.8 confirms that where existing centres are in decline, local planning authorities should assess the scope for consolidating and strengthening these centres by focusing a wider range of services there, promoting the diversification of uses and improving the environment. Where reversing decline is not possible, local planning authorities should recognise that these centres may need to be reclassified at a lower level within the hierarchy of centres, and reflect this revised status in the policies applied to the area.
- 2.10 Local planning authorities are also required, through the core strategy development plan document, to set out a spatial vision and strategy for their network of centres and identify how the role of different centres will contribute to the overall spatial vision for their area. Working in conjunction with stakeholders and the community, PPS6 (paragraph 2.16) states that local planning authorities should, amongst other issues:
- assess the need for new floorspace, taking account of both quantitative and qualitative considerations;
 - identify deficiencies in provision;
 - assess the capacity of existing centres to accommodate new development including, where appropriate, the scope for extending the primary shopping area and/or town centre boundary, and identify centres in decline where change needs to be managed;

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- consider the need to distinguish between primary and secondary frontages in order to define the extent of the primary shopping area²; and
 - identify and allocate sites for new town centre development;
- 2.11 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.
- 2.12 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. This is particularly the case with regard to planning and managing diverse evening and night-time economies that appeal to a wide range of age and social groups.
- 2.13 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.
- 2.14 In terms of selecting sites for development (and determining planning applications for all proposals relating to main town centre uses), then local planning authorities should focus primarily on:
- assessing the need for development;
 - identifying the appropriate scale of development;
 - applying the sequential approach to site selection;
 - assessing the impact of development on existing centres; and
 - ensuring that locations are accessible and well served by a choice of means of transport.
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² Having regard to the need to encourage diversification of uses in town centres as a whole, primary frontages should contain a high proportion of retail uses, while secondary frontages provide greater opportunities for flexibility and a diversity of use.

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- 2.15 Just prior to the finalisation of this retail study, the Department for Communities and Local Government (DCLG) published draft consultation paper PPS4 '*Planning for Prosperous Economies*', which sets out the proposed changes to PPS6. Although the DCLG had previously consulted on revisions to PPS6 and PPS4 as separate documents, this comprehensive new statement brings together in one place all the Government's key planning policies relating to the economy and provides a policy framework for planning for sustainable economic development in urban and rural areas, including town centres. When published in its final form PPS4 will need to be taken into account by local planning authorities and regional planning bodies in the preparation of their local development documents and regional spatial strategies. The policies will also be material to decisions on individual planning applications and appeals.
- 2.16 Significantly for the scope and objectives of this study, the draft consultation proposes to strengthen the Government's policy on positive planning for town centres. For example, there are no proposed changes to the requirement for planning authorities to assess the need for new town centre development as part of the plan making process. The consideration of scale, impact and accessibility considerations are also fundamental to plan making, as is the sequential approach to site selection and land assembly for town centre uses.
- 2.17 The draft statement also requires local planning authorities to proactively plan for consumer choice and promote competitive town centre environments. This can be achieved in a number of ways, including by supporting the diversification of uses in centres as a whole and planning for a strong retail mix, including recognising the important contribution that smaller shops can have on the character and vibrancy of centres. Draft PPS4 also explicitly identifies the need to retain and enhance existing markets and, where appropriate, reintroduce or create new ones, to ensure that markets remain attractive and competitive through new investment.
- 2.18 The draft statement also sets out policies that are material to the assessment of planning applications for main town centre uses that are not in an existing centre nor allocated in an up-to-date development plan. It confirms the scrapping of the 'needs' test and the strengthening of the 'impact' test. Key features of the proposed new test include assessments of:
- the impact of proposals on existing, committed and planned public and private sector investment in centres;
 - whether the proposal is of an appropriate scale (the previous 'scale' test), in relation to the size and role of the centre and its catchment area;
 - impacts on in-centre trade/turnover, to take account of current and future expenditure capacity;
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- accessibility of the proposal by a choice of means of transport (the previous 'accessibility' test) and sustainable transport considerations; and
 - design quality, including (for the first time) how the proposal will help mitigate the impacts of climate change.
- 2.19 The consultation paper also maintains the sequential assessment as a separate important consideration that requires developers to consider the availability, suitability and viability of town centre sites first, following by edge-of-centre sites.
- 2.20 The proposed changes also strengthen the references to competition considerations by listing the promotion of competition between retailers as one of the Government's key objectives for town centres. The changes also include a requirement for proposals to be assessed on the extent to which they promote consumer choice and retail diversity.
- 2.21 Due to the timing of the publication of draft PPS4 and the fact that it is not due to be published in its final form until towards the end of 2009, this study has necessarily been prepared in the context of extant PPS6 (March 2005). Notwithstanding the proposed changes to national policy, we consider that the quantitative and qualitative assessments prepared as part of this study will provide sufficient information for the local planning authority to make strategic choices about where and when growth should be accommodated; how it can be used most effectively to strengthen or regenerate existing centres; how it can address deficiencies in the existing network of centres; and how it would provide for better consumer choice, particularly the needs of those living in deprived areas.

PPG13: Transport

- 2.22 PPG13 was published in March 2001 and sets out the Government's policies on transport. It states that the quality of life depends on transport and easy access to jobs, shopping, leisure facilities and services. In relation to retail development, the guidance reinforces the "town centres first" agenda that preference should be given to central sites, followed by edge-of-centre and then only out-of-centre sites in locations which are (or will be) well served by public transport. Where there is clearly an established need for such development and it cannot be accommodated in or on the edge of existing centres, it may be appropriate to combine the proposal with existing out-of-centre developments, provided that improvements to public transport can be negotiated.

PPS12: Local Spatial Planning

- 2.23 PPS12 sets out the Government's policy on the preparation of Development Plan Documents (DPDs) as part of the Local Development Framework (LDF) process, of which the Core Strategy is the

principal DPD. The LDF, together with the Regional Spatial Strategy (RSS), provides the essential framework for planning in the local authority's area. The recently revised PPS12 (2008) and the *'Plan-making Manual'* replace PPS12 *Local Development Frameworks* and the companion guide *'Creating Local Development Frameworks'* (2004). In brief, PPS12 explains what local spatial planning is and how it benefits communities. It also sets out the key ingredients of local spatial plans are and the key Government policies on how they should be prepared, including the need for a robust and sound evidence base.

- 2.24 The new spatial planning system exists to deliver positive social, economic and environmental outcomes, and requires planners to collaborate with a wide range of stakeholders and agencies that help to shape local areas and deliver local services. The spatial planning objectives for local areas, as set out in the LDF, should therefore be aligned not only with national and regional plans, but also with the shared local priorities set out in Sustainable Communities Strategies where these are consistent with national and regional policy.

Regional Planning Policy Context

- 2.25 The Planning and Compulsory Purchase Act 2004 strengthened the role and importance of regional planning, including Regional Spatial Strategies (RSS) and making them the top tier of the statutory Development Plan in all regions, except London. The regional planning policy context is therefore an important material consideration in the assessment and determination of the appeal proposal.
- 2.26 The East of England Plan was published in May 2008 and constitutes the RSS 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. It replaces the Hertfordshire Structure Plan Review (1991-2011) as the main regional planning policy for the sub-region.
- 2.27 Policies SS1 to SS9 set out the core strategy and overall framework for development in the region and complement national planning policy statements. These policies are briefly reviewed below and can be downloaded in full from the following website: http://www.go-east.gov.uk/goeast/planning/regional_planning/.
- Policy SS1 (*Achieving Sustainable Development*) refers to several Government policy statements and commitments relating to sustainable development.
 - Policy SS2 (*Overall Spatial Strategy*) aims to concentrate development at the region's cities and other significant urban areas, including selected market towns.

- Policy SS3 (*Key Centres for Development and Change*) identifies twenty-one locations where new development should be concentrated. Although none of the District's centres are identified by Policy SS3, the Council will need to take account of the implications of any growth of the neighbouring Key Centres (including Hemel Hempstead and Welwyn/Hatfield) and any expansion straddling the District Boundary in its adopted Spatial Strategy.
- Policy SS4 (*Towns other than Key Centres and Rural Areas*) covers St Albans and Harpenden. It states that LDDs should define the approach to development in towns other than those listed in Policy SS3 and rural areas. This policy recognises the role of market towns and larger villages in providing employment and services to their rural hinterlands and meeting housing needs.
- Policy SS6 (*City and Town Centres*) 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.

2.28 Whilst Policy SS6 sets the overall aims for city and town centre development, Policy E5 (*Regional Structure of Town Centres*) defines the regional structure of centres for retail and other town centre purposes. It states that major new development and complementary town centre uses should primarily be located in these centres. The policy identifies nine Regional Centres, including Watford and eleven Major Town Centres, including St Albans, Hemel Hempstead, Luton, Stevenage and Welwyn Garden City. Below this level Policy E5 states that LDDs will identify a network of more local town centres, district centres, neighbourhood centres and village centres.

Local Planning Policy Context

2.29 The relevant development plan documents for the City and District of St Albans comprise the Local Plan Review (November 1994) and the emerging Local Development Framework (LDF) and particularly the Core Strategy. The adopted and emerging Development Plan Documents (DPDs) are available on the Council's website: <http://www.stalbans.gov.uk/environment-and-planning/planning/policy>.

2.30 The St Albans District Local Plan Review 1994 is the current planning policy document for the Council. The Planning and Compulsory Purchase Act 2004 introduced major changes to the planning system, including the introduction of Local Development Frameworks (LDFs) to replace the old system of Structure and Local Plans. The LDF comprises a series of documents, which set out policies and proposals for future development within each local planning authority's area. The Council has begun work on the preparation of its Core Strategy in which it sets out its Vision and

objectives for how the District will develop up to 2026. In July 2007 it produced the *Joint Issues and Options Consultation Document* on the Core Strategy, Site Allocations and Proposals and Development Control Policies DPDs. Following on from this the Council carried out a second round of consultation on issues and options specifically relating to the Core Strategy DPD, which takes into account Central Government guidance in PPS12.

2.31 Given the early stage in the preparation of the Council's LDF, the main saved policies from the 1994 Local Plan relating to town centres and retail planning matters are:

- Policy 51: Shopping and Service Uses, Overall Strategy;
- Policy 52: Shopping Development in St Albans City Centre.
- Policy 53: Shopping Development in Harpenden Town Centre;
- Policy 54: Shopping Development in Neighbourhood Centres;
- Policy 55: Local Shopping Facilities;
- Policy 56: Loss of Retail Floorspace; and
- Policy 58: Major Development Outside Existing Town Centres.

2.32 These policies are briefly reviewed below. However, it is important to note that the adopted Local Plan pre-dates both the Revised Planning Policy Guidance Note 6 (PPG6): *'Town Centres and Retail Developments'* published in June 1996 and PPS6, published in March 2005.

- **Policy 51** sets out the Council's strategy towards shopping and emphasises the need to maintain and enhance the vitality and viability of existing centres. The policy identifies a hierarchy of centres within the district. St Albans is classified as a *'Minor Sub-Regional'* Centre and Harpenden is classified as a *'Minor District Centre'*. The Neighbourhood Centres are Southdown, Redbourn, Wheathampstead, Verulam Estate, Fleetville, Marshalwick and London Colney.
- **Policy 52** relates to shopping development within St Albans City Centre. The policy indicates that the land south of the Civic Centre may become available for a department store development. The policy then sets out a number of sites within St Albans City Centre where small scale retail development (or service uses) will be permitted. The policy also defines primary, secondary and Class A shopping frontages in the town. **Policy 116** (*St Albans City*

Centre Policy Area 2 Central Shopping Core) specifically refers to the Civic Centre South site. The City Centre development opportunity sites are assessed in Section 11 to this study.

- **Policy 53** relates to shopping development in Harpenden Town Centre and confirms that major new shopping developments (i.e. over 1500m²) will generally be refused. The policy does however identify three locations where small scale retail development may be acceptable. The policy then goes on to define Primary Shopping Frontages (PSF), Secondary Shopping Frontages (SSF) and Class 'A' Frontages in Harpenden town centre. The intention is to secure an appropriate balance between shopping and service uses in different parts of the centre and maintain the vitality and viability of the shopping centre.
- **Policy 54** sets out the relevant PSF and Class 'A' frontages in neighbourhood centres. It states that small scale retail development catering for the convenience shopping needs of the neighbourhood will generally be permitted. The supporting text states that the seven neighbourhood centres are a strong feature of shopping in the District and the aim is to achieve an appropriate balance between shopping and service uses in different parts of these centres and to maintain their vitality and viability.
- **Policy 55** provides details of relevant local shopping centres that have an important role in catering for shopping visits of a top-up nature on a daily basis and ensuring the continued viability of these centres. This policy also proposed a new local centre in east St Albans to serve the proposed residential development.
- **Policy 56** states that applications for the loss of retail floorspace are generally only acceptable if at least 90% of the built-up length of the frontage at ground floor level remains in retail (Class A1) use. In the past there has been pressure from service uses such as banks, estate agents and restaurants to locate in shopping centres and there is a need for these to promote and enhance vitality and viability. However, service uses had to be classed as secondary to the primary function of shopping and if allowed to proliferate would reduce the availability of goods to the shopper.
- **Policy 58** relates to major retail development outside existing town centres and states that proposals for major retail developments will only be permitted if a retail impact study is submitted.

2.33 The adopted 1994 Local Plan does not identify a quantitative need for new development in St Albans following the opening of The Maltings and Christopher Place. However it does recognise that the

provision of a department store would increase the attractiveness of the shopping centre and that new retail development would lead to improvements in the environment of certain sites.

- 2.34 The Council's emerging LDF and the July 2007 *Issues and Options* Consultation Document suggest that the Council's proposed 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.
- 2.35 This document also states in paragraph 10.103 that there is a strong sense that residents would prefer to see the protection and enhancement of the City Centre's existing shops and services, rather than efforts to engage in competition with other towns in the region. Similarly, there is a growing concern that continued expansion of the City Centre - with its wider choice of restaurants and drinking establishments - has come at a price and that increasing noise and anti-social behaviour associated with a buoyant night time economy has begun to have a detrimental impact on residential amenity for those living close to or within the City Centre.
- 2.36 A considerable amount of work has already been undertaken by the Council to assess the feasibility of achieving a retail-led redevelopment scheme on land within St Albans City Centre. The Council considers that the Core Strategy should address the issue of whether there is scope for new retail floorspace in St Albans City Centre to address any identified needs. This is considered in more detail in Section 11 of this study.

Vision for St Albans City and District

- 2.37 The proposed Vision for St Albans City and District was published in the July 2007 *Core Strategy issues and Options Consultation Paper*. The latest vision has been amended to take into consideration comments from the 2006 *Issues and Options* public consultation and to be more closely aligned with Vision set out in the '*St Alban and District Sustainable Community Strategy*'. The revised Vision states that it does not envisage substantial expansion of any settlements during the plan period, and that limited growth will be focused within and adjacent to the built up areas of St Albans.
- 2.38 A number of key themes are identified to help improve the quality of life for all, from an environmental, educational, cultural and economic perspective. These include the necessity to protect greenbelt and rural land from development, conserve and enhance the Districts natural and built assets, enhance community facilities and infrastructure district-wide and improve accessibility to varied employment opportunities, shops, cultural and leisure facilities and community services. The

Council's Vision also places a high priority on renewing the “...*vitality and vibrancy within, not only our town centres, but also those smaller centres that provide the focus of village and suburban life*”.

Summary

- 2.39 This section has reviewed the national, regional and local retail planning policy context relevant to the preparation of this updated study. 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.

3. THE CHANGING RETAIL AND URBAN LANDSCAPE

3.1 This section provides a broad overview of some of the key trends that have shaped and are shaping Britain's retail and urban landscape. This overview provides an important context for our qualitative and quantitative assessment of how the District's retail offer has changed and could change over the short, medium and longer term. Our commentary is informed by a range of published data sources including research by Verdict; Mintel and the British Council of Shopping Centres (BCSC).

Retailing and the UK Economy

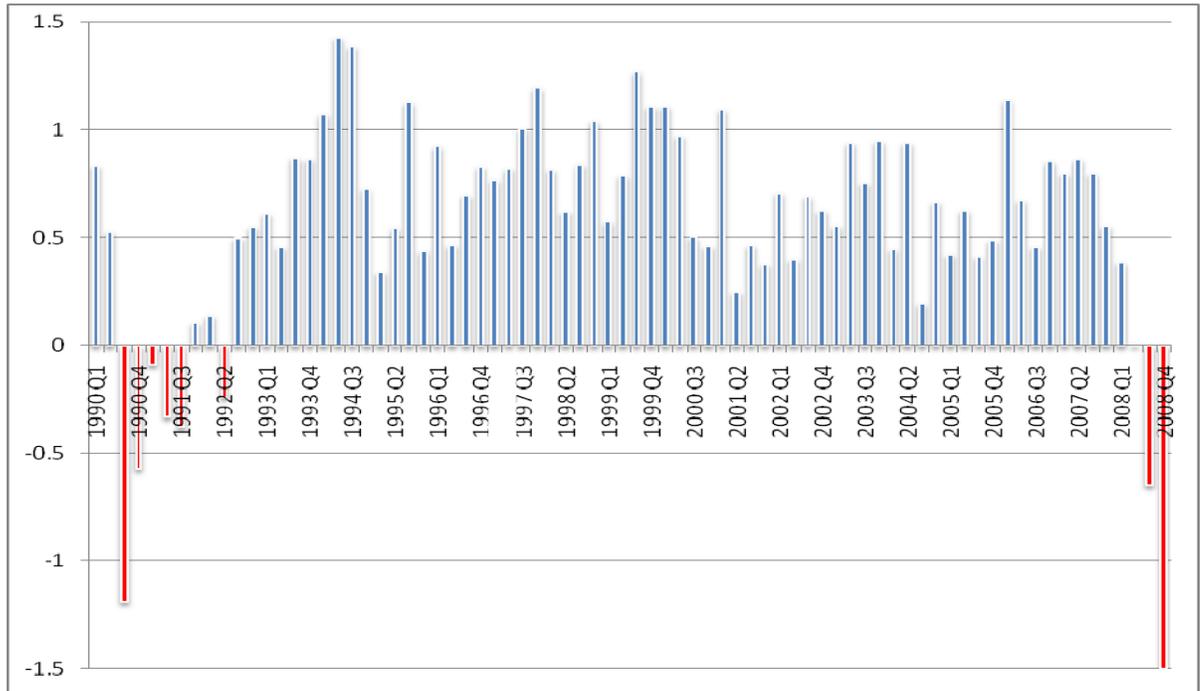
3.2 UK retail sales were £265 billion³ in 2007, larger than the combined economies of Denmark and Portugal. The sector accounts for one fifth of the UK economy generating almost 8% of the Gross Domestic Product of the UK. In June 2008, the sector had over 2.9 million people in full time employment and 1.75 million in part time employment. This equates to 11% of the total UK workforce.

3.3 The retail sector has experienced significant growth and change over the last 25 years. This has fundamentally altered the way we shop. One of the main drivers behind change has been the growth in incomes and expenditure. Consumer retail expenditure per head over the last 25-30 years has grown at an average compound rate of approximately 3% per annum in real terms. Over the last decade spending growth has been even higher, fuelled by strong economic growth, the housing 'boom' and strong consumer confidence.

3.4 However the impact of the 'credit-crunch' and the global liquidity crisis over the last twelve months is feeding its way into all aspects of the UK economy, including the retail sector. After two successive quarters of negative growth, the UK is now officially in recession for the first time since the 1990s (**Figure 3.1**).

³ Source: British Retail Consortium (BRC) (November 2008)

Figure 3.1: Gross Domestic Product Growth (1990 – 2008)



Source: Office for National Statistics (2009). Note: there was zero growth in Q2, 2008

3.5 This national and global economic crisis is manifesting itself on the high street in terms of falling footfall, reduced consumer spending, falling retail sales, business failures and increased vacancies. A number of retailers have been forced into administration over the last 6-12 months due to bad debt, including the following 'big name' multiples:

Figure 3.2: Examples of Retailers that Failed in 2008 / 09



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- 3.6 The lack of liquidity has also had a significant impact on proposed and committed retail-led schemes and a number of major developments have either been ‘frozen’ or abandoned. High profile examples include ING’s Northgate scheme in Chester and Capital Shopping Centres’ Westgate Centre scheme in Oxford. Notwithstanding this, over 300,000 m² of new retail floorspace is forecast to open in 2009⁴, including Hammerson’s Union Square scheme in Aberdeen and the Capital Shopping Centre / Land Securities’ Cardiff scheme. It is clear that high quality schemes in the right locations with strong catchments will continue to prosper, whereas weaker schemes will fail. We consider some of the “ingredients” for successful retail development in town centres in more detail below.

Centre and Retailer Polarisation

- 3.7 The Government’s “town centres first” policy objective, as first set out in 1996 by PPG6, has resulted in a sustained fall in the pipeline of out-of-centre shopping centre and retail warehouse parks over the last decade. There has also been a corresponding resurgence in development activity in dominant regional centres. It is estimated that the top seventy centres in the country now attract over 50% of the country’s population for comparison goods shopping. This is being further reinforced by new development. Almost half of the shopping centre floorspace in the pipeline is destined for these ‘top’ centres, which will further reinforce their dominant market share. This concentration of retailing in larger centres represents a major challenge to the future vitality and viability of medium-sized and smaller towns, such as St Albans and Harpenden, unless they are able to secure new development of sufficient scale and quality to retain expenditure, or to provide a niche retail offer.
- 3.8 Just as the larger centres have consolidated and strengthened their position in the national retail hierarchy, so the larger multiple retailers with stronger buying power are expanding their businesses through take-overs to achieve improved economies of scale. The outcome of this is that the larger and stronger operators will continue to grow their market share at the expense of smaller retailers. Department stores in particular are helping to anchor and drive town centre retail growth, with John Lewis set to open five stores by 2011 and Debenhams committed to 25 new department stores by 2011. At the same time rising costs and price deflation are forcing town centre retailers to focus on profitability.
- 3.9 The retail and leisure sectors are also becoming increasingly segmented, as they target specific age and socio-economic groups. One of the “success” stories over recent years, against the backdrop of the economic downturn and fall in consumer spending, has been the rise of the so-called ‘Value’ retailers. Although there has always been a ‘value’ retail sector, as characterised by the “pile-it-high,

⁴ DTZ as reported in Property Week (17/10/08)

sell-it-cheap” supermarkets, there has been a shift over recent years to a growth of the ‘value’ fashion sector, which includes retailers such as TK Maxx, Primark and TJ Hughes. The “bargain” clothing sector is ‘squeezing’ out the mid-market retailers by offering similar quality styles at discounted prices. This has been reinforced by a change in customer perceptions of ‘value retailing’ and an increase in ‘fashion conscious’ shoppers who are happy to combine discount fashion with more “aspirational” (and in some cases designer) items.

Retailer Requirements

- 3.10 The growth of the national multiple retailers and increase in competition for market share across all retail sectors, has led to a “race for space” in prime shopping locations and streets. The retail sector is largely dominated by national and multinational companies with requirements for larger, more modern shop units. Some of the key players looking to open new space in centres, or relocate to larger stores, include New Look, Primark, H&M and Zara.
- 3.11 As a result shopping centres and out-of-centre schemes that can accommodate the demand for larger sized units (typically up to 2,000 m² and larger) have become increasingly attractive locations for retailers. This has reinforced the trend towards higher order centres and out-of-centre retailing. The growth in the size of stores has also resulted in a reduction in the number of smaller shop units. This is particularly evident in the food sector, where there has been a marked decline in the number of smaller and more specialist food retailers (such as greengrocers, butchers, fishmongers, bakers etc), compared with a significant increase in larger food superstores.

Convenience Goods Retailing

- 3.12 The Government’s “town centres first” policy has resulted in a marked reduction in planning applications and permissions for new large foodstores and retail warehouses in out-of-centre locations. This has driven new development and expansion trends in the grocery sector, such as the growth in applications to extend the non-food sales area of existing stores; the “return” of foodstores to high street locations; and the expansion of the top foodstore operators into the smaller convenience store sector to increase market share (such as the Tesco Express and Sainsbury’s Local formats).
- 3.13 Discount retailers such as Aldi and Lidl are also dramatically increasing their store network and market shares across the UK, as characterised by a significant increase in planning applications and permissions. There has also been a growth in ‘forecourt’ retailing, operated either by the large supermarket chains, or the major oil companies (such as BP Connect).

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- 3.14 In the past five years the top supermarket multiples have strengthened their hold on the UK grocery market, taking share from most other operators in the process. Independent and smaller chains of grocers and convenience stores have been the main losers and acquisition targets. All food specialists have come under pressure, while off-licences have suffered heavily from the growing 'beer, wine and spirits' offer of both major grocers and convenience stores. The continuation of these trends, resulting in increased applications for foodstore extensions and discount retailing, could potentially represent a threat to those smaller centres which primarily comprise smaller independent and specialist retailers and particularly those centres which do not have a foodstore 'anchor'.
- 3.15 Verdict forecast that the growth in convenience stores will be further fuelled by a continuation of the present trends of longer working hours and the decline of the nuclear family, so affecting when spending occurs and on what. Consumers will therefore want stores located even nearer to where they live and work, providing longer opening hours to cater for their more frequent 'day-today' shopping needs.

Retailer Productivity

- 3.16 Although quantitative evidence is limited, retailers have increased their turnover performance over time through improvements in the 'productivity' of existing floorspace. This growth is important as it represents the ability of retailers to absorb real increases in their costs (such as rents, rates and service charges). The growth in floorspace "productivity" will clearly vary between regions, centres and stores. This allowance is also recognised by PPS6 (paragraph 2.34) which requires that quantitative need/capacity assessments have regard to a realistic assessment of the "efficiency" of existing floorspace to increase its year-on-year turnover. We consider the "productivity" growth of existing floorspace in St Albans District in more detail in Section 9 of this study.

Shopping and Leisure

- 3.17 The increase in consumer affluence and mobility since the 1980s, combined with the rise of the Internet over recent years, means that shoppers no longer merely shop to satisfy needs, they increasingly shop to satisfy wants as well. Retailing in the higher order centres and the more attractive smaller centres is changing. Research indicates that shopping is now becoming more of a quasi-leisure experience.
- 3.18 Leisure spending growth is forecast to outstrip that of retail in the future. Quality restaurants, coffee shops, cafés and bars, as well as health and fitness centres and multiplexes, are now an increasingly important part of successful and diverse town centres. These uses complement the retail offer, often helping to differentiate some centres and shopping schemes from others, thereby attracting shoppers

from wider catchment areas and generating longer dwell times and higher expenditure in centres. The growth of quasi retail/leisure venues in town and city centres has also been fuelled by the move back to urban living and the fact that town centres can offer consumers a much more vibrant atmosphere in which to eat and drink. The Trocadero in London's West End is a good example of this, with mainstream retailers such as HMV, Whittards, Sock Shop and Accessorize taking advantage of the high pedestrian flows created by the major leisure attractions such as Funland, the UGC multiplex and Planet Hollywood.

- 3.19 Well planned and located mixed use retail and leisure development can therefore represent a real growth area for town centres, as better integration of retail and leisure facilities mutually benefits both sectors.
- 3.20 Future demographic and socio-economic trends are also forecast to reinforce the synergy between shopping and leisure. For example, recent research⁵ shows that the over 55 age group will become a much more significant part of the population due to demographic shifts, with an estimated 2.2 million more people aged over 55 in 2015 than in 2005. The over 55s will therefore account for an increasingly significant share of retail spend over the coming decade, estimated to be equivalent to a +47% increase in expenditure for the 55-64 age group between 2005 and 2015.
- 3.21 Older shoppers will have a younger mindset than in the past, will be more fashion aware and financially better off as a result of house price growth, as well as income growth (although falling pensions could be a concern over the longer term). The 'grey' shopper in the future will have more time to shop, will generally spend more on DIY and gardening, will take more holidays and will expect good customer service. In contrast, research suggests that younger people in the 18-30 age group will be faced with higher education/University fees, higher housing costs and debt and will prefer to spend more on entertainment/ leisure than retailing per se. This will reinforce the trend for retailers and town centres to provide a more attractive leisure / entertainment / cultural experience, rather than just functioning as 'one dimensional' retail locations. This will also help to differentiate town centres and the high street from 'bland' out-of-centre shopping schemes and stores.
- 3.22 This trend is also leading to the growth of so-called 'experiential retailing', in which the experience of shopping is almost as important (if not more important in some cases) than the purchase of goods. Good examples of this include the 'Nike Store' and 'Apple Store' in London's West End. The 'Apple Store' in particular has a number of special events that help to capture and retain customers,

⁵ British Council of Shopping Centres (BCSC) *'Future of Retail Property – Consumers over 55: Silver shoppers provide a golden opportunity'*.

including workshops, demonstrations and live performances. The flagship store has helped to extend Apple's reputation for innovation, design and flair to another level, bringing a totally new retail experience to Europe that other retailers are now looking to imitate.

Home Shopping

- 3.23 Home shopping comprises mail order and Internet shopping and is the main component of non-store retailing. Mail order and catalogue shopping has a long history and whilst it has suffered recently from the rise of the Internet, it is continually evolving and new retailers have successfully entered the market (such as Boden, Tesco and Marks & Spencer), or increased their market share through new acquisitions (for example GUS has purchased Argos and Homebase and Littlewoods has purchased Index). These retailers expect home shopping to play an increasing, but supplementary, role to traditional store-based shopping.
- 3.24 Internet shopping ('E-tailing') has experienced dramatic growth over the last few years, albeit from a very small base. Growth has slowed over the last few years, but still represents approximately 30% per annum, which is significantly higher than for 'bricks and mortar' retailing. Research by EBS⁶ suggests for example that E-tailing currently accounts for over 6% of convenience goods sales and 10% of comparison goods sales.
- 3.25 However an internet sale does not necessarily imply that items have not passed through a retail outlet. For example, a number of grocery retailers (including Tesco) operate home deliveries out of their existing stores. As a result there is a high degree of uncertainty in projecting the take-up of new technology and the impact on the demand and capacity for new space.
- 3.26 Verdict Research suggest that Internet-based sales will continue to grow strongly, as broadband, computers and mobiles become cheaper and more widely used by a broader demographic. Furthermore, as today's younger shoppers' income and spending power increases as they get older, so the amount spent online is likely to increase as the Internet increasingly becomes an accepted "virtual outlet" for buying goods. However Experian suggest that much speculation about the growth of e-commerce could be exaggerated, with the recent acceleration explained by a "one-off surge" due to broadband.
- 3.27 The retail sectors that have been most affected by the growth of E-tailing include books, games and DVDs / videos / CDs, along with finance, insurance and travel services. Research has identified that

⁶ Experian Business Strategies (EBS) 'Retail Planner Briefing Note 6.0' (October 2008)

a number of retail sectors could experience a 'squeeze' on their market share of retail spend in the future, including small electrical goods; computer hardware and software; white goods; toys and gifts; and, to a lesser degree, some clothing and footwear.

- 3.28 Research also suggests that traditional mail order catalogue businesses and the retail warehouse sector could suffer proportionately more than town centres, due to their format and the types of goods they sell. However, we consider that all centres will be affected to a greater or lesser extent, depending on the scale and quality of their retail offer; the function they perform and catchment areas they serve; their accessibility by all modes of transport; the quality of their shopping environment; and the attraction and diversity of their other town centre uses. In our judgement, those town centres that are able to adapt to become more leisure/event orientated and those retailers that increasingly use their shops as showrooms running websites in parallel should continue to prosper.

Summary

- 3.29 Consumers now have more choices as to when, where and how they shop. Increased car ownership has resulted in greater household mobility and therefore access to different shopping locations and the distances that people are willing to travel are much greater. Internet shopping has also grown significantly in the last few years and looks set to continue in certain sectors, although it remains only a very small percentage of overall spending and research is not clear as to the future growth of 'e-tailing'.
- 3.30 Retailers have also continued to evolve their formats and offer, particularly the foodstore operators. With restrictions on out-of-centre stores growing, and changing socio-economic trends, several large operators have returned to the high street and edge-of-centre locations. The larger foodstore retailers are also seeking to extend their comparison goods offer and superstores are evolving into variety or 'mini' department stores. This trend could represent a greater threat to smaller centres, where the larger out-of-centre stores evolve into one-stop shopping destinations.
- 3.31 There has also been a continued polarisation towards larger centres and the provision of larger stores. 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 the pressures on town centre sites for a wider range of uses.
- 3.32 Thus despite the impact of the current economic recession on the retail sector and the consequent revisions to retail spending forecasts over the short term, it is clear that there will be growth in incomes and expenditure over the medium to long term, albeit probably not at such strong levels as

in the past 15-20 years. This has implications for the economic assessment that forms part of this study (see Section 9).

4. ST ALBANS CITY CENTRE – HEALTH CHECK

- 4.1 This section sets out our qualitative assessment of the vitality and viability of St Albans City Centre as a shopping location based on the key performance indicators (KPIs) set out in Chapter 4 of PPS6⁷. Section 5 considers Harpenden Town Centre in more detail.
- 4.2 Our assessment has been informed by a number of key data sources, including the Experian Goad *Centre Report* for St Albans (**Appendix 3i**); the FOCUS '*Town Centre*' Report (**Appendix 4i**) and '*Retailer Requirements*' Report (**Appendix 5i**); and the pedestrian flowcount surveys conducted by PMRS Limited (**Appendix 6i**). In addition, we have carried out our own audit of the city's shops and businesses in July 2008 (**Appendix 7i**) and we also draw on the Council's *Shopping Monitoring Reports*.

Role and National Ranking

- 4.3 St Albans City Centre is the principle shopping destination within St Albans District. The adopted 1994 Local Plan classifies St Albans City Centre as a '*Major Sub-Regional Centre*' at the top of the District's retail hierarchy. Harpenden is classified as a '*Minor District Centre*' as it provides a more localised offer and service primarily meeting the day-to-day needs of its local resident catchment population.
- 4.4 The Javelin Group's VENUESCORE ranks the UK's top 2,000+ retail locations⁸ and is widely used to assess the changing performance and attraction of a centre relative to other centres in the UK. In brief, the score attached to each operator is weighted to reflect their overall impact on shopping patterns. For example, anchor department and variety stores such as John Lewis, Marks & Spencer and Debenhams receive a higher score than other retailers, as this reflects their significant influence on shopping patterns. The resulting aggregate score for each shopping location is called its VENUESCORE. The table below shows the changes in the national ranking of both St Albans City Centre and Harpenden Town Centre between 2005 and 2007 benchmarked against other major neighbouring centres.

⁷ Vitality is generally considered to be the degree to which the town is busy, lively, visited and represented by a variety of activities. Measures of vitality include the range of services available and environmental qualities. Viability is a measure of the town centre's economic health and its ability to attract investment and maintain its fabric. Viability indicators include shop vacancy rates and commercial properties yields.

⁸ This includes town centres, stand-alone malls, retail warehouse parks and factory outlet centres

Table 4.1: Change in National Rankings, 2005 - 2007

	2005	2006	2007	Change in Rank 2005 - 2007
Watford	43	37	40	+3
Luton	112	113	104	+8
Stevenage	108	124	113	-5
Hemel Hempstead	166	137	133	+33
St Albans	153	141	146	+7
Welwyn	202	197	202	-
Harpenden	641	719	716	-75

Source: Javelin VENUESCORE Ranking (2005 & 2007).

- 4.5 The table shows that St Albans has slightly improved its national ranking between 2005 and 2007, although its 2007 rank of 146th is lower than in 2006. St Albans is behind all the other identified major competing shopping locations in the sub-region, apart from Welwyn. Harpenden town centre's more limited retail offer and role is reflected by its rank of 716th in 2007, some 75 places lower than its position in 2005.

Shopping Offer

- 4.6 St Albans is a historic City Centre characterised by its Cathedral and historic buildings, mixed with more modern developments. The city accommodates a wide range of multiples, specialist shops, service businesses, cafes and restaurants. Its shopping offer is mainly concentrated in the following streets and managed shopping schemes:

- **St Peters Street / Market Place.** This is the centre's prime shopping area and it is mainly pedestrianised, extending from St Peters Street where it widens into a large open paved space down to High Street. The wider paved area in St Peters Street is used as a informal meeting place as well as hosting regular market stalls twice weekly and a farmers market once a month. Its environment has recently benefited from the improvement works carried out as part of the County Council's Road Safety Scheme.
- **The Maltings Shopping Centre** is located on the corner of Chequer Street and Victoria Street and is a 1980s open-air scheme. There are a number of key multiple retailers located in the centre, including Top Shop, New Look, Wilkinsons, H & M, River Island, Republic and JD Sports. There are also other specialist retailers and cafes, including an alternative therapy outlet and Costa Coffee. The centre is served by a multi-storey car park and can be accessed from both Chequer and Victoria Streets.

- **Christopher Place** is a pedestrianised scheme which has benefitted from refurbishment. It includes a number of high quality multiple retailers including Whistles, The White Company, Jaegar, Coast, French Connection, Hobbs and Ernest Jones. This shopping area appeals to more affluent customers and also has two quality restaurants, namely Wagamamma's and Carluccios.
- 4.7 In addition to the above there are two other smaller shopping arcades in the City Centre located to the south off the High Street. The Heritage Close Shopping Centre comprises a mix of comparison goods retailers and two restaurants. The second smaller Village Arcade consists of a hair salon, newsagent, three gift shops and a clothing alterations shop.
- 4.8 There are a number of other major high street retailers located across the City Centre, including Currys Digital, WH Smiths, Monsoon, Argos, Marks & Spencer, Boots and Bhs. These national multiples are mainly located along the prime shopping pitch on St Peters Street and Market Place. The smaller independent shops and businesses are predominantly located on secondary shopping streets, including George Street, London Road, Holywell Hill, Verulam Road and Catherine Street.
- 4.9 The city centre has a more limited foodstore offer. Its convenience goods offer is predominantly orientated towards 'top-up' ('basket') shopping in the smaller Tesco Metro and Marks and Spencer Foodhall on the high street. Iceland also has a store in an out-of-centre location on Victoria Street, albeit within relatively easy walking distance of the primary shopping area.
- 4.10 The centre's food and convenience offer is supplemented by the 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 on 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 Continental and Italian Markets held throughout the year that sell a range of foods, delicacies, clothing, art and other products.

Retail Profile

- 4.11 St Albans City Centre offers a wide range of shops and services serving the District's residents, as well as a wider catchment and working population that commute to the city centre from outside the District. Table 4.2 below summarises the key changes in the City Centre's retail composition since

2005 based on the findings of the St Albans Retail Study and the most recent Experian *Goad Centre Report*.

Table 4.2: St Albans City Centre - Changes in Retail Profile (% of total outlets)

	2005		2008		2008 UK Average (%)
	Number of Outlets	% of total outlets	Number of Outlets	% of total outlets	
Convenience	15	4.0%	19	4.8%	9.5%
Comparison	192	51.8%	204	51.3%	44.1%
Services	148	39.9%	136	34.2%	33.8%
Vacant	16	4.3%	28	7.0%	11.4%
Total Units ⁽¹⁾	371		398		

Source: St Albans Retail Study (2006) & Experian *Goad Centre Report* (July 2008). See Appendix 3 (i).

Note: ⁽¹⁾ Please note that total outlets include all other 'miscellaneous' businesses (such as Post Offices, employment and careers, tourist information, etc.). The increase in total outlets between 2005 and 2008 is explained by the fact that the 2008 survey covered additional streets in the town centre (as also identified by the Strategic Perspectives audit) rather than due to new development in the city centre.

4.12 The table shows that:

- St Albans has a significant under-representation of convenience goods shops benchmarked against the national average.
- The centre's comparison goods offer has increased from 192 to 204 outlets between 2006 - 2008 and it has a relatively strong comparison goods offer (non-food retailing accounts for over 51% of total outlets) benchmarked against the national average (of 44.1%).
- The centre's service business provision has fallen from 148 to 136 outlets since 2006, although its current provision of 34.2% is still slightly above the national average of 33.8%.
- In terms of eating and drinking establishments, a more detailed assessment indicates that there are 57 restaurants, cafes, bars and hot food takeaways in Use Classes A3/A4/A5. This is equivalent to 14.3% of total outlets, which is slightly below the national average of 14.8%.
- Overall vacancy levels in the City Centre have increased from 4.3% to 7.0% between 2006 and 2008, but were still below the UK average of 11.4% in July 2008. We examine vacancy levels in more detail later in this section.

Multiple Representation

- 4.13 As described above there is a good representation of multiple retailers in St Albans City Centre. The key anchor (or 'attractor') stores in the main retail categories are set out below:

Retail Category:	Retailer:
Department Stores:	-
Variety & Catalogue Showrooms:	Argos, Marks & Spencer, WH Smiths and Bhs
Clothing & Footwear Stores:	H & M, Top Shop, River Island, New Look, French Connection, Republic, Monsoon and Clarks Shoes
Electrical Goods Stores:	Sony Centre, Currys Digital, HMV and Game
Foodstores:	Tesco Metro and Marks & Spencer Simply Food

Notes: Based on 2008 audit

- 4.14 St Albans does not have a major department store to anchor its comparison goods offer. In our judgement this represents a major 'gap' in its retail offer given, particularly benchmarked against the department store offer in the other competing centres in the sub-region, such as Watford and Welwyn Garden City.
- 4.15 Since the audit was conducted the economic downturn has impacted on retailer representation in centres nationally, due to the failure and closure of a number of businesses. The most high profile casualty to date has been Woolworths, which closed all circa 820 of its stores during December 2008 and January 2009, including its St Albans store. We understand that this store is to be taken-up by a high profile retailer, which reflects the strong demand for representation in the City Centre (see below). Nevertheless other national multiple and independent retailers and commercial leisure operators could also be vulnerable if the economic recession deepens during 2009 and extends into 2010.
- 4.16 At the same time, the lack of new investment and development in the City Centre since the late 1980's means that it currently has an under-provision of suitably sized and configured shop units to meet the needs of modern retailers. The city is therefore potentially vulnerable to the relocation of existing retailers and operators from the high street to larger more modern units in competing centres and out-of-centre shopping locations. For example, Next has closed its smaller store in the City Centre and relocated to Colney Fields Retail Park.

Retailer Requirements

- 4.17 The table below sets out the changes in the number of retailers, leisure operators and service businesses with recorded requirements for representation in St Albans City Centre since 2000, as identified by the latest FOCUS 'Town Centre' Report (**Appendix 4i**).

Table 4.3: Retailer Requirements - St Albans & Competing Centres

	St Albans		Watford		Welwyn		Hemel Hempstead	
	Number	Rank	Number	Rank	Number	Rank	Number	Rank
2000	74	6	108	21	34	117	44	133
2001	78	10	124	18	36	166	50	118
2002	89	12	147	17	47	138	70	77
2003	119	17	153	15	45	158	74	76
2004	102	22	132	23	41	178	56	123
2005	131	32	145	23	39	210	58	136
2006	112	34	141	19	46	174	57	121
2007	127	23	145	16	51	142	56	126
2009	84	27	81	30	27	n/a	30	n/a

Source: FOCUS 'Retailer Requirements Report' (June 2008)

Notes: Rankings are based on the recorded requirements in October of each year, except for 2009 which represents the requirements in January.

- 4.18 The national FOCUS Database provides a record of the property requirements of commercial users throughout the United Kingdom. It is widely accepted as the most reliable and consistent source of information on market interest and potential demand for space in centres. However, this national list should be interpreted with caution. For example, not all retailers are registered with FOCUS (such as John Lewis and Tesco), as they take the view that being named on this list may weaken their negotiating position if they are looking to taking space in a centre. Furthermore, the list only provides a broad indication of market interest at a particular point in time. For example, it does not take account of the significant uplift that can occur in market demand following the permission for and subsequent development of modern new retail floorspace.
- 4.19 The table shows that there is currently a relatively strong demand for space in St Albans City Centre, despite the impact of the economic recession on the expansion plans of many retailers and businesses. Some 84 operators registered their interest in the town centre in January 2009, placing St Albans above all the main neighbouring centres in the sub-region.
- 4.20 The more detailed 'Retailer Requirements' report in **Appendix 5i** shows those businesses with current requirements for St Albans City Centre. The list includes a limited number of convenience

goods operators (including Bakers Oven). The majority of the operators listed are comparison goods retailers, along with a number of cafes, restaurants and other service businesses⁹. A number of the more high profile national multiple businesses with current requirements for St Albans include TJ Hughes, Desire by Debenhams, Austin Reed, Zara, Habitat, Billabong, Laura Ashley, Peacocks and Frankie & Benny's. The current list of requirements indicates the potential for between 21,000 m² and 45,600 m² gross of new retail floorspace.

Table 4.4: Maximum and Minimum Floorspace Requirements

	Minimum Floorspace (m ²)	Maximum Floorspace (m ²)
Convenience	240	400
Comparison	12,040	32,210
Service	8,560	12,990
Total:	20,840	45,600

Source: Appendix 5i (figures may not sum due to rounding)

- 4.21 Overall, the market interest from comparison goods retailers and service businesses for space is strong despite the economic downturn. This indicates that the city centre remains an attractive and commercially viable shopping location. Major retailers with requirements for new or larger units in the City Centre include Desire by Debenhams, Austin Reed, Billabong, Habitat, Peacocks, Rituals, Sara, wok2go, Frankie & Benny's and La Tasca (see Appendix 5i for the more detailed list of requirements).

Vacancy Levels

- 4.22 Table 4.2 shows that the number of vacant units in the centre increased from 16 to 28 outlets between 2006 and July 2008. Vacancy levels represented 7% of total outlets in July 2008, which was below the UK average of 11.1%.
- 4.23 Our more detailed audit of the town centre in August 2008 identified a small concentration of vacant outlets towards the top of St Peters Street (numbers 73 to 77). However we understand from the Council that this is the result of a proposed hotel development in this location. When considered in the context of the strong market demand from operators for larger footplates, it is our judgement that most of the centre's vacant units are either too small and/or are in secondary shopping locations. They do not therefore meet the requirements from existing modern retailers for large shop units in prime locations.

⁹ Please note that we have removed the minimum-maximum floorspace requirements for two storage companies (Safestore and Lok'n'Store). Their combined minimum floorspace requirement is 2,785 m² and the maximum floorspace requirement is 9,286 m².

- 4.24 Since the audit was conducted in 2008 there has been an increase in the number of vacant units in the City Centre due primarily to the impact of the economic recession on trading conditions and business performance. To date Woolworths has been the most high profile casualty on the High Street, but other retailers have also closed in St Albans over recent months, including Viyella in Christopher Place and Hopscotch Childrenswear on Chequer Street.
- 4.25 Nevertheless, we consider that the City Centre's prime shopping area is well positioned to withstand the impact of the economic downturn due to the relatively strong level of demand for representation from other retailers and businesses.

Prime Zone A Rental Levels

- 4.26 The table below sets out the most up-to-date information on Prime Zone A rental levels for St Albans and some of its main competitors in the sub-region.

Table 4.5: Prime Zone A Rental Levels in St Albans and Competing Centres (£ per sq.ft)

Year	St Albans	Watford	Welwyn Garden City	Hemel Hempstead
2000	110	265	70	70
2001	110	250	80	70
2002	115	280	90	70
2003	115	285	90	75
2004	115	290	100	75
2005	120	305	105	75
2006	130	305	105	75
2007	140	310	110	80
2009	145	310	110	80

Source: Focus 'Town Centre Report' (Appendix 4i)

- 4.27 Prime Zone A's are currently estimated to be £145 per sq.ft in St Albans, which represents an increase since 2007 and a +32% increase since 2001. This growth in rental values reflects the relatively strong market demand for representation in the City Centre, which has not been met by the supply of modern retail floorspace over recent years. The table also shows that rental values in St Albans are higher than for Hemel Hempstead and Welwyn Garden City, but lower than for Watford.

Commercial Yields

- 4.28 Yield is a measure of property value. It has regard to the strength of a tenant's covenant and the long-term potential for rental and capital growth. Yield is derived by division of the open market rent of a property by its capital valuation. At a given rental, the lower the yield, the higher the capital

value. Generally a centre with a lower yield is regarded by investors and developers as having greater potential for rental and capital growth. A consideration of yields on shop investments can therefore be of assistance in assessing the general economic prospects of a trading location. Table 4.6 sets out the recorded changes in the retail property yield for St Albans City Centre benchmarked against other centres in the sub-region between 2000 and 2008.

Table 4.6: Retail Yields in St Albans and Competing Centres (%)

Year	St Albans	Watford	Welwyn	Hemel Hempstead
October 2000	5.75	5.50	7.00	6.00
October 2001	5.75	5.50	7.00	6.00
October 2002	5.75	5.50	7.00	6.00
April 2003	5.75	5.50	7.00	6.00
July 2004	5.75	5.50	7.00	6.00
July 2005	5.75	5.50	7.00	6.00
July 2006	5.75	5.50	7.00	6.00
July 2007	5.75	5.50	7.00	6.00
July 2008	5.75	5.50	7.25	6.00

Source: Valuation Office Agency

- 4.29 In comparison with the other towns yield levels in St Albans (5.75%) are weaker than for Watford (5.50%), but stronger than for Hemel Hempstead (7.00%) and Welwyn Garden City. This suggests that there is relatively strong investor and market confidence in St Albans as a shopping location.

Pedestrian Flows

- 4.30 A pedestrian footfall count was conducted by Property Market Research Services Limited (PMRS) in St Albans on 11th and 12th July 2008. This updated the annual surveys conducted by PMRS since 2004 and the results are set out in **Appendix 6i** to this study. Some of the headline results are as follows:

- The average pedestrian footfall in 2008 was 26,160. This represented a 10% falls in flows from the 29,078 recorded in 2004 and a 6.2% fall from the 27,871 in 2007. This decline could be explained by a variety of factors, including different weather conditions and survey dates. However, it may also reflect the impact of competing centres and shopping locations on trips to St Albans.
- The prime shopping pitch as measured by pedestrian flowcounts runs along the western side of Market Place to the northern end of St Peter's Street, at the junction with Catherine Street.

-
- Since 2004 the highest footfall has consistently been recorded outside the Marks & Spencer store on St Peter's Street. However, pedestrian flows here are some 14.9% down from the levels achieved in 2004 and 7% lower than recorded in 2007.
 - The Maltings is also consistently achieving relatively high footfall levels, ranging from 78,850 at numbers 33-34 (outside Jane Norman) to 30,570 at numbers 48-49.
 - Footfall levels recorded along the secondary shopping streets and arcades are significantly lower. For example the 2008 survey identified pedestrian footfall of between 5,000 and 12,000 in Heritage Close and flows ranging from 4,000 to 11,000 on George Street, Holywell Hill, Catherine Street and London Road.
 - The lowest pedestrian footfall was recorded along Verulam Road of 3,180.
- 4.31 Overall footfall levels have fallen at 22 out of the 30 survey points between 2004 and 2008. The most marked decline has been outside Argos (5 Spencer Street) and Heritage Close, where footfall has dropped by -30.7% and -39.5% respectively.

Accessibility

- 4.32 St Albans City Centre is easily accessible from the M1, A1 and M25 and benefits from good access by car, although the roads into and around the city centre can be congested at peak times during the day.
- 4.33 The centre also has good access by public transport. For example, there are two railway stations - the City (Thameslink) Station with trains to Bedford in the north and London through to Brighton in the south, as well as to Gatwick and Luton Airports; and the Abbey Station link to Watford Junction. Bus services run through the city centre, predominantly along St Peters Street and a limited number of services also service London Road, Victoria and Catherine Streets. In terms of cycling accessibility and facilities, the city centre is linked into the District's limited network of cycle paths. Cycle routes are signposted along several minor roads.
- 4.34 The City Centre is served by seventeen central area car parks, operated by a number of different companies. According to the Council's figures the centre had some 4,789 car parking spaces in 2008. The table below shows the breakdown of car parking spaces in the city centre's main car parks.

Table 4.7: Main Car Parks in St Albans

Car Park Name	No. of Spaces
Adelaide Street	30
Bricket Road	47
Bricket Road North	27
Christopher Place	184
Civic Centre ⁽¹⁾	114
Drovers Way	391
Gombards ⁽²⁾	88
Keyfield Terrace	84
London Road	84
Marks & Spencer (rear)	40
Russell Avenue	591
The Maltings	770
Townsend Avenue	30

Source: St Albans City & District Council

Notes: ⁽¹⁾ The Civic Centre car park has a larger capacity on Saturdays and Oaklands car park is also open on Saturdays only.

⁽²⁾ Gombards car park is part closed on market days.

Crime and Safety

- 4.35 The St Albans 'Crime and Disorder Reduction Partnership' undertook an audit of the levels of crime and disorder, anti-social behaviour and drug offences in the City and District over a three year period between 2001 and 2004. During the audit period, a total of 30,378 crimes were recorded in St Albans City and District and the most frequently occurring crimes were as follows:

Table 4.8: Major Reported Crime and Disorder Offences, 2001 - 2004

Category	Offences	% of Total Crime
Other theft and handling	7,307	24%
Theft from a motor vehicle	5,334	18%
Criminal damage	5,342	18%
Violence against the person	2,865	9%

Source: St Albans Crime & Disorder Reduction Partnership

- 4.36 The most recent audit by the Community Safety Partnerships from March 2004 up until the end of December 2007 identified that reported crime fell from 7,072 to 4,053 over this period. The more frequently occurring crimes were as follows:

Table 4.9: Major Reported Crime and Disorder Offences, 2004 - 2007

Category	Offences as at March 2004	Offences as at December 2007	% of 2007 crimes
Theft of vehicle	529	242	6.0%
Theft from vehicle	2,049	856	21.1%
Vehicle interference	101	60	1.5%
Domestic burglary	688	351	8.7%
Theft of cycle	146	156	3.8%
Theft from person	309	220	5.4%
Criminal damage	2,039	1,437	35.5%
Common assault	549	311	7.7%
Woundings	558	358	8.8%
Robbery of personal property	104	62	1.5%
Total:	7,072	4,053	100%

Source: Community Safety Partnerships

- 4.37 The Community Safety Partnership and the Community Safety (2008 - 2011) Initiative came into force in April 2008. The main priorities are to reduce crime, tackle antisocial behaviour, promote community safety and reduce the fear of crime. Each of these aims will be achieved by focusing on three objectives, namely targeting persistent offenders, creating local solutions for local problems and engaging with the media and the public.

Environmental Quality

- 4.38 The environment quality of St Albans City Centre has been enhanced by the implementation of the Road Safety Scheme. This scheme was split into seven phases starting in 2004 and all phases have now been completed. The research evidence suggests that it has helped to improve road safety; reduce road accidents; improve conditions for pedestrians; shoppers, market traders and businesses; improve accessibility for disabled people; and improve the attractiveness of the streetscape.
- 4.39 A '*Cleaner District*' campaign was also introduced in 2005 as part of the Council's drive to make St Albans the premier community in Hertfordshire. This aims to remove graffiti, clean up chewing gum and continue to work with Hertfordshire Highways to 'deep clean' residential streets. All the major approach roads into the City and District are checked weekly to identify any problems and improve reaction times.
- 4.40 The city centre also benefits from a wide coverage by CCTV installed within the City Centre, its main car parks and other selected locations. The system is aimed at providing a safer environment for the community; assisting in the reduction of crime in the city centre; facilitating the identification and

prosecution of offenders in relation to crime and public order; and also to give warning of interruptions of the traffic flow.

Summary

- 4.41 The health check assessment has demonstrated that St Albans is a healthy and vibrant City Centre. It functions at a level in the retail hierarchy appropriate to its major sub-regional centre status. It also has a relatively good choice of multiple and independent specialist retailers, ranging from discount to high end retailers.
- 4.42 However, the City Centre lacks a major department store and foodstore operator to anchor its comparison and convenience goods retail offer. There has also been limited investment and development in the city's retail offer over a number of years. As a result, St Albans has a limited supply of large modern shop units to meet the strong demand from multiple retailers for space in the centre. Furthermore current rental and yield levels indicate that market confidence in the centre is strong. Despite the impact of the economic recession, we are therefore confident that there is a strong 'market appetite' for new retail investment and development in the City Centre. However, satisfying this demand and market interest will depend on the Council identifying and proactively helping to deliver suitable sites in the City Centre for major new retail and mixed use development. We assess the potential of a number of sequential sites in more detail in Section 11.
- 4.43 Without new development over the medium term we consider that there is a real danger that St Albans will 'fall behind' other competing centres in neighbouring local planning authorities that have existing commitments and proposals for major new town centre retail-led developments. Over time, the scale and quality of retailing in competing shopping locations could erode the market share of St Albans City Centre and harm its overall vitality and viability. The year-on-year fall in pedestrian footfall levels since 2004 is a potential indicator that people who previously shopped in the City Centre are now choosing to shop in other competing centres and stores.

5. HARPENDEN TOWN CENTRE – HEALTH CHECK

5.1 This section sets out our assessment of the vitality and viability of Harpenden town centre. To help inform the assessment we have drawn on existing research and information conducted by and for St Albans City and District Council. This includes the Council's 'Shopping Monitoring Reports' and our own audit of the centre (**Appendix 7ii**). We also draw on the following additional research evidence:

- The FOCUS 'Town Centre' (**Appendix 4ii**) and 'Retailer Requirements' (**Appendix 5ii**) reports.
- The PMRS pedestrian flowcount survey conducted in April 2008 (**Appendix 6ii**).
- The Experian Goad *Centre Summary Reports* for 1995, 2000 and 2006¹⁰ (**Appendix 3ii**).
- The findings of an in-centre survey conducted by *NEMS Market Research* on behalf of the Council in April 2008 (**Appendix 8**) which formed part of the evidence base of an Appeal Inquiry.

Role and Function

5.2 Harpenden is the second largest shopping centre in the district after St Albans and mainly serves the day-to-day and 'bulk' food shopping needs of its catchment residents, as well as providing a small range of comparison goods and services. Policy 51 of the adopted 1994 Local Plan classifies Harpenden as a Minor District Centre. In paragraph 6.15 the Plan states that this classification reflects Harpenden's, "...relatively restricted range of shops and absence of major durable goods shops, the primary function being the provision of food" (paragraph 6.15). It describes the fact that non-food shopping floorspace in the town centre had declined up to 1994, when the Local Plan was adopted, due primarily to the replacement of Anscombe's department store by Waitrose and through the change of use of shops to service uses, such as estate agents, building societies and restaurants.

Retail Profile

5.3 According to the Experian Goad *Centre Summary Reports*, Harpenden town centre comprised 178 retail and service outlets in 2006 trading from circa 22,529 m² (242,500 ft²). The total outlets and floorspace has not changed significantly since 2000, which reflects the limited opportunities for new development and investment in the town centre.

¹⁰ Please note that 2006 was the latest available audit of the town centre conducted by Experian Goad at the time of our study.

- 5.4 Tables 5.1 and 5.2 below summarise the changes in the retail and service business composition of Harpenden town centre between 2000 and 2006 based on the Experian audits.

Table 5.1: Harpenden Town Centre: Retail Profile (% of total outlets)

	April 1995		July 2000		July 2006	
	Outlets (%)	GB Average	Outlets (%)	GB Average	Outlets (%)	GB Average
Convenience	10.4	10.7	8.1	9.4	6.2	9.2
Comparison	46.6	50.2	46.8	49.3	44.9	45.6
Services	36.8	24.8	42.8	28.9	45.5	33.2
Vacant	5.5	13.2	1.7	11.0	2.3	10.7

Source: Experian Goad Centre Summary Reports (Appendix 10)

Note: Figures may not sum due to rounding

Table 5.2: Harpenden Town Centre: Retail Profile (% of floorspace)

	April 1995		July 2000		July 2006	
	Floorspace (%)	GB Average	Floorspace (%)	GB Average	Floorspace (%)	GB Average
Convenience	21.1	15.1	19.2	14.9	24.3	16.8
Comparison	41.7	52.9	43.2	54.9	39.3	51.4
Services	22.0	19.6	35.4	20.3	33.9	21.6
Vacant	4.1	10.3	2.2	10.0	2.6	10.2

Source: Experian Goad Centre Summary Reports (Appendix 10)

Note: Figures may not sum due to rounding

- 5.5 Table 5.1 shows that Harpenden has experienced a decline in its provision of convenience goods outlets from 10.4% to 6.2% between 1995 and 2006. Our 2008 audit indicated that representation has fallen further to 4.3% of total outlets, which is significantly below the national average of 9.1%. However, this is misleading as the town centre has a strong representation of major national foodstores, including Sainsbury's, Waitrose and a Marks & Spencer 'Simply Food' store trading from larger format stores. This is demonstrated by the fact convenience goods retailing accounts for a higher proportion (24.3%) of total floorspace benchmarked against the national average (16.8%) in 2006. These foodstores are important anchors to Harpenden's retail offer and its overall vitality and viability. This is confirmed by the in-centre survey which indicates that food shopping is the main reason why people visit the centre, with some 76% visiting the centre for 'top-up' or 'bulk' food purchases at least once a week (**Appendix 8**).
- 5.6 In contrast, Harpenden's comparison goods offer is more limited and has been declining over a number of years. Table 5.2 shows that 39.3% of its total floorspace comprises non-food retailing, which is significantly below the national average of 51.4%. Nevertheless, the town's comparison goods retailing is also vitally important to its overall attraction and health as a shopping centre. For

example, the in-centre survey shows that almost 68% of respondents visit the centre at least once a week for non-food shopping purchases.

- 5.7 The decline in Harpenden town centre's comparison goods offer has resulted in a significant increase in service business as a proportion of total outlets and floorspace since 1995. Service businesses represented 45.5% of total outlets and 33.9% of floorspace in 2006, which was significantly higher than the national average figures of 33.2% and 21.6% respectively. The latest Experian Goad *Centre Summary Report* for July 2006 indicates that the town centre has a strong representation of service businesses across all the defined categories. There has been a particularly significant increase in the number of restaurants, cafes, fast-food and takeaway outlets from 17 in 1995, to 25 in 2000 and 32 in 2006.
- 5.8 The Council's 2008 '*Shopping Monitoring Report*' also confirms the rise in the number of restaurants and takeaways in the centre over recent years. Although these types of uses add to the general vitality of the town centre, the Council state at paragraph 4.2 of the 2008 report that: "...it is important to ensure that such uses do not undermine its main role as a retail centre". The evidence suggests that the growth in service businesses is placing pressure on the Council's policies to maintain Class A1 primary shopping frontages in the town centre as a whole.

Town Centre Ranking

- 5.9 The ranking of centres also provides a further indicator of a centre's overall performance relative to other centres, particularly in terms of changes in their scale, strength, role and attraction as shopping locations. The Javelin Group's VENUESCORE ranks the UK's top 2,000+ retail locations (including town centres, stand-alone malls, retail warehouse parks and factory outlet centres) and is widely used to assess the changing performance and attractiveness of centres.
- 5.10 As Table 5.1 shows, Harpenden was ranked 716th in the national rankings in 2007 and has fallen from 641st in 2005. Its decline in the rankings was due to a fall in its overall VENUESCORE from 35 to 34 points over that two year period.

Vacancy Levels

- 5.11 As previous research has shown, vacancy levels in the town centre have consistently been significantly below national averages. The Experian Goad *Centre Summary Report* indicates that there were four vacant outlets in July 2006 and our more recent audit of the centre in July 2008 identified only five vacant outlets. Taken in isolation this performance indicator would appear to show that Harpenden is an attractive proposition for retailers and businesses.

Multiple Representation

- 5.12 There is limited multiple representation in Harpenden. Boots, WH Smith and Argos anchor the town's comparison goods offer. The national food multiples are Sainsbury's and Waitrose, and Marks & Spencer also has a 'Simply Food' store in the centre.
- 5.13 Currently Argos is also the only retailer in the '*variety, department store and catalogue showroom*' category, as classified by Experian. This category generally comprises the larger anchors to a town centre's comparison goods retail offer and attraction. The category represents 0.5% of total outlets and just 2.3% of total floorspace in Harpenden, compared with the national average figures of 0.9% and 8.2%.

Pedestrian Flowcount

- 5.14 The results of the PMRS pedestrian footfall survey shows that flows outside the Sainsbury store are the highest in the town centre, followed by Argos (**Appendix 6ii**). This confirms that this part of the High Street represents Harpenden's prime pitch. This is also reflected by the highest estimated Prime Zone A rental levels in this area.

Retail Floorspace

- 5.15 The Experian *Goad Centre Summary Report* also shows that Harpenden town centre has a significant under-provision of larger shop units. For example, some 63.5% of its total outlets in 2006 were less than 93 m² (1,000 ft²), benchmarked against the national average of 42.5%. Indeed, only three of its units were above 929 m² (10,000 ft²) in size.

Retailer Requirements

- 5.16 Table 5.3 below shows the published list of retailer requirements produced by FOCUS Information Limited for Harpenden town centre (**see Appendix 4ii**). It indicates that there were 21 listed requirements in January 2009, which is down from the 31 requirements in October 2007. This fall is explained primarily by the impact of the economic recession on market demand and business confidence. Nevertheless, requirements have consistently been between 20 and 30 for Harpenden since October 2004.

Table 5.3: Retailer Requirements

Date	No. of Requirements	Ranking (1 st = highest)
Jan 2009	21	-
Oct 2007	31	283 rd
Oct 2006	22	398 th
Oct 2005	26	316 th
Oct 2004	22	316 th
Oct 2003	17	362 nd
Oct 2002	12	422 nd
Oct 2001	10	412 th
Oct 2000	6	531 st
Oct 1999	7	449 th

Source: FOCUS Information Ltd

- 5.17 The more detailed FOCUS 'Requirements Report' (**Appendix 5ii**) provides a more detailed list of published market interest from retail and leisure operators for representation in Harpenden. This shows requirements from 18 operators and not the 21 identified above. Of these businesses, seven are cafe, restaurant, takeaway and bar operators (Use Classes A3/A4/A5), including Starbucks, Cafe Rouge, Strada, wok2go and Subway. This shows the strong demand from service businesses for representation in the town centre. Other businesses identified include Oddbins, along with two charity shops.
- 5.18 Table 5.4 below shows the current recorded interest from the main Class A1 'high street' comparison goods and fashion retailers.

Table 5.4: Class A1 Retailers with Requirements for Harpenden Town Centre

Operators	Floorspace Requirements
	Minimum / Maximum
• Country Casuals	74 / 112 m ²
• Edinburgh Woollen Mill	139 / 279 m ²
• Lakeland Limited	279 / 465 m ²
• Steamer Trading	84 / 372 m ²
• Monsoon Accessorize	30 / 93 m ²
• Superdrug	56 / 200 m ²
	186 / 557 m ²

- 5.19 Pets at Home also have a requirement for a store of between 280 – 1,120 m², although they typically look for space in edge-of-centre or out-of-centre locations.

In-Centre Survey Results

- 5.20 The survey results set out in **Appendix 8** show the 'top 10' list of retailers in the town centre visited by respondents as part of their overall shopping trip (question 11). In response to question 13 (*"Which shop and/or facility people would least like to lose in the town centre"*), respondents identified (in order of priority) Sainsbury's, Waitrose, M&S Simply Food, Boots, WH Smith, the Post Office and Argos. This confirms the importance of the national multiples in attracting shoppers to the town centre.

Competition

- 5.21 Harpenden Town Centre, St Albans City Centre and the District as a whole faces increased competition from centres and shopping facilities in neighbouring local authorities. The level of competition is considered in more detail in Section 8 of this study. This competition is significant, as respondents to the business survey conducted as part of the Council's 2006 Retail Study identified competition from other centres and out-of-centre retail parks as one of the main issues/problems they were facing.

Summary

- 5.22 The qualitative health check assessment indicates that Harpenden is a vital and viable town centre. However, the centre's comparison goods offer is limited and has been declining over a number of years. The centre has only three major national multiples in the comparison goods sector and there is an under-supply of larger shop units.
- 5.23 The Council's 2006 Retail Study also found that the town's primary shopping area is being 'squeezed' by the demand from service business, and specifically from eating and drinking establishments (Use Classes A3 and A4). Furthermore, the Council's 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. These potential threats to the centre's overall vitality and viability will have intensified over the twelve months due to the impact of the economic downturn on the turnover and profitability of retailers and businesses.
- 5.24 In our judgement the further loss of Class A1 retail floorspace and particularly the centre's major multiple retailers could harm the overall vitality and viability of the town centre. In this context Argos could close its store in the town centre following the permitted redevelopment of 27 High Street for residential uses at first floor level and above.

5.25 In order to maintain and enhance the overall role and function of Harpenden Town Centre in the District we question why it is classified as a 'Minor District Centre' rather than a 'Town Centre' in the context of the typologies of centres set out in PPS6 (Annex A). We return to this issue in more detail in the concluding section to this study.

6. NEIGHBOURHOOD CENTRES – HEALTH CHECK

6.1 In this section we review the role, offer and attraction of the District's main neighbourhood shopping centres.

- London Colney
- Marshalswick
- Wheathampstead
- Fleetville
- Redbourn
- Southdown
- Verulam

6.2 These centres are smaller than both St Albans and Harpenden and there is limited published commercial data to enable a full health check in accordance with PPS6. Therefore our review is primarily based on audits conducted by Strategic Perspectives in 2008 (**see Appendix 9:** Tables 1-6), along with other supplementary evidence and observations as to their character and uses.

London Colney

6.3 London Colney is designated as a District Centre due to its size and composition and is located to the south-east of St Albans and to the north of Junction 22 of the M25. The centre's Primary Shopping Frontage and Class 'A' Frontages are located on the High Street and Haseldine Road. The High Street has a mix of retail, residential and offices uses, whilst the retail provision on Haseldine Road is focused along a purpose-built shopping parade.

6.4 The centre has good transport links with St Albans, South Mimms, Potters Bar and Barnet. There are numerous bus services and the centre has on-street car parking on the High Street and an off-street car park adjacent to the Co-op store in Haseldine Road.

6.5 The table below identifies the number of units within the designated centre and shows the changes in the centre's profile since 2006.

Table 6.1: London Colney - Changes in Retail Profile (% of total outlets)

	2006		2008			
	Number of Outlets	% of total outlets	Number of Outlets	% of total outlets	Small Centre Average (%) ¹¹	UK Average (%)
Convenience	8	23.5%	6	25.0%	15.1%	9.1 %
Comparison	5	14.7%	6	25.0%	29.4%	45.2 %
Services	15	44.1%	10	41.7%	46.4%	33.3 %
Vacant	6	17.6%	2	8.3%	9.1%	11.1%
Total Units	34		24			

Source: 2006 Retail Study & Strategic Perspectives LLP audit (July 2008)

- 6.6 In terms of its retail mix, there are six convenience goods retailers in the centre. This is equivalent to 25.0% of total outlets, which is considerably higher than the UK average of 9.1%. London Colney's food and convenience goods offer is anchored by a Co-op (230 m² net) and a Tesco Express (181 m² net). Both these stores provide a limited range of alcohol, food, tobacco and other convenience goods. They predominantly serve the 'top-up shopping' needs of local residents. In addition to these two foodstores there are four other convenience goods retailers including a bakers, a butchers, an off-licence and a Confectionery, Tobacco and Newsagent (CTN). Despite the absence of a large supermarket, the convenience goods offer appears to be relatively good.
- 6.7 There are also six comparison goods retailers in the centre, which is equivalent to 25.0% of total outlets. Its offer is limited to a few specialist stores including two charity shops, a florist, a fishing tackle shop, a hardware store, a chemist and a diving equipment store. Despite the limited offer, stores such as London Colney Fishing Tackle and 'Rec-N-Tec' function as 'destination retailers' and will attract customers from a wide catchment area due to their specialist nature. This will have a positive impact on other businesses in the centre.
- 6.8 The centre has ten service businesses. This is equivalent to 41.7% of total outlets and is above the national average of 33.3%. The service businesses include a number of public houses, restaurants and take-away food outlets. However there are no banks or building societies and we consider that this represents a weakness in the centre's overall offer, as these financial uses help to generate regular frequent trips. The centre does have other businesses in the A2 Use Class category including

¹¹ The 'smaller centre' average excludes the neighbourhood centre of Verulam. This is because its inclusion would skew the results as the centre only has two retail units. If Waitrose was included in the convenience goods category the 'smaller centre' average of 15.1% would increase to 20.1%. Equally, if the Pharmacy in Verulam is included in the comparison goods category, the average for the smaller centres would rise from 29.4% to 32.3%.

an estate agent and an insurance broker. Other businesses serving the needs of the local residents include a dry cleaners and hairdressers.

- 6.9 At the time of our audit the centre only had two vacant units. The vacancy level of 8.3% is below to the national average of 9.1% and is significantly lower than the 17.6% vacancy level (6 units) identified by the Council's 2006 Retail Study.
- 6.10 Overall we consider that the retail and service business offer is relatively good for a centre of its size and function, although its comparison goods offer is more limited. Its retail offer needs to be considered in the context of its close proximity to Colney Fields Retail Park, which is located 1.2 km to the south east. The retail park has a Sainsbury's superstore and a Marks and Spencer, along with Next, Boots, Sports World, Monsoon / Accessorize and Borders Books.

Redbourn

- 6.11 Redbourn is located to the west of Harpenden and to the east of the M1, by-passed by the A5183. The retail provision is focused along the High Street, where the outlets are interspersed with office and residential uses. The High Street is narrow and the on-street car parking exacerbates this narrowness, leading to 'pinch points' and traffic congestion. Accessibility to Redbourn is good and there are a number of local bus services. The centre has good transport links to the larger centres of St Albans, Harpenden, Hemel Hempstead, Dunstable and Luton. The centre also has on-street car parking on the High Street and a small public off street car park in front of the Village Hall on the High Street.
- 6.12 Table 6.2 below identifies the changes in the number of units within the designated centre, disaggregated by retail category.

Table 6.2: Redbourn- Changes in Retail Profile (% of total outlets)

	2006		2008			
	Number of Outlets	% of total outlets	Number of Outlets	% of total outlets	Small Centre Average (%)	UK Average (%)
Convenience	6	18.2%	3	9.1%	15.1%	9.1 %
Comparison	8	24.2%	11	33.3%	29.4%	45.2 %
Services	14	42.4%	16	48.5%	46.4%	33.3 %
Vacant	5	15.2%	3	9.1%	9.1%	11.1%
Total Units	33		33			

Source: 2006 Retail Study & Strategic Perspectives LLP audit (July 2008)

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- 6.13 The centre has three convenience goods retailers, which is equivalent to 9.1% of total outlets. Its food and convenience goods offer is anchored by a small Co-op (107 m² net), which primarily meets the frequent 'top up' shopping needs of local residents. The other two convenience goods retailers include a butcher and CTN. The convenience goods offer in the centre is therefore limited, but probably appropriate for the centre's overall role and function as a smaller neighbourhood centre.
- 6.14 The centre has eleven comparison goods retailers which is equivalent to 33.3% of total outlets. It appears to have a good mix of non-food retailers, including four DIY /home improvement stores, an antique furniture store, a pharmacy, a stationers, a sports equipment specialist, a computer specialist and a camera specialist.
- 6.15 The centre has sixteen service businesses. This represents 48.5% of total outlets, which is above the national average of 33.3% and the 'smaller centre' average. The service businesses include a number of public houses, restaurants and take-away food outlets. There are also two estate agents, two hairdressers, a dentist, a solicitor, a veterinary surgery and physiotherapy consultancy. However, the centre does not have any banks or building societies.
- 6.16 At the time of our audit the centre only had three vacant units, which is equivalent to a vacancy level of 9.1%. The number of vacant units has fallen since 2005, which is a positive sign of the centre's overall vitality and viability.
- 6.17 Redbourn's convenience and comparison goods offer is relatively limited and is primarily anchored by a small Co-Op store. Its historic layout means that there is limited opportunity for retail-led development to improve and strengthen its overall offer, particularly for a larger supermarket anchor. Nevertheless, its attractive environment and specialist comparison goods offer help to underpin its overall viability and vitality. We consider that it therefore performs an important role as a Neighbourhood Centre within the District.

Marshalswick

- 6.18 Marshalswick is a suburban centre located to the north-east of St Albans. The purpose-built centre comprises three linked shopping parades - The Quadrant, Ridgeway and Wycombe Place. The table below identifies the changes in the centre's retail profile between 2006 and 2008.

Table 6.3: Marshalswick- Changes in Retail Profile (% of total outlets)

	2006		2008			
	Number of Outlets	% of total outlets	Number of Outlets	% of total outlets	Small Centre Average (%)	UK Average (%)
Convenience	7	17.9%	7	17.9%	15.1%	9.1 %
Comparison	14	35.9%	13	33.3%	29.4%	45.2 %
Services	18	46.2%	17	43.6%	46.4%	33.3 %
Vacant	0	0.0%	2	5.1%	9.1%	11.1%
Total Units	39		39			

Source: 2006 Retail Study & Strategic Perspectives LLP audit (July 2008)

- 6.19 In terms of its retail mix, there are seven convenience goods retailers in the centre, which is equivalent to 17.9% of total outlets. This figure is higher than the UK and 'smaller centre' averages. Marshalswick's food and convenience goods offer is anchored by a small Sainsbury's Local on The Ridgeway and a Budgens store on The Quadrant. In addition there are five other convenience stores including a health foodstore, an off-license, a newsagent and two bakeries. The centre therefore has a relatively good convenience goods offer, despite the lack of a large scale anchor foodstore.
- 6.20 The centre has thirteen comparison goods retailers, equivalent to some 33.3% of total outlets. This is a relatively good provision for a centre of its size and function. Twelve of these retailers are local independent retailers and there is one multiple (i.e. Hallmark Cards). The centre has a diverse mix of comparison goods retailers including four furniture stores, a DIY store, a bathroom showroom, a Pharmacy, a pet store, a florist, a charity shop, a card shop and an optician.
- 6.21 Marshalswick has seventeen service businesses. This represents 43.6% of total outlets, which is significantly higher than the national average of 33.3%, but below the 'smaller centre' average. Despite several changes since the 2006 Retail Study, its service business offer has remained fairly constant. Overall the centre has a diverse mix of service businesses, which include five take-away food outlets; four hair / beauty salons; two high street banks; two estate agents; a travel agent; a dry cleaner's; a betting shop; and a funeral director.
- 6.22 Whilst the Council's 2006 Retail Study did not identify any vacancies, our most recent audit identified two vacant units. This is equivalent to a vacancy level 5.1%, which is significantly lower than the national average of 11.1% and the 'smaller centre' average.

- 6.23 Marshalswick has good accessibility via bus into St Albans and has surface level car parking located adjacent to The Quadrant. Free car parking is also available off the Ridgeway, which has a dual shopper /visitor use with the community centre and Marshalswick Library.
- 6.24 Overall, Marshalswick has a relatively good convenience goods offer, anchored by a smaller Sainsbury's Local and Budgens. The centre also has a reasonably diverse range of comparison goods retailers, including one national multiple. Its service business offer is also strong for a centre of its size. We therefore consider that Marshalswick is an attractive and vital neighbourhood centre that is serving the day-to-day needs of its local resident population, as well as providing a more specialist non-food offer.

Southdown

- 6.25 Southdown is situated to the south of Harpenden town centre. The retail offer is focused at the junctions of Southdown Road and Piggottshill Lane /Cravells Road. The centre's frontage is a mix of residential, retail and other non retail uses. Table 6.4 below shows the changes in the centre's retail profile between 2006 and 2008.

Table 6.4: Southdown- Changes in Retail Profile (% of total outlets)

	2006		2008			
	Number of Outlets	% of total outlets	Number of Outlets	% of total outlets	Small Centre Average (%)	UK Average (%)
Convenience	6	16.7%	5	13.9%	15.1%	9.1 %
Comparison	11	30.6%	11	30.6%	29.4%	45.2 %
Services	18	50.0%	19	52.8%	46.4%	33.3 %
Vacant	1	2.8%	1	2.8%	9.1%	11.1%
Total Units	36		36			

Source: 2006 Retail Study & Strategic Perspectives LLP audit (July 2008)

- 6.26 The number of convenience goods retailers has fallen from six to five since 2006. This category represents to 13.9% of total outlets, which is higher than the UK average of 9.1%, but below the 'smaller centre' average. Southdown's food and convenience goods offer is anchored by a Somerfield, although this store has poor frontage on to Southdown Road and faces the surface level car parking at the rear. The survey results confirm that Southdown functions as both a top-up and main food shopping destination. In addition, there are four other convenience stores including a bakery, a butcher's, a CTN and an off-licence.
- 6.27 The centre has eleven comparison goods retailers, which is equivalent to 30.6% of total outlets. The comparison goods shopping provision includes niche business such as two specialist car parts

retailers, a builder's merchant, a hardware store, a bicycle shop, a fancy dress shop and a toy shop. Other comparison goods retailers that serve the needs of the local population include a florist and a pharmacy. The composition of comparison goods retailers in the centre has not changed since the Council's 2006 Retail Study.

- 6.28 Southdown has nineteen service businesses, which is the equivalent to 52.8% of total outlets. This figure is significantly above the national average and 'smaller centre' average. The businesses include five hairdressers / beauticians; three hot food take-away outlets; two public houses; a Laundrette; dry cleaners; estate agent; a dentist; bookmaker; an insurance office; and a cafe. The centre's service provision is therefore strong, although there are no banks or building societies.
- 6.29 Our audit identified one vacant unit in the centre, which is equivalent to 2.8% of total outlets. The vacancy rate is the same as in 2006 and is significantly lower than the national average and 'smaller centre' average. This indicates the centre is an attractive proposition for retailers and businesses.
- 6.30 Southdown is well served by buses into the town centre and other destinations. Car parking is provided in two off-street car parks - the public pay-and-display park controlled by the Council and the other is Somerfield's customer car park, which is actively managed and policed by Somerfield. Additionally, there is some on-street parking permitted in the centre.
- 6.31 Overall we consider that Southdown has a relatively good convenience goods offer, anchored by the Somerfield store. Its comparison goods offer is more specialist and limited, although this is balanced by the strength of its service business provision. Our audit identified that the centre is busy and performs its function well in the District's network of centres.

Wheathampstead

- 6.32 Wheathampstead lies to the north of St Albans and east of Harpenden. The village is located between the B651 and the B653 and has high levels of through traffic. It has reasonable accessibility via bus and there is a free surface level car park at Riverside, on the eastern side of the High Street.
- 6.33 The centre's retail offer is concentrated on the High Street and Station Road, which are linked by Mill Walk. The centre has a number of old and attractive buildings and St Helen's Church is a dominant feature within the village. Table 6.5 shows the changes in the centre's retail profile since the 2006 Retail Study.

Table 6.5: Wheathampstead - Changes in Retail Profile (% of total outlets)

	2006		2008			
	Number of Outlets	% of total outlets	Number of Outlets	% of total outlets	Small Centre Average (%)	UK Average (%)
Convenience	6	18.8%	4	12.1%	15.1%	9.1 %
Comparison	9	28.1%	6	18.2%	29.4%	45.2 %
Services	15	46.9%	15	45.5%	46.4%	33.3 %
Vacant	2	6.3%	8	24.2%	9.1%	11.1%
Total Units	32		33			

Source: 2006 Retail Study & Strategic Perspectives LLP audit (July 2008)

- 6.34 There were six convenience goods retailers in 2006, but provision has now fallen to four retailers. This is equivalent to 12.1% of total outlets, which is still above the national average but below the 'smaller centre' average. The centre's convenience goods offer comprises a small foodstore, a butcher, a bakers and a patisserie. Our audit indicates that the centre has lost an off-licence/convenience store and bakers since 2006.
- 6.35 Benchmarked against the District's other neighbourhood's centres, Wheathampstead has a relatively poor convenience goods offer and lacks a major anchor supermarket to help generate the day-to-day shopping trips and 'spin-off' expenditure for other businesses in the centre. However, a Tesco Express store opened recently in the centre on the site currently occupied by the One Stop convenience store (19-21 High Street). The Tesco 'brand' should help to strengthen the centre's overall role and attraction for day-to-day ('basket') shopping.
- 6.36 There are six comparison goods retailers in the centre, which is down from the nine identified in 2006. The non-food retailers include a jewellery shop, a pharmacy, a motor car parts specialist, a radiator specialist, a gift shop and an antiques shop. Despite having a relatively low comparison goods offer, we consider that the more specialist "destination" retailers will draw customers from a wider catchment, thus having a positive impact on the centre's overall vitality and viability.
- 6.37 Wheathampstead has fifteen service businesses, which is the equivalent to 45.5% of total outlet. Overall the centre has a strong service provision. The 2008 audit identified that one-third of the centre's service businesses are in the A3-A5 Use Classes and include two public houses, two restaurants and a hot food take-away outlet. Other service businesses comprise three estate agents, three hair salons /beauticians, a travel agent, a dentist, a post office and an accountancy firm. The majority of these businesses serve the day-to-day needs of local residents although some may attract people from a wider catchment area.

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- 6.38 The centre currently has eight vacant units, which represents a vacancy level of 24.2%. Vacancies have increased significantly since the 2006 Retail Study. However, we understand that a significant number of these vacancies were temporary at the time of our audit, as the buildings were being redeveloped and fitted out for new occupiers. For example, numbers 22 and 54 on the High Street were both vacant at the time of our audit, but both had permission for a change of use from Class A1 to Class A5 and A3 respectively.
- 6.39 The Council's 2006 Retail Study concluded that Wheathampstead has a "pleasant village feel", but its convenience good provision is limited. The centre also has a limited comparison goods offer, although it does comprise a number of niche retailers that generate trips. Our 2008 audit has identified that the centre's convenience goods offer has declined further since 2006 and it also lacks a major foodstore anchor to help generate frequent shopping trips and underpin the centre's overall vitality and viability. However, the conversion of the One Stop convenience store to a Tesco Express should help to strengthen the convenience goods offer and attraction of the centre for 'top-up' (basket) shopping trips. The relatively high and increasing number of vacancies in the centre could be a cause for concern and should be carefully monitored by the Council, particularly if it is resulting in a significant reduction in the centre's comparison goods (Class A1) offer.

Verulam

- 6.40 Verulam is situated in the suburbs to the south of St Albans city centre. The centre originally comprised a Waitrose supermarket and five unit shops, but Waitrose has subsequently been extended to incorporate all but one of the original five retail units. The remaining unit is currently occupied by an independent pharmacy.
- 6.41 The household survey results indicated that this foodstore is achieving a circa 7.8% share of trips for convenience goods shopping in Zone 1, which ranks it as the fourth most popular foodstore in St Albans, after the out-of-centre Sainsbury's stores at Everard Close and London Colney and the Morrisons at Fleetville Neighbourhood Centre. The Waitrose is achieving a good share of both of main (8.5%) and 'top-up' (5.6%) food shopping trips. It also appears to be serving both the local resident population to the south-west of St Albans City Centre, as well as a wider catchment population.
- 6.42 The Council's 2006 Retail Study concluded that the extension of Waitrose and the loss of four out of five of the unit shops had effectively resulted in a free-standing store trading in an out-of-centre location. It was therefore recommended that it would not be appropriate to give the store a formal retail designation within the LDF, as to do so would give support to further expansion or

redevelopment of this large food store without reference to the consideration of the key tests set out in PPS6.

- 6.43 Although we broadly agree with these conclusions, it is clear that Verulam currently represents the only local shopping facility to the immediate south of St Albans City Centre and therefore fulfils an important role in the District's hierarchy. We therefore advise the Council that opportunities should be explored to determine whether other shops and facilities (that are typical of a district or neighbourhood centre) can be provided in this location so that Verulam better serves the wider day-to-day needs of its local resident population. If it is not possible to provide a wider variety of uses and facilities, then we also consider that it would not be appropriate for Waitrose to continue to be classified as a neighbourhood centre.

Fleetville

- 6.44 Fleetville is located in the eastern part of St Albans. This relatively large centre comprises a series of shopping parades, broken up by residential and other uses, running along the length of Hatfield Road. This road is a busy route in to and out of St Albans City Centre and experiences heavy traffic flows and congestion at peak times. Fleetville's shops and businesses are very accessible; there are a number of bus routes that run along Hatfield Road and there is good on-street parking. The only major off-street parking is the Morrisons car park. The table below shows the changes in the retail composition of Fleetville between 2006 and 2008.

Table 6.6: Fleetville - Changes in Retail Profile (% of total outlets)

	2006		2008			
	Number of Outlets	% of total outlets	Number of Outlets	% of total outlets	Small Centre Average (%)	UK Average (%)
Convenience	13	13.4%	12	12.4%	15.1%	9.1 %
Comparison	32	33.0%	35	36.1%	29.4%	45.2 %
Services	40	41.2%	45	46.4%	46.4%	33.3 %
Vacant	12	12.4%	5	5.1%	9.1%	11.1%
Total Units	97		97			

Source: 2006 Retail Study & Strategic Perspectives LLP audit (July 2008)

- 6.45 There are currently ten convenience goods retailers in the centre. This is equivalent to 12.4% of total outlets and is slightly higher than the UK average, but below the 'smaller centre' average. However, Fleetville's convenience goods offer is anchored by a large Morrisons store, which is served by extensive surface level parking and a petrol filling station. In addition, there are eleven other convenience stores including six CTN's, an off licence, delicatessen, a grocer, an Asian foodstore and a bakery. These smaller businesses are independently owned, with the exception of Londis. The

centre therefore has a strong convenience goods offer, particularly compared with the other smaller neighbourhood centres in the District.

- 6.46 Fleetville has 35 comparison goods retailers, which is the equivalent to 36.1% of total outlets. This is relatively high for a centre of its size and function. It has a reasonable choice of comparison goods retailers including ten home improvement /DIY stores, four clothes shops, two charity shops, a book store, a sports equipment shop, a florist, a fishing tackle shop, an art dealer and a pharmacy amongst others. The majority of these stores are independents and the centre lacks 'high street' brand retailers.
- 6.47 There are some 40 service businesses in the centre, which is the same as identified in 2006. This is equivalent to 46.4% of total outlets, which is significantly higher than the national average of 33.3% and equivalent to the 'smaller centre' average. The centre has a diverse mix of services, although nearly half the businesses are classified in the A3-A5 Use Classes. These include ten take-away food outlets, six restaurants, two cafes and a Public House. The other businesses include seven hairdressers and five businesses offering insurance and financial services. The centre does not have any banks or building societies. It also has a range of other businesses catering for day-to-day needs including two print shops, a locksmith, a dry cleaner, an estate agent, a Laundrette and a post office amongst others.
- 6.48 There are currently five vacant properties, which is equivalent to 5.1% of the centre's retail offer. This is significantly lower than in 2006 (twelve vacancies). A number of the vacant units identified in 2006 have subsequently been redeveloped for other uses, such as residential (for example, 225 Hatfield Road). The development of 782 m² of A1/A2 retail floorspace on the former petrol station site at 188 Hatfield Road has recently been completed and it is our understanding that there is permission for a small A1 retail unit to be developed at 169 /171a Hatfield Road.
- 6.49 Fleetville is the largest neighbourhood centre in the District, although its retail offer is primarily concentrated in a series of parades running approximately 1.1 km along the length of Hatfield Road. Consequently, apart from the large Morrisons store, the centre lacks an identified shopping 'heart'. Nevertheless, it has a strong service business offer and relatively good choice of shops.

Summary

- 6.50 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.

- 6.51 Our assessment has identified that the neighbourhood centres are generally vital and viable. They primarily serve the day-to-day shopping, service, leisure and health needs of their local resident catchment populations in accordance with the typology of centres identified by PPS6 (Annex A).
- 6.52 Their shopping offer and attraction is generally underpinned by foodstores. These stores mainly cater for 'top-up' (basket) shopping and are important generators of frequent trips and footfall. The foodstore anchors vary in terms of their size and quality, ranging from the larger Morrison's superstore in Fleetville, which is an important destination for 'main' food and 'top-up' purchases, to the smaller Co-Op store in Redbourn.
- 6.53 The Waitrose store in Verulum now dominates the neighbourhood centre's shopping offer following its extension. In the absence of a more diverse mix of businesses and facilities to serve the needs of local residents, it is questionable whether it is now appropriate to classify Verulum as a neighbourhood centre. In our judgement, its offer, character and function is more typical of a freestanding out-of-centre superstore than a neighbourhood centre. We assess the role and function of the neighbourhood centres and their classification in more detail in the concluding section to this study.

7. OUT-OF-CENTRE SHOPPING PROVISION

7.1 This section identifies the main out-of-centre foodstores, retail warehouses and retail parks in the St Albans City and District area. This section updates the findings of the Council's 2006 Retail Study.

Food Superstores and Supermarkets

7.2 There are two main out-of-centre food superstores in the District that are competing for main and 'top-up' food shopping trips and expenditure as identified by the 2005 household survey (see **Appendix 2i**).

7.3 The largest is the **Sainsbury's** at **London Colney**, which comprises a total estimated sales area of 8,040 m² net of which 4,021 m² net is set aside for convenience goods retailing. The scale and range of the store's retail offer, and its accessibility to Junction 22 of the M25, means that it serves a relatively wide catchment area, drawing a significant proportion of shoppers and expenditure from outside the defined study area. The household survey results confirm the wide trade draw of this store. The store has also recently benefitted from a refurbishment, which included the opening of a cafe / coffee shop on a mezzanine level and the conversion of the former ground floor cafe into additional sales floorspace¹².

7.4 The second **Sainsbury's** store at **Everard Close** comprises a total sales area of 4,226 m² net and has benefitted from a number of extensions and improvements to its retail offer since it opened. It is located approximately 1km to the south of the City Centre off Holywell Hill, but does not have strong pedestrian linkages with the city. The store primarily functions as a stand-alone car-borne destination serving the main food shopping requirements of residents in the St Albans area. The survey results shows that the store is achieving the highest market share (24%) of all food shopping trips in Zone 1 ('St Albans') and has a more limited draw from the other study zones.

7.5 The **Marks & Spencer food hall** at **London Colney** is located next to the Sainsbury's store and has a total estimated convenience goods sales area of circa 1,100 m² net. The 2006 survey results indicate that it the foodhall is achieving a relatively modest share of all available convenience goods expenditure in Zone 1 (**Appendix 2i**: see Table 3), although it does draw shoppers and expenditure from a wider area, including Zone 5 (the 'Southern Fringe').

¹² Please note that these changes to its retail floorspace have occurred since the Council's 2006 Retail Study and therefore the market shares derived from the household survey will not reflect the potential impact of these floorspace changes on shopping trips and expenditure flows to the store.

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- 7.6 There are a number of other smaller out-of-centre supermarkets and convenience stores in the District that primarily serve the 'top-up' shopping needs of their local resident populations, as well as attracting a proportion of passing car-borne trade (**Appendix 2i**: see Table 2). These include two smaller Co-Op stores at Cell Barnes Lane to the south-east of the City Centre and the New Greens area to the north of St Albans urban area. There is also a small Tesco Express store located on Lower Luton Road in Batford, Harpenden.
- 7.7 The survey results indicate all the out-of-centre foodstores in the District achieved a combined market share of total convenience goods trips of circa 40% in Zone 1 ('St Albans') in 2005, but their penetration in Zone 2 ('Harpenden') is significantly lower at circa 7.1%. This reflects the scale and quality of Harpenden's foodstore provision, which includes Waitrose, Sainsbury's and a Marks & Spencer Simply Food store in the town centre, along with Somerfield at Southdown Road. These four larger foodstores in Harpenden were estimated to be achieving a total market share of 65.5% in Zone 2 in 2005.
- 7.8 In contrast to the Harpenden zone, the out-of-centre stores in St Albans (Zone 1) are achieving a much stronger market share of main and top-up food shopping than the City Centre. This reflects the limited provision in the City Centre. The survey results confirm that the Tesco Metro, Marks & Spencer foodhall and Iceland in St Albans predominantly function as 'top-up' shopping locations serving the more frequent day-to-day needs of shoppers, workers and visitors to the City Centre. These foodstores are achieving a total market share of all food shopping trips of just 8.0% in Zone 1. This further demonstrates the relative under-provision of major foodstore anchors in the City Centre and the potential need for a new or extended store to better serve the main food shopping needs of the city's catchment population.

Retail Warehouses

- 7.9 There are three main retail warehouse parks in the St Albans urban area, all of which are located to the south of the District in Zone 1. These are Alban Park at Hatfield Road to the east of the City; St Albans Retail Park at Griffiths Way to the south; and Colney Fields Retail Park to the south-east, at the edge of the District boundary (and Zone 1). As described above, both St Albans and Colney Fields Retail Parks are also both anchored by large Sainsbury's stores, as well as Marks & Spencer at Colney Fields.
- 7.10 The main characteristics of these retail warehouse parks in terms of their tenant mix, floorspace and trading patterns are described in more detail in the Council's 2006 Retail Study as well as the recent '*Shopping Monitoring Report*'. As a result we have not considered these schemes in detail as part of this study, although we do provide a brief update below of any changes in their tenant mix and

floorspace since 2006. These revised floorspace figures have been agreed with the Council. We have also reproduced the market share estimates for the purpose of our updated quantitative assessment and these are set out in Tables 1 – 9 (**Appendix 2ii**).

- **St Albans Retail Park** - This scheme comprises six retailers and a total estimated comparison goods sales area of 9,581 m² net. The survey results indicate that this retail park is achieving a relatively strong market share in Zone 1 for small electrical and audio-visual goods (13.2%); domestic appliances (16.3%); and DIY and decorators' supplies (18.5%). The only major change to the floorspace and tenant mix of this retail park since the Council's 2006 Retail Study has resulted from the sub-division of the Homebase store (4,675 m² net in 2006) to provide a 900 m² gross unit at ground floor level, along with an additional 770 m² gross mezzanine floor that we understand is for storage use only (i.e. the floorspace does not have permission for Open A1 retailing). The unit has subsequently been occupied by Argos.
- **Alban Park** - This retail park has a total estimated comparison goods sales area of 7,904 m² net. The survey results indicate that this retail park is achieving a relatively strong market share in Zone 1 for DIY and decorators' supplies (21.8%), which reflects its tenant mix. A planning application was approved in November 2006 for the replacement of the existing 521 m² garden centre which forms part of the Focus store with an additional retail unit comprising 512 m² gross (Council Reference: 05/06/2466). This permission had not been implemented at the time of preparing this study.
- **Colney Fields Retail Park** - This scheme has five major multiples (namely Sports World, Next, Boots, Borders Books and Monsoon/Accessorise), in addition to the Sainsbury's and Marks & Spencer stores. The five retail warehouses opened in 2005 and also comprise mezzanine floors. Between 2006 and 2008 the Marks & Spencer has benefitted from a 1,394 m² gross extension and a 2,787 m² gross mezzanine, which is occupied partly by a new in-store restaurant. Compared with the District's other retail parks, the survey results indicate that retailers in this scheme are achieving a relatively strong market share in Zone 1 for clothing and footwear trips (5.8%) and for books, toys, sports and recreational goods (11.9%). Its share of the other comparison goods categories is more limited at less than 5%.

7.11 Table 7.1 below also provides a summary of the combined market shares of the District's three retail warehouse schemes for each category of comparison goods expenditure. The table shows that the District's retail warehouses in Zone 1 (St Albans area) are achieving a relatively strong market share of trips for 'DIY and decorators' supplies' and a good share of the electrical goods market (i.e. small

and domestic items). The share of the other comparison goods categories is less than 10%, apart from for 'sports, toys, books and recreational goods' (13.3%).

Table 7.1: Retail Warehouses – Estimated Market Shares of Comparison Goods Spend Categories

	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6
Clothing & Footwear	7.1%	3.3%	1.1%	5.1%	3.7%	5.2%
Small electrical & audio-visual equipment	22.6%	6.4%	-	2.9%	-	-
Domestic Appliances (White Goods)	25.6%	8.7%	-	6.0%	3.1%	-
Furnishings, Textiles, Carpets, etc	9.7%	2.8%	-	6.3%	3.4%	1.5%
DIY & Decorators' Supplies	40.3%	12.4%	2.4%	10.1%	2.6%	1.2%
China, Glass & Hardware	8.6%	0.7%	-	3.0%	-	-
Jewellery, Chemists Goods, Cosmetics, etc.	6.4%	0.6%	1.4%	-	1.4%	1.4%
Books, Toys, Sports, Recreational Goods, etc.	13.3%	3.0%	1.5%	4.2%	3.1%	-

Source: Council's 2006 Retail Study. Reproduced by Strategic Perspectives LLP in Appendix 2ii (Tables 1-9)

- 7.12 The market shares of the different categories of comparison goods are considered in more detail in Section 10, along with potential 'gaps' in the District's current offer.

Summary

- 7.13 This section has highlighted that there is a strong provision of out-of-centre foodstores and retail warehouses to the south of the District in the St Albans area (Zone 1). It has also confirmed the findings of the St Albans health check assessment (see Section 4), namely that the City Centre does not have a major foodstore to anchor its convenience goods provision and is achieving a limited market share of 'main' food and 'top-up' (basket) shopping. By comparison, the foodstore provision in Harpenden town centre is much stronger, comprising Sainsbury's, Waitrose and a Marks & Spencer Simply Food store.

8. COMPETING CENTRES

8.1 There are a number of major centres in neighbouring authorities that are drawing shoppers and retail expenditure from the District and the wider defined study (catchment) area. These centres include Watford, Welwyn Garden City, Stevenage, Hemel Hempstead and Luton. This section briefly describes the retail offer and influence of these competing centres on the District's centres and shopping facilities. We also provide an update of committed and proposed new retail development and investment in these centres. This new investment could potentially impact on shopping patterns and expenditure flows across the District and wider study area over the forecast period.

Watford

8.2 Watford is located some 12km to the south of St Albans City Centre and is identified as a 'Regional Centre' in the East of England Plan (Policy E5). Floorspace figures derived from Experian Goad indicate that it has 26,276 m² of convenience goods retailing and 81,836 m² of comparison goods space.

8.3 The centre's food offer is relatively strong and comprises a Marks & Spencer foodhall and a Sainsbury's. A Tesco Extra store is also situated just outside the town centre. Watford's comparison goods offer is dominated by the Harlequin Shopping Centre which opened in 1992 and comprises over 65,000 m² retail floorspace. The shopping centre is anchored by a John Lewis department store and other major multiple retailers include Bhs, Marks & Spencer, TJ Hughes, Boots, Primark, Zara, Sony, Principles and Monsoon.

8.4 In addition to the town's substantial retail offer, there are also four large retail parks in Watford that draw shoppers from a wider catchment area. These are:

- Waterfields Shopping Park (9,644 m² gross) to the south-east of the town centre, which comprise a number of major multipliers, such as Argos, Boots, Borders, Mamas & Papas, Next and Sports Soccer.
- Colne Valley Retail Park (9,770 m² gross) also located to the south-east of the town centre is occupied by more traditional 'bulky goods' retailers, such as Carpetright, Land of Leather, DFS, Harveys, MFI, ScS and Allied Carpets.
- Watford Arches Retail Park (8,606 m² gross), which has five occupiers - B&Q, Halfords, Children's World, Curry's and Kwik Fit.

- Century Park (11,731 m² gross) includes Comet, PC World, Currys and Allied Carpets amongst its tenants.

- 8.5 The survey results (**Appendix 2ii**: see Tables 1-9) show that Watford is drawing a significant proportion of shoppers and expenditure from the St Albans City and District area. For example, the town centre and out-of-centre retail parks are achieving a total market share of 20.7% for furnishings, textiles and floor coverings; 16.8% for small electrical and audio-visual goods; 16.3% for clothing and footwear; 14.7% for china, glass and hardware; and 12.9% for domestic appliances.
- 8.6 There are also plans for the redevelopment of Charter Place in Watford, including the replacement of existing floorspace. We understand that this could be delivered over the medium term (i.e. post-2012). The latest supplementary retail study prepared for Watford Borough Council has identified an additional capacity for 25,150 m² net of comparison goods floorspace and 3,600 m² net of convenience goods floorspace up to 2011, rising to 50,700 m² net and 7,300 m² net respectively by 2016.

Welwyn Garden City

- 8.7 Welwyn is classified as a 'Major Town Centre' in East of England Plan (Policy E5) and is located some 12km north east of St Albans City Centre. The centre's retail offer is anchored by the Howard Centre (circa 22,000 m²), which opened in 1990 and comprises a Marks & Spencer store. Welwyn's retail offer is also anchored by a John Lewis department store, located to the north of the centre. Other major multiples include WH Smith, Boots, Argos, Superdrug, Sony, Burton, Monsoon, New Look, Primark, Debenhams Desire, Dorothy Perkins, Top Shop, Evans, Next, Blacks and Miss Selfridge. Its convenience goods offer is anchored by Waitrose (1,447 m² net) and a Sainsbury's store (1,596 m² net) in edge-of-centre locations.
- 8.8 The survey results indicate that Welwyn Garden City is attracting trips and expenditure from both Zones 1 and 2 for different comparison goods categories. For example, from Zone 2 it is achieving a significant 38.3% market share of trips for small electrical and audio-visual goods; 38.9% for furnishings, textiles and floor coverings; 45.5% for domestic appliances; and 46.4% for china, glass and hardware. This strong market penetration for certain types of non-food goods is largely explained by the attraction of the John Lewis department store for shoppers.
- 8.9 Overall Welwyn has a good range and choice of shops and services, but the most recent retail study prepared for the Borough Council in November 2007 identified that it does not offer the same quality of facilities available in Stevenage and also faces competition from the nearby Hatfield Galleria. The Council's study forecasts capacity for circa 21,640 m² net (28,850 m² gross) of new comparison

goods floorspace by 2021 over and above existing commitments, which include a small extension to the Howard Centre (1,035 m² gross) and the Debenhams Desire store (3,210 m² gross) that opened in August 2007. There is no forecast capacity for new convenience goods floorspace up to 2021 due to commitments to extend the existing Waitrose and Sainsbury's stores.

Luton

- 8.10 Luton is located some 14km north of St Albans City Centre. Its retail offer is anchored by the Mall Arndale Centre and it has a total estimated retail floorspace of over 70,000 m². The town has a relatively good non-food, department store and fashion offer including Debenhams, Bhs, Boots, Marks and Spencer, Argos, Next, WH Smith and River Island. Luton's convenience goods offer is anchored by a Tesco at the Mall Arndale Centre and a Sainsbury's in an out-of-centre location.
- 8.11 The survey results also confirm that Luton has a strong influence on shopping patterns in St Albans District and particularly in Zone 2 (the 'Harpenden Zone'). For example, it is achieving significant market shares for clothing and footwear (13.8%); small electrical and audio-visual goods (15.6%); DIY and decorators' supplies (16.0%); and books, toys, sports and recreational goods (12.2%) in Zone 2.
- 8.12 Overall Luton has a reasonable retail offer and its catchment area extends south to include Harpenden. The East of England Plan defines Luton as 'Major Town Centre' (Policy E5) and identifies the need for town centre redevelopment and change (Policy SS3). The Council has plans to revitalise the centre through a comprehensive regeneration strategy, including new retail development and investment.

Hemel Hempstead

- 8.13 Hemel Hempstead is located some 10km west of St Albans City Centre, partly within Zone 6 (the 'Western Fringe'). It is defined as 'Major Town Centre' in the East of England Plan (Policy E5) and also as a key centre for development and change (Policy SS3).
- 8.14 According to the 2009 retail study prepared for Dacorum Borough Council, the town centre has a total estimated Goad (footprint) floorspace of 64,320 m², of which over 65% comprises comparison goods retailing and 10% convenience goods floorspace. The town's retail offer is largely concentrated in the following two main purpose-built shopping centres:
- The Marlowes Shopping Centre (circa 32,000m² of retail floorspace) opened in 1990 and is anchored by Marks & Spencer, along with major national multiples such as Argos, Waterstones, Top Man and River Island.

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- The Riverside Shopping Centre opened to the south of The Marlowes in 2006. The scheme has added some 23 new shops and cafe/restaurant uses to the town's overall provision. It is anchored by Debenhams and also includes TK Maxx, Next, Waterstones, Peacocks, Laura Ashley, HMV and Starbucks amongst its tenant mix, although there are a number of vacant units.
- 8.15 Hemel Hempstead's overall convenience goods offer is anchored by an Asda store and a Tesco store in an out-of-centre location.
- 8.16 It is important to note that the household survey conducted for the St Albans 2006 Retail Study pre-dated the opening of the Riverside scheme. It does not therefore identify the potential impact of this scheme on shopping patterns across the defined study area. In our judgement the Riverside scheme will have increased Hemel's market share from Zone 6 (the 'Western Fringe'), which forms part of the town's primary catchment area. The pre-Riverside survey results indicate that Hemel Hempstead was mainly competing with Watford for shoppers and expenditure from Zone 6, whereas St Albans had a more limited market share in this zone. In our judgement we consider that the main impact of the Riverside scheme will be to 'claw back' shoppers living in Hemel Hempstead's primary catchment area (including Zone 6) who used to previously shop in Watford. The impact of Riverside on St Albans City Centre and the District's overall shopping patterns may not therefore be significant. Nevertheless, the Council intend to commission an update of the household survey in 2009 and this will help to help establish the effects of the Riverside scheme on shopping patterns, particularly now that the scheme has "matured" and is achieving more settled trading patterns.
- 8.17 Dacorum Council has also identified other potential opportunities for additional new retail-led development at Waterhouse Square and to the west side of Marlowes (south of Bridge Street) over the longer term (post-2016), as well as for a new convenience goods retailing over the short term (up to 2011). The development aims to rejuvenate the town's evening economy and stem the leakage of shoppers and retail expenditure to competing locations. At this stage we understand the scheme could comprise a circa 10,200 m² food / non-food superstore, as well as a range of shops situated around a new piazza area. The most recent retail study prepared for Dacorum Borough Council has found that the forecast capacity at 2016 should be sufficient to support the likely scale of development proposed for Waterhouse Square, assuming that the current forecast trends occur. The Council has signed a formal Development Agreement with Thornfield Properties to help deliver the proposed £250m mixed use scheme, although the capacity for and delivery of this development will have been impacted by the economic downturn. In addition, the Council has also prepared a comprehensive '*Hemel 2020*' regeneration vision for the centre, which includes plans for a new 'entertainment district' to include a cinema and covered market.

Stevenage

- 8.18 Stevenage is located approximately 25 km north east of St Albans. It has a total estimated retail floorspace of circa 67,000 m². Its convenience goods offer is strong and comprises a Tesco store Extra store in the town centre and a large Asda directly south of the town. Its comparison goods offer includes a number of major multiples, such as Marks & Spencer, Bhs, TK Maxx, Next, Miss Selfridge, Top Shop and River Island. The Westgate Shopping Centre has a reasonable comparison goods offer. However there is no major department store in the town and there is also an under-provision of high quality top-end retailers.
- 8.19 According to the survey evidence Stevenage has a limited influence on comparison goods shopping patterns in the St Albans City and District area (i.e. Zones 1 and 2), although it does draw shoppers from Zone 3 (the 'Northern Fringe') and Zone 4 (the 'Eastern Fringe').
- 8.20 The town centre is defined as a 'Major Town Centre' in the East of England Plan (Policy E5) and is identified as a key centre for development and change (Policy SS3). There are plans for new retail-led town centre regeneration¹³, which will help to maintain and increase the centre's overall market share across its catchment area. For example, the proposals by Stanhope/ING identify the potential for a large department store anchor. If this scheme is taken forward it will impact on shopping patterns across the study area. In addition to this the Council's most recent retail study identified capacity for 36,000 – 37,000 m² of new retail floorspace up to 2021.

Hatfield

- 8.21 Hatfield is located approximately 10km east of St Albans. The town, along with Welwyn Garden City, is identified as a key centre for development and change in the East of England Plan (Policy SS3). The centre has a more limited scale and range of comparison goods retailing (circa 5,729 m² net) than the other main competing centres identified. Its multiple offer comprises New Look, Clinton Cards, Boots and Superdrug. Hatfield's convenience goods offer is stronger and is anchored by an Asda superstore (4,146 m² net).
- 8.22 There are currently three out-of-centre retail warehouses in Hatfield, namely Homebase (3,939 m² net), Habitat (2,490 m² net) and Comet (1,167 m² net) at Oldings Corner. However the Council's

¹³ The Town Centre Action Plan *Key Issues and Alternative Options* (July 2007) examined the various potential development strategies.

2007 retail study indicated that the majority of Hatfield's shoppers travel to shopping locations outside the borough (such as to Stevenage and St Albans) for their DIY and domestic electrical purchases.

- 8.23 The survey results indicate that Hatfield is achieving a limited share of trips for comparison goods shopping from St Albans and City District (i.e. Zones 1 and 2). It achieves a stronger market share in Zone 4 (the 'Eastern Fringe'), which is the zone closest to the town centre.
- 8.24 The local planning authority is currently working with its development partners, including St Modwens Limited, to explore the potential options for the regeneration of the town centre. The need for new development and investment in the town centre is recognised, but plans for a scheme comprising over 7,000 m² net of new retail floorspace (along with leisure facilities, a new town centre square, an indoor market and a multi-storey car park) were shelved in 2008 due to the economic downturn. The Council and its development partners are currently assessing the best way forward for the future redevelopment of Hatfield Town Centre.

Summary

- 8.25 This section has shown that both St Albans City Centre and Harpenden Town Centre are facing strong and increasing competition from competing centres and shopping locations in neighbouring local authorities, particularly Watford, Luton and Welwyn Garden City. Most of the major competing centres have benefitted from major new retail investment and development over the last decade. A number of these centres also have town centre commitments and proposals that could significantly improve the scale and quality of their retail offer and attraction up to 2015 and beyond, if they are developed as planned.
- 8.26 Without new investment and development in the District's main centres, and specifically St Albans City Centre, it is our judgement that the proposed schemes in these competing centres will have a significant impact on the District's shopping offer and attraction.

9. QUANTITATIVE NEED ASSESSMENT: 'BASELINE' CAPACITY

- 9.1 This section sets out our strategic economic assessment of the quantitative need (retail capacity) for new comparison and convenience goods retail floorspace in St Albans City and District over the forecast period, up to 2026 and 2031. This assessment updates the Council's 2006 Retail Study.
- 9.2 The methodology and key assumptions underpinning the capacity assessment are described in more detail in the *Explanatory Note* appended to this study (see **Appendix 10**). The detailed economic tabulations for the 'baseline' comparison and convenience goods capacity forecasts are set out in **Appendices 11** and **12** respectively.

Methodology

- 9.3 The **CREAT^e** retail capacity and impact model developed by Strategic Perspectives draws on the guidance set out in PPS6, along with established best practice and our extensive experience of preparing retail planning studies and assessments (see **Appendix 10**). Our approach is based on a transparent 'step-by-step' approach in which all the key assumptions and forecasts can be easily tested and interrogated. This 'manual' model is preferred to computer-generated 'gravity' models, as all the key steps and assumptions in the gravity approach are hidden in a 'black box'. For this reason the 'manual' model is widely used for planning appeals and inquiries, and is preferred by the Inspectorate (see **Appendix 10** for a more detailed explanation of the methodology and some of the key baseline assumptions).

The Study Area

- 9.4 The definition of the study area is an important first step in the capacity assessment. As set out in the introductory section to this study, we have used the same study area as identified for the 2006 Retail Study (see **Appendix 1**). We consider that this represents a consistent framework for the updated retail assessment. The study area extends beyond the District so as to take account of the fact that shoppers do not observe administrative boundaries when they shop. It has been defined using postcode sectors and is sub-divided into six zones (see **Appendix 10**).
- 9.5 As the plan in Appendix 1 shows, Zones 1 and 2 broadly correspond to the St Albans City and District area. The wider study area (i.e. Zones 3 – 6) represents the higher order comparison goods shopping function and catchment of St Albans City Centre.

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- 9.6 It is important to state at the outset that although this wider study area represents a robust framework for the strategic economic assessment it does not necessarily represent a realistic catchment for the District's smaller centres, freestanding foodstores and out-of-centre retail warehouses. We therefore advise the Council that when considering planning applications for new retail developments in the context of PPS6 (paragraph 3.10), it will be necessary to first establish whether the defined catchment area is realistic and well related to the size and function of the proposed retail floorspace and takes account of competing centres and stores.
- 9.7 It is also important to note that Zones 1 and 2 do not provide complete coverage of the local authority area. For example, Zone 1 does not include some areas of the District boundary that extend as far as Hemel Hempstead's urban area to the west and Hatfield's urban area to the east. This is significant to our assessment, as the areas located outside of Zone 1 (but within the District) have been identified as potential locations for significant new residential development up to 2031. The new dwellings forecast for the East of England Plan and the modified 'Group 3' forecasts identified by the East of England Regional Assembly (EERA), could result in new residential development being re-allocated from Dacorum and Welwyn Hatfield Districts to St Albans¹⁴.
- 9.8 Although there is still a great deal of uncertainty as to the likely scale, location and mix of any new residential development, it could result in a higher growth in the District's population (albeit outside of Zones 1 and 2), particularly towards the 'back end' of the forecast period between 2021 and 2031. Notwithstanding this, we understand that the new dwellings and population growth could primarily be located outside of Zone 1. It is therefore our judgement at the present time that any increase in population and available expenditure will primarily support the capacity for new retail floorspace in Hemel Hempstead and Hatfield/Welwyn Garden City, rather than in St Albans and Harpenden.
- 9.9 We return to the complex issue of the location and scale of new housing allocations and the impact on the capacity forecasts in more detail in this section and Section 10 (also see **Appendix 10**).
- 9.10 At the outset of this study it was agreed with the Council that household telephone interview survey conducted for the Council's 2006 Retail Study still provided a useful framework for assessing

¹⁴ As stated previously, following the successful legal challenge of the proposed major expansion at Hemel Hempstead and Welwyn Garden City / Hatfield by St Albans District Council and Hertfordshire County Council there are at present no housing targets for Dacorum and Welwyn Hatfield. The Secretary of State will have to decide how to resolve this issue in due course. 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 this section and section 10. The update of this Retail Study to be commissioned in Autumn 2009 will reflect the position as it stands at that time.

baseline shopping patterns and expenditure flows across the defined study area¹⁵. Nevertheless, the Council has subsequently decided to commission a new household survey in Autumn 2009 to update the evidence base and the economic capacity assessments.

- 9.11 The following commentary and analysis provides a summary of the key assumptions and findings of the retail capacity assessment (also see **Appendix 10**).

Base Year Population Estimates

- 9.12 The most recent base year (i.e. 2006) population estimates derived from Experian Business Strategies (EBS) update the figures set out in the Council's 2006 Retail Study. Table 1 (**Appendices 11 and 12**) shows that there is a total estimated study area population of 275,768 in 2006. For Zones 1 and 2 (which broadly represents the District area) the total estimated 2006 population is 134,943.

Population Forecasts

- 9.13 As described above the population forecasts for each study zone have been informed by the dwellings-led forecasts commissioned by the East of England Regional Assembly (EERA) as part of the preparation of the Regional Spatial Strategy (RSS). The series of dwelling-led forecasts to date reflect the implications of the various successive housing provision proposals¹⁶. The dwellings completion requirements are provided at District level and are associated with the District central to the development, although this may not always be the District that the dwellings will actually be in.
- 9.14 The latest 'Group 3' projections are preferred as they are the first to use the provisional figures for 2001 to 2006 dwellings completions. They also take into account additional dwellings proposed primarily towards the end of the plan period (i.e. post-2016). The original 'Group 1' projections were based on lower dwelling completions within most local authority areas. At present the following two sets of 'Group 3' projections have been published:

¹⁵ The household survey results were re-weighted to remove responses that do not enable expenditure to be allocated to specific centres or locations and are not therefore relevant to the capacity assessment. The responses removed include *'internet and mail order shopping'*, as this spending on Special Forms of Trading is deducted from the expenditure per capita estimates at the outset of the capacity assessment. Where people indicated that they *"did not know"* where they last shopped for comparison and convenience goods, or *"did not purchase such goods"*, then these responses were also removed.

¹⁶ For more information please refer to the County (<http://www.hertsdirect.org/yrccouncil/hcc/env/factsfigs/population/>) and EERA websites (<http://www.eera.gov.uk/>).

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- The original ('Baseline') projections as set out in the approved East of England Plan and associated documents; and
 - EERA's 'Modified' projections provide more precise dwellings requirements for local planning authority areas based on the assumed location of new residential development. For example, 2,000 dwellings remain re-assigned from the Dacorum to St Albans District (as identified for the Group 2 forecasts) and some 9,600 dwellings are re-allocated from Stevenage to North Hertfordshire District. Further variations arise from alternative phasing expectations and alternative economic activity assumptions.
- 9.15 For the purpose of our 'Baseline' capacity assessment we have used the original population projections identified for the East of England Plan. To test the 'sensitivity' of the capacity forecasts to potential changes in the population growth rates we have also assessed the 'Modified' EERA Group 3 ('Scenario 2') population projections (see Section 10)¹⁴.
- 9.16 As Table 2 (**Appendix 10**) shows, the 'Baseline' (Scenario 1) projections indicate a +4.3% growth in the population of St Albans District between 2008 and 2031. In comparison, the EERA (Scenario 2) projections result in a higher population growth of +10% over the same period.
- 9.17 We consider that the 'Baseline' projections are more representative of the likely location of new dwellings and resultant population growth in St Albans District. As stated previously, the defined study zones do not represent local authority areas and it is our understanding from the Council that the forecast increase in the population arising from the re-allocation of new dwellings from Dacorum to St Albans District will be located in Zone 6 (the 'Western Fringe') and not Zone 1. It is also our understanding at the present time that any new residential development in Zone 6 will form part of a natural urban extension to Hemel Hempstead (east), albeit that this area is located within St Albans District. Similarly, any potential re-allocation of dwellings from Welwyn Hatfield District to St Albans will still be located in Zone 4 (the 'Eastern Fringe'), as the new dwelling provision here will also probably form part of an urban extension to Hatfield (west). Consequently, we consider that the population growth in Zone 1 (the 'St Albans Zone') and Zone 2 (the 'Harpenden Zone') will be lower than the modified 'Group 3' projection by EERA ('Scenario 1') for the District as a whole.
- 9.18 Based on our interpretation of the Group 3 ('Baseline') projections for the six study zones, we forecast that the total study area population will increase from 277,900 in 2008 to 281,099 by 2011 and to 285,617 by 2016. This is equivalent to a growth of +2.8% between 2008 and 2016. Beyond 2021, we assume that population growth will be in line with the annualised average population growth rate between 2006 and 2021, resulting in a total study area population of 299,801 by 2031.
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- 9.19 In due course we understand that EERA will publish its 'Group 4' projections and, when available, it will be necessary for the Council to review the impact of any changes between the 'Group 3' and 'Group 4' projections.

Base Year Expenditure Per Capita Estimates

- 9.20 The average (unadjusted) expenditure estimates for comparison and convenience goods as provided by Experian Business Strategies (EBS) are set out in Table 2 of **Appendices 11** and **12** respectively. For all zones the average expenditure is above the UK average for comparison and convenience goods of £2,850 and £1,649 per capita respectively. This confirms the relatively strong spending power of the catchment population.

Special Forms of Trading

- 9.21 In carrying out our assessment we have also made an allowance for non-store retail sales, or sales by 'special forms of trading' (SFT) at the outset (see **Appendix 10** for a more detailed explanation). Drawing on recent research published by Experian Business Strategies (EBS)¹⁷, we assume that SFT represents some 3.0% of average convenience goods expenditure in 2008 and this market share will increase to 4.1% by 2016. For comparison goods SFT's market share is estimated to be 11.3% in 2008 and is forecast to increase to 13.9% by 2016. After 2016 we assume that the market share will 'flat line' at these levels for both comparison and convenience goods expenditure (**Appendix 11 and 12: Table 3**). However it is important to note that EBS and other forecasters are uncertain as to the potential future growth of Internet shopping. We therefore recommend that the Council monitors the research relating to the growth in e-tailing and adjusts the growth rates in accordance with the latest forecasts.

Expenditure Growth Forecasts

- 9.22 Our forecasts of potential consumer expenditure growth up to 2031 have been informed by the latest EBS Quarterly Updates of the *Retail Planner Briefing Note*¹⁸ and other evidence. These forecasts are explained in more detail in **Appendix 10**.
- 9.23 The most recent EBS forecasts take account of the impact of the economic recession on the prospects for expenditure growth and are significantly lower than previous EBS projections and

¹⁷ Experian Business Strategies (EBS) '*Retail Planner Briefing Note 6.0*' (October 2008)

¹⁸ EBS '*Retail Planner Briefing Note Updates*' (March & April 2009)

forecasts¹⁵. For example, EBS now forecast growth of less than 3% per annum over the medium to long term for comparison goods expenditure. This compares with the average historic (medium-term) growth trend of circa 6% per annum between 1987 and 2007. Notwithstanding their more cautious forecasts, EBS do accept that: “...*the shelf life of short-medium term forecasts is understandably limited during times of rapid economic change or stress*”. They advise that their forecasts could be liable to change in a few months due to changes in the economic outlook. This makes forecasting even over the next 1-2 years an increasingly difficult and subjective exercise.

9.24 Against this background of uncertainty, we have assumed more optimistic annual expenditure growth rates for our ‘Baseline’ capacity assessment that take account of both historic trends and current forecasts (see **Appendix 10**). Our forecasts are informed by:

- Early signs that the Government’s monetary and fiscal measures, such as ‘quantitative easing’, are having a positive impact on the economy.
- The relatively strong reported performance of most of the main grocery retailers over the last 6-12 months, as set out in recent annual company reports.
- The fact that consumer spending on food is generally more resilient to any slowdown in the economy, as households still need to purchase essential food and convenience goods items as part of their overall weekly and monthly shopping budgets.
- The impact of the ‘substitution effect’ on convenience goods spending, which is resulting in households cutting down on discretionary leisure spending and ‘eating out’ and transferring some of this expenditure to entertaining and eating at home.

9.25 Although our expenditure growth forecasts are more optimistic than identified by EBS, they are still significantly below the forecast growth rates previously assumed for both comparison and convenience goods expenditure. Nevertheless we accept that our forecasts will overstate the potential capacity for new retail floorspace if the economic downturn is protracted and the UK economy takes longer to recover from the current recessionary period than currently anticipated¹⁹.

¹⁹ Please note that the Council intends to commission an update of the economic capacity assessment for both comparison and convenience goods retailing in late 2009. This will be informed by a new household telephone interview survey and will also update the expenditure growth forecasts.

Total Available Expenditure and Growth

- 9.26 We estimate that there is some £889.4 million (**Appendix 11**: Table 4) of available comparison goods expenditure in the total study area in 2008 and £498.2 million of convenience goods expenditure (**Appendix 12**: Table 4). Between 2008 and 2016 total available comparison goods expenditure is forecast to increase by +14.3% to £1,016.5m (in 2006 prices). By 2031 total expenditure is forecast to increase to £1,794.5m, which represents a growth of +102% between 2008 and 2031. For convenience goods the forecast growth is significantly lower at +6.3% between 2008 and 2016, and +25.7% between 2008 and 2031.
- 9.27 The higher forecast growth in non-food expenditure effectively means that there will potentially be more residual comparison goods expenditure available to support new comparison goods floorspace than for convenience goods retailing.

Shopping Patterns and Market Shares

- 9.28 The market shares derived from the household survey are a key input to the capacity model, as they help to inform the relative performance of existing centres and floorspace in the District²⁰.
- 9.29 Table 5 (**Appendix 12**) sets out the convenience goods expenditure from each zone that has been allocated to the main foodstores and other convenience goods floorspace based on the survey results (see **Appendix 2i**). The market shares have been weighted for main food and 'top-up' (basket) food shopping (see **Appendix 10** for a more detailed explanation). The main foodstores in Zones 1 and 2 are shown to be achieving a total market share of 81% (£197.3m). This represents a relatively strong 'retention level' for food shopping. In the 'outer' catchment (i.e. Zones 3 – 6) the market share of the District's foodstores is 11.7% (£27.5m), which reflects the choice and influence of competing centres and stores on shopping patterns in these outlying zones.
- 9.30 Table 5 (**Appendix 11**) sets out the market shares of available comparison goods by zone for the main centres and out-of-centre stores. Table 6 (**Appendix 11**) shows the expenditure allocated to existing centres and floorspace based on these market shares. The survey results show that St Albans, Harpenden and the three retail warehouse parks in the District are achieving a 58.8% (£249.3m) market share of comparison goods shopping in Zones 1 and 2. Of the 41.2% (£174.6m) of expenditure allocated to other shopping locations, Watford (11.2%) and Welwyn Garden City (12.1%) are the most significant attractions, whereas Luton (4.3%), Hatfield (2.3%) and Hemel

²⁰ Please note that the Council intends to commission a new household telephone interview survey in late 2009 to inform an update of the economic capacity assessment for both comparison and convenience goods retailing.

Hempstead (1.9%) are less significant. The market share of the main centres and shopping locations in St Albans from the 'outer' catchment is significantly lower at 8.5% (£34.6m). This reflects the relatively strong choice and competition from other shopping locations outside St Albans District (i.e. Zones 1 and 2).

Estimated Trade Draw from Outside the Study Area

- 9.31 The next step in the assessment is to determine the proportion of shoppers and expenditure the District's main centres, stores and shopping facilities draw from beyond the study area. In the absence of street and store 'exit' surveys we have necessarily made informed assumptions as to trade draw levels based on the location of existing centres and stores in the study area; the scale and quality of their offer; the influence of competing centres and stores outside the District on shopping patterns across the study area; and the accessibility of shopping locations.
- 9.32 For convenience goods we have assumed that the stores and shops in St Albans City Centre, Harpenden Town Centre and the Neighbourhood Centres currently derive their entire turnover from within the wider study area (see **Appendix 12**: Table 6).
- 9.33 For the out-of-centre foodstores in the District we have assumed that Sainsbury's at Everard Close draws a small proportion (5%) of its turnover from beyond the study area. Based on the location of the Sainsbury's and Marks & Spencer stores towards the southern edge of the study area at Colney Fields and the significant scale and range of their offer and good accessibility by car, we estimate that they achieve a much wider trade draw. In this case we have assumed that the Sainsbury's superstore draws some 35% of its turnover from outside the study area and the Marks & Spencer foodhall draws 25%.
- 9.34 For comparison goods we have assumed a 15% trade draw for St Albans City Centre from outside the study area and a 5% trade draw for Harpenden Town Centre (**Appendix 11**: Table 7). This takes account of the fact that a proportion of the workforce in both centres reside outside the main study area, but will spend money in the shops and stores in these centres. It also allows for retail expenditure by tourists and visitors in both centres.
- 9.35 We also assume that the retail warehouse parks in the St Albans area (i.e. Zone 1) will draw shoppers and expenditure from outside the study area. For example, we estimate that Colney Fields Shopping Park to the south of the District will have a wide trade draw given its location and the scale, range and quality of its retail mix and offer.

Existing Floorspace

- 9.36 The floorspace estimates for comparison goods (**Appendix 11:** Table 7) and convenience goods (**Appendix 12:** Table 6) have been agreed with the local planning authority.
- 9.37 For convenience goods our estimates have been informed by the Council's 2006 Retail Study. We have then subsequently updated the floorspace figures based on other sources²¹. Some of the key changes in convenience goods provision since 2006 include the extension to the Sainsbury's in Harpenden Town Centre and the Waitrose store at Verulam neighbourhood centre²². In addition, a Sainsbury's Local has opened in Marshalswick and two Tesco Express stores opened in Bredlades Place and Wheathampstead²³.
- 9.38 Our estimates of the comparison goods sales areas for St Albans, Harpenden and the Neighbourhood Centres have been informed by the 2006 Retail Study. The Council has confirmed that there have been no major new additions to the retail floorspace in the District's main centres since 2006. In terms of the District's out-of-centre comparison goods floorspace, we have identified the following main changes in provision between 2006 and 2008.
- (i) The sub-division of the existing Homebase store at St Albans Retail Park to create a 900 m² gross unit at ground floor level. This was subsequently occupied by Argos²⁴.
 - (ii) A 1,394 m² gross extension to the Marks & Spencer store at Colney Fields Shopping Park opened in 2007²⁵.

Commitments

- 9.39 We understand from the Council that there are currently no commitments for new convenience floorspace in the District.

²¹ For example, we have referred to the floorspace estimates set out in the Council's 2008 *'Shopping Monitoring Report'*, as well as evidence from recent planning applications and permissions for new stores and/or extensions in the District.

²² Both extensions were assessed by the 2006 Retail Study and have since been developed.

²³ The Tesco and Sainsbury's stores replaced existing stores and have not resulted in any significant increase in the District's convenience goods sales area.

²⁴ Although this redevelopment has not resulted in any additional retail floorspace, the Argos store is estimated to be achieving a much higher average sales level than the Homebase store achieved on the same floorspace. We also understand that the 770 m² gross mezzanine floor developed as part of the internal works is used for storage only and does not have permission for Open A1 retail floorspace.

²⁵ A mezzanine floor has also opened in the store, although we understand that this has not significantly increased the store's net sales area, as it is partly occupied by a restaurant.

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- 9.40 For comparison goods the main commitments are set out in **Appendix 11** (Table 8). These include:
- unimplemented permission for the replacement of the existing garden centre which forms part of the existing Focus store in the Alban Retail Park to provide a new retail unit of 512 m² gross (Council Reference: 05/06/2466); and
 - a new 782 m² net Magnet store on a former petrol filling station in Fleetville, at 188 Hatfield Road.
- 9.41 As set out in Section 8, there are also a number of major new retail floorspace commitments and proposals in neighbouring local authority areas that could potentially impact on shopping and expenditure patterns in the District and wider study area over the forecast period (if they are developed). However, it is not possible at this early stage in the planning and development process to model the potential impact of these schemes on the market shares of existing centres and stores in St Albans District, as there are no firm commitments due to the economic downturn. Notwithstanding this, it is clear that if all the proposed schemes in competing centres are developed, then they will impact on the market shares and performance of St Albans and Harpenden. This would have implications for the future vitality and viability of both centres.

Base Year Turnover Estimates

- 9.42 The next step in the economic assessment involves estimating the turnover of the existing comparison and convenience goods floorspace in the District. It is common practice in retail studies to assess turnover levels using the following two approaches (see **Appendix 10** for a more detailed explanation).
- (i) The first approach identifies the '**potential**' turnover based on the allocation of expenditure to floorspace using the market share levels derived from the household survey.
 - (ii) The second assesses the '**benchmark**' turnover performance of stores and centres based on published national company average sales densities and/or other research evidence detailing the turnover performance of centres, stores and shops.
- 9.43 It is important to state at the outset that the estimated 'benchmark' turnover levels do not necessarily represent the actual turnover of a store or centre in a particular location as they are based on national company averages for all stores. Nevertheless, comparisons between the 'potential' and 'benchmark' turnover levels do provide an accepted approach for assessing current shopping patterns against the provision of retail floorspace, as well as identifying the potential performance of existing floorspace and the capacity (need) for new retailing. In practice at the base year existing

facilities may be underperforming or trading at high levels suggesting an existing surplus. This assessment has a key bearing on whether any further need for new retail floorspace exists and where this need should be located.

Comparison Goods Turnover Levels

- 9.44 Table 7 (**Appendix 11:** column 2) sets out our estimates of 'benchmark' turnover levels of the District's out-of-centre retail warehouse floorspace based on the company average sales densities published in Mintel's *'UK Retail Rankings'* for 2007 and 2008²⁶. There is no equivalent published turnover evidence for the UK's city and town centres. In our experience town centres can achieve average sales densities from circa £3,000 up to £7,000 per m² and higher. Those larger shopping centres that have more modern floorspace, high multiple retailer provision, extensive primary shopping areas and strong affluent catchment areas generally achieve the highest turnover levels. For example, Brent Cross in North London is estimated to be achieving an average sales level of over £10,000 per m².
- 9.45 In this context, the qualitative health check assessment and survey results show that St Albans City Centre is a relatively strong and attractive shopping location, albeit that it has an identified under-provision of large modern shops and anchor stores. We therefore estimate that it achieved an average sales density of circa £6,000 per m² in 2008 (at 2006 prices)²⁷.
- 9.46 Harpenden town centre and the smaller neighbourhood centres have a more limited comparison goods retail offer and serve smaller catchment areas. We therefore estimate that Harpenden is achieving an average sales density of circa £5,000 per m² and the neighbourhood centres are achieving sales levels of between £3,500 and £3,750 per m².

Convenience Goods Turnover Levels

- 9.47 Table 6 (**Appendix 12:** column 5) sets out our estimates of the 'benchmark' turnover levels for convenience goods stores and floorspace. These estimates have been informed by the company averages for grocery retailers published by Mintel Research in *'UK Retail Rankings'*. Average sales densities are not widely available for smaller convenience shops, particularly independent retailers.

²⁶ Please note that Mintel's average sales densities are exclusive of VAT. Therefore when using the comparison goods turnover estimates for retail studies we have made an adjustment for VAT at 17.5% to ensure that the figures are consistent with the expenditure levels provided by Experian.

²⁷ This turnover estimate is consistent with the Councils' 2006 study which estimates that St Albans was achieving an average sales density of £5,600 per m² in 2006 (at 2001 prices).

We have therefore assumed average sales densities of £3,750 per m² for smaller local stores and centres, increasing to £4,500 per m² for shops and stores in St Albans City Centre.

Turnover Forecasts

- 9.48 The 'benchmark' turnover levels are projected forward to the design year (2031) assuming a reasonable allowance for some claim on expenditure growth by existing retailers and floorspace due to increased 'productivity' ('efficiency') in their trading performance, in accordance with advice set out in PPS6. Our forecast 'productivity' growth rates are informed by research published by EBS (see **Appendix 10** for a more detailed commentary). We have assumed growth rates of up to 0.5% per annum for convenience goods floorspace and +1.5% per annum for comparison goods retailing over the long term²⁸.
- 9.49 When forecasting forward the 'potential' turnover levels based on the survey results, we have held the base year (2006) market shares constant over the forecast period. As a result, the growth in 'potential' turnover levels is a function of the forecast expenditure and population growth. However, for the reasons set out above, the commercial reality is that the market shares and sales performance of existing centres and stores will inevitably rise and/or fall over time depending on the potential impact of new retail developments in the District and competing centres and shopping locations in neighbouring authorities.

'Baseline' Capacity Assessment

- 9.50 We have assessed the capacity for new convenience and comparison goods floorspace in the St Albans (Zone 1) and Harpenden (Zone 2) areas separately. This approach is consistent with the 2006 Retail Study. All forecast capacity should be directed to town centres first, in accordance with national, regional and local retail planning policy guidance. We have therefore not differentiated between town centre and out-of-centre locations in our capacity forecasts.
- 9.51 This updated capacity assessment will enable the local planning authority to make informed policy choices about where growth and capacity should occur over the short to medium term. The final decision as to the location of new development will be influenced by a number of other considerations, including an assessment of the availability, suitability and viability of sequential sites

²⁸ Please note that Individual centres, stores and shopping locations could be achieving higher and/or lower growth rates than the forecast average.

in central locations (see Section 11) and the positive or negative impacts of new retail proposals on the vitality and viability of existing centres.

9.52 The headline findings of our 'Baseline' retail capacity assessment are as follows.

Comparison Goods Capacity Assessment

9.53 Tables 9-11 (**Appendix 11**) set out the detailed results of our baseline capacity assessment for new comparison goods floorspace in the St Albans and Harpenden Zones²⁹.

9.54 The forecast residual expenditure potentially available to support new comparison goods retailing (after taking account of known commitments) is set out in Step 9 of the tables. This residual expenditure is converted to a net retail sales area based on the policy assumption that this new floorspace should be directed to town centres "first". In this case we have assumed a "typical" average sales density for a "high street" retailer of circa £6,500 per m² in 2008 (at 2006 prices). This is informed by the current trading performance of St Albans City Centre and also our understanding of the average 'benchmark' turnover levels achieved by new floorspace in centres of a similar size, attraction and role.

9.55 Nevertheless, it is important to note that the company average sales densities for non-food retailers can be significantly above or below this assumed average. For example, retailers in the DIY, carpet/floor coverings and furniture sectors generally achieve lower average sales levels of between £1,500 and £4,000 per m². In comparison, electrical goods retailers such as PC World and Comet are achieving average sales of over £7,000 per m². These differences in sales levels will have implications for the assessment of the need for and impact of individual retailers. It will also be a key consideration for the local planning authority in assessing and determining future applications for "large format" retailing (such as, for example, retail warehouses).

9.56 The table below sets out the headline results of the capacity forecast for the St Albans area (i.e. Zone 1) only. This includes all the comparison goods floorspace in Zone 1, including the City Centre and the District's three major retail parks.

²⁹ All the capacity forecasts are based on constant market shares between 2008 and 2031.

Table 9.1: St Albans (Zone 1) - Comparison Goods Floorspace Capacity

	2011	2016	2021	2026	2031
Residual Expenditure (£ million):	6.4	26.6	61.3	115.1	183.6
Net Floorspace Capacity (m ²):	970	3,800	8,120	14,160	20,970
Gross Floorspace Capacity (m ²):	1,380	5,430	11,600	20,230	29,950

Source: Appendix 11 (Table 9)

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. Assume an average sales level of £6,500 per m² in 2008 (at 2006 prices) for new floorspace and a net / gross floorspace ratio of 70% for new comparison goods floorspace.

9.57 The forecasts show that there is limited capacity for new comparison goods floorspace up to 2011 in the St Albans area (Zone 1) due to the take-up of residual expenditure by new developments and existing commitments in the District. By 2016 the potential capacity for new comparison goods floorspace is 3,800 m² net. Over the longer term, up to 2026, there is forecast capacity for 14,200 m².

9.58 For St Albans City Centre only (i.e. excluding all out-of-centre retail floorspace in Zone 1), the headline capacity forecasts are as follows (see **Appendix 11**: Table 10):

Table 9.2: St Albans City Centre - Comparison Goods Floorspace Capacity (m² net)

	2011	2016	2021	2026	2031
Residual Expenditure (£ million):	62.2	81.9	114.3	162.4	222.6
Net Floorspace Capacity (m ²):	9,430	11,690	15,150	19,980	25,420
Gross Floorspace Capacity (m ²):	13,470	16,700	21,640	28,540	36,320

Source: Appendix 11 (Table 10)

9.59 The table shows that the forecast capacity for new comparison goods floorspace in the City Centre of almost 20,000 m² net by 2026 is higher than for the wider St Albans Zone of 14,200 m². We have identified the following (inter-related) reasons that help to explain the apparent differences in the capacity forecasts:

- For the City Centre only, the derived 'potential' turnover of St Albans of £218.1m in 2008 (based on the results of the 2005 household survey) is significantly higher (+£65m) than its 'benchmark' turnover (£153.3m)³⁰. The economic assessment therefore indicates that there is 'pent-up'

³⁰ The 'potential' and 'benchmark' turnover levels exclude trade drawn from outside the study area.

capacity for new retail floorspace in St Albans City Centre. This is underlined by the findings of the qualitative (health check) assessment set out in Section 4, which confirms that whilst St Albans is an attractive and popular shopping destination, the supply of modern new floorspace is not currently meeting the requirements from operators looking for space in the City Centre. Furthermore, for a centre of its size and status, St Albans lacks a major department store to anchor its overall retail offer.

- For the wider St Albans area (i.e. Zone 1) the economic assessment indicates that the three major retail parks³¹ are achieving a combined 'potential' turnover (£53.9m) and this is significantly lower (-£42.6m) than their estimated 'benchmark' turnover levels (£96.5m). As a result this effectively 'drags down' the capacity for new comparison goods floorspace in Zone 1 as a whole, despite the higher residual expenditure forecast for the City Centre.

9.60 For the Harpenden area (i.e. Zone 2) the capacity forecasts are as follows (see **Appendix 14: Table 10**).

Table 9.3: Harpenden (Zone 2) - Comparison Goods Floorspace Capacity (m² net)

	2011	2016	2021	2026	2031
Residual Expenditure (£ million):	6.7	9.4	13.9	20.8	29.4
Net Floorspace Capacity (m ²):	1,010	1,340	1,850	2,560	3,350
Gross Floorspace Capacity (m ²)	1,440	1,920	2,640	3,650	4,790

Source: Appendix 11 (Table 11)

9.61 As the table shows there is more limited forecast capacity for new comparison goods floorspace in Zone 2 of 1,340 m² in 2016, increasing to 2,560 m² by 2026.

9.62 However, for the reasons stated previously, the economic capacity forecasts should only be considered by the Council as a broad indication of the potential for new retail development. They should not be treated as a maximum or minimum threshold (or 'target') that should necessarily be met over the medium to long term.

9.63 The capacity forecasts also assume that base year market shares remain constant over the forecast period. They do not, therefore, take account of the changes in market shares that can result from

³¹ The three out-of-centre retail parks comprise a total estimated sales area of 29,846 m² net, which is higher than the City Centre's estimated sales area of 28,892 m² net. As the 2005 household survey shows, this retail parks have a strong influence on comparison goods shopping patterns across the District and in Zone 1 in particular.

new development. This will be one of a number of important considerations for the Council to consider when assessing future applications. For example, if an opportunity is identified for a large scheme in the town centre or a sequentially preferable edge-of-centre site, then this could increase the town centre'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 capacity for new floorspace over and above the forecasts identified by this study. Conversely, any significant retail development outside the District that reduces the market shares of existing centres and stores would reduce the capacity for new floorspace.

Convenience Goods Capacity Assessment

- 9.64 Tables 7 - 8 (**Appendix 12**) sets out the key steps in our assessment of the capacity for new convenience goods floorspace in the St Albans and Harpenden Zones. Step 9 identifies the net residual expenditure (capacity) forecasts available to support new convenience goods retailing up to 2031, after taking account of new commitments and making an allowance for the 'productivity' growth of existing floorspace in accordance with PPS6 advice.
- 9.65 The forecast residual expenditure has been converted to a net sales area (at Step 10) based on the following assumptions as to the turnover performance of two different foodstore formats:
- **Option 1: Superstore Format** – Based on the published company averages for the 'top 6' grocery retailers (namely Tesco, Sainsbury's, WM Morrisons, Asda, Waitrose and M&S Simply Food) we estimate that a large format foodstore could potentially achieve a 'benchmark' average sales density of between £10,000 per m² and £15,000 per m² depending on the operator. In order to convert the forecast residual expenditure into an equivalent net sales area we have assumed an average sales density of £11,000 per m² in 2008 (at 2006 prices) for the purpose of our economic assessment. However, it is important to note that some of the larger format foodstore operators trade above this average 'benchmark' turnover level (such as Asda for example), whereas others currently trade below this level (such as Waitrose).
 - **Option 2: Supermarket / 'Deep Discount' Format** – Research shows that the smaller supermarket operators (such as Somerfield, Budgens, Iceland and Co-Op) and 'deep discounters' (namely Aldi, Lidl and Netto) are achieving 'benchmark' average sales levels of between £4,000 and £7,000 per m². For the purpose of our assessment we have assumed an 'average' turnover level of £5,000 per m² in 2008 (at 2006 prices). As for large format retailers, some supermarket operators will trade above this average (such as Somerfield) and others are reportedly achieving lower sales levels (such as Lidl).

9.66 The tables below summarise the results of the capacity forecasts for the St Albans (Zone 1) and Harpenden (Zone 2) areas.

Table 9.4: St Albans (Zone 1) – Convenience Goods Floorspace Capacity

	2011	2016	2021	2026	2031
Residual Expenditure (£ million):	6.9	10.1	14.9	20.1	25.8
SUPERSTORE FORMAT:					
Net Floorspace Capacity (m ²):	620	900	1,290	1,690	2,110
Gross Floorspace Capacity (m ²):	950	1,380	1,980	2,600	3,240
'DEEP DISCOUNTER' / SUPERMARKET:					
Net Floorspace Capacity (m ²):	1,360	1,970	2,840	3,730	4,640
Gross Floorspace Capacity (m ²):	1,710	2,470	3,550	4,660	5,800

Source: Appendix 12 (Table 7)

Table 9.5: Harpenden (Zone 2) - Convenience Goods Floorspace Capacity

	2011	2016	2021	2026	2031
Residual Expenditure (£ million):	26.7	28.5	31.2	33.9	37.0
SUPERSTORE FORMAT:					
Net Floorspace Capacity (m ²):	2,400	2,520	2,690	2,860	3,040
Gross Floorspace Capacity (m ²):	3,430	3,600	3,840	4,080	4,340
'DEEP DISCOUNTER' / SUPERMARKET					
Net Floorspace Capacity (m ²):	5,280	5,550	5,910	6,290	6,680
Gross Floorspace Capacity (m ²):	6,600	6,930	7,390	7,860	8,350

Source: Appendix 12 (Table 8)

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. Assume a net / gross floorspace ratio of 65% for a superstore format and 80% for a smaller supermarket or 'deep discounter'.

9.67 The tables show that there is higher forecast economic capacity for new convenience goods floorspace in the Harpenden area (Zone 2) than for St Albans (Zone 1).

9.68 The more limited capacity for new floorspace in the St Albans zone is explained by the strong existing provision of convenience goods floorspace to the south of the District. This provision is dominated by the out-of-centre superstores to the south of the City Centre and the Morrisons and Waitrose food stores anchoring Verulum and Fleetville neighbourhood centres. We estimate that of the 18,208 m² net of floorspace in St Albans (Zone 1) approximately half is out-of-centre³². Overall the economic

³² This increases to 61% if the Waitrose store in Verulum is also classified as being out-of-centre.

assessment shows that existing stores in the St Albans zone are trading close to their average benchmark turnover levels at the base year and there is limited residual expenditure to support new floorspace in this area. Notwithstanding the findings of the economic capacity assessment, we have found that there is a qualitative need for a new food store anchor in the City Centre.

9.69 In comparison, the 5,222 m² net of convenience goods floorspace in Harpenden (Zone 2) is mainly located in the town centre. The economic assessment indicates that these existing stores in Harpenden are trading above benchmark levels, which is resulting in residual expenditure to potentially support significant new floorspace over the forecast period to the north of the District. This could indicate the potential qualitative and quantitative need to extend the existing stores in the town centre. However this would need to be supported by more detailed assessments of the levels of in-store overcrowding and congestion, as well as the physical capacity to extend these stores.

9.70 Sections 11 and 12 assess the potential options for new convenience goods floorspace in more detail based on the assessment of potential opportunity sites and the identified 'gaps' in current provision. In brief the quantitative and qualitative need assessments point to a number of different potential options for new convenience goods provision in the District, as follows:

- The preferred option is for a new anchor foodstore in St Albans City Centre to meet the identified 'gap' in provision. This will help to claw back shoppers and expenditure for main 'bulk' food shopping, resulting in other positive 'spin off' benefits for the City Centre through linked trips, increased footfall and expenditure;
- The next preferred option would involve extension of existing foodstores in St Albans City Centre to help meet the identified need for a new anchor store and the extension of existing foodstores in Harpenden Town Centre to help improve the range, depth and offer of in-centre stores that may be overtrading;
- If it is not possible to provide a new foodstore in the City Centre and/or extend existing stores, then it would be preferable to plan for a new store to the north of St Albans, to help meet the identified 'gap' for new convenience goods floorspace in this area; and
- Finally, the extension to existing stores in edge-of-centre and out-of-centre locations should be considered if no suitable and viable sites are available in the District's main centres and/or to the north of St Albans.

9.71 For a supermarket or 'deep discount' operator trading at lower average sales levels, we forecast a District-wide capacity of circa 7,520 m² net by 2016. Given that operators such as Aldi and Lidl have

requirements for larger stores with a net sales area of up to 2,000 – 2,500 m² net, then we estimate the potential for up to three ‘discounters’ or smaller format supermarkets in the District by 2016.

Summary

- 9.72 This section has identified the broad capacity for new convenience and comparison goods retail floorspace in the District and its main centres up to 2026 and 2031.
- 9.73 The ‘Baseline’ capacity assessment has identified the potential for 11,690 m² net of additional comparison goods floorspace in St Albans City Centre by 2016, increasing to 25,420 m² net by 2031. There is more limited forecast capacity for the Harpenden area (Zone 2) of 1,340 m² net in 2016, rising to 3,350 m² net by 2031. The economic assessment has identified lower capacity for the wider St Albans zone than for the City Centre. This is explained by the significant quantum of out-of-centre floorspace to the south of the District that is estimated to be achieving ‘potential’ turnover levels below ‘benchmark’ sales. This effectively reduces the residual expenditure available to support new comparison goods floorspace in this zone as a whole, which comprises the City Centre.
- 9.74 There is a District-wide capacity (i.e. Zones 1 and 2) for 3,420 m² net of new convenience goods floorspace by 2016. The capacity for this new convenience goods floorspace is mainly concentrated to the north of the District in the Harpenden Zone. This is explained by the already significant quantum of existing out-of-centre foodstore provision to the south of the District (in Zone 1) and the strong sales performance of foodstores in Harpenden. Notwithstanding this, Harpenden town centre is well served by a number of major foodstore operators, whereas there is an identified qualitative need for a foodstore to anchor the relatively limited provision of convenience goods floorspace in St Albans City Centre.
- 9.75 The capacity forecasts identified above should only be treated by the Council 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.
- 9.76 There are also a number of important caveats with regard to the capacity forecasts that the Council will need to take into account when using this study to help inform the plan making process and the assessment of new retail applications.
- First, the capacity forecasts are based on more optimistic expenditure growth forecasts than assumed by EBS in the Quarterly Update of the *Retail Planner Briefing Note*. Clearly if the economic recession is protracted and recovery is slower than we forecast, then this will impact on the capacity for new retail floorspace over the short, medium and long term.

- Second, the economic assessment is based on a household survey conducted in 2005. Given the dynamic nature of the retail market, it is likely that shopping patterns will have changed over the last four years.
- Third, the capacity forecasts are based on constant market shares. Although this is a standard approach for District-wide retail studies, the forecasts do not take account of the potential positive and negative impacts of new retail development both within and outside the District on the market shares and performance of existing centres and stores over time. For example, if an opportunity is identified for a large new foodstore or retail-led mixed use scheme in St Albans City Centre, then this could result in a significant uplift in the centre's market share and turnover through the claw back of shoppers and expenditure, in accordance with PPS6. In turn this would increase the potential for new floorspace over and above that identified by the 'Baseline' capacity forecasts. This will be one of a number of important considerations for the Council when assessing and determining future planning applications.

9.77 In response to a number of the issues identified above, the Council is to commission a new household survey in late 2009 that will be used to inform an update of the 'Baseline' economic capacity assessment. This will include revisions to the growth forecasts to take account of the latest research and thinking.

10. QUANTITATIVE NEED ASSESSMENT – ‘SCENARIO’ TESTING

10.1 This section tests the ‘sensitivity’ of the ‘Baseline’ capacity assessments to changes in the population forecasts (see **Appendix 13**). In order to inform the Council’s policy-making we have also tested the potential economic capacity for new comparison and convenience goods floorspace that could be required to serve a ‘Major New Residential Area’ (MNRA) or areas in St Albans District (**Appendix 14**). Finally this section provides a broad overview of the potential ‘gaps’ in the District’s different comparison goods offer based on the household survey results.

Scenario 2: ‘Modified’ Population Growth Forecasts

10.2 The ‘Baseline’ capacity forecasts set out in Section 9 are based on the ‘Group 3’ population projections approved for the East of England Plan. To help inform the plan making process we have tested the ‘sensitivity’ of the capacity assessment using the ‘Modified’ (‘Group 3’) forecasts prepared by EERA. The EERA forecasts are based on the re-allocation of dwellings between Districts.

10.3 In this ‘sensitivity’ analysis the EERA forecasts result in a higher population growth for St Albans District (see **Appendix 10**). This is because the new dwellings identified for Dacorum and Welwyn Hatfield areas are re-allocated to St Albans (Zone 1). Nevertheless, for the reasons set out in Section 9, we have assumed that these new dwellings will still be located in the ‘Eastern Fringe’ (Zone 4) and ‘Western Fringe’ (Zone 6), as they represent logical and natural extensions to the urban areas of Hemel Hempstead and Hatfield respectively.

10.4 It is important to note however that the proposals in the East of England Plan for major expansion at Hemel Hempstead and Welwyn Garden City / Hatfield have recently been subject to a successful legal challenge. This effectively means that there are currently no housing targets for the Dacorum and Welwyn Hatfield areas. This retail study was finalised before the legal challenge was decided and, as a result, the population growth rates and economic capacity outputs set out below do not reflect the current position. The planned update of the household survey and economic capacity assessment in Autumn 2009 will address this issue in more detail.

10.5 Setting aside the legal challenge, the revised population growth and expenditure forecasts for comparison and convenience goods are set out in **Appendix 13i** and **Appendix 13ii** respectively.

10.6 The table below summarises the results of the alternative population growth scenario compared with the ‘Baseline’ assessment. It shows that the higher ‘Modified’ population growth scenario does not result in significant differences in the capacity forecasts.

Table 10.1: Comparison Goods Capacity Assessment 'Sensitivity' Analysis (m² 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: Appendix 13i

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

- 10.7 There is also not a significant difference between the convenience goods capacity forecasts assuming the 'Baseline' and 'Modified' population growth scenarios.

Table 10.2: Convenience Goods Capacity Assessment 'Sensitivity' Analysis (m² 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: Appendix 13ii

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

- 10.8 Overall the modified EERA 'Group 3' population projections do not result in significant variations in the capacity forecasts. It is also worth restating that most of the new dwelling completions will not be delivered until post-2016 and will not therefore have an impact on the capacity for new retail floorspace over the short to medium term. As stated above this population 'sensitivity' analysis will need to be reviewed and updated when the location, distribution, quantum and mix of new dwellings in Dacorum, Welwyn Hatfield and St Albans Districts is finally confirmed.

'Major New Residential Areas' (MNRAs)

- 10.9 In order to inform the Council's policy-making we have also tested the capacity for new comparison and convenience goods floorspace that could potentially be required to serve a '*Major New Residential Area*' (MNRA) or areas in St Albans District.
- 10.10 For the purpose of our 'sensitivity' analysis we have agreed with the Council that a MNRA could potentially comprise 2,500, 4,000 or 7,000 new dwellings. Although the new housing provision will inevitably differ in terms of size and tenure, we consider that a significant proportion will comprise family homes rather than flats and apartments. We have therefore assumed a slightly higher average household size of 2.5 persons per dwelling. This results in a forecast population of 6,250, 10,000 and 17,500 depending on whether the MNRA comprises 2,500, 4,000 or 7,000 new dwellings.
- 10.11 We have also assumed that all the new dwellings are completed and occupied by 2021. However, we recognise that this is an unlikely scenario and have therefore held the population constant over the forecast period up to 2031. This provides the Council with a broad indication of the likely capacity arising in 2021, 2026 and 2031 from the forecast growth in retail expenditure in the MNRA.
- 10.12 In the absence of more detailed information on the location and scale of new residential development, we have necessarily assumed that the MNRA will need to be served by its own shops and facilities and will therefore function as a largely self-contained sustainable community. We assume in the first instance that a significant proportion of the new retail expenditure and growth generated by the MNRA will be available to support new retail floorspace.
- 10.13 However, if the MNRA was to take the form of an urban extension (or extensions), we advise the Council that a more detailed qualitative and quantitative assessment be carried out to identify the location and accessibility of existing shops and facilities. This will help to determine whether the existing provision will meet the needs of the new population in the MNRA in a convenient and sustainable manner.
- 10.14 The following sets out the headline results of our capacity assessment for a MNRA of 2,500, 4,000 and 7,000 new dwellings. The more detailed tabulations can be found in **Appendix 14i** and **Appendix 14ii** for comparison and convenience goods retailing respectively.

Comparison Goods Capacity

- 10.15 Tables 1 – 6 (**Appendix 14i**) set out the key stages in our high level comparison goods capacity assessment. The headline results are summarised by Table 10.3 below.

Table 10.3: Comparison Goods Capacity (m² net)

	2021	2026	2031
SCENARIO 1: 100% 'RETENTION' LEVEL			
2,500 new dwellings / 6,250 population:	3,620	4,030	4,480
4,000 new dwellings / 10,000 population:	5,790	6,440	7,170
7,000 new dwellings / 17,500 population:	10,130	11,270	12,550
SCENARIO 2: 33% 'RETENTION' LEVEL:			
2,500 new dwellings / 6,250 population:	1,200	1,340	1,490
4,000 new dwellings / 10,000 population:	1,930	2,150	2,390
7,000 new dwellings / 17,500 population:	3,380	3,760	4,180

Source: Appendix 14i

- 10.16 For Scenario 1 we have assumed that all (100%) of the forecast available expenditure in 2031 of between £39.2m and £109.9m (at 2006 prices) for the different dwelling options is retained within the MNRA. Based on an average sales level for new floorspace, we forecast capacity for between 4,480 m² net and 12,550 m² net of new comparison goods floorspace in 2031.
- 10.17 For Scenario 2 we assume that a significant proportion (67%) of the forecast available expenditure will naturally 'flow' to existing centres, shops and stores outside the MNRA. This will include the main centres of St Albans, Hemel Hempstead, Hatfield, Welwyn and other competing centres, as well as the major out-of-centre shopping locations in the District and beyond. We consider that this is a more realistic scenario and the revised capacity forecasts identify the potential in 2031 for 1,490 m² net of new comparison goods floorspace for the smaller MNRA of 2,500 dwellings, rising to 4,180 m² net for the larger MNRA.

Convenience Goods Capacity

- 10.18 Tables 1 – 6 (**Appendix 14ii**) sets out the key stages in our high level capacity assessment. The capacity for a new superstore format is summarised by Table 10.4 below.
- 10.19 For Scenario 1 we have assumed that all (100%) of the generated convenience goods expenditure of £13.6m to £38.1m (at 2006 prices) for the different development options is retained within the MNRA. This results in the potential capacity for between 1,120 m² net and 3,120 m² net of new convenience goods floorspace by 2031. This is based on an average sales level for the 'top 6' grocery retailers (i.e. Tesco, Sainsbury's, Asda, Waitrose, Morrisons or Marks & Spencer Simply Food) as assumed in Section 9.

Table 10.4: Convenience Goods Capacity – Superstore Format Only (m² net)

	2021	2026	2031
SCENARIO 1: 100% 'RETENTION' LEVEL			
2,500 new dwellings / 6,250 population:	1,080	1,100	1,120
4,000 new dwellings / 10,000 population:	1,730	1,760	1,780
7,000 new dwellings / 17,500 population:	3,030	3,080	3,120
SCENARIO 2: 70% 'RETENTION' LEVEL:			
2,500 new dwellings / 6,250 population:	760	770	780
4,000 new dwellings / 10,000 population:	1,210	1,230	1,250
7,000 new dwellings / 17,500 population:	2,120	2,150	2,190

Source: Appendix 14ii

- 10.20 As for comparison goods expenditure, the commercial reality is that not all the available expenditure will be retained within the MNRA and there will be some natural 'leakage' of expenditure to shops and stores elsewhere in the District and beyond. Scenario 2 therefore assumes a more realistic trading scenario in which some 70% of available convenience goods expenditure is retained by the MNRA. This results in a revised capacity forecast of between 780 - 2,190 m² net in 2031 for a superstore operator, depending on the size of the MNRA. If it is assumed that an additional 25% of the sales area will comprise non-food retailing, then this results in the capacity for a foodstore between 1,040 m² net (1,600 m² gross) and 2,910 m² net (4,480 m² gross).
- 10.21 If the residual expenditure was 'taken' up by a supermarket operator (such as Budgens or Somerfield) or "deep discounter" (such as Aldi and Lidl) then there would be increased capacity for convenience goods floorspace of between 1,720 m² and 4,940 m² net in 2031, as these smaller supermarket and discount operators trade at lower average sales levels.

Comparison Goods - Retail 'Gap' Analysis

- 10.22 Our capacity assessment does not disaggregate the broad comparison goods retail categories into 'finer' expenditure groups. This is because PPS6 is clear that these specific classes of goods and expenditure should be directed to town centres first in accordance with the sequential approach.
- 10.23 Nevertheless, to help inform the Council's policy-making, we have carried out a high level analysis of the market shares of the District's main centres and out-of-centre stores on each of the eight main sub-categories of comparison goods expenditure within the catchment area based on the results of the household survey (see **Appendix 2ii**). This will help to broadly identify any potential 'shortfall' or 'gaps' in provision across the District for specific categories of comparison goods shopping.

- 10.24 In this case we have assumed that Zone 1 represents a more realistic primary catchment area for St Albans City Centre and the District's retail warehouses. This is the area from which the three retail parks in particular will draw the majority of their turnover³³. Zone 1 also takes account of the competitive influence of other centres and stores outside the District on comparison goods shopping patterns across the defined study area.
- 10.25 In this context, Table 10.5 below sets out the market shares of the main centres and stores in the District. It shows the overall 'retention' of expenditure in Zone 1 (the 'St Albans Zone') and the 'outflow' to other competing centres, shops and stores.

Table 10.5: Comparison Goods – Market Shares for Zone 1 Only

	Centres & Stores in District:			Centres & Stores Outside Zone 1	Total Market Share
	St Albans	Harpenden	Retail W/houses		
ALL COMPARISON GOODS:	53.9%	0.2%	12.7%	33.3%	100%
Clothing & Footwear	56.8%	0.3%	7.1%	35.8%	100%
Small electrical & audio-visual	38.0%	-	22.6%	39.5%	100%
Domestic Appliances (White Goods)	30.9%	-	25.6%	43.6%	100%
Furnishings, Textiles, Carpets, etc	34.1%	0.3%	9.7%	55.9%	100%
DIY & Decorators' Supplies	43.0%	-	40.3%	16.8%	100%
China, Glass & Hardware	47.7%	-	8.6%	43.6%	100%
Jewellery, Chemists Goods, Cosmetics,	75.2%	0.3%	6.4%	18.1%	100%
Books, Toys, Sports, Recreational	65.2%	-	13.3%	21.4%	100%

Source: Council's 2006 Retail Study. Reproduced by Strategic Perspectives LLP in Appendix 2ii (Table 1-8) and Appendix 14 (Table 6)

- 10.26 Given the scale, quality and choice of competing centres and retail warehouses outside of Zone 1 and the wider District area, the table shows that St Albans City Centre is achieving a relatively good market share in the following categories - 'clothing and footwear'; 'books, toys, sports, etc'; and 'jewellery, chemists goods, etc'.
- 10.27 However, St Albans is also facing strong and increasing competition in other categories, particularly for 'domestic electrical appliances'; 'furnishings, textiles and carpets'; and 'china, glass and hardware'. The relatively high 'outflow' of expenditure from Zone 1 to competing shops and centres

³³ Colney Fields Retail Park is located towards the southern edge of Zone 1 and the District area. Based on the scale and quality of its retail offer, and its accessibility by car, we consider that it will have a wider catchment area than the other two retail parks in St Albans.

would seem to suggest that there is an under-provision of these particular comparison goods categories in St Albans.

- 10.28 It is not possible to be prescriptive as to a specific 'threshold' for the 'retention' of shopping trips and expenditure for different categories of expenditure, as clearly the 'retention level' will depend on the location, scale, quality, choice and accessibility of competing centres, stores and shopping facilities elsewhere. In simple terms, the greater the level of competition outside the defined catchment area, the more likely it is that the 'outflow' of trips and expenditure will be higher.
- 10.29 Assuming that Zone 1 does represent a reasonable catchment area for the St Albans City Centre and its retail warehouses, then the survey evidence does broadly indicate that there could be potential to increase the scale and quality of provision in a number of specific comparison goods categories to help 'claw back' a proportion of the trips and expenditure 'leaking' from Zone 1 to competing stores and centres. Notwithstanding this, where new comparison goods retail floorspace is proposed in edge or out-of-centre locations, it will need to be demonstrated that there is a need for the proposed floorspace, there are no sequentially preferable sites in more central locations and the proposed mix of comparison goods retailing will not harm the overall vitality and viability of existing centres.
- 10.30 Finally, we consider that the outflow of trips and expenditure on 'clothing and footwear' items (currently circa 36%) - a key component of a town centre's overall retail offer - could increase over the forecast period without new investment and development in St Albans City Centre's retail floorspace and offer. This is because major new proposals identified for competing centres elsewhere will increase their overall attraction relative to St Albans (see Section 8).

Summary

- 10.31 The 'scenario' and 'sensitivity' analysis has shown that the higher population projections for the District based on the 'Modified' EERA ('Group 3') dwelling-led forecasts do not result in a significant difference in the overall capacity forecasts. Furthermore, most of the new dwellings will be delivered post-2016 and will be located outside of Zone 1, probably as part of 'natural' urban extensions to Hemel Hempstead and Hatfield. We therefore conclude that the re-allocation of significant new dwellings from the neighbouring authorities of Dacorum and Welwyn Hatfield to St Albans will not have a major impact on the capacity for new comparison and convenience goods floorspace in the City Centre and wider District area.
- 10.32 In terms of the need for new floorspace as part of any potential '*Major New Residential Area*' (MNRA), we have tested the capacity for new floorspace generated by new settlements comprising 2,500, 4,000 and 7,000 new dwellings. Our assessment shows that:

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- MNRAs comprising between 2,500 and 4,000 new dwellings could support a local centre. The retail provision would be anchored by a supermarket with a sales area of between 780 – 1,250 m² net in 2031. It could also comprise comparison goods floorspace of between 1,490 – 2,390 m² net, along with other service business and community uses (such as A3/A4/A5 Uses, a post office counter, library, etc.).
 - The larger MNRA of up to 7,000 new dwellings could potentially support a larger district/neighbourhood centre as classified by PPS6. This larger residential population could possibly sustain a superstore with a total sales area of circa 2,910 m² net, assuming 25% of the sales area would be for non-food retailing. In addition the shopping facility could comprise circa 4,180 m² net of comparison goods floorspace, along with the other service business and community uses typical of a district / neighbourhood centre.

10.33 However, please note that at this early stage in the planning and development process that these are very high level capacity forecasts and do not take account of whether the new settlements will have easy access to existing foodstores and shops nearby. More detailed economic and market testing will be required to assess the potential for new shopping facilities to serve the emerging MNRAs.

11. ASSESSMENT OF DEVELOPMENT SITES

11.1 This section provides an updated assessment of potential development opportunity sites in the District that have been identified as having the potential to accommodate new retail floorspace over the short, medium and longer term, in accordance with PPS6.

St Albans City Centre

11.2 Our assessment of potential development sites in the City Centre updates the appraisal carried out as part of the Council's 2006 Retail Study. We also draw on other research and evidence to inform our assessment.

Land at Drovers Way

11.3 This significant strategic site is located behind Marks and Spencer on St Peters Street and backs on to Drovers Way. With an estimated total site area of circa 2.5 to 3.0 hectares it represents a significant opportunity for a major retail-led mix use redevelopment in the heart of the City Centre, with direct access on to the high street to help consolidate and strengthen the retail circuit.

11.4 Historically parts of the site have been identified by the Council for small-scale retailing, as set out in the 1994 Local Plan (Policies 52 and 116). These comprise Site Specific Proposals 2A, 2B and 2F as identified on the Local Plan Proposals Map. More recently these policies have been saved and the sites are currently being re-examined through the Core Strategy.

11.5 The Council has commissioned feasibility studies in the past to examine the potential for comprehensive development of the overall site, including the multi-storey car park and primary school across Drovers Way. For example, Vincent and Goring's (V&G) 2001 Retail Study on behalf of the Council assessed three potential development options for the site:

- a large shopping mall development utilising the whole site;
- a small shopping mall on the land confined to the south of the site (excluding the primary school); or
- an extension to the rear of the existing Marks and Spencer store to provide one large retail store.

11.6 The study concluded that the third option would not meet the retail need identified for the City Centre, whereas Options 1 and 2 could accommodate a large anchor department store and/or a food retailer. Following a more detailed consultation with key stakeholders, the study concluded that if a major retail scheme was to be developed in this location, then the site currently occupied by the primary school would need to be incorporated to make it a viable proposition. Furthermore, this

-
- redevelopment option would also require Sites 2A /2F to be incorporated into the scheme for access purposes.
- 11.7 When the V&G report was published in 2001, the potential for the comprehensive redevelopment of the site was constrained by the need to relocate the primary school. However, we now understand that the District Council is involved in advanced discussions with Hertfordshire County Council regarding the potential relocation of the school.
- 11.8 The incorporation of the adjacent multi-storey car park as part of the comprehensive redevelopment of the area would significantly increase the overall site area and the viability of any potential redevelopment opportunity. However, we understand that the Council has entered into an agreement with NCP, which effectively means that the car park will not be available for redevelopment until 2014. Although Members have previously rejected this site as a potential location for a regeneration scheme, GL Hearn concluded in the 2006 Retail and Leisure Study that the *"...site may need further consideration if other sites do not come forward for redevelopment over the plan period"* (Paragraph 15.16).
- 11.9 Based on the above evidence, which takes account of the current different ownerships and surrounding land uses, we conclude that the redevelopment of Drovers Way represents a realistic medium term (post-2014) prospect for development. Comprehensive development of the site is preferred and would be dependent on the possible relocation of the primary school and dealing with the multi-storey car park. We do however agree with GL Hearn that the site has long term potential for retail-led mixed use redevelopment and would be able to accommodate a mix of large and medium-sized units to help meet the identified need.

Civic Centre South Site

- 11.10 The 0.77 hectare site is located on the corner of Bricket Road and Victoria Street. It is identified by the 1994 Local Plan under Policies 52 and 116 (and on the City Centre Inset Map as Site Specific Policy 2E) for a mixed use scheme incorporating retail (including a possible department store); civic, cultural and entertainment uses; public car parking and an improved pedestrian route through the site from the Malting to the Alban area.
- 11.11 The site currently comprises a number of buildings and uses including the Magistrates Court; a redundant 1960's office building known as Hertfordshire House (formerly occupied by Hertfordshire County Council); a surface level car park; Hertfordshire Constabulary; a Quaker burial ground; and a NHS health centre. Access is currently from Bricket Road, although the surface car park and Police Station both front on to Victoria Street.

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- 11.12 The Council has identified the site as being a key strategic location for the regeneration and vitality of St. Albans City Centre. Hertfordshire House was previously a locally listed building, but this was subsequently revoked and removed from the list to enable the regeneration and redevelopment of the site. The Council has previously commissioned consultants (BPS Chartered Surveyors and GL Hearn) to examine the potential for retail and mixed uses as part of the comprehensive redevelopment of this site. GL Hearn's 2006 *Feasibility Study* assessed the potential for a large-scale shopping scheme anchored by either a 'mini' or flagship' department store. It concluded that land assembly costs would be high due to the necessity to relocate the Magistrates Court and Police Station. GL Hearn also concluded that the overall viability of the redevelopment of the site for retailing would depend on the purchase of Forrester House (currently occupied by Ladbrokes and Greggs) to create a 'punch through' to St. Peters Street and the primary shopping frontage, along with residential development above any development.
- 11.13 It is our understanding from the Council that discussions regarding the relocation of the Police Station and Health Centre are reaching an advanced stage. If these relocations are a realistic proposition, then in our judgement this opens up the potential of the site for a more comprehensive retail, residential and mixed use redevelopment. However, Hertfordshire House has been acquired by Antringham Verulamium, along with the surface level car park to the south. Antringham has subsequently submitted an application in November 2008 for the demolition of the office building and redevelopment of the site for a mixed use scheme, albeit with no Class A1 retailing. The proposal is for new office accommodation (1,315 m²), with the potential to accommodate the relocation of the Police Authority; B1/A3 uses (1,442 m²) including the potential to relocate the Primary Care Trust (PCT); 46 residential units; and an 87-bed hotel (2,305 m²).
- 11.14 In our judgement a larger site area that comprises the Police Station, Health Centre and Hertfordshire House would be the preferred development option. This would be able to accommodate substantial new retail floorspace and anchor retailers, including possibly a food store. GL Hearn's Feasibility Study (paragraphs 11.1 and 11.2) concluded that although there was a need for more convenience goods floorspace in the City Centre, there was a strong and more pressing need for comparison goods retailing and specifically for a range of medium to larger units to accommodate retailers' needs and requirements. Notwithstanding this, we advise the Council that if the overall site did become available for retail-led development then more detailed appraisals will be required to test the overall viability of new development for both food and non-food retail floorspace, specifically in terms of access, servicing, car parking and impact on highways and traffic. The development of the site may also require some flexibility, such as for example with regard to the possible need to provide car parking at basement level.

Bricket Road Car Park

- 11.15 The Bricket Road car park is owned by the Council and is bounded by Bricket Road to the east and the Civic Centre South Site to the south-west. We understand that the Council, acting with developers Henry Davidson, has been seeking to develop the site for a mixed used scheme incorporating a multi-screen cinema. A planning application (Ref: 5/2006/0356) was submitted in 2006 for an eight storey mixed used scheme incorporating a cinema. However, the application was withdrawn prior to determination as a result of concern raised by the public and Officers over building height. A revised application (REF: 5/2006/2802) was submitted in 2007 for a nine and twelve storey scheme including a cinema, but has also subsequently been withdrawn under similar circumstances.
- 11.16 Based on the evidence, it is clear that the site has been identified as a priority area for a new cinema as part of a wider mixed use scheme. There are currently no plans for major Class A1 uses as part of the development proposals. In the event that a scheme incorporating a cinema does not come forward we consider that potential exists to incorporate the site into a wider redevelopment scheme involving the Civic Centre South site.

Out-of-Centre Sites

- 11.17 The Core Strategy *Issues and Options Consultation Document* has identified a number of other potential sites in out-of-centre locations that could accommodate new comparison and convenience goods retail floorspace.
- 11.18 For example the potential for a new foodstore has been considered for the London Road site (FS1); the Former Ariston Works site at Harpenden Road (FS2); and the site to the north of St Albans (FS3), which is in the Green Belt.
- 11.19 Any allocations and/or proposals for new retail floorspace in out-of-centre locations will need to satisfy the key considerations set out in national, regional and local planning policy guidance. Specifically it will need to be demonstrated that there are no sequentially preferable sites in central and/or edge of centre locations that can accommodate the scale, format and type of retail floorspace proposed, in accordance with the key issues set out in PPS6. It will also need to be demonstrated that new retail floorspace in out-of-centre locations will not harm the vitality and viability of existing centres.
- 11.20 In this context, the following briefly sets out our appraisal of the development potential of the out-of-centre sites for new retail development.

London Road Site (FS1)

- 11.21 The site comprises the former Eversheds Printing Works. It is in an out-of-centre location, but is within circa 500 metres of the defined Primary Shopping Frontage (PSF) on Chequer Street. The site is significantly closer to the PSF than the existing out-of-centre Sainsbury's at Everard Close and the other FS2 and FS3 sites identified by the Core Strategy *Issues and Options*.
- 11.22 An application by Tesco Stores Limited for a 6,430 m² gross foodstore to be served by 477 car parking spaces was refused at Committee on the 30th June 2008. The application was also for a parade of four smaller shop units and three units within an internal mall. The reasons for refusal included detrimental impact to the character of St Albans Conservation Area; loss of locally listed buildings; loss of sunlight and daylight to residential occupiers at 3-27 Alma Road; and increased traffic congestion. The Council's Planning Committee also refused the application on the grounds that the proposed retail store and additional retail outlets would adversely affect the vitality and viability of the city centre. In particular the proposal was deemed contrary to Policies 51, 52 and Policy 58 of the St Albans District Local Plan Review 1994.
- 11.23 At the time of preparing this study, we understand that Tesco has not appealed against the Council's decision, but is proposing to submit a new application for the site to include a smaller food store.

Harpenden Road / Former Ariston Works Site (FS2)

- 11.24 This site comprises previously developed land within the built-up area of St Albans (east of Harpenden Road and south of Beech Road), but outside of the City Centre *Inset Map* boundary. The original Planning Brief (prepared jointly by the Council and Hertfordshire County Council) supported the principle of housing and community uses in this general location.
- 11.25 The site benefits from good accessibility by road and in our judgement it could help to meet an identified need for new convenience goods floorspace to the north of the St Albans urban area if suitable and viable sites are not available in or on the edge of existing centres. The redevelopment of the site would require the relocation of the Youth and Judo clubs and it is our understanding that discussions are in the preliminary stages over the potential relocation of these clubs. The scheme would also require the retention of public space and woodland areas, which could reduce the site area available for redevelopment.
- 11.26 In response to the Core Strategy consultation document there were some 22 objections to the proposal for a foodstore on this site, compared with some 14 responses in support.

11.27 We consider that this site could be available for redevelopment over the short to medium term and could be suitable for new retail floorspace. However, we have identified a number of key strategic sites in and on the edge of St Albans City Centre that are sequentially preferable to this out-of-centre site. As stated above, any retail proposals for this and other out-of-centre locations will need to satisfy the key considerations set out in national, regional and local planning policy guidance, specifically the sequential and impact tests.

North St. Albans Site (FS3)

11.28 The Core Strategy identified this site as a potential option for incorporating a new superstore as part of the future development to the north of the St Albans urban area. However, this site comprises Green Belt land and in our judgement it does not represent a sequentially preferable alternative to the City Centre, edge-of-centre and alternative out-of-centre sites identified above.

11.29 Furthermore, it is not certain that this land will be taken out of the Green Belt and we therefore question whether it would be available for development, even if it was suitable and viable for the development of a foodstore or retail park. For retail development to be viable on the site the infrastructure would also require further development.

11.30 We therefore advise the Council that priority should be afforded to the development potential of existing opportunity sites in and on the edge of St Albans City Centre first, over and above this Green Belt site in an out-of-centre location.

Colney Fields Extension

11.31 Colney Fields Retail Park is in an established out-of-centre location at the south-eastern edge of the District and benefits from with good access to junction 22 of the M25. Its retail offer is anchored by a number of more "traditional" high street retailers, such as Marks & Spencer, Next, Boots and Monsoon/Accessorise. The household survey conducted as part of the Council's 2006 Retail Study indicated that this out-of-centre shopping facility is achieving a relatively strong market share in certain comparison goods categories (including clothing and footwear) in Zone 1 and across the defined study area. It is also drawing a significant proportion of its shoppers and turnover from beyond the study area.

11.32 In our judgement the potential extension to the existing retail park would provide an opportunity to meet part of the forecast capacity and demand for larger format comparison goods retailing in the District. However, for the reasons set out in this study, we advise the Council that new investment and development in the City Centre is a priority over the medium term. Therefore, any allocations or proposals to extend the comparison goods floorspace in this out-of-centre location will have to

demonstrate that the scale, format and type of retailing proposed cannot be accommodated in central and/or edge-of-centre locations and will not have a harmful impact on the vitality and viability of existing centres. For example, it will need to be demonstrated that the new floorspace will not, amongst other considerations set out in PPS6, put at risk the Council's strategy for centres in the District, or have an adverse impact on future public and private sector investment needed to safeguard the vitality and viability of St Albans and Harpenden centres.

- 11.33 In this context we advise the Council that any allocations and/or proposals for new comparison goods floorspace in this and other out-of-centre locations should be carefully conditioned to prevent Open A1 retail uses. In our experience, carefully worded conditions would help to limit the potential harmful impact of more traditional 'high street' retailers looking for representation in the District taking space in an out-of-centre location rather than in the City Centre. It would also help to prevent the possible relocation of retailers in existing centres to larger units in an out-of-centre location (as happened with Next for example).

Sainsbury's Everard Close / Gas Works Site

- 11.34 The existing Sainsbury's store is in an out-of-centre location to the south-west of St Albans City Centre. Like sites FS2 and FS3 it is further away from the City Centre's primary shopping frontage than the London Road site (FS1). The existing store opened in March 1989 and at the time of preparing this study we understand that Sainsbury's planning consultants had entered into pre-application discussions with the Council for a major extension to this store.
- 11.35 In our judgement the Sainsbury's store, by reason of its location, does not generate significant linked trips with the City Centre. Whilst an extension to the store would meet part of the forecast quantitative need identified, it does not in our view represent the best sequential location. Any proposal to extend this store would also need to demonstrate that it would not harm the vitality and viability of existing centres and specifically St Albans City Centre.
- 11.36 As for Colney Fields, any potential redevelopment of the Gas Works site and/or a possible extension to the existing retail park in this out-of-centre location would also help to meet part of the identified forecast need for new comparison goods floorspace over the longer term. However, new investment and development in St Albans City Centre is a priority over the medium term. The Council will therefore need to take account of the extent to which any new out-of-centre development will put at risk the strategy for the District and its centres, as well as the likely impact on new investment and development in the City Centre and the District's other main centres.

Summary

- 11.37 Our assessment of potential development opportunities in St Albans has identified a number of sequentially preferable sites in and on the edge of the City Centre that could potentially accommodate the forecast need for new comparison and convenience goods floorspace identified up to 2016 and beyond.
- 11.38 Although there are land use, ownership and planning policy constraints to the development of these sites, we advise the Council that they will need to be proactive in terms of assembling and delivering new retail-led mixed use development on one or more of these sites. As PPS6 states (paragraph 2.52), the local planning authority may need to consider the scope for effective site assembly using their compulsory purchase powers, to ensure that suitable sites within or on the edge of centres are brought forward for development. Furthermore, PPS6 indicates that: "*An apparent lack of sites or the right size and location should not be construed as an obstacle to site allocation and development to meet this need*" (paragraph 2.52).
- 11.39 The challenge for the local planning authority is therefore to deliver new retail-led mixed use development on the sequentially preferable City Centre sites as a priority. Any applications for new out-of-centre retail floorspace will have to satisfy the key tests of PPS6. Specifically, the applicants will need to demonstrate that there are no sites in central and/or edge-of-centre locations that can accommodate the scale and type of retailing proposed and that the application will not have an adverse impact on existing centres.
- 11.40 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.

12. CONCLUSIONS

12.1 This study provides a strategic assessment of the broad quantitative and qualitative need for new retail floorspace in St Albans District to help inform the Council's development plan document. It provides a sound framework based on the available baseline evidence and research to guide the shopping needs of the District up to 2011, 2016, 2021, 2026 and beyond. The principal findings and recommendations of the analysis are set out in this concluding section.

The Context for Growth

12.2 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.

12.3 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. For example, Next opened a 4-storey 13,935 m² anchor store in Manchester 2005 as part of the redevelopment of the Arndale Centre which comprises Next's full retail offer. 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.

12.4 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 foodstore 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.

- 12.5 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

- 12.6 The table 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 12.1: Comparison Goods Capacity Assessment (m² 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: 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).

- 12.7 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.
- 12.8 The capacity assessment forecasts the potential for 3,800 – 4,850 m² net of new comparison goods floorspace in the St Albans area (Zone 1) by 2016, increasing to 20,970 – 24,540 m² by 2031.
- 12.9 The forecast capacity for the City Centre is higher at 11,690 – 12,540 m² net in 2016, increasing to 25,420 - 28,290 m² net by 2031. As explained in Section 9, the capacity for new floorspace in the City Centre is 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.
- 12.10 For Harpenden the forecast capacity for new comparison goods floorspace is significantly lower at 1,340 - 1,660 m² net in 2016, increasing to 3,350 – 3,770 m² net by 2031. This reflects the more limited scale, role and function Harpenden town centre compared to St Albans City Centre.
- 12.11 Table 12.2 below summarises the capacity forecasts for convenience goods retailing.

Table 12.2: Convenience Goods Capacity Assessment – Superstore Format (m² 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: Appendix 12(ii) and Appendix 13(ii)

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

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- 12.12 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.
- 12.13 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.
- 12.14 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.
- 12.15 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.
- 12.16 Furthermore, the capacity forecasts are based on constant 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

- 12.17 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.
- 12.18 The qualitative (health check) assessment has shown 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.
- 12.19 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 Continental 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.
- 12.20 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.
- 12.21 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.

- 12.22 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 m² net of new retail floorspace by 2016.
- 12.23 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. 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

- 12.24 The qualitative (health check) assessment indicates that Harpenden is a vital and viable town centre. It is performing well 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.
- 12.25 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.

- 12.26 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.
- 12.27 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

- 12.28 Our audit of the District's Neighbourhood Centres has confirmed that they generally have a good mix of convenience, comparison and service businesses, along with a range of other health and communities facilities, including libraries, doctor surgeries, churches, youth centres, etc.
- 12.29 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.

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- 12.30 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.
- 12.31 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.
- 12.32 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.
- 12.33 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

- 12.34 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.

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- 12.35 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.
- 12.36 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

- 12.37 Overall 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.
- 12.38 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.
- 12.39 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

- 12.40 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.
- 12.41 This study has 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 in the city centre 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.
- 12.42 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.
- 12.43 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.
- 12.44 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.