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St Albans City & District Council. Retail Study Update 2010

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1.0 INTRODUCTION

- 1.1 This report updates the economic capacity assessment conducted by Strategic Perspectives LLP ('SP') as part of the 2009 Retail Study for St. Albans City and District Council (the 'Council'). These studies provide the robust evidence base required to help inform the preparation of the Council's Local Development Framework (LDF) and specifically the Core Strategy, in accordance with national and regional planning policy guidance.
- 1.2 By way of context, the 2009 Retail Study was informed by a household telephone interview survey conducted in July 2005, originally commissioned as part of the evidence base for the January 2006 Retail and Leisure Study ('RLS'). SP advised the Council during the course of preparing the 2009 Retail Study that a new household survey should be carried out to help identify any significant changes in shopping patterns and market shares since 2005.
- 1.3 The Council subsequently instructed SP in August 2009 to commission a new household survey and revise the economic capacity assessment to take account of the survey findings and any other significant changes in the baseline assumptions and expenditure/population growth forecasts. At the same time the Council also instructed SP to advise on the broad qualitative and quantitative need for new larger format, 'bulky' goods retail floorspace in the District.
- 1.4 This study has been prepared in the context of current national, regional and local retail planning policy guidance. It specifically takes into account the Government's advice set out in Planning Policy Statement 4 (PPS4) Planning for Sustainable Economic Growth, published on 29th December 2009. It also draws on the supplementary advice set out in the Town Centre Practice Guidance on Need, Impact and the Sequential Approach ('Practice Guidance'), which was published at the same time as PPS4.
- 1.5 The report is structured as follows:
- Section 2 describes the Government's key objectives and policies for town centres as set out in PPS4, specifically with regard to plan making and development control.
 - Section 3 sets out the revisions to the baseline assumptions and forecasts that underpin the updated economic capacity assessment.
 - Section 4 briefly describes some of the key findings of the updated household survey. It highlights the survey-based 'market share analysis' for food shopping (covering both main 'bulk' and 'top-up' purchases), as well for the different sub-categories of comparison goods shopping. Where possible, the changes in shopping patterns and market shares from the 2005 survey are analysed to help identify qualitative 'gaps' in the District's retail offer.

- Section 5 updates the economic capacity forecasts for comparison and convenience goods only.
- Section 6 provides a broad strategic assessment of the qualitative and quantitative need for 'bulky' goods retail floorspace in the District. This is intended to help inform the Council's plan making policies*.
- Section 7 sets out our overall findings and conclusions.

* With regard to the qualitative and quantitative need assessment in Section 6, SP has advised the Council that this assessment does not represent a presumption in support of new 'bulky goods' retail floorspace in out-of-centre locations, ahead of potential sequential opportunities either in and/or on the edge of the District's main centres. The 'high level' economic assessment is merely intended to help inform and guide the Council's plan-making process.

2.0 NATIONAL PLANNING POLICY CONTEXT

- 2.1 This section summarises some of the Government's main objectives, policy and advice as set out in the inter-related Planning Policy Statements (PPSs) on sustainable development; retail planning and town centres; transport; plan-making; and economic development. It specifically focuses on Planning Policy Statement 4 (PPS4) Planning for Sustainable Economic Growth, published on 29th December 2009, as this is material to the preparation of local development documents and to the determination of planning applications for main town centres not in a centre and not in accordance with an up-to-date development plan. It is important to note that this section does not comment on the relevant development plan policies at the regional and local level, as these were covered in some detail by the July 2009 Retail Study.

PPS1: DELIVERING SUSTAINABLE DEVELOPMENT

- 2.2 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 aim to ensure 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. Local Planning Authorities (LPAs) should therefore ensure that suitable locations are available for industrial, commercial, retail, public sector, tourism and leisure developments, so that the economy can prosper.
- 2.3 In preparing development plans, LPAs 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.

PPS12: LOCAL SPATIAL PLANNING

- 2.4 PPS12 sets out the Government's policy on the preparation of development plan documents (DPDs) as part of the 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. In brief, PPS12 explains local spatial planning and how it benefits communities. It also sets out what

the key ingredients of local spatial plans are and the key Government policies on how they should be prepared.

- 2.5 The new spatial planning system exists to deliver positive social, economic and environmental outcomes. It requires local planning authorities to collaborate with a wide range of stakeholders and agencies to 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.
- 2.6 PPS12 explains that one of the key aims of the new system is that local development documents must be soundly based in terms of their content and the process in which they are produced. They must also be based upon a robust, comprehensive and credible evidence base. Paragraph 4.8 specifically states that the policies prepared by the LPA should be founded on: "...a thorough understanding of the needs in their area and the opportunities and constraints which operate within the area". It adds that LPAs should prepare and maintain: "...an up-to-date information base on key aspects of the social, economic and environmental characteristics of their area, to enable the preparation of a sound spatial plan meeting the objectives of sustainable development."

PPS4: PLANNING FOR SUSTAINABLE ECONOMIC GROWTH

- 2.7 PPS4 was published on 29th December 2009 during the preparation of this report. It sets out planning policies for economic development (see box below) and replaces the existing PPS4: Planning for Sustainable Economic Development; PPG5 Simplified Planning Zones; PPS6 Planning for Town Centres; the economic development elements of PPS7 Sustainable Development in Rural Areas; and paragraphs 53-54 and Annex D of PPG13: Transport relating to maximum parking standards (unless LPAs prepare local maximum parking standards in line with Policy EC8 of PPS4).

For the purposes of PPS4, economic development includes development within the B Use Classes; public and community uses; and the following main town centre uses.

- retail development (including warehouse clubs and factory outlet centres)
- leisure, entertainment facilities, and the more intensive sport and recreation uses (including cinemas, restaurants, drive-through restaurants, bars and pubs, nightclubs,
- casinos, health and fitness centres, indoor bowling centres, and bingo halls)
- offices, and
- arts, culture and tourism development (including theatres, museums, galleries and concert halls, hotels and conference facilities)

The policies do not apply to housing development, as this is covered by PPS3: Housing. References to town centre(s) or to centre(s) apply to all types of centre defined in Annex B to PPS4 which should be identified in development plans.

- 2.8 The Government's overarching objective is for sustainable economic growth. The intended effect of the policy changes are that the planning system contributes to building prosperous economies by, amongst other objectives, improving the economic performance of places; delivering sustainable patterns of development; and promoting the vitality and viability of town centres.
- 2.9 PPS4 sets out policies that are intended to clarify the Government's approach and support for town centres. It is significantly different to PPS6 in that it is based on 19 policies organised around the following key planning processes:
- using evidence to plan positively (Policy EC1);
 - plan making (Policies EC2 – EC8);
 - monitoring (Policy EC9); and
 - development management (Policies EC10 – EC19).
- 2.10 PPS4 was published alongside the much anticipated Town Centre Practice Guidance on Need, Impact and the Sequential Approach. The Practice Guidance is intended to help practitioners implement policy. It does not, however, constitute a statement of Government policy, nor does it seek to prescribe a standard methodology or approach.
- 2.11 One of the key changes introduced by PPS4 is the removal of 'need' as a "standalone" test in the assessment and determination of planning applications. Notwithstanding this, 'need' is still fundamental to the plan-making process.
- 2.12 The following provides an overview of the more relevant policies in PPS4.

Preparing a Robust Evidence Base & Monitoring Requirements

- 2.13 To help underpin plan-making and the assessment of planning applications, PPS4 places significant weight on the need for regions and local authorities to work together to prepare and maintain a robust evidence base (Policy EC1), as well as continually monitor the impact of policies and planning applications on centres (Policy EC9). At the local level, Policy EC1.3 advises that the evidence base should:
- a. be informed by regional assessments;
 - b. assess the detailed need for land or floorspace for economic development, including for all main town centre uses over the plan period.
 - c. identify any deficiencies in the provision of local convenience shopping and other facilities which serve people's day-to-day needs.
 - d. Assess the existing and future supply of land available for economic development, ensuring that existing site allocations for economic development are reassessed against the policies in PPS4, particularly if they are for single or restricted uses; and

- e. assess the capacity of existing centres to accommodate new town centre development, taking account of the role of centres in the hierarchy and identifying centres in decline where change needs to be managed.
- 2.14 Policy EC9 advises RPBs and LPAs to use their annual monitoring reports to assess the network and hierarchy of centres; the need for further development; and the vitality and viability of centres. Health check assessments are identified as an important 'tool' for both plan making and the consideration of planning applications. For example, regular health checks can help to inform decisions about the extent of primary shopping areas and primary/secondary frontages. Alongside up to date development plan, health checks can also help to inform judgements about the extent and significance of any potential impacts of planning applications (EC17.3). Annex D to PPS4 sets out the 13 health check vitality and viability key performance indicators (KPIs).

Planning for Centres

- 2.15 The Government's planning policy guidance and statements since the mid-1990s have consistently set out their commitment to focusing new development and investment in town centres 'first'. This requires balancing the priority for focussing new economic growth and development of main town centre uses in existing centres, with the other key aims of promoting competition, enhancing consumer choice and conserving the heritage of centres.
- 2.16 To help achieve the Government's town centre first policy, the emphasis is very much on regional planning bodies (RPBs) and local planning authorities (LPAs) working together to adopt a positive and proactive approach to planning for sustainable economic growth (Policy EC2) and for centres (Policy EC3).
- 2.17 Integral to this is the requirement for RPBs and LPAs to set out a clear economic vision and strategy for their area that positively and proactively encourages sustainable economic growth, identifying priority areas with high levels of deprivation that should be prioritised for regeneration investment (EC2.1.a). This is underlined by Policy EC3, which states that both RPBs and LPAs should, as part of this economic vision for areas, prepare robust strategies for the management and growth of centres over the plan period. RPBs are required to focus on higher level centres to provide a strategic framework for planning for centres at the local level.
- 2.18 Policy EC3.1 provides a useful "checklist" for plan-making, as it sets out the scope of strategies, although the Practice Guidance advises that these should be "...tailored to the specific circumstances and issues facing the area" (paragraph 2.6). Policy EC3.1(a-h) specifically states that RPBs and LPAs should prepare strategies that take account of a range of factors including, inter alia, the need to:

- Set flexible policies for centres which are able to respond to changing economic circumstances and encourage, where appropriate, high-density development accessible by public transport, walking and cycling.
- Define a network (the pattern of provision of centres) and hierarchy (the role and relationship of centres in the network) of centres that is resilient to anticipated future economic changes, to meet the needs of their catchments. This will involve:
 - making choices about which centres will accommodate any identified need for growth in town centre uses;
 - considering the expansion of centres where necessary, ensuring any extensions are carefully integrated with the existing centre in terms of design (including the need to allow easy pedestrian access);
 - considering the scope for consolidating and strengthening centres in decline, by seeking to focus a wider range of services there, promoting the diversification of uses and improving the environment; and
 - reclassifying centres at a lower level within the retail hierarchy where reversing decline is not possible. (This may include, for example, allowing retail units to change to other uses, whilst aiming, wherever possible, to retain opportunities for vital local services).
- Define the extent of the centre and the primary shopping area at the local level in the Adopted Proposals Map, having considered distinguishing between realistically defined primary and secondary frontages in designated centres and setting policies that make clear which uses will be permitted in such locations.
- Consider setting floorspace 'thresholds' for the scale of edge-of-centre and out-of-centre development at the local level that would be subject to an impact assessment under (EC16.1) and specify the geographic areas these thresholds will apply to.
- Define any locally important impacts on centres which should be tested (see policy EC16.1.f).
- Encourage residential or office development above ground floor retail, leisure or other facilities within centres at the local level, ensuring that housing in out-of-centre mixed-use developments is not, in itself, used as a reason to justify additional floorspace for main town centre uses in such locations;
- Identify sites or buildings within existing centres at the local level suitable for development, conversion or change of use.
- Use planning tools such as local development orders, area action plans, compulsory purchase orders and town centre strategies at the local level to

address any transport, land assembly, crime prevention, planning and design issues associated with the growth and management of centres

Promoting Choice & Competition

- 2.19 Reflecting the importance attached to developing positive strategies, and promoting choice and competition, Policy EC4 reinforces the Government's key policy objectives, and sets out some of the issues which could be taken into account in preparing and evaluating alternative town centre strategies and translating these into the LDF.
- 2.20 Policy EC4.1(a-f) states that LPAs should proactively plan to promote competitive town centre environments and provide consumer choice by, inter alia:
- supporting a diverse range of uses which appeal to a wide range of age and social groups, ensuring that these are distributed throughout the centre;
 - planning for a strong retail mix so that the range and quality of the comparison and convenience retail offer meets the requirements of the local catchment area, recognising that smaller shops can significantly enhance the character and vibrancy of a centre;
 - supporting shops, services and other important small scale economic uses (including post offices, petrol stations, village halls and public houses) in local centres and villages;
 - identifying sites in the centre, or failing that on the edge of the centre, capable of accommodating larger format developments where a need for such development has been identified;
 - retaining and enhancing existing markets and, where appropriate, re-introducing or creating new ones, ensuring that markets remain attractive and competitive by investing in their improvement; and
 - taking measures to conserve and, where appropriate, enhance the established character and diversity of their town centres.

Managing the Evening & Night-time Economy

Policy EC4.2 states that LPAs should manage the evening and night-time economy in centres, taking account of and complementing the local authority's Statement of Licensing Policy and the promotion of the licensing objectives under the Licensing Act 2003. Policies should: (a) encourage a diverse range of complementary evening and night-time uses which appeal to a wide range of age and social groups, making provision, where appropriate, for leisure, cultural and tourism activities such as cinemas, theatres, restaurants, public houses, bars, nightclubs and cafes; and (b) set out the number and scale of leisure developments they wish to encourage taking account of their potential impact, including the cumulative impact, on the character

and function of the centre, anti-social behaviour and crime, including considering security issues raised by crowded places, and the amenities of nearby residents.

The 'Need' Test

- 2.21 The assessment of quantitative and qualitative 'need' has been removed as a "standalone" test for the assessment and determination of planning applications for retail, leisure and main town centre uses. Notwithstanding this 'need' assessments remain a fundamental component of the evidence base for plan-making at the regional and local level (Policy EC1.4). The consideration of 'need' is also fundamental to the development of robust town centre strategies (Policy EC3). Specifically, a 'need' assessment is vitally important to help to inform the identification and allocation of an appropriate range of sites to accommodate the forecast capacity for new retail floorspace and town centre uses (Policy EC5.1.a).

Sequential Assessment & Site Allocation

- 2.22 The sequential assessment remains at the 'heart' of the Government's objective to focus new development and investment in town centres 'first' policy. It is a fundamental part of both plan making (Policy EC5) and the determination of planning applications (Policy EC15). The importance of the sequential approach is reflected by the fact that it has emerged relatively unchanged from PPS6.
- 2.23 Under the sequential approach (Policy EC5.2), LPAs should identify sites that are suitable, available and viable in the following order:
- locations in appropriate existing centres, where sites or buildings for conversion are, or are likely to become, available within the plan period;
 - edge-of-centre locations, with preference given to sites that are, or will be well connected to the centre; and
 - out-of-centre sites, with preference given to sites which are, or will be well served by a choice of means of transport and that are closest to the centre and have a higher likelihood of forming links with the centre
- 2.24 PPS4 (EC5.1) places significant weight on LPAs to identify and allocate an appropriate range of sites accommodate the identified need, ensuring that sites are capable of accommodating a range of business models in terms of scale, format, car parking provision and scope for "disaggregation". Policy EC5.1 states that: "...an apparent lack of sites of the right size and in the right location should not be a reason for local planning authorities to avoid planning to meet the identified need for development". Where necessary, PPS4 (Policy EC5.6) also encourages LPAs to make full use of their planning tools to help facilitate development.

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- 2.25 When carrying out site selection and land assembly for main town centre uses, Policy EC5.1(a-e) states that LPAs should:
- base their approach on the identified need for development;
 - identify the appropriate scale of development. This should ensure that the scale of the sites identified and the level of travel they generate are in keeping with the role and function of the centre within the hierarchy of centres, and the catchment served;
 - apply the sequential approach to site selection (see Policy EC5.2);
 - assess the impact of sites on existing centres (see Policy EC5.4); and
 - consider the degree to which other considerations such as any physical regeneration benefits of developing on previously-developed sites, employment opportunities, increased investment in an area or social inclusion, may be material to the choice of appropriate locations for development.
- 2.26 Sites that best serve the needs of deprived areas should be given preference when considered against alternative sites with similar location characteristics (Policy EC5.3). Having identified sites for development, Policy EC5.5 states that LPAs should allocate sufficient sites in development plan documents to meet at least the first five years identified need. Where appropriate, LDFs should set out policies for the phasing and release of allocated sites to ensure that those sites in preferred locations within centres are developed ahead of less central locations.
- 2.27 The sequential assessment is also critical to the determination of planning applications that are not in an existing centre and not in accordance with an up to date development plan, including extensions of over 200 square metres gross to existing retail and leisure uses (Policy EC15).
- 2.28 The Practice Guidance provides more detail as to the application of the sequential approach for plan making and development management policies. It identifies that a critical first step is for LPAs to identify what they regard as the primary shopping area (PSA) and town centre boundary when preparing development plans, as well as the potential need to extend these to accommodate future growth and expansion of centres. This, in turn, provides clarity to applicants about the policy status of different sites.
- 2.29 Both LPAs and applicants are still required to carry out a pragmatic and realistic approach when assessing the suitability, viability and availability of potential sites. This requires, for example, demonstrating “flexibility” in terms of the scale and format of the proposal; car parking provision; and the scope for “disaggregation”. PPS4 confirms that it does not expect a single retailer or leisure operator to split development into separate sites where flexibility in the business model and the scope for disaggregation have been demonstrated.

- 2.30 As far as we are aware, for the first time the Practice Guidance indicates that the size and 'bulk' of goods sold will influence the size and type of store required. This applies particularly to retailers selling 'bulky' durable goods such as DIY, furniture, carpets and domestic appliances. The Practice Guidance adds that in many cases these forms of development are regarded as complementary to the role of town centre retailing, as they do not generate sufficient sales productivity to trade in prime town centre locations. This would seem to suggest that these types of 'bulky' goods may be more appropriate to edge and/or out-of-centre locations, although it will still be necessary for both LPAs and applicants to clearly demonstrate why more central sites are not sequentially preferable.

The Assessment of Impact

- 2.31 A more comprehensive 'impact test' has been introduced by PPS4 to help inform plan making (for example, see Policies EC3.1.e, EC5.1.d and EC5.4) and development management policies (see Policies EC14, EC16 and EC17). It is intended to strengthen the Government's town centre first policy by providing a clearer, more robust and holistic policy framework for assessing the impact of development proposals. The Practice Guidance provides, for the first time, clarification as to how to assess and determine impacts on the vitality and viability of centres.
- 2.32 Planning applications for main town centre uses that are not in a centre and not in accordance with an up to date development plan should be assessed against the key impacts on centres set out in Policy EC16.1(a-f), focusing in particular on the first five years after the implementation of a proposal (i.e. after the scheme has opened). The key impacts are as follows:
- The impact of the proposal on existing, committed and planned public and private investment in a centre or centres in the catchment area of the proposal.
 - The impact of the proposal on town centre vitality and viability, including local consumer choice and the range and quality of the comparison and convenience retail offer.
 - The impact of the proposal on allocated sites outside town centres being developed in accordance with the development plan.
 - In the context of a retail or leisure proposal, the impact of the proposal on in-centre trade/turnover and on trade in the wider area.
 - If located in or on the edge of a town centre, whether the proposal is of an appropriate scale (in terms of gross floorspace) in relation to the size of the centre and its role in the hierarchy of centres.
 - Any other locally important impacts on centres defined by LPAs under (see Policy EC3.1.e).

- 2.33 In addition, Policy EC10.2 identifies the following five impact considerations that all applications for economic development should be assessed against:
- the effect on carbon dioxide emissions and climate change over the lifetime of the development;
 - the accessibility of the proposal by a choice of means of transport;
 - whether the proposal secures a high quality and inclusive design;
 - the impact on economic and physical regeneration in the area, including the impact on deprived areas and social inclusion objectives; and
 - the impact on local employment.
- 2.34 National policy requires impact to be applied to retail and leisure development (and proposals for other main town centre uses) over 2,500 square metres. The only exception to this is when a LPA sets specific 'thresholds' in their development plans (see Policy EC3.1.d). Ahead of any local threshold being set, it could also be applied to smaller developments that are likely to have a significant impact on smaller town centres, depending on the relative size and nature of the development in relation to the centre.
- 2.35 In assessing the impact of proposed locations for development as part of the plan making and site selection process (under Policy EC5.1.d), Policy EC5.4(a-c) states that LPAs should:
- take into account the impact considerations set out in Policy EC16, particularly for developments over 2,500 sq m (or any locally set threshold under EC3.1.e), ensuring that any proposed edge-of-centre or out-of-centre sites would not have an unacceptable impact on centres within the catchment of the potential development;
 - ensure that proposed sites in a centre, which would substantially increase the attraction of that centre and could have an impact on other centres, are assessed for their impact on those other centres; and
 - ensure that the level of detail of any assessment of impacts is proportionate to the scale, nature and detail of the proposed development

Determining Planning Applications

- 2.36 PPS4 provides a far more structured 'policy-based' approach to determining planning applications than PPS6. Significant weight is now placed on the sequential and impact tests, apparently ahead of economic, social, environmental and other material considerations.
- 2.37 Although Policy EC10.1 states that LPAs should adopt a positive and constructive approach towards planning applications for economic development, Policies EC14-EC17

specifically deal with planning applications for main town centre uses that are not in a centre and not in accordance with an up to date development plan.

- 2.38 Policy EC17.1.a is clear that applications should be refused planning permission where the applicant has not demonstrated compliance with the sequential approach (Policy EC15). Similarly, Policy EC17.1.b states that planning permission should also be refused where there is clear evidence that the proposal is likely to lead to 'significant adverse impacts' in terms of any one of the key impacts set out in Policy EC10.2 and EC16.1. This will need to take into account the likely cumulative effect of recent permissions, developments under construction and completed developments.
- 2.39 However, it is still for the decision maker to judge the extent to which the applicant has demonstrated compliance with the sequential approach, and what constitutes a "significant" adverse impact, based on the circumstances of each case. Where the evidence shows there is no "significant" adverse impact it will be necessary to balance the positive and negative effects of proposals against the criteria set out in Policies EC10.2 and EC16.1, together with any other local considerations and other wider material considerations in reaching an overall planning judgement.
- 2.40 Policy EC17.3 states that judgements about the extent and significance of any impacts should be informed by the development plan (where this is up to date); along with recent centre health check assessments, based on the vitality and viability indicators set out in Annex D to PPS4; and any other published local information (such as a town centre or retail strategy).

THE 'COMPETITION' TEST

- 2.41 PPS4 does not specifically address the recommendation of the Competition Commission for a 'competition' test for large grocery stores. The Government has indicated that it will respond in early 2010 to the Commission's recommendation.
- 2.42 The 'test' will specifically apply to proposals submitted by a grocery retailer or a third party for the development of grocery stores (including new stores and extensions) where the store has (or after the scheme has been implemented, will have), a grocery sales area over 1,000 sq m. The CC has slightly modified the 'test' to allow all retailers to make small extensions to stores of up to 300 sq m, provided that the store in question has not been extended in the previous five years. The Test therefore represents a significant and important material consideration for all those involved in the planning, development and operation of large grocery stores.
- 2.43 The CC has recommended that the CLG take the necessary steps to implement the Test. If adopted, it is likely to become an integral part of the planning system, informing both plan-making and development control policies and decisions relating to new larger grocery store applications. The CC has recommended that the Office of Fair Trading (OFT) becomes the statutory consultee to the LPA to advise whether a

planning application has passed or failed the Test. The DCLG will consult further on the Test and its likely implementation.

- 2.44 LPAs, operators and developers will therefore have to review their development plan and business investment strategies to determine whether there are areas of high concentration of grocery fascias and identify the appropriate action required. The Test is explained in more detail on the Strategic Perspectives LLP website (www.strategicper.com).

PPG13: TRANSPORT

- 2.45 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. It is important to note that PPS4 has replaced paragraphs 53-54 and Annex D of PPG13: Transport relating to maximum parking standards (unless LPAs prepare local maximum parking standards in line with Policy EC8 of PPS4).

SUMMARY

- 2.46 In summary, the planning policy guidance and statements since the mid-1990s have consistently reinforced the Government's commitment to focusing new development and investment in town centres 'first'. This requires balancing the priority for focussing new economic growth and development of main town centre uses in existing centres, with the other key aims of promoting competition, enhancing consumer choice and conserving the heritage of centres.

3.0 ECONOMIC CAPACITY UPDATE: 'BASELINE' ASSUMPTIONS

- 3.1 This section briefly highlights the key revisions and updates to the baseline assumptions and forecasts adopted by the 2009 Retail Study. These updates are based on the latest available research evidence and datasets.

STUDY/CATCHMENT AREA DEFINITION

- 3.2 The study/catchment area assumed for both the Council's 2005 and 2009 retail studies is reproduced in Appendix 1.
- 3.3 The study area extends beyond the District. It has been defined using postcode sectors and has been sub-divided further into six zones. These zones provide the 'spatial framework' for the household telephone interview surveys. Zones 1 and 2 broadly correspond to the St Albans City and District area. The wider study area (incorporating Zones 3 – 6) represents the higher order comparison goods shopping function and catchment of St Albans City Centre.
- 3.4 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 it will be necessary to first establish whether the defined catchment area for the proposed retail scheme is realistic and well related to the size and function of the proposal. It should also take account of the influence of competing centres and stores on the catchment area.

2009 HOUSEHOLD SURVEY

- 3.5 In order to provide up-to-date evidence as to shopping habits and preferences in the District and wider study area, a household telephone interview survey was carried out by Research & Marketing Limited (RML) in September 2009. Agreement was reached with the Council on the study area, survey methodology and questionnaire prior to the commencement of the survey (see Appendix 1).
- 3.6 RML conducted structured interviews by telephone with the person responsible for main shopping purchases in a total of 1,000 households distributed across the defined study area. The survey results were subsequently weighted by RML to remove responses that do not enable expenditure to be allocated to specific centres or locations. The detailed survey tabulations are also set out in Appendix 1 to this study.
- 3.7 The 'market share analysis' for different types of food and non-food shopping purchases are described in more detail in Section 4. Where possible, the 2009 survey

results have been 'benchmarked' against the earlier 2005 survey to help identify any significant changes in shopping patterns, market shares and the overall trading performance of centres. This updated 'market share analysis' underpins the economic capacity assessment outlined in Section 5.

BASE YEAR POPULATION & PROJECTIONS

- 3.8 The base year (2009) population estimates for the six study zones are derived from the latest 'Retail Planner Area Reports' ('RPARs') prepared by Experian Business Strategies (EBS).
- 3.9 The population projections adopted for the purpose of this updated economic capacity assessment draw on the 'dwellings allocation' growth rates prepared for the East of England Regional Assembly (EERA), which informed the East of England Regional Spatial Strategy (RSS). The RSS-based population projections are preferred to the EBS projections as they take account of policy-led housing allocations across the study area[†].
- 3.10 The high level analysis of the potential distribution of new 'population growth points' across the study area carried out as part of the 2009 Retail Study indicated that the new dwellings would primarily form part of urban extensions to Hemel Hempstead in the 'western fringe' (Zone 6) and Hatfield in the 'eastern fringe' (Zone 4). As a result, it was agreed with the Council that there would be limited new residential allocations in Zone 1 (the St Albans area) and Zone 2 (the Harpenden area).
- 3.11 The 'Group 3' projections are preferred by the Council as they take into account new dwelling allocations towards the end of the development plan period. For the purpose of this updated study the Council has asked SP to test the following two potential population growth scenarios:
- Scenario 1: 'Baseline' - The population projections are informed by the proposed 'Group 3' projections forwarded by the Secretary of State and are based on the East of England Plan originally adopted in 2008. The growth rates assumed under this scenario are broadly the same as adopted for the 'Baseline' (Scenario 1) case in the July 2009 study. The projections for each zone are broadly interpolated from the District projections within which the zones are located and include the growth identified for Hatfield/Welwyn Garden City and Hemel Hempstead. Please note that at the strategic level, the growth projections do not take into account the likely distribution and location of new residential allocations, as this had not been 'fixed' at the time of preparing this study. We therefore

[†] As explained in the July 2009 Retail Study, the dwelling completion rates are provided at District level. As a result, the dwelling allocations relate to the district central to the development, although this may not always be the district where the dwellings are actually developed.

recommend that the Council updates the population growth and economic capacity assessment when more detailed population projections are prepared.

- Scenario 2: 'Revised Dwelling Allocations' - This alternative scenario tests the sensitivity of the 'Group 3' (Scenario 1) projections based on a potential reduction in the dwelling allocations for the two zones covering Dacorum Borough Council (i.e. Zone 4) and Welwyn Hatfield Borough Council (Zone 6). This scenario effectively tests one possible outcome of the potential implications of the successful legal challenge by Hertfordshire County Council and St Albans City and District Council to the housing allocations identified by the Regional Spatial Strategy (RSS). The Council has advised that the 'Group 3' projections (as assumed under Scenario 1) should be discounted on a pro-rata basis from 2011 to 2021, with a reduction of 10,000 persons for Welwyn Hatfield and 13,000 persons for Dacorum local planning authority areas as a whole. This result in an overall estimated population reduction of 23,000 persons.

3.12 The table below shows the resultant population projections for the two different scenarios:

Table 3.1 Study Area - Population Growth Projections, 2009 - 2031

	2009	2021	2026	2031	2009 – 2031 % growth
Scenario 1:	332,395	347,611	354,037	360,652	+8.5%
Scenario 2:	332,395	338,809	343,065	347,414	+4.5%

Source: For both scenarios the 2009 population figure has been derived from the EBS Retail Planner Area Reports (March 2010).

3.13 Overall, the table shows that the projected growth in the total study area population under Scenario 1 (+8.5%) is higher than under Scenario 2 (+4.5%). Please note that the difference between the two population projections is not 23,000 persons, as identified above, because Zones 4 and 6 of the study area only partly cover the Welwyn Hatfield and Dacorum local planning authority areas.

EXPENDITURE PER CAPITA

3.14 The average expenditure estimates for comparison and convenience goods by zone at the base year have been informed by the latest Experian Business Strategies (EBS) 'Area Profile Reports'. The updated figures are set out in Table 2 of Appendices 4-5 for comparison goods retailing and Table 2 of Appendices 5-6 for convenience goods retailing. Please note that the price base has also been updated to 2008 prices.

SPECIAL FORMS OF TRADING

- 3.15 An allowance for non-store retail sales, or sales by 'special forms of trading' (SFT[‡]) has been deducted from the base year expenditure per capita levels in accordance with standard approaches.
- 3.16 Drawing on the most recent forecasts published by Experian Business Strategies (EBS) in the August 2009 'Retail Planner Briefing Note 7.1' (Appendix 3), we assume that SFT is achieving a 7.4% market share of comparison goods expenditure in 2009, increasing to 9.6% by 2018 and falling thereafter to 9.1% by 2026. We have assumed a 3.9% share of convenience goods expenditure in 2009, increasing steadily to 5.9% by 2026. Over the longer term (up to 2031) we assume that SFT will 'flat line' at the 2026 levels.
- 3.17 EBS state in Appendix 3 to Briefing Note 7.1 that despite strong growth, e-tailing still accounts for a small share of the market. The overall projections for both convenience and comparison goods retailing are, therefore, "...likely to provide a reasonable basis for retail capacity assessments without the need to make detailed adjustments for e-tailing (including sales that take place through stores)".
- 3.18 However it is important to note that EBS and other forecasters are still uncertain as to future trends in Internet usage and the potential growth and market share of Internet shopping. We therefore recommend that the economic capacity forecasts are monitored and updated to take account of the latest research and forecasts.

EXPENDITURE GROWTH FORECASTS

- 3.19 Since the July 2009 Retail Study was published, the economic recession has resulted in, inter alia:
- falling consumer and business confidence;
 - rising unemployment;
 - falling disposable incomes;
 - rising household 'savings ratios';
 - rising personal and business debt;
 - an increase in business failures; and
 - rising vacancy levels.

[‡] SFT comprises expenditure outside of 'traditional' shops such as, for example, via mail order, the Internet, vending machines and market stalls.

3.20 The dramatic impact of the economic downturn on consumer spending growth is reflected by the fact that EBS published three updates of the Retail Planner Briefing Note (RPBN) during 2009. Prior to 2009 the RPBN had been published annually and there were generally only modest adjustments to the growth forecasts for comparison and convenience goods expenditure. The most recent EBS expenditure growth forecasts in Briefing Note 7.1 (August 2009) are set out below.

Table 3.2 Retail Expenditure Growth Forecasts (% per annum)

Year(s):	Comparison Goods	Convenience Goods
2009	+1.1%	-0.5%
2010	-0.4%	-0.2%
2011	+1.1%	+0.6%
2012 – 2016	+2.5%	+0.8%
2017 - 2031	+2.8%	+0.9%

Source: EBS Retail Planner Briefing Note 7.1 (August 2009)

3.21 The growth forecasts over the medium term (up to 2016) and longer term (up to 2031) are lower than experienced during the past decade, particularly for comparison goods retailing. This is because previous growth was largely fuelled by easy 'access to credit' and the unprecedented growth in the housing market. Most forecasters now broadly agree that 'post-recession' economic growth in the UK will not be as strong as over the last decade due to, amongst other factors, a relatively high tax burden, more modest growth in consumer lending and escalating energy costs.

3.22 The table below summarises the impact of the revised forecasts on the total growth in average expenditure per capita levels across the study area.

Table 3.3 Total Forecast Growth in Expenditure per Capita Levels (%)

	Comparison Goods	Convenience Goods
2010 UPDATE:		
2009 – 2016	+11.2%	+3.0%
2009 – 2031	+69.2%	+17.0%
2009 RETAIL STUDY:		
2008 - 2016	+11.3%	+3.5%
2008 - 2031	+97.3%	+16.6%

3.23 The updated forecasts for convenience goods expenditure result in slightly higher growth than assumed by the 2009 Retail Study up to 2031, with strong growth

forecast for the period 2017-2031. For comparison goods, the forecast growth up to 2016 is broadly the same as assumed by the 2009 study, but the growth between 2016 and 2031 is significantly lower.

- 3.24 Given the series of revisions to the EBS expenditure growth forecasts over the last 12-18 months we recommend that the forecasts are subject to regular review and the capacity model is updated (when necessary) to take account of the any significant changes. This is important, as expenditure growth is one of the key 'drivers' of the economic capacity forecasts.

AVAILABLE EXPENDITURE

- 3.25 Total available expenditure is derived by multiplying together the forecast per capita expenditure levels and the projected population. The table below shows the forecast growth under the two different scenarios.

Table 3.4 Total Forecast Growth in Available Expenditure (£ million)

Year(s):	2009	2016	2021	2026	2031	'09-'31 % growth
SCENARIO 1: 'BASELINE'						
Comparison Goods:	£961.3	£1,097.5	£1,285.4	£1,507.4	£1,762.2	+83.3%
Convenience Goods:	£579.2	£612.3	£649.9	£689.9	£734.8	+20.0%
SCENARIO 2: REVISED DWELLING ALLOCATIONS						
Comparison Goods:	£961.3	£1,081.3	£1254.5	£1,463.0	£1,700.8	+76.9%
Convenience Goods:	£579.2	£603.1	£633.9	£669.2	£708.7	+17.5%

Source: Table 3, Appendices 4 - 7

- 3.26 The table shows that there will potentially be more residual expenditure available under Scenario 1 to support new retail floorspace, due to the higher population projections for Zones 4 and 6.
- 3.27 Notwithstanding this, the actual 'residual expenditure' available will be determined by the 'take-up' of expenditure growth by existing shops and stores (based on an allowance for the growth in the 'productivity' of existing floorspace) and the level of new commitments in the study area. We consider these factors in more detail below.

'BENCHMARK' FLOORSPACE & TURNOVER LEVELS

- 3.28 Our assessment of the retail floorspace and 'benchmark' turnover levels of existing centres, foodstores and retail warehouses are based on the latest research evidence, including reports published by Mintel and Experian Goad Category Reports for St Albans (Appendix 10) and Harpenden (Appendix 11). The base year turnover

estimates are also informed by our own judgements as to the trading performance of shopping locations based on the qualitative evidence and our assessment of the likely impact of the economic recession on turnover levels.

'PRODUCTIVITY' GROWTH RATES

- 3.29 It is standard practice for retail planning assessments to make a reasonable allowance for some claim on expenditure growth by existing retailers and floorspace due to increased 'productivity' ('efficiency') in their trading performance, irrespective of location. This growth allowance is in accordance with policy advice set out in PPS4 and the Practice Guidance.
- 3.30 It is important that the growth assumptions adopted are realistic, as retail capacity forecasts can be highly sensitive to the rate of growth in sales density assumptions. In this case our assessment has been informed by the latest research published by EBS in Briefing Note 7.1 (August 2009). EBS state that the scope for density increases is much more limited for convenience goods than for comparison goods. They forecast that the continuing trends towards "...more modern, higher density stores and the demolition of older inefficient space means that the expected comparison rate is likely to be close to 2.4% a year over the next 15 years, against 0.5% for convenience goods".
- 3.31 The Practice Guidance advises that the choice of the most appropriate level of growth adopted will ultimately depend on individual circumstances and the capacity for existing floorspace to absorb increased sales. Based on previous trends, current forecasts and the relative quality of the floorspace stock in St Albans (both town centre and out-of-centre floorspace), we have assumed average growth rates of +0.5% per annum for convenience goods floorspace over the forecast period. For comparison goods we have assumed a growth rate of +0.5% per annum over the short term (up to 2011), to reflect the impact of the economic recession, and growth of +1.5% per annum over the rest of the study period.
- 3.32 The long term forecast growth rate for comparison goods is slightly lower than the +2.4% per annum identified by EBS, as it reflects the fact that the City Centre's floorspace stock is not as modern and efficient. We nevertheless advise the Council that growth rates could be higher or lower for different centres and individual operators depending on the scale, quality and location of the retail floorspace and offer.

COMMITMENTS & PROPOSALS

- 3.33 The 2009 Retail Study identified no commitments for new convenience goods retail floorspace. By way of update the Council has notified SP of the following commitments and proposals:

- Tesco exchanged contracts to purchase the empty Woolworths store on St Peter's Street in St Albans City Centre at the end of 2009 and intends to open a new Tesco Metro store by summer 2010. According to the Council the replacement store will have a net sales area of circa 946m² net. We estimate that this will represent 500m² net additional sales area for Tesco. This is broadly equivalent to an increase in the convenience goods turnover of Tesco's City Centre store of just under £5m in 2009 (at 2008 prices).
 - Sainsbury's has submitted an application for an extension to its existing out-of-centre superstore at Everard Close. The proposal is for a 3,059m² gross (1,598m² net) extension, comprising 473m² net of new convenience goods sales and 1,039m² net of new comparison goods sales. According to the applicant the extension would increase the store's convenience goods turnover by circa £2.1m and its comparison goods turnover by £8.1m. However, the Council should be aware that our updated economic capacity assessment does not treat this proposed extended sales area as a commitment, as it had not been determined by the local planning authority at the time of finalising this study.
- 3.34 The 2009 Retail Study also identified an unimplemented planning permission for the replacement of the existing garden centre that forms part of the former Focus store in the Alban Retail Park, to provide a new retail unit of 512m² gross (LPA reference: 05/06/2466). A revised application has subsequently been submitted on behalf of the Home Retail Group Plc for an increase in the net sales area of the former Focus store by 1,169m² net, comprising an extended mezzanine floor. This application is currently being determined by the local planning authority.
- 3.35 Finally, a new 782m² net Magnet store on a former petrol filling station in Fleetville (188 Hatfield Road) has been implemented since the 2009 Retail Study.
- 3.36 The Council has confirmed that there are no other new commitments in the District.

SUMMARY

- 3.37 This section has highlighted a number of significant revisions and updates to some of the key baseline assumptions and forecasts. These will have a bearing on the revised economic capacity forecasts set out in Section 5.

4.0 'MARKET SHARE ANALYSIS' OF SHOPPING PATTERNS

4.1 This section sets out the 'market share analysis' for convenience and comparison goods shopping trips across the study area based on the results of the September 2009 household survey (Appendix 1). The detailed market share tabulations are set out in Appendix 2 for convenience goods and Appendix 3 for comparison goods shopping. Where possible, the updated market shares have been 'benchmarked' against the findings of the July 2005 survey to help identify any significant changes in shopper preferences and centre/store performance. This section provides the evidence base for the economic capacity analysis in Section 5.

FOOD SHOPPING PATTERNS

4.2 Table 1 (Appendix 2) details the 'market share analysis' for all food shopping trips (i.e. comprising both 'main' and 'top-up' food purchases) across the study area and within the six survey zones.

4.3 The table shows that the overall 'retention level' within the District (i.e. Zones 1 and 2) is 87.4%, which is higher than the 81% identified by the 2005 survey. In our experience this represents a strong 'retention' of trips and reflects the good provision of modern food superstores and supermarkets in St Albans District, including:

- Sainsbury's and Waitrose in Harpenden Town Centre;
- Morrisons and Waitrose in the Neighbourhood Centres of Fleetville and Verulam respectively; and
- the large out-of-centre Sainsbury's superstores to the south of the City Centre.

4.4 The relatively high retention of convenience goods expenditure in the District area does not indicate that there is a 'deficiency' in current provision. In our judgement there is also no potential to support new convenience goods floorspace through the 'claw back' of shoppers and expenditure 'leaking' out of the District area.

4.5 The table below shows that the out-of-centre Sainsbury's superstore at Everard Close is the most popular food shopping destination in the District area (i.e. Zones 1 and 2). This store achieved a 19.4% market share of all food shopping trips within the District in 2009, which represented an increase from its 2005 share of 17.8%.

Table 4.1 Most Popular Foodstores in the District Area (Zones 1 and 2)

	2009	2005
Sainsbury's, Everard Close	19.4%	17.8%
Morrisons, Fleetville Neighbourhood Centre	12.4%	10.9%
Sainsbury's, Harpenden Town Centre	10.0%	6.9%
Waitrose, Harpenden Town Centre	7.3%	8.2%
Waitrose, Verulam Neighbourhood Centre	7.1%	5.8%
Sainsbury's, Colney Fields	6.8%	9.4%
St Albans City Centre – All stores	6.4%	6.9%
Other Stores & Shops in District	18.0%	15.1%
DISTRICT RETENTION LEVEL	87.4%	81.0%

Source: 2009 Household Survey, Appendix 2

- 4.6 St Albans City Centre's limited convenience goods offer is reflected by the fact that its shops and stores are achieving a market share of just 6.4%. This is significantly lower than for the other main stores in the District and represents a decline from 6.9% in 2005. This provides further evidence to help underline one of the key findings of the 2009 Retail Study; namely that there is an apparent qualitative 'gap' in the City Centre's food offer.
- 4.7 Notwithstanding the apparent qualitative need for a new foodstore in the City Centre, the ability to plan for an 'anchor' store will depend on the availability of suitable and viable sequential sites that are well connected to the Primary Shopping Area (PSA) and are capable of generating linked trips to the benefit of the centre's overall vitality and viability, in accordance with policy guidance.
- 4.8 The following provides a brief commentary on the distribution of main 'bulk' food and top-up 'basket' shopping trips across the defined study area.

Main 'Bulk' Food Shopping

- 4.9 Table 2 (Appendix 2) details the 'market share analysis for main 'bulk' (primarily 'trolley-based') food shopping purchases.
- 4.10 The overall 'retention' of main food shopping trips within the District (i.e. Zones 1 and 2) is currently 87.4%, which is significantly higher than the 79.2% recorded in 2005. The 'retention' of shopping trips and expenditure has increased in the St Albans area (Zone 1), from 78.4% to 89.7%; and from 81% to 82.2% in the Harpenden area (Zone 2). The table below summarises the 'market share analysis' for the District.

Table 4.2 Main 'Bulk' Food Shopping Destinations (%)

	St Albans (Zone 1)		Harpenden (Zone 2)		District Area (Zones 1 & 2)	
	2009	2005	2009	2005	2009	2005
Sainsbury's, Everard Close	33.6%	28.2%	3.4%	4.8%	24.3%	21.0%
Morrisons, Fleetville	20.2%	16.5%	1.7%	1.0%	14.5%	11.7%
Sainsbury's, Harpenden	0.4%	-	34.7%	24.9%	11.0%	7.7%
Waitrose, Harpenden	1.1%	-	24.6%	28.7%	8.4%	8.8%
Sainsbury's, Colney Fields	11.8%	15.8%	0.8%	1.4%	8.2%	11.4%
Waitrose, Verulam	10.7%	8.5%	0.8%	1.4%	7.7%	6.3%
Tesco Metro, City Centre	4.6%	3.8%	-	0.5%	3.2%	2.8%
Somerfield, Southdown	-	0.2%	10.2%	16.3%	3.1%	5.2%
RETENTION LEVEL:	89.7%	78.4%	82.2%	81.0%	87.4%	79.2%

Source: 2009 Household Survey, Appendix 2

- 4.11 The table shows that Sainsbury's at Everard Close is the most popular store for main 'bulk' food purchases in the District area, with a market share of 24.3% in 2009. This represents an increase from 21% in 2005. The other popular stores in the District are Morrisons at Fleetville; the Sainsbury's and Waitrose in Harpenden Town Centre; and the Sainsbury's at London Colney.
- 4.12 Within Zone 1 the two out-of-centre Sainsbury's stores have a total market share of 45.4%, which is up from 44% in 2005. Morrisons at Fleetville has also increased its market share from 16.5% in 2005 to 20.2% in 2009, maintaining its position as the second most popular store in the St Albans area. The small Tesco Metro in the City Centre has a significantly lower market share than the other larger superstores in the District.
- 4.13 The 'market share analysis' also confirms that both Sainsbury's and Waitrose are important anchors to the overall vitality and viability of Harpenden town centre. In comparison, St Albans City Centre is not attracting a significant share of main 'bulk' food shopping trips in its 'core' zone. The majority of trips in Zone 1 are to larger food superstores in out-of-centre locations and to the stores anchoring the Neighbourhood Centres of Fleetville and Verulam.

Top-Up 'Basket' Shopping

- 4.14 Table 3 (Appendix 2) shows that people shop at a diverse number of different superstores, supermarkets and convenience stores for their more frequent day-to-day 'top-up' food purchases. The main 'driver' for top-up shopping is generally convenience to where people live, work and/or regularly visit for a range of other uses

and activities. Furthermore, a higher proportion of trips for 'top-up' purchases will tend to be by foot or public transport than for 'bulk' food purchases.

- 4.15 The 'market share analysis' shows that for Zone 1 the District's Neighbourhood Centres are achieving a relatively good market share of 'top-up' food purchases. Budgens in Marshalswick (10%), Morrisons at Fleetville (8.6%) and Waitrose at Verulam (8.1%) are popular top-up shopping locations. The City Centre's main foodstores also achieve a higher market share of 14.7% than for main food shopping (6.4%).
- 4.16 In Zone 2, the Waitrose and Sainsbury's in Harpenden town centre are also popular top-up food shopping destinations, with a combined market share of 33.3%. The other popular store in Zone 2 is Somerfield at Southdown (19.0%)

NON-FOOD SHOPPING PATTERNS

- 4.17 The following sets out the survey-based 'market share analysis' for the main categories of comparison goods shopping in 2009. Please note that we have not been able to assess changes in all the non-food sub-categories since 2005 due to the different definitions assumed for the earlier household survey. The more detailed tabulations for each sub-category are set out in Appendix 3.

All Comparison Goods Shopping

- 4.18 Table 1 (Appendix 3) shows the detailed 'market share analysis' for all comparison goods shopping trips and purchases in the District and wider study area.
- 4.19 The summary table below shows that the 'retention' of comparison goods shopping trips in the District area (i.e. Zones 1 and 2) has increased slightly from 58.8% to 60.2% between 2005 and 2009.
- 4.20 However, this increase 'masks' the fact that the City Centre's market share of comparison good shopping has fallen dramatically from 42.8% to 28.8% over the same period. Indeed, across the study area as a whole (Zones 1 – 6) the City Centre's market share has declined from 24.6% to 14.6%. The table shows that Harpenden Town Centre has also experienced a fall in its market share within both the District and the wider study area.
- 4.21 As the same time as the dramatic decline in the City Centre's market share, the out-of-centre retail parks have increased their overall market share in the District from 9.8% to 16% between 2005 and 2009.

Table 4.3 All Comparison Goods – Market Share Analysis (%)

	Study Area (Zones 1-6)		District (Zones 1 & 2)	
	2009	2005	2009	2005
St. Albans City Centre	14.6%	24.6%	28.8%	42.8%
Harpenden Town Centre	2.6%	3.5%	5.5%	6.2%
All Neighbourhood Centres	1.5%	-	2.9%	-
St Albans Retail Park	3.3%	2.1%	6.9%	3.6%
Colney Fields Shopping Park	4.1%	2.9%	5.8%	4.2%
Alban Park	1.8%	1.1%	3.3%	2.0%
Other Shops & Stores:	3.7%	-	7.0%	-
DISTRICT RETENTION LEVEL	31.6%	34.2%	60.2%	58.8%
All locations outside District area:	68.4%	65.8%	39.8%	41.2%
TOTAL MARKET SHARE:	100.0%	100.0%	100.0%	100.0%

Source: 2009 Household Survey, Appendix 3.

- 4.22 Of the main competing centres outside the District, Watford (town centre and out-of-centre) is achieving a market share of 17.3% from the wider study area (i.e. Zones 1-6). Welwyn Garden City also emerges as a major competing shopping destination across the wider study area (with an overall market share of 13.3%), followed by Hemel Hempstead (11.2%) and Luton (9.9%).

Clothing & Footwear

- 4.23 Table 2 (Appendix 3) shows that there is a relatively good 'retention' of shopping trips for 'clothing and footwear' purchases within the District area (Zones 1 and 2) of 61% in 2009. This is higher than the 58.8% recorded in 2005.
- 4.24 In the St Albans area only (Zone 1) the 'retention' level is slightly higher at 69.4%, which represents an increase on the 2005 level of 64.2%. The 'retention' of fashion shopping trips in the Harpenden area (Zone 2) is 41.6%, which is also higher than in 2005 (39.8%).
- 4.25 Table 3.4 below shows that St Albans City Centre is the main shopping location for 'clothing and footwear' purchases for respondents living in the wider study area (Zones 1-6) and the District (Zones 1-2). Notwithstanding this, the city's market share has fallen significantly from 33.5% in 2005 to 22.5% in 2009 from within the wider study area; and from 48.3% to 42% within the District.

Table 4.4 Main Clothing & Footwear Shopping Destinations (%)

	Study Area (Zones 1-6)		District (Zones 1 & 2)	
	2009	2005	2009	2005
St. Albans City Centre	22.5%	33.5%	42.0%	48.3%
Harpenden Town Centre	1.4%	1.7%	3.0%	2.5%
Out-of-Centre Retail Parks	11.1%	5.3%	15.4%	6.0%
Other Shops & Stores:	0.7%	-	0.6%	-
DISTRICT RETENTION LEVEL	35.7%	40.4%	61.0%	56.8%
Watford	18.2%	18.4%	10.4%	14.2%
Welwyn Garden City	12.7%	10.7%	10.1%	8.6%
Hemel Hempstead	11.1%	7.8%	5.7%	4.1%
Luton	8.8%	9.3%	3.7%	5.1%
Other Centres & Locations:	13.5%	13.4%	9.1%	11.2%
TOTAL MARKET SHARE:	100.0%	100.0%	100.0%	100.0%

Source: 2009 Household Survey, Appendix 3

Notes: For centres outside the District the market shares are for both town centre and out-of-centre floorspace.

- 4.26 The fall in the City Centre's market share is mainly explained by the increased market share of competing centres outside the study area, as well as competition from out-of-centre shopping locations both within and outside the District. The main centres outside the District that are attracting shoppers from St Albans include Watford and Welwyn Garden City. The District's out-of-centre shopping locations have also increased their overall market share within the District area from 6% to 15.5% between 2005 and 2009.
- 4.27 This significant fall in the city's market share since 2005 is a cause for concern. It reflects the increased attraction and offer of competing shopping locations, as well as the fact that there has been no significant major investment in the City Centre's shopping environment and retail offer over a number of years.
- 4.28 We assess the impact of these declining market shares on the overall economic performance of St Albans as a shopping location in more detail in Section 5.

Furniture, Carpets and other Floor Coverings

- 4.29 Table 3 (Appendix 3) shows that the 'retention' of shopping trips and expenditure on 'furniture, carpets and other floor coverings' is 42.7% in the St Albans area (Zone 1) and 26.1% Harpenden (Zone 2).

- 4.30 Within the District as a whole (Zones 1 and 2), the table below shows that the District's shops and stores are achieving a 'retention' level of 37.4%, which is slightly down on the 38.8% achieved in 2005.

Table 4.5 Main Furniture & Carpets Shopping Destinations (%)

	Study Area (Zones 1-6)		District (Zones 1 & 2)	
	2009	2005	2009	2005
St. Albans City Centre	7.2%	18.9%	14.2%	27.5%
Harpenden Town Centre	0.9%	3.0%	1.8%	3.8%
Out-of-Centre Retail Parks	6.1%	5.7%	11.6%	7.5%
Other Shops & Stores:	5.4%	-	9.8%	-
DISTRICT RETENTION LEVEL	19.6%	27.6%	37.4%	38.8%
Watford	23.8%	18.7%	19.1%	15.9%
Welwyn Garden City	18.6%	22.3%	20.9%	24.4%
Hemel Hempstead	7.2%	5.7%	2.2%	3.4%
Luton	8.5%	7.0%	4.3%	3.8%
Other Centres & Locations:	22.3%	18.7%	16.1%	13.7%
TOTAL MARKET SHARE:	100.0%	100.0%	100.0%	100.0%

Source: 2009 Household Survey, Appendix 3

- 4.31 The table also shows that St. Albans City Centre's market share has decreased significantly across the wider study area and the District. For example, Watford and Welwyn Garden City are now achieving higher market shares than St Albans City Centre from within the District area (Zones 1 and 2).
- 4.32 The 'market share analysis' therefore appears to indicate that there is significant 'leakage' of expenditure on furniture and carpets outside the District and therefore potential for new retail provision in this category to 'claw back' shoppers and expenditure to the District.

DIY, Hardware, Decorating Supplies & Garden Products

- 4.33 Table 4 (Appendix 3) shows that the shops and stores in the St Albans area (Zone 1) selling these 'bulky' goods are achieving a strong 'retention' level of 86.3%. For the Harpenden area (Zone 2) the 'retention' level is significantly lower at 32.5%.
- 4.34 The table below shows that the overall 'retention' of expenditure is 68.9% within the District, which is higher than the 65.7% recorded in 2005.

Table 4.6 Main DIY/Hardware Shopping Destinations (%)

	Study Area (Zones 1-6)		District (Zones 1 & 2)	
	2009	2005	2009	2005
St. Albans City Centre	5.3%	20.9%	10.9%	31.0%
Harpenden Town Centre	0.2%	2.2%	0.3%	3.8%
Out-of-Centre Retail Parks	22.8%	21.4%	45.1%	30.8%
Other Shops & Stores:	6.7%	-	12.6%	-
DISTRICT RETENTION LEVEL	35.0%	44.5%	68.9%	65.7%
Watford	13.5%	7.5%	1.9%	4.1%
Hemel Hempstead	15.4%	8.6%	3.6%	1.0%
Luton	17.4%	17.1%	15.6%	16.1%
Other Centres & Locations:	18.7%	22.3%	10.0%	13.1%
TOTAL MARKET SHARE:	100.0%	100.0%	100.0%	100.0%

Source: 2009 Household Survey, Appendix 3

- 4.35 More detailed analysis shows that the City Centre's market share has fallen dramatically from 31% to 10.9% between 2005 and 2009, whereas there has been a significant increase in the market share of out-of-centre shopping locations from 30.8% to 45.1%. The highest 'leakage' of shopping trips and expenditure from the District is to Luton and specifically its retail parks.
- 4.36 Given the relatively high 'retention level' within the St Albans area (Zone 1), we conclude that there is more limited potential for new retail floorspace in this category to 'claw back' shoppers and expenditure.

Audio-Visual Electrical Equipment

- 4.37 Table 5 (Appendix 3) shows that the shops and stores selling audio-visual electrical equipment in the St Albans (Zone 1) and Harpenden (Zone 2) areas are achieving 'retention' levels of 56.7% and 17.4% respectively.
- 4.38 Table 3.7 below shows a 44.5% 'retention' of expenditure in the St Albans District (Zones 1 and 2). There is no comparable survey data from the 2005 survey and we are not therefore able to show relative changes in market shares. Notwithstanding this, the table does show that the City Centre's market share from within the District of 13.5% is significantly lower than the overall market share achieved by the District's out-of-centre shopping locations to the south of the City Centre of 22.8%, and particularly St Albans Retail Park (17.4%). The table clearly shows that the main 'leakage' of expenditure is to shops and stores in Welwyn Garden City and Watford.

Table 4.7 Audio-Visual Equipment – Main Shopping Destinations (%)

	Study Area (Zones 1-6)	District (Zones 1 & 2)
St. Albans City Centre	6.7%	13.5%
Harpenden Town Centre	1.1%	2.2%
Out-of-Centre Retail Parks	11.4%	22.8%
Other Shops & Stores:	2.9%	6.0%
DISTRICT RETENTION LEVEL	22.1%	44.5%
Watford	21.2%	12.8%
Hemel Hempstead	11.0%	2.6%
Hatfield	6.8%	3.9%
Luton	11.4%	8.2%
Welwyn Garden City	19.5%	21.9%
Other Centres & Locations:	8.0%	6.1%
TOTAL MARKET SHARE:	100.0%	100.0%

Source: 2009 Household Survey, Appendix 3

- 4.39 The 'market share analysis' indicates that there could be potential for new retail provision to help 'claw back' shoppers currently living in the District, but currently travelling longer distances to shop at competing centres and out-of-centre locations outside St Albans.

Small and Large Domestic Electrical Items

- 4.40 Table 6 (Appendix 3) shows that the shops and stores in St Albans (Zone 1) selling small and large electrical items achieved a 'retention' level of 53.5%. For the Harpenden area the 'retention' level is significantly lower at just 17.3%.
- 4.41 Overall Table 4.8 shows that St Albans District is retaining almost 42% of shopping trips and expenditure on this specific category of comparison goods expenditure.
- 4.42 The table also shows that St Albans City Centre is achieving a market share of 6.3% within the District area. In comparison the out-of-centre retail parks have a much higher combined market share of 24.3%, of which St Albans Retail Park is achieving a 21.5% market share. The main 'leakage' of shopping trips and expenditure on 'domestic electrical items' from the District area is to shops and stores in Welwyn Garden City, Watford, Luton and Hatfield.

Table 4.8 Small & Large Domestic Electrical Items – Market Shares (%)

	Study Area (Zones 1-6)	District (Zones 1 & 2)
St. Albans City Centre	3.3%	6.3%
Harpenden Town Centre	0.5%	1.0%
Out-of-Centre Retail Parks	11.7%	24.3%
Other Shops & Stores:	5.4%	10.1%
DISTRICT RETENTION LEVEL	20.9%	41.7%
Watford	18.9%	9.3%
Hatfield	8.4%	6.3%
Luton	12.0%	6.5%
Welwyn Garden City	21.5%	29.1%
Other Centres & Locations:	18.3%	17.1%
TOTAL MARKET SHARE:	100.0%	100.0%

Source: 2009 Household Survey, Appendix 3

- 4.43 As for 'audio-visual equipment' there does appear to be potential for new retail provision in the District to help 'claw back' shoppers and expenditure currently leaking out of the St Albans area.

Chemist, Medical Goods, Cosmetics & Other Beauty Products

- 4.44 Table 7 (Appendix 3) shows that there is a strong 'retention' of trips for these types of purchases within the St Albans (88.1%) and Harpenden (88.9%) zones. The market share of the out-of-centre shopping parks is relatively limited, with only Colney Fields Shopping Park achieving a significant share of expenditure. As a result we conclude that there appears to be a good provision and choice of shops and stores in this specific non-food category.

Games, Toys, Hobby Items, Sport & Recreational Goods

- 4.45 Table 8 (Appendix 3) shows that there is also a relatively good 'retention' of trips for these types of purchases within St Albans (Zone 1) of 70.2% and Harpenden (Zone 2) at 54.4%. Overall the shops and stores in St Albans District are achieving a market share of 65.5% within the District area.
- 4.46 The main 'leakage' from Zone 1 (St Albans) is to Watford (8.1%) and Welwyn Garden City (4.8%). From Zone 2 (Harpenden) the survey results show that people are generally shopping in Welwyn Garden City (16.2%) and Luton (13.2%).

- 4.47 There would therefore appear to be some potential to 'claw back' some of the longer distance trips to shops and stores outside the District.

Pets & Pet Related Products

- 4.48 Table 9 (Appendix 3) shows that there is a high 'retention' level within the St Albans (82.7%) and Harpenden (75%) zones. Overall the District's shops and stores are achieving a strong market share of 80.2% within Zones 1 and 2. Of this total, the out-of-centre shopping locations have a limited market share of 4.9%. In comparison, St Albans (16.6%), Harpenden (7.8%), the neighbourhood centres (20.6%) and 'other' shops and stores in the District (30.3%) are achieving relatively strong market shares.
- 4.49 Closer analysis of the 'outflow' of shopping trips for the purchase of 'pets and pet related products' shows that the main destinations outside the District are Watford (6.1%) and Hatfield (3.1%) from Zone 1. From Zone 2 the main alternative shopping locations are Luton (8.3%), Hatfield (8.3%) and Hemel Hempstead (5.6%).
- 4.50 Based on the 'market share analysis' there would appear to be limited potential for new retail floorspace in this specific non-food category.

All Other Comparison Goods

- 4.51 Table 10 (Appendix 3) sets out the 'market share analysis' for the all other remaining comparison goods. This includes, inter alia, books, jewellery, watches, china, glassware and luxury goods.
- 4.52 Table 10 shows that there is a relatively strong 60.1% 'retention' of shopping trips in the St Albans area (Zone 1) and a lower 'retention' of 48.9% in the Harpenden area (Zone 2).
- 4.53 Overall the District's shops and stores specialising in these different types of non-food goods are achieving a market share of 56.6% within the District (Zones 1 and 2), of which the City Centre (43%) and Harpenden (8.3%) are achieving the highest shares. In comparison, the out-of-centre shopping locations have a combined market share of just 2.0%.
- 4.54 The main 'leakage' of shopping trips and expenditure on 'all other comparison goods' is to Welwyn Garden City (13.7%) and Watford town centre (13.6%) from Zone 1. The main 'leakage' from Zone 2 is to Welwyn Garden City (22.7%); The Galleria, Hatfield (6.8%); Hemel Hempstead (5.7%); Milton Keynes (4.5%) and Luton (4.5%).
- 4.55 Based on the 'market share analysis' there would appear to be some potential for increased provision in this category to help 'claw back' shoppers and expenditure. However, as for the other comparison goods categories, the priority should be to direct new retail operators and investment to the District's main centres first, either as part of new shopping schemes, or to take-up space in suitable vacant units/buildings.

SUMMARY

- 4.56 For food and convenience goods shopping the survey findings indicate that, inter alia:
- Sainsbury's at Everard Close has the highest market share for main 'bulk' food shopping trips in the St Albans area (Zone 1) and the overall District area (Zones 1 and 2).
 - The Sainsbury's and Waitrose stores in Harpenden Town Centre are achieving a combined market share of all food shopping of 52.8% in Zone 2 and are clearly important 'anchors' to the centre's overall vitality and viability.
 - St Albans City Centre has a more limited food offer and this is reflected by its low market share of main 'bulk' food shopping trips.
 - The City Centre's stores and market stalls primarily serve the more frequent day-to-day and lunchtime 'top-up' needs of shoppers, workers and visitors in the centre.
- 4.57 Overall the 'market share analysis' has identified a good provision and choice of foodstores in the Harpenden Zone and particularly in Harpenden Town Centre. There is also a good provision of out-of-centre foodstores to the south of the City Centre, as well as in the Neighbourhood Centres of Verulam and Fleetville.
- 4.58 There is, however, a clear qualitative need for a foodstore anchor either in, or on the edge of the City Centre. In our judgement a foodstore with the necessary 'critical mass' of retail floorspace, range of goods and parking provision would help to 'clawback' a proportion of shopping trips and expenditure currently flowing to the larger out-of-centre superstores to the south of the District. In planning for a new foodstore in the City Centre it would need to be well connected to the Primary Shopping Area (PSA) to help maximise the potential for 'linked trips' and 'spin-off' benefits to other shops and businesses.
- 4.59 The 'market share analysis' for comparison goods shopping has identified a number of key trends with regard to the City Centre's performance that give cause for concern including, inter alia:
- St Albans is losing market share for all comparison goods shopping trips. Of most concern is the fall in the City Centre's market share within the District area (Zones 1 and 2) from 42.8% to 28.8% since 2005.
 - Although the City Centre is the main shopping destination for clothing and footwear purchases in the District, its market share has also fallen from 48.3% to 42% since 2005.
 - The City has also experienced a decline in its market share for other comparison goods categories, including for 'furniture, carpets and other floor coverings' (from

27.5% to 14.2%) and 'DIY, hardware, decorating supplies and garden products' (from 31% to 10.9%).

- 4.60 The fall in the City Centre's market share is largely due to the increase in the draw of the District's out-of-centre shopping parks and the 'leakage' of trips and expenditure out of the District area to competing centres and shopping locations that have benefitted from new investment and development. For example, the District's out-of-centre shopping locations have increased their market share of clothing and footwear purchases from 6% to 15.4% between 2005 and 2009. For DIY goods the increase is even more significant, from 30.8% in 2005 to 45.1% in 2009.
- 4.61 St Albans City Centre is the main shopping location in the District. The attractive historic centre draws shoppers, tourists and visitors from a wide catchment area for shopping, leisure, work and other activities. In the context of national, regional and local planning policy, it is important that the vitality and viability of St Albans is maintained and strengthened in the face of increasing competition from other town centre and out-of-centre shopping locations through new development and investment.
- 4.62 The next section sets out our updated economic assessment. It broadly identifies the scale of comparison and convenience goods floorspace that the Council should be looking to accommodate in the District's main centres over the development plan period.

5.0 ECONOMIC CAPACITY ASSESSMENT

- 5.1 This section summarises the results of the updated economic capacity assessment. This is based on the revised baseline assumptions and forecasts set out in Section 3 and the 'market share analysis' in Section 4.

THE CREAT^e MODEL

- 5.2 The CREAT^e retail capacity and impact (Excel-based) model has been developed by Strategic Perspectives LLP over a number of years. It specifically draws on the policy guidance set out in PPS4 and advice contained in the Practice Guidance.
- 5.3 The model adopts a transparent 'step-by-step' approach in which all the key assumptions and forecasts can be easily tested and interrogated. It has been widely used to inform retail planning studies and to help assess the need for and impact of new retail floorspace. The model has been subject to detailed examination and scrutiny at planning appeals and development plan inquiries.
- 5.4 It is important to state at the outset that the CREAT^e model (like other forecasting models) should not be treated as a 'prescriptive mechanism', but as a guide to help inform plan-making, site allocations and the assessment of planning applications. In the current economic climate even short term forecasts are increasingly uncertain and subject to change. The capacity forecasts should not therefore be treated as 'growth targets' which must be achieved, or rigid 'thresholds' for future floorspace requirements. It is also important that the economic capacity assessments are considered alongside other key evidence and planning policy considerations. In particular, qualitative considerations will have a key bearing on the assessment of quantitative need.

CAPACITY APPROACH

- 5.5 The following briefly describes the key assumptions and approach used to assess the broad capacity for new comparison and convenience goods retail floorspace over the forecast period (up to 2031).

'Baseline' Evidence and Growth Forecasts

- 5.6 As described in Section 3, some of the main differences between the 2009 Retail Study and the 2010 update include the use of:
- the most up-to-date baseline (2009) population and expenditure estimates derived from the EBS 'Retail Planner Area Reports' (March 2010);
 - the latest expenditure and 'productivity' growth forecasts derived from the EBS (August 2009) 'Retail Planner Briefing Note 7.1';

- a 2008 price base; and
 - the latest 'benchmark' turnover levels published by Mintel and Verdict Research.
- 5.7 We have also tested the implications of two different population growth projections on the capacity forecasts.
- Scenario 1: 'Baseline' – the capacity forecasts up to 2031 are based on the 'Group 3' projections originally tested by the July 2009 Retail Study. (The detailed economic tabulations for comparison and convenience goods are set out in Appendix 4 and Appendix 6 respectively).
 - Scenario 2: 'Revised Residential Allocations' – the alternative capacity forecasts assume lower population growth in Zones 4 and 6. (The detailed economic tabulations for comparison and convenience goods are set out in Appendix 5 and Appendix 7 respectively).
- 5.8 The population growth scenarios are also described in more detail in Section 3.

'Baseline' Market Share & 'Benchmark' Turnover Approach

- 5.9 The update household survey has helped to establish the 'baseline' market shares of centres, stores and shopping facilities for comparison and convenience goods shopping within the District and wider study area. Section 4 identified the key market share patterns and described some of the main changes in shopping patterns and market shares since the 2005 household survey[§].
- 5.10 Having identified the base year expenditure and market share levels across the study area, the next step involves a robust assessment of the relative turnover/performance of each centre. This involves allocating the goods-based expenditure from each zone to existing centres and stores using the 'baseline' market shares. This determines the indicative trade draw and ('potential') turnover of existing centres and stores at the base year (2009). This is fundamental to the assessment of what, if any, surplus capacity is likely to arise over the forecast period.
- 5.11 Having established the current 'potential' turnover of existing centres/stores as accurately as possible, taking into account any potential trade draw from outside the study area, the next step involves determining whether this represents a reasonable 'baseline' for forecasting purposes. In other words, are existing facilities trading broadly in line with 'acceptable' levels, or is there evidence that facilities are underperforming or trading at such high levels that 'overtrading' is occurring.

[§] The 2005 'market share analysis' provided the 'baseline' position for the 2009 Retail Study Update.

- 5.12 To help inform this assessment the Practice Guidance advises that the estimated 'potential' turnover of existing centres and key stores derived from the household survey-based data should, wherever possible, be cross-checked against actual turnover figures. In this case 'benchmark' turnover figures have been estimated for the different types of centres, shopping locations and stores within the District. These have then been compared to the actual ('potential') turnovers derived from the household survey evidence. This approach allows the broad assessment of how existing floorspace is performing relative to 'benchmark' levels. For example, in those cases where actual turnover significantly exceeds benchmark turnovers then existing floorspace may be overtrading. Conversely, if actual turnovers are significantly less than the 'benchmark' turnover, then existing floorspace may be undertrading.
- 5.13 The Practice Guidance states that, in reality, it is often difficult to devise meaningful benchmarks for an 'acceptable' performance of a whole centre, or even a single store. This is because there is no published information on the turnover of centres and/or individual stores. Notwithstanding this lack of detailed turnover information, in the case of specific types of provision such as foodstores, company average turnover figures are widely available and can provide a broad indication of a 'benchmark' turnover for existing facilities. However, the Practice Guidance advises that such turnover benchmarks should not be used prescriptively or used in isolation to indicate a measure of 'need'. Given the inherent margins of error involved in this type of exercise, the use of company averages as benchmarks should be treated with caution and should ideally be corroborated by other independent evidence of under-performance, or strong trading. For example, evidence of 'overtrading' in foodstores might include high in-store congestion levels and queuing at checkouts and for parking spaces.

'Revised' Market Share Approach

- 5.14 Having established the 'baseline' position the standard approach for need assessments is to hold market shares 'constant' over the study period. As the Practice Guidance states, this effectively means that centres and retail destinations with the highest market shares at the outset are assumed to attract the highest proportion of forecast expenditure growth. In practice, the 'constant' market share approach will therefore serve to maintain the 'status quo' over the forecast period, as the largest and most successful centres and shopping locations will be identified as having the greatest capacity and consequently will be the main focus for identifying new development sites.
- 5.15 Whilst seeking to maintain the 'status quo' may be appropriate in certain cases in policy terms, the Practice Guidance advises that there are many circumstances where this is not an appropriate approach. In this context, the Practice Guidance states that it is "...important to adopt an holistic approach, considering both quantitative and

qualitative needs and other factors, including the availability of sites and development opportunities, and impact considerations in order to identify and test alternative options and develop a preferred strategy”.

5.16 In this context we consider that the ‘constant’ market share approach is not appropriate to the St Albans City and District area. The centre health checks carried out for the 2009 Retail Study and the updated ‘market share analysis’ based on the recent household survey have both highlighted a number of weaknesses and ‘gaps’ in the City Centre and District’s retail offer. These can be summarised as follows:

- First, the City Centre’s market share of comparison goods retailing has declined dramatically between 2005 and 2009. This is explained by the increased competition from out-of-centre shopping facilities both within and outside the District, as well as from competing centres in the sub-region that have benefitted from new investment and development over the last decade.
- Second, the City Centre has a limited foodstore offer and low market share of convenience goods expenditure. This contrasts with the strong foodstore provision to the south of the City Centre and specifically the out-of-centre Sainsbury’s superstores at Everard Close and Colney Fields.
- Third, there is a ‘leakage’ of shopping trips and expenditure from the District for certain types of ‘bulky goods’ shopping. This is due to the strong provision and choice of ‘bulky goods’ floorspace and stores in neighbouring local authority areas (both in town centre and out-of-centre locations).

5.17 In the context of PPS4 and the Practice Guidance, we consider that the ‘constant’ market share approach will fail to address these deficiencies in St Alban’s retail market. Furthermore, where new development occurs outside the study area in competing centres and shopping locations, then this could result in a further decline in the City Centre’s market share and a potentially harmful impact on its overall vitality and viability.

5.18 The remainder of this section sets out the headline findings of the revised economic capacity assessment, based on the key qualitative issues and considerations identified above.

COMPARISON GOODS CAPACITY ASSESSMENT

5.19 For comparison goods retailing the following first reviews the capacity forecasts for the District as a whole. The spatial distribution of this District-wide capacity between the St Albans and Harpenden Zones is then considered. Finally, we comment on the forecast capacity for new comparison goods floorspace in St Albans City Centre based on the ‘constant’ market share approach and then assess the increase in capacity resulting from the uplift in market shares to 2005 levels. Section 6 also provides a

more detailed commentary on the potential capacity for new 'bulky goods' retailing in the District.

St Albans City & District Area (Zones 1 & 2)

- 5.20 Table 5.1 below sets out the capacity for new comparison goods floorspace in the District based on the Scenario 1 ('Baseline') and Scenario 2 ('Revised Residential Allocations') population growth projections.

Table 5.1 Scenarios 1 & 2: 2010 Comparison Goods Capacity (net m²)

Year(s):	2011	2016	2021	2026	2031
Residual Expenditure (£m):	£0.8 - £1.3	£19.7 - £21.8	£57.6 - £61.5	£105.6 - £111.2	£162.2 - £169.9
Scenario 1:	200	3,080	8,070	13,540	19,210
Scenario 2:	125	2,789	7,560	12,870	18,350

Source: Table 13, Appendices 4 & 5

Notes: All forecasts are cumulative (i.e. the forecasts for each year include previous years and are not additional to the earlier forecasts). Figures may not sum due to rounding.

- 5.21 Compared with the findings of the July 2009 Retail Study (see Table 5.2 below), the updated forecasts show that there is more limited capacity for new comparison goods floorspace in the St Albans City and District area over the medium term (up to 2016) and long term (up to 2031). This is mainly explained by the lower expenditure growth forecasts and the updated 'market share analysis'.

Table 5.2 Scenario 1: 2009 Comparison Goods Capacity (net m²)

Year(s):	2011	2016	2021	2026	2031
Residual Expenditure (£m):	£13.1	£36.0	£75.2	£135.9	£212.9
Floorspace Capacity (net m ²):	1,980	5,120	9,970	16,720	24,320

Source: July 2009 Retail Study Update (Tables 9 & 11, Appendix 11)

- 5.22 At the strategic level, we advise that this floorspace capacity should be directed to the District's main centres first in accordance with national, regional and local planning policy guidance.
- 5.23 The table below provides a more detailed breakdown of the capacity for new retail floorspace in the St Albans (Zone 1) and Harpenden (Zone 2) areas under both scenarios.

Table 5.3 Scenarios 1 & 2: 2010 Comparison Goods Capacity (net m²)

Year(s):	2011	2016	2021	2026	2031
SCENARIO 1:	200	3,080	8,070	13,540	19,210
St Albans Zone:	-370	2,240	6,790	11,770	16,940
Harpenden Zone:	580	830	1,280	1,770	2,280
SCENARIO 2:	125	2,790	7,560	12,870	18,340
St Albans Zone:	-450	1,970	6,300	11,120	16,100
Harpenden Zone:	570	820	1,260	1,740	2,240

Source: Tables 13-15, Appendices 4 & 5. Figures may not sum due to rounding.

- 5.24 The table shows that the forecast floorspace capacity for the Harpenden area (Zone 2) up to 2031 is more limited than for the St Albans area (Zone 1).
- 5.25 As Table 5.4 below shows, the revised capacity figures are also lower than identified by the 2009 Retail Study.

 Table 5.4 Scenario 1 ('Baseline'): 2009 Comparison Goods Capacity (net m²)

Year(s):	2011	2016	2021	2026	2031
SCENARIO 2:	1,980	5,120	9,970	16,720	24,320
St Albans Zone:	970	3,800	8,120	14,160	20,970
Harpenden Zone:	1,010	1,340	1,850	2,560	3,350

Source: July 2009 Retail Study Update (Tables 9 & 11, Appendix 11)

Harpenden Area (Zone 2)

- 5.26 More detailed analysis indicates that the majority of the residual expenditure capacity in the Harpenden Zone is being generated by the town centre.
- 5.27 We therefore advise the Council that any new retail floorspace in the Harpenden area should be directed to the town centre first. This will help to address one of the key findings of the 2009 Retail Study, namely that Harpenden Town Centre has a qualitative and quantitative under-provision of comparison goods retailing. This is further underlined by the most recent Experian Goad Category Report for the town centre, which shows that comparison goods floorspace accounts for just 24% of the Harpenden's total floorspace. This is significantly below the national average for all centres covered by Experian of 37%.
- 5.28 Against this background, we conclude that there is a demonstrable need to maintain and enhance the town centre's comparison goods floorspace and offer. Given the character of the centre, its role in the District's shopping hierarchy and the limited opportunity sites, we recommend that any identified need for new comparison goods retailing should be met through the conversion and extension of existing buildings

and/or the redevelopment of in-fill sites, rather than through comprehensive development.

St Albans Area (Zone 1)

- 5.29 The St Albans area (Zone 1) accounts for the majority (88%) of the forecast capacity for new comparison goods floorspace in the District area. This is because the bulk of the District's estimated comparison goods sales area is located either in the City Centre, or in out-of-centre shopping parks and superstores to the south of the District.
- 5.30 Table 5.5 shows a relatively limited forecast capacity range of between 1,970m² and 2,240m² net in 2016, increasing to between 16,100m² and 16,940m² by 2031. In our judgement the key policy objective should be to direct the forecast capacity to the City Centre as a priority, in accordance with national planning policy guidance. This will help to address the qualitative deficiencies in the city's comparison goods and fashion offer identified by the 2009 Retail Study, as well as the dramatic decline in its market share from 42.8% in 2005 to 28.8% by 2009.
- 5.31 Notwithstanding the need to improve the scale and quality of the City Centre's non-food offer, the table shows that there is no forecast capacity for new comparison goods floorspace over the medium term (up to 2016) based on the 'constant' market share approach. There is also relatively limited capacity over the long term (up to 2031) of between 6,130m² and 6,400m².

Table 5.5 St Albans Area & City Centre: Comparison Goods Capacity (net m²)

Year(s):	2011	2016	2021	2026	2031
ST ALBANS AREA (ZONE 1):					
Scenario 1:		2,240	6,790	11,770	16,940
Scenario 2:		1,970	6,300	11,120	16,100
ST ALBANS CITY CENTRE:					
Scenario 1:	-	-	1,700	4,010	6,400
Scenario 2:	-	-	1,540	3,800	6,130

Source: Tables 14 & 16, Appendices 4 & 5

- 5.32 Table 5.6 shows the relative attraction and strong trading performance of the out-of-centre shopping facilities in the St Albans Zone, which account for approximately half of the residual expenditure and floorspace capacity in Zone 1 over the forecast period.

Table 5.6 Non-City Centre Floorspace: Comparison Goods Capacity (net m²)

Year(s):	2011	2016	2021	2026	2031
ST ALBANS OUT-OF-CENTRE:					
Scenario 1:	-	1,210	3,370	5,750	8,210
Scenario 2:	-	1,040	3,070	5,350	7,700
ST ALBANS 'OTHER':					
Scenario 1:		1,030	1,720	2,010	2,330
Scenario 2:		930	1,690	1,970	2,270

Source: Table 16, Appendices 4 & 5

Notes: The capacity generated by 'other' floorspace in Zone 1 is the residual sales area after taking account of the forecast capacity for the City Centre and all out-of-centre retail floorspace.

- 5.33 Notwithstanding this, given the scale and nature of the out-of-centre provision in St Albans** and the fact that St Albans City Centre is losing market share to out-of-centre shopping facilities, we do not consider that it is an appropriate policy response in this case to assume that all the residual expenditure and floorspace capacity identified for out-of-centre and 'other' floorspace should be used support new retail floorspace in these alternative shopping locations.
- 5.34 In this case we advise the Council that all the capacity identified for 'other' shops and stores should be directed to the City Centre first as a priority.
- 5.35 For out-of-centre retailing we have adopted a more pragmatic approach that takes into account the fact that there is also a demonstrable 'leakage' of certain types of 'bulky goods'†† shopping and expenditure outside of the District area to competing town centre and out-of-centre shopping facilities that have benefitted from new retail investment and development over the last 10-15 years.
- 5.36 To help inform the plan-making process, we have therefore carried out a broad economic assessment of the potential capacity for new 'bulky goods' retailing in the District. This assessment carefully balances the need for new 'bulky goods' floorspace in the St Albans area, whilst at the same time ensuring that any forecast capacity will not have a harmful impact on the vitality and viability of the City Centre as a whole, and particularly on the potential for future new investment and development in the City Centre. For example, a new department store anchor in the City Centre provided

** For example, the District's out-of-centre provision currently comprises a mix of 'bulky goods' retail warehouse formats (such as B&Q, Wickes and Homebase), along with Open Class A1 retailers (such as Marks & Spencer and Next).

†† The latest EBS 'Retail Planner Briefing Note 7.1' (August 2009) defines 'bulky goods' as comprising DIY goods; furniture and floor coverings; major household appliances (whether electric or not); audio-visual equipment; and the remaining 10% of non-durable DIY-type goods. We have used this definition for the purpose of our 'market share analysis' and economic assessment.

as part of a comprehensive retail development would be likely to include a significant 'bulky goods' offer "under one roof" and would help to 'claw back' expenditure to the City Centre.

5.37 Our high level economic capacity assessment is based on a series of transparent steps.

5.38 First, the table below sets out the residual comparison goods expenditure for the District's out-of-centre retail floorspace under Scenario 1 (Table 17, Appendix 4) and Scenario 2 (Table 17, Appendix 5).

Table 5.7 Out-of-Centre Retail Floorspace – Residual Expenditure Capacity

Year(s):	2011	2016	2021	2026	2031
Scenario 1:	-	£8.5	£25.7	£47.2	£72.6
Scenario 2:	-	£7.3	£23.4	£43.9	£68.1

Source: Tables 17, Appendices 4 & 5

5.39 The most recent EBS 'Retail Planner Area Reports' show that 'bulky goods' expenditure, on average, accounts for approximately 40% of total expenditure per capita. If this is applied to the total residual expenditure forecast for the out-of-centre retailing in the District, it provides a broad indication of the residual expenditure potentially available to support new 'bulky goods' retail floorspace. For example, of the residual comparison goods expenditure identified for out-of-centre floorspace under Scenario 1 in 2031 (i.e. £72.6m), we estimate that circa £29m (40%) will comprise expenditure on core 'bulky goods'. We have therefore made the reasonable assumption that the £43.6m (60%) of remaining residual expenditure will be on 'non-bulky' goods and should, therefore, be directed to the City Centre first in accordance with policy objectives. We consider the impact on the 'baseline' capacity forecasts for the City Centre in more detail below.

5.40 In order to convert the forecast 'bulky goods' residual expenditure into indicative net sales areas for typical 'bulky goods' operators we have necessarily differentiated between the trading characteristics of DIY operators at one end of the retail 'spectrum' (assumed to be trading, on average, at £2,000 per m²) and electrical goods retailers at the other end of the 'spectrum' (trading at, on average, £6,500 per m²). Based on published company averages, retailers in the 'furniture, carpet & other floor covering' category are achieving average company sales densities of around £2,250 per m².

5.41 The capacity forecast ranges for 'bulky goods' retailing are summarised by the table below. The more detailed economic tabulations are set out in Tables 1 of Appendix 8 and Appendix 9 for Scenarios 1 and 2 respectively.

Table 5.8 'Bulky Goods' – Capacity Forecasts (derived from out-of-centre floorspace only)

Year(s):	2011	2016	2021	2026	2031
Residual Expenditure in District derived from Out-of-Centre Floorspace only:	-	£7.3 - £8.5	£23.4 - £25.7	£43.9 - £47.2	£68.1 - £72.6
Bulky Goods as % of Total Spend:	40%	40%	40%	40%	40%
Revised 'Bulky Goods' Residual Expenditure:	-	£2.9 - £3.4	£9.4 - £10.3	£17.6 - £18.9	£27.2 - £29.0
Capacity for DIY, Hardware, Decorating Supplies (m ² net):	-	1,350 – 1,570	3,990 – 4,380	6,950 – 7,470	10,010 – 10,680
OR					
Capacity for Household Electrical Appliances (m ² net):	-	420 - 480	1,350 – 1,230	2,140 – 2,300	3,080 – 3,290

Source: Table 1, Appendices 8 & 9

- 5.42 The 'high level' forecasts indicate capacity for between 10,100m² and 10,680m² net of 'DIY, hardware and decorating supplies' sales area by 2031, or between 3,080m² and 3,290m² net of 'electrical goods' floorspace trading at higher average sales densities.
- 5.43 However, it is important to note that this 'constant market share' approach does not take account of the potential 'uplift' in capacity that could occur due to the 'claw back' of 'bulky goods' shoppers and expenditure currently 'leaking' out of the District. We assess the impact of this 'claw back' scenario in more detail in Section 6.

St Albans City Centre

- 5.44 The revised 'baseline' capacity forecasts for St Albans City Centre are set out in the table below. These forecasts include the capacity originally identified for the City Centre (Table 16 of Appendices 4 and 5); the capacity identified for 'other' floorspace in the St Albans area; and the 60% of residual comparison goods capacity (i.e. 'non-bulky' goods expenditure) derived from existing out-of-centre floorspace.
- 5.45 The table shows a 'revised' capacity for St Albans City Centre of between 1,550m² and 1,760m² net in 2016, increasing to between 13,020m² and 13,650m² net by 2031. In comparison, based on the higher 2005 market share levels for the City Centre only^{††}, the 2009 Retail Study forecast capacity for 11,690m² net in 2016, increasing to 25,420m² net by 2031.

^{††} In other words, excluding any capacity generated by 'other' floorspace and 'out-of-centre' retailing that should be directed to the City Centre first in accordance with policy guidance.

Table 5.9 St Albans City Centre: Revised Comparison Goods Capacity (net m²)

Year(s):	2011	2016	2021	2026	2031
SCENARIO 1:					
City Centre Capacity:	-	-	1,700	4,010	6,400
'Other' Capacity:	-	1,030	1,720	2,010	2,330
'Out-of-Centre' Capacity (@60%):	-	730	2,020	3,450	4,920
TOTAL REVISED CITY CENTRE CAPACITY:	-	1,760	5,440	9,470	13,650
SCENARIO 2:					
City Centre Capacity:	-	-	1,540	3,800	6,130
'Other' Capacity:	-	930	1,690	1,970	2,270
'Out-of-Centre' Capacity (@60%):	-	620	3,070	3,210	4,620
TOTAL REVISED CITY CENTRE CAPACITY:	-	1,550	6,300	8,980	13,020

Sources: see above

- 5.46 In the context of national, regional and local planning policy objectives to maintain and enhance the vitality of viability of centres, we consider that the appropriate policy response in this case should be for the Council to aim to 'claw back' the City Centre's market share through new investment and development in its comparison goods offer.
- 5.47 We have therefore tested the impact of 'restoring' the City Centre's market share to its 2005 levels of 42.8% from within the District and 5.5% from the outer study areas (i.e. Zones 3-6). In our judgement 2016 represents the earliest timeline for the development of a major new retail scheme in the City Centre. This assumes that a suitable and viable site (or sites) can be identified and delivered by the Council in partnership with the private sector.
- 5.48 The revised capacity forecasts for the City Centre based on the 'uplift' in market shares from 2016 onwards are set out in Table 18 (Appendix 4) for Scenario 1 and Table 18 (Appendix 5) for Scenario 2. The headline forecasts are as follows:

Table 5.10 St Albans City Centre – Comparison Goods Capacity based on 'uplift' in market shares at 2016

Year(s):	2011	2016	2021	2026	2031
Scenario 1:	-	12,960	16,150	19,640	23,250
Scenario 2:	-	12,820	15,890	19,290	22,800

Source: Tables 18, Appendix 4 & 5

- 5.49 As the table shows the forecast residual expenditure arising from the uplift in market shares for just the City Centre indicates a capacity for between 12,820m² and 12,960m² net in 2016, increasing to between 22,800m² and 23,250m² net by 2031.

- 5.50 If this revised ('uplift') capacity forecast is considered along with the residual expenditure and floorspace capacity derived from 'other' and out-of-centre floorspace in the St Albans area, then the overall capacity forecast is as follows:

Table 5.11 St Albans City Centre: Overall Comparison Goods Capacity (net m²)

Year(s):	2011	2016	2021	2026	2031
SCENARIO 1:					
'Revised' City Centre Capacity:	-	12,960	16,150	19,640	23,250
'Other' Capacity:	-	1,030	1,720	2,010	2,330
'Out-of-Centre' Capacity (@60%):	-	730	2,020	3,450	4,920
TOTAL CITY CENTRE CAPACITY:	-	14,720	19,890	25,100	30,500
SCENARIO 2:					
'Revised' City Centre Capacity:	-	12,820	15,890	19,290	22,800
'Other' Capacity:	-	930	1,690	1,970	2,270
'Out-of-Centre' Capacity (@60%):	-	620	3,070	3,210	4,620
TOTAL CITY CENTRE CAPACITY:	-	14,370	20,650	24,470	29,690

Sources: see above

- 5.51 In our experience the 'critical mass' of new retail floorspace would support a commercially viable scheme in the City Centre. For example, the forecast floorspace capacity by 2031 would accommodate a major department 'anchor' store (such as, for example, John Lewis, Debenhams or House of Fraser) and/or a mix of large variety stores (such as, for example, Marks & Spencer, Next, BHS, etc.). A scheme of this size would also meet the requirements of a range of multiple and independent retailers, as well as ancillary uses such as cafes, restaurants and other service facilities.
- 5.52 Depending on the size and layout of any potential development opportunity sites in the City Centre, the retail scheme could also be designed to support a mix of other town centre uses, including offices, commercial leisure facilities and residential apartments above ground floor level. In our experience a commercially viable scheme would also ideally have frontage on to the Primary Shopping Area (PSA), or be easily accessible to the PSA to help strengthen the existing retail circuit and generate the maximum benefits for the City Centre as a whole.
- 5.53 In the light of these findings, the Council should identify and allocate a potential site or sites in the City Centre to accommodate the scale and type of retail floorspace identified in a comprehensive manner. This would maximise the potential for St. Albans City Centre to 'claw back' comparison goods expenditure (both 'bulky' and 'non-bulky' expenditure) and achieve the same market share levels as identified in 2005.
- 5.54 Without new development the likely scenario is that St Albans will continue to lose shoppers and market share to existing, proposed and committed retail floorspace in out-of-centre locations within and outside the District, as well as to competing centres

in the wider area. New retail investment is therefore needed as a priority in St Albans City Centre to help maintain and enhance its overall vitality and viability over the longer term, as well as its important role in the sub-region's shopping hierarchy.

- 5.55 Notwithstanding the priority to promote new retail investment and development in the City Centre, the 'market share analysis' in Section 4 has also identified a qualitative 'deficiency' in certain 'bulky goods' categories. We assess the capacity for an uplift in 'bulky goods' capacity due to the 'claw back' of shoppers and expenditure in more detail in Section 6.

CONVENIENCE GOODS CAPACITY ASSESSMENT

- 5.56 The convenience goods economic capacity tabulations are set out in Appendix 6 (Scenario 1) and in Appendix 7 (Scenario 2). As for the 2009 Retail Study, the residual expenditure forecasts have been converted into a net sales areas based on the following assumptions:

- Option 1: Superstore Format – The published company average sales densities for the 'top 6' grocery retailers (namely Tesco, Sainsbury's, WM Morrisons, Asda, Waitrose and M&S Simply Food) show that they are achieving 'benchmark' sales ranging from £10,000 per m² to £15,000 per m² depending on the operator. For the purpose of our assessment we have assumed a reasonable average sales density for new floorspace of £11,500 per m² in 2009 (at 2008 prices); and
- Option 2: Supermarket / 'Deep Discounter' 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 £5,500 per m² in 2009 (at 2008 prices).

St Albans City & District Area

- 5.57 Table 5.12 below sets out the revised capacity forecasts for new convenience goods floorspace in the St Albans City & District Area under Scenario 1 (Appendix 6) and Scenario 2 (Appendix 7).

Table 5.12 Scenarios 1 & 2: 2010 Convenience Goods Capacity (net m²)

Year(s):	2011	2016	2021	2026	2031
Residual Expenditure (£m):	£28.4 - £28.7	£33.1 - £34.2	£41.4 - £43.4	£50.7 - £53.3	£61.8 - £65.1
SUPERSTORE FORMAT:					
Scenario 1:	2,470	2,870	3,560	4,260	5,070
Scenario 2:	2,450	2,780	3,390	4,050	4,820
SUPERMARKET/DISCOUNTER:					
Scenario 1:	5,170	6,010	7,440	8,910	10,600
Scenario 2:	5,110	5,800	7,090	8,480	10,070

Source: Table 13, Appendices 6 & 7.

Notes: All forecasts are cumulative (i.e. the forecasts for each year include previous years and are not additional to the earlier forecasts). Figures may not sum due to rounding.

- 5.58 The forecasts show that there is sufficient residual expenditure capacity to support between 2,780m² and 2,870m² net of new 'superstore format' floorspace by 2016, increasing to between 4,820m² and 5,070m² net by 2031.
- 5.59 However, it is important to note that this residual expenditure capacity is mainly derived from the District's large out-of-centre superstores. These out-of-centre stores are generally achieving 'potential' turnover levels significantly above their forecast 'benchmark' turnovers based on company averages. We have found no evidence of a qualitative need for additional convenience goods floorspace in these out-of-centre locations (for example, there is no evidence of in-store congestion and over-crowding). We therefore advise the Council that the capacity for new convenience goods floorspace should be directed to St Albans City Centre as a priority. This will help to meet the qualitative need for a foodstore 'anchor' in the City Centre and 'claw back' shoppers, expenditure and footfall to the benefit of the City Centre as a whole through linked trips.
- 5.60 Given that supermarket and 'deep discounter' operators trade at lower average sales densities, the forecast capacity will inevitably be higher. The table shows floorspace capacity of between 5,800m² and 6,010m² net by 2016, increasing to between 10,070m² and 10,600m² net by 2031.
- 5.61 As Table 5.13 shows, the revised (Scenario 1) District-wide capacity forecasts are slightly lower than the 'Baseline' (Scenario 1) forecasts identified by the 2009 Retail Study.

Table 5.13 Scenario 1: 2009 Convenience Goods Capacity (net m²)

Year(s):	2011	2016	2021	2026	2031
RESIDUAL SPEND (£m):	£33.7	£38.7	£46.1	£54.1	£62.7
Superstore Format:	3,020	3,420	3,980	4,550	5,150
Supermarket/Discounter:	6,650	7,520	8,750	10,020	11,320

Source: 2009 Retail Study Update (Tables 7 & 8, Appendix 12)

- 5.62 The following provides a more detailed breakdown of the spatial distribution of floorspace capacity between the St Albans and Harpenden Zones.

St Albans Area (Zone 1)

- 5.63 The table below summarises the headline capacity forecasts for new superstore and supermarket/discounter floorspace in the St. Albans area (Zone 1) under Scenarios 1 and 2.

Table 5.14 St Albans (Scenarios 1 & 2) – 2010 Convenience Goods Capacity

Year(s):	2011	2016	2021	2026	2031
RESIDUAL SPEND (£m):	£15.6 - £15.9	£19.0 - £20.0	£25.2 - £27.0	£32.1 - £34.5	£40.4 - £43.4
Superstore:	1,340 – 1,370	1,590 – 1,680	2,060 – 2,210	2,570 – 2,760	3,150 – 3,380
Supermarket/Discounter:	2,810 – 2,860	3,330 – 3,510	4,310 – 4,620	5,370 – 5,760	6,590 – 7,070

Source: Table 13, Appendices 6 & 7

- 5.64 Compared with the findings of the 2009 Retail Study, Table 5.15 shows that there has been a significant increase in the forecast residual expenditure available to support new convenience goods floorspace in the St Albans Zone.

Table 5.15 St Albans (Scenario 1) – 2009 Convenience Goods Capacity

Year(s):	2011	2016	2021	2026	2031
RESIDUAL SPEND (£m):	£6.9	£10.1	£14.9	£20.1	£25.8
Superstore:	620	900	1,290	1,690	2,110
Supermarket/Discounter:	1,360	1,970	2,840	3,730	4,640

Source: 2009 Retail Study (Scenario 1, Appendix 12)

- 5.65 The difference in the capacity forecasts is largely explained by the updated 'market share analysis' (see Section 4). The updated survey results show, for example, that the existing stores and shops in the St Albans area have increased their overall market share from within the District (i.e. Zones 1 and 2) from 58.3% to 62.7% between

2005 and 2009. In turn, this has increased the residual expenditure capacity available to support new convenience goods floorspace in Zone 1.

- 5.66 As described above, the large superstores to the south of the City Centre have increased their market shares and 'potential' turnovers since 2005, whereas the City Centre's overall market share has decreased further to just 6%. This supports one of the key findings of the 2009 Retail Study, namely that there is a demonstrable need for a suitably-sized foodstore either in or on the edge of the City Centre to help anchor its food offer and 'claw back' shoppers and expenditure currently 'flowing' to the larger out-of-centre superstores to the south of the District.
- 5.67 The Council should therefore aim to allocate a site in the City Centre to accommodate an 'anchor' foodstore as a priority.

Harpenden Zone (Zone 2)

- 5.68 The table below sets out the headline capacity forecasts for potential new superstore and supermarket/discounter floorspace in the Harpenden area (Zone 2) under Scenarios 1 and 2.

Table 5.16 Harpenden (Scenarios 1 & 2): 2010 Convenience Goods Capacity

Year(s):	2011	2016	2021	2026	2031
RESIDUAL SPEND (£m):	£12.8	£14.1 - £14.2	£16.2 - £16.4	£18.6 - £18.8	£21.4 - £21.7
Superstore:	1,110	1,180 – 1,190	1,330 – 1,350	1,490 – 1,500	1,670 – 1,690
Supermarket/Discounter:	2,310	2,480 – 2,490	2,790 – 2,820	3,110 – 3,150	3,480 – 3,530

Source: Table 15, Appendices 6 & 7

- 5.69 Compared with the findings of the 2009 Retail Study, Table 5.17 below shows that there has been a marked reduction in the residual expenditure available to support new convenience goods floorspace in the Harpenden area.

Table 5.17 Harpenden (Scenario 1): 2009 Convenience Goods Capacity

Year(s):	2011	2016	2021	2026	2031
RESIDUAL SPEND (£m):	£26.7	£28.5	£31.2	£33.9	£37.0
Superstore:	2,400	2,520	2,690	2,860	3,040
Supermarket/Discounter:	5,280	5,550	5,910	6,290	6,680

Source: 2009 Retail Study (Scenario 1, Appendix 12)

- 5.70 More detailed analysis shows that the majority of the residual expenditure in Zone 2 is being generated by the two main anchor superstores in Harpenden Town Centre (i.e.

Sainsbury's and Waitrose). Both of these stores are trading above their 'benchmark' turnover levels based on published company averages. Although we have found no qualitative evidence to indicate that either of these town centre stores is so congested or over-crowded that it is resulting in negative impacts on their performance and customer satisfaction levels, we understand that there is the potential to extend both stores to meet the identified need.

- 5.71 Based on our assessment of qualitative and quantitative considerations in this case, we conclude that there is currently no significant 'pent-up' capacity for new retail floorspace in Zone 2. In policy terms we advise the Council that the forecast capacity would justify the extension of the existing foodstores in Harpenden Town Centre over the forecast period. In our judgement it would be contrary to policy guidance to 'reallocate' any residual expenditure growth generated by the town centre's stores to support new out-of-centre floorspace. Such an approach would inevitably result in trade diversion and impact on the town centre, which would be contrary to national, regional and local planning policy guidance.

SUMMARY

- 5.72 This section has set out our revised capacity forecasts for new convenience and comparison goods retail floorspace in the District area up to 2031. These forecasts have been updated to take account of new baseline evidence and forecasts including, inter alia:
- the updated 2009 household survey results;
 - the population growth scenarios arising from the different dwelling completion rates; and
 - the revised expenditure growth rates published by Experian Business Strategies (EBS).
- 5.73 For comparison goods retailing the forecasts show a fall in the capacity for new floorspace in St Albans City Centre compared with the findings of the 2009 Retail Study. This is explained by the decline in the centre's market share as identified by the updated survey results from 42.8% to 28.8% between 2005 and 2009.
- 5.74 As explained in Section 4, St Albans City Centre is facing increased competition from out-of-centre shopping locations within and outside the District, as well as from new retail investment and development in competing centres in the sub-regional shopping hierarchy. This declining market share will inevitably have a harmful impact on the City Centre's overall vitality and viability, resulting in falling footfall, expenditure and turnover levels.
- 5.75 In response to this real 'threat' to the City Centre's existing and future health, the local planning authority should proactively be looking to direct new retail investment and

development to the centre as a priority. The Council's overall vision and "policy aspiration" for the City Centre should be to restore its market share to the levels identified by the 2005 household survey. This would have a positive impact on the centre's overall vitality and viability. At the same time, it would generate sufficient residual expenditure capacity to support a new commercially viable retail scheme with a sales area of approximately 20,000m² net by 2021, increasing to 25,000m² net by 2026. In our experience this quantum of new comparison goods floorspace would support a department store 'anchor', along with a mix of other retail and town centre uses.

- 5.76 For convenience goods retailing the City Centre's market share is limited. The updated survey results confirm that the majority of residents in the St Albans Zone are either shopping at the large out-of-centre superstores to the south of the City Centre (both of which are operated by Sainsbury's), or at the superstores anchoring the Neighbourhood Centres of Fleetville (Morrison's) and Verulam (Waitrose).
- 5.77 Given the qualitative deficiencies in the City Centre's food offer, we consider that there is a demonstrable need to provide a foodstore anchor either in, or on the edge of the City Centre to help 'claw back' shoppers and expenditure to St Albans. A foodstore located closer to the City Centre with good pedestrian connections to the Primary Shopping Area would also help to maximise the benefits to the centre's overall vitality and viability through 'linked trips' and 'spin off' expenditure.
- 5.78 Notwithstanding this, the identified need for a foodstore anchor in the City Centre has to be carefully 'balanced' with the need to strengthen the scale and quality of the centre's comparison goods, department store and fashion offer. We therefore advise the Council that strategic sites in the City Centre should not be allocated solely for an anchor food superstore if they have the potential (either on their own, or as part of a larger assembled site) to accommodate a major retail scheme over the development plan period.
- 5.79 For the Harpenden area we conclude that there is no demonstrable need for new convenience goods retail floorspace over the forecast period. Although floorspace capacity has been identified for Zone 2, the 'bulk' of the forecast residual expenditure is being generated by the two foodstore anchors in Harpenden Town Centre. In this context, we advise that any forecast capacity for new convenience goods floorspace in the Harpenden area should be directed to the town centre first and specifically the extension of the existing foodstore anchors, if a qualitative need exists. The forecast residual expenditure growth derived from the town centre's two main anchor superstores should not be 'reallocated' to support new out-of-centre floorspace, as this would be contrary to national, regional and local planning policy guidance.
- 5.80 Finally, it is apparent from the significant revisions to published expenditure growth forecasts over the last 12-18 months that capacity forecasts, even over the short term, are less certain and should be continually monitored. We therefore advise the

Council that the forecast capacity identified by our economic assessment provides only a broad indication of the potential for new retail development in the District. The forecasts do not represent maximum or minimum 'thresholds' (or 'targets') that should necessarily be met.

6.0 'BULKY GOODS' RETAILING - NEED ASSESSMENT

6.1 This section provides the Council with a broad assessment of the potential qualitative and quantitative need for new large format 'bulky goods' retail floorspace in the District, based on the potential 'claw back' of shoppers and expenditure currently going to other shopping locations outside the District area. This assessment builds on the capacity forecasts outlined in Section 5.

POLICY CONTEXT & PRACTICE GUIDANCE

6.2 Both PPS4 and the Practice Guidance provide clarification as to the potential treatment of 'bulky goods' retailing in planning policy terms.

- PPS4 (Policy EC1.4.a) states that when assessing the need for retail and leisure development LPAs should take account of both the quantitative and qualitative need for additional floorspace for "...different types of retail and leisure developments."
- Annex B of PPS4 provides a description of different types of retail development and defines retail warehouses as "...large stores specialising in the sale of household goods (such as carpets, furniture and electrical goods), DIY items and other ranges of goods, catering mainly for car-borne customers."
- PPS4 (Policy EC5.1) states that local planning authorities should identify an appropriate range of sites to accommodate the identified need, ensuring that sites are capable of accommodating a range of business models in terms of scale, format, car parking provision and the scope for disaggregation.
- Under the sequential approach to site selection and land assembly, LPAs are required by PPS4 (Policy EC5.2) to identify sites that are suitable, available and viable in existing centres first; followed by edge-of-centre locations (with preference given to sites that are or will be well-connected to the centre); and then out-of-centre sites (with preference given to sites which are or will be well served by a choice of means of transport and which are the closest to the centre and have a higher likelihood of forming links with the centre).
- Policy EC5.5 states that once sites have been identified for new development, LPAs should allocate sufficient sites in development plan documents to meet at least the first five years identified need. Where appropriate, LDFs should set out policies for the phasing and release of allocated sites to ensure that those sites in preferred locations within centres are developed ahead of less central locations.
- Policy EC15 of PPS4 deals with the consideration of sequential assessments for planning applications for main town centre uses that are not in a centre and not in accordance with an up-to-date development plan. It states at EC15.2 that

“...evidence which claims the class of goods proposed to be sold cannot be sold from the town centre should not be accepted.”

- 6.3 National policy therefore requires developers and operators to demonstrate “flexibility” in their business model when considering sites in, or on the edge, of existing centres as part of applying the sequential approach to town centre uses. The purpose behind this is to seek, wherever appropriate, to accommodate new retail and other main town centre uses within town centres first. This enables new development to make effective and efficient use of previously developed land, ensure schemes are located in accessible locations, secure new investment and thereby improve the range and diversity of activities in town centres.
- 6.4 However, the Practice Guidance also states that LPAs need to be flexible and realistic in terms of their expectations. It highlights the fact that the size and ‘bulk’ of goods sold will influence the size and type of store required. At paragraph 6.31 the Practice Guidance states that: “This applies particularly to retailers selling bulky durable goods such as DIY, furniture, carpets and domestic appliances. In many cases, these forms of development are regarded as complementary to the role of town centre retailing, and do not generate sufficient sales productivity to trade in prime town centre locations.”
- 6.5 Notwithstanding this, policy guidance is clear that any forecast capacity for new retail floorspace (including ‘bulky’ goods retailing) should be directed to town centres first in accordance with national, regional and local planning policy.

QUALITATIVE NEED ASSESSMENT

- 6.6 The table below summarises the aggregated market shares for main ‘bulky goods’ shopping trips and expenditure^{§§} in Zones 1 and 2, as well as for the District area. The more detailed market share tabulations for all six zones are set out in Table 11 of Appendix 3.

§§ The latest EBS ‘Retail Planner Briefing Note 7.1’ (August 2009) defines ‘bulky goods’ as comprising DIY goods; furniture and floor coverings; major household appliances (whether electric or not); audio-visual equipment; and the remaining 10% of non-durable DIY-type goods. We have used this definition for the purpose of our ‘market share analysis’ and economic assessment.

Table 6.1 'Bulky Goods' Purchases – Market Shares (%)

	Zone 1	Zone 2	District Area (Zones 1 & 2)
St. Albans City Centre:	15.8%	5.6%	12.6%
Harpenden Town Centre:	0.2%	4.2%	1.5%
All Neighbourhood Centres:	1.3%	1.1%	1.2%
Out-of-Centre Retail Parks:	32.7%	7.6%	24.8%
All Other Floorspace:	9.2%	6.3%	8.1%
DISTRICT RETENTION LEVEL	59.2%	24.8%	48.2%
Watford	18.2%	3.2%	8.7%
Hatfield	2.2%	3.1%	2.5%
Luton	0.8%	25.3%	8.6%
Welwyn Garden City	11.1%	28.9%	16.8%
Hemel Hempstead	1.4%	5.4%	2.6%
Stevenage	1.8%	5.2%	2.9%
All Other Centres & Floorspace:	5.3%	4.1%	9.7%
TOTAL MARKET SHARE:	100.0%	100.0%	100.0%

Source: 2009 Household Survey (Table 11, Appendix 3).

Notes: For centres outside the District the market shares are for both town centre and out-of-centre floorspace.

6.7 The 'market share analysis' shows that there is a 'leakage' of shoppers and expenditure on specific types of 'bulky goods' to competing out-of-centre retail locations outside the District, as well as to those competing centres in the sub-region that have benefitted from new retail investment and development over the last 10-15 years. In summary the analysis shows:

- a 59.2% 'retention' of 'bulky goods' expenditure in the St Albans area (Zone 1) and just 24.8% in the Harpenden area (Zone 2).
- a District-wide 'retention' level of 48.2%.
- the City Centre is achieving a 15.8% market share in Zone 1 and 12.6% across the District.
- all the out-of-centre shopping locations in the St Albans area are achieving a combined market share of 32.7% in Zone 1 and 24.8% across the District.
- of the 40.8% 'leakage' of 'bulky goods' expenditure from Zone 1, the main competing shopping locations are Watford and Welwyn Garden City.
- in the Harpenden Zone the majority of respondents are shopping for 'bulky goods' outside of the District area, mainly in Luton and Welwyn Garden City.

6.8 The survey results show that there appears to be a qualitative 'gap' in the District's overall 'bulky goods' offer. We therefore consider that there is potential for new retail

floorspace to 'claw back' a proportion of the shoppers and expenditure currently travelling out of the area for their main 'bulky goods' purchases to more sustainable locations in the District.

QUANTITATIVE NEED ASSESSMENT

- 6.9 This assessment builds on the capacity forecasts set out in Table 5.8 of Section 5. It has been prepared in the context of the demonstrable qualitative and quantitative need for new high quality comparison goods floorspace (both 'bulky' and non-bulky) in the City Centre as a priority over the development plan period. For this reason, we have focussed our economic assessment on the 'bulky goods' residual expenditure generated by the District's out-of-centre floorspace only. We consider that this analysis will provide the Council with a more realistic assessment of the scale, type and format of 'bulky goods' retail floorspace that can be accommodated in the District, without resulting in harmful impact on the capacity identified for the City Centre.
- 6.10 It is not possible to be overly prescriptive with regard to a specific 'threshold' or 'optimum' target for the 'retention' of 'bulky' goods expenditure in the District. As described above the current 'retention' level for all floorspace in Zone 1 is 59.2%, whereas for the District area it is lower at 48.2%.
- 6.11 The assessment of the likely increase in the 'retention' of 'bulky goods' expenditure in Zone 1 and the wider District area will clearly depend on the location, scale, quality, choice and accessibility of the proposed new floorspace compared with existing competing shopping facilities outside the District. Notwithstanding this, we consider that it is reasonable and robust to 'test' an increase in the overall 'retention' of available 'bulky goods' expenditure in the District from 48.2% to 55% at 2016. We have then assumed market shares remain constant at the 55% level up to 2031.
- 6.12 The results of the revised capacity assessment are summarised below and the detailed tabulations are set out in Table 2 of Appendices 8 and 9.

Table 6.2 Revised 'Bulky Goods' Capacity Forecasts

Year(s):	2011	2016	2021	2026	2031
Revised 'Bulky Goods' Residual Spend in District:	-	£16.0 - £16.5	£24.5 - £25.4	£35.2 - £36.5	£47.6 - £49.5

Capacity for DIY, Hardware, Decorating Supplies (m ² net):	-	7,350 – 7,570	10,460 – 10,850	13,930 – 14,450	17,510 – 18,180
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OR

Capacity for Household Electrical Appliances (m ² net)::	-	2,260 – 2,330	3,220 – 3,340	4,290 – 4,440	5,390 – 5,590
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Source: Table 2, Appendices 8 & 9

- 6.13 Based on this alternative 'claw back' scenario, we forecast that the capacity for floorspace in the 'DIY, hardware and decorating supplies' category will increase under Scenario 1 from 1,570m² to 7,570m² net in 2016 and from 480m² net to 2,330m² net for 'electrical items'.
- 6.14 By 2031 the forecast capacity will increase to between 17,510m² and 18,810m² net for 'DIY, hardware and decorating supplies' and to between 5,390m² and 5,590m² net for 'electrical items'.

SUMMARY

- 6.15 The 'market share analysis' set out in Section 4 has identified a qualitative 'gap' in the District's 'bulky goods' offer. This is indicated by the 'leakage' of car-borne shopping trips for certain categories of 'bulky goods' expenditure to competing shopping locations outside the District. We therefore consider that there is a qualitative need for new 'bulky' goods retail floorspace to help 'claw back' a proportion of these shoppers and expenditure to more sustainable shopping locations in the District.
- 6.16 The 'high level' forecasts indicate that there is capacity for between 17,510m² and 18,810m² net of 'DIY, hardware and decorating supplies' sales area by 2031, or between 5,390m² and 5,590m² net of 'electrical goods' floorspace.
- 6.17 Notwithstanding this, it is important to restate that the forecast capacity for 'bulky goods' retailing generated by existing out-of-centre floorspace does not represent a presumption in support of additional out-of-centre retail warehousing in the District. A detailed assessment of the suitability, viability and availability of sequential sites should be carried out in accordance with PPS4 (Policy EC5). Local planning authorities are required under PPS4 to identify an appropriate range of sites to accommodate the identified need, ensuring that sites are capable of accommodating a range of business models in terms of scale, format, car parking provision and the scope for disaggregation.
- 6.18 If, however, town centre or edge-of-centre sites are not found to be suitable, viable or available for large format 'bulky goods' retailing, then the Council should assess the potential to extend the offer in existing out-of-centre locations that are or will be well served by a choice of means of transport and which are closest to existing centres and have a higher likelihood of forming links with centres (PPS4, Policy EC5).

7.0 CONCLUSIONS & EXECUTIVE SUMMARY

- 7.1 This study updates the economic capacity assessment conducted by Strategic Perspectives LLP ('SP') as part of the 2009 Retail Study for St. Albans City and District Council (the 'Council'). It assesses the quantitative need for new convenience and comparison ('non-bulky' and 'bulky') goods over the forecast period up to 2031. The findings of both the 2009 Retail Study and 2010 Retail Study Update provide the robust evidence base required to help inform the preparation of the Council's Local Development Framework (LDF) and specifically the Core Strategy, in accordance with national and regional planning policy guidance.
- 7.2 This updated assessment is informed by a bespoke household telephone interview survey commissioned by the Council in August 2009. This survey supersedes the original 2005 household survey which was used to inform both the Council's 2006 and 2009 retail studies. Where necessary, the 2010 Retail Study Update also revises the key 'baseline' assumptions and forecasts based on the latest evidence and research.
- 7.3 The capacity forecasts have 'tested' the impact of two different dwelling-led population growth projections, as agreed with the Council. The population growth rates have been informed by the latest East of England Regional Assembly (EERA) 'Group 3' projections, as assumed for the Regional Spatial Strategy. Notwithstanding this, we recommend that once the projections are updated, a further sensitivity analysis of the baseline capacity assessment is undertaken to determine the impact of any planned housing allocations and population increase on the overall capacity forecasts.

COMPARISON GOODS CAPACITY

- 7.4 For St Albans City Centre the headline findings of the household survey for comparison goods shopping show that:
- The City Centre's market share in the District area (i.e. Zones 1 and 2) has fallen from 42.8% in 2005 to 28.8% according to the latest survey evidence. Its market share across the wider study area (i.e. Zones 1-6) has also fallen from 24.6% to 14.6% since 2005.
 - The City Centre's falling market share reflects the increased competition from out-of-centre shopping facilities both within and outside the District, as well as the impact of new retail investment and development in competing centres elsewhere in the sub-region.
- 7.5 The significant decline in the City's market share and 'potential' turnover since 2005 has, in turn, resulted in a lower forecast capacity for new comparison goods floorspace than identified by the 2009 Retail Study.

- 7.6 As part of the Council's vision and strategy for St Albans City Centre, we have tested the impact of 'restoring' the City's market share to its previous 2005 level from 2016 onwards. This 'uplift' would support a new retail scheme in the City Centre with a comparison goods sales area of circa 20,000m² net by 2021, increasing to 25,000m² net by 2026.
- 7.7 In our judgement this quantum of new retail sales will provide the necessary 'critical mass' needed to support a commercially viable retail scheme, ideally anchored by a major department store operator and/or variety retailers, along with a mix of other multiple and independent retail and town centre uses.
- 7.8 For Harpenden Town Centre the updated economic assessment indicates that there is limited forecast capacity for new comparison goods floorspace of between 820m² and 830m² net up to 2016, increasing to between 2,240m² and 2,280m² net by 2031. Given the character of the centre, its important role in the District's shopping hierarchy and the limited opportunity sites for new development in the historic town centre, we recommend that any identified need for new comparison goods retailing should be met by the conversion and extension of existing buildings and/or the redevelopment of in-fill sites, rather than through comprehensive development.

CONVENIENCE GOODS CAPACITY

- 7.9 In terms of convenience goods retailing, the updated analysis confirms the findings of the Council's earlier retail studies, namely that there is a qualitative and quantitative need for a suitably-sized foodstore to 'anchor' the City Centre's convenience goods. A foodstore in a more central location would help to 'claw back' shoppers and expenditure from the large out-of-centre superstores to the south of the City and would provide benefits to other shops and businesses in the City Centre through 'linked trips', increased footfall and 'spin-off' expenditure.
- 7.10 Notwithstanding the identified need for a foodstore in the City Centre, the Council will have to balance this with the need for a significant 'critical mass' of new comparison goods floorspace. In this context we advise the Council that important strategic sites in the City Centre should not be allocated for an anchor food superstore if they have the potential (either on their own, or as part of a larger assembled site) to accommodate the identified need for new comparison goods floorspace, either now or in the future.
- 7.11 For Harpenden, the forecast capacity is for between 1,180m² and 1,190m² net of new 'superstore format' floorspace at 2016, increasing to between 1,670m² and 1,690m² net by 2031. This capacity is derived from the strong trading performance of the town centre's two 'anchor' foodstores relative to their 'benchmark' turnovers. Although there is no evidence to suggest that these stores are currently 'overtrading' based on qualitative indicators (such as, for example, in-store congestion), we understand that

there is the physical capacity to extend both these stores to meet the identified need. We therefore advise the Council that there is no need for additional new convenience goods floorspace in Harpenden, over and above the potential to extend the scale, range and offer of the town's existing foodstores.

'BULKY GOODS' CAPACITY

7.12 In terms of 'bulky goods' retailing the updated survey evidence and economic assessment has found that:

- There is a relatively 'high' leakage of expenditure outside the District area for purchases of specific 'bulky goods' comparison goods categories including, inter alia furniture and carpets; audio-visual equipment; and electrical items.
- There is a need for new provision in the District to help 'claw back' shoppers and expenditure currently travelling longer distances to out-of-centre shopping facilities outside the District area.

7.13 The 'high level' forecasts indicate that there is capacity for between 17,510m² and 18,810m² net of 'DIY, hardware and decorating supplies' sales area by 2031, or between 5,390m² and 5,590m² net of 'electrical goods' floorspace. These forecasts assume an overall increase in District's market share of 'bulky goods' shopping trips from 48.2% to 55% by 2016 due to new development and investment.

CONCLUSIONS

7.14 In conclusion, our updated economic assessment has shown that without new investment and development in St Albans City Centre's retail offer it will continue to lose market share to out-of-centre locations within and outside the District area, as well as to new retail investment and development in other competing centres outside the District. This, in turn, will have a harmful impact on the City Centre's overall vitality and viability and its role in the sub-region's shopping hierarchy, contrary to national, regional and local planning policy guidance.

7.15 PPS4 advises that LPAs 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. It is essential therefore that St Alban City Centre's decline in market share is halted and an effective 'development and investment framework' is prepared as a priority to help 'guide' new retail provision over the short, medium and long term.

GLOSSARY & ABBREVIATIONS

CITY CENTRES:	The highest level of centre identified in development plans. In terms of hierarchies, they will often be a regional centre and will serve a wide catchment. The centre may be very large, embracing a wide range of activities and may be distinguished by areas which may perform different main functions. Planning for the future of such areas can be achieved successfully through the use of area action plans, with master plans or development briefs for particular sites. In London the 'international' and 'metropolitan' centres identified in the Mayor's Spatial Development Strategy typically perform the role of city centres.
TOWN CENTRES:	Town centres will usually be the second level of centres after city centres and, in many cases, they will be the principal centre or centres in a local authority's area. In rural areas they are likely to be market towns and other centres of similar size and role which function as important service centres, providing a range of facilities and services for extensive rural catchment areas. In planning the future of town centres, local planning authorities should consider the function of different parts of the centre and how these contribute to its overall vitality and viability. In London the 'major' and many of the 'district' centres identified in the Mayor's Spatial Development Strategy typically perform the role of town centres.
DISTRICT CENTRES:	District centres will 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:	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.
TOWN CENTRE AREA:	Defined area, including the primary shopping area and areas of predominantly leisure, business and other main town centre uses within or adjacent to the primary shopping area. The extent of the town centre should be defined on a proposals map.
PRIMARY SHOPPING AREA (PSA)	Defined area where retail development is concentrated (generally comprising the primary and those secondary frontages which are contiguous and closely related to the primary shopping frontage). The extent of the primary shopping area should be defined on the proposals map. Smaller centres may not have areas of predominantly leisure, business and other main town centre uses adjacent to the primary shopping area, therefore the town centre may not extend beyond the primary shopping area. [In PPS6 the "centre" for a retail development constitutes the primary shopping area].
PRIMARY FRONTAGE	Primary frontages are likely to include a high proportion of retail uses.
SECONDARY FRONTAGE	Secondary frontages provide greater opportunities for a diversity of uses.

EDGE-OF-CENTRE	For retail purposes, a location that is well connected to and within easy walking distance (ie. up to 300 metres) of the primary shopping area. For all other main town centre uses, this is likely to be within 300 metres of a town centre boundary. In determining whether a site falls within the definition of edge-of-centre, account should be taken of local circumstances. For example, local topography will affect pedestrians' perceptions of easy walking distance from the centre. Other considerations include barriers, such as crossing major roads and car parks, the attractiveness and perceived safety of the route and the strength of attraction and size of the town centre. A site will not be well connected to a centre where it is physically separated from it by a barrier such as a major road, railway line or river and there is no existing or proposed pedestrian route which provides safe and convenient access to the centre.
OUT-OF-CENTRE	A location which is not in or on the edge of a centre but not necessarily outside the urban area.
OUT-OF-TOWN	An out-of-centre development outside the existing urban area.
CONVENIENCE SHOPPING	Convenience retailing is the provision of everyday essential items, including food, drinks, newspapers/magazines and confectionery.
SUPERMARKETS	Self-service stores selling mainly food, with a trading floorspace less than 2,500 square metres, often with car parking.
SUPERSTORES	Self-service stores selling mainly food, or food and non-food goods, usually with more than 2,500 square metres trading floorspace, with supporting car parking.
COMPARISON SHOPPING	Comparison retailing is the provision of items not obtained on a frequent basis. These include clothing, footwear, household and recreational goods.
RETAIL WAREHOUSES	Large stores specialising in the sale of household goods (such as carpets, furniture and electrical goods), DIY items and other ranges of goods, catering mainly for car-borne customers.
RETAIL PARKS	An agglomeration of at least 3 retail warehouses.
WAREHOUSE CLUBS	Large businesses specialising in volume sales of reduced priced goods. The operator may limit access to businesses, organisations or classes of individual.
FACTORY OUTLET CENTRES	Groups of shops specialising in selling seconds and end-of-line goods at discounted prices.
REGIONAL & SUB-REGIONAL SHOPPING CENTRES	Out-of-centre shopping centres which are generally over shopping centres 50,000 square metres gross retail area, typically comprising a wide variety of comparison goods stores.
LEISURE PARKS	Leisure parks often feature a mix of leisure facilities, such as a multi-screen cinema, indoor bowling centres, night club, restaurants, bars and fast-food outlets, with car parking.

CONVENIENCE GOODS EXPENDITURE	Expenditure (including VAT as applicable) on goods in COICOP categories: Food and non-alcoholic beverages, Tobacco, Alcoholic beverages (off-trade), Newspapers and periodicals, Non-durable household goods.
COMPARISON GOODS EXPENDITURE	Expenditure (including VAT as applicable) on goods in COICOP Categories: Clothing materials & garments, Shoes & other footwear, Materials for maintenance & repair of dwellings, Furniture & furnishings; carpets & other floor coverings, Household textiles, Major household appliances, whether electric or not, Small electric household appliances, Tools & miscellaneous accessories, Glassware, tableware & household utensils, Medical goods & other pharmaceutical products, Therapeutic appliances & equipment, Bicycles, Recording media, Games, toys & hobbies; sport & camping equipment; musical instruments, Gardens, plants & flowers, Pets & related products, Books & stationery, Audio-visual, photographic and information processing equipment, Appliances for personal care, Jewellery, watches & clocks, Other personal effects.
SPECIAL FORMS OF TRADING	All retail sales not in shops and stores; including sales via the internet, mail order, TV shopping, party plan, vending machines, door-to-door and temporary open market stalls.
GROSS GROUND FLOOR FOOTPRINT FLOORSPACE	The area shown on the Ordnance Survey map or other plans as being occupied by buildings and covered areas measured externally.
GROSS RETAIL FLOORSPACE	The total built floor area measured externally which is occupied exclusively by a retailer or retailers; excluding open areas used for the storage, display or sale of goods.
NET RETAIL SALES AREA	The sales area within a building (i.e. all internal areas accessible to the customer), but excluding checkouts, lobbies, concessions, restaurants, customer toilets and walkways behind the checkouts.
RETAIL SALES DENSITY	Convenience goods, comparison goods or all goods retail sales (stated as including or excluding VAT) for a specified year on the price basis indicated, divided by the net retail sales area generating those sales.
FLOORSPACE EFFICIENCY FACTOR	The percentage by which a retail sales density is assumed to increase annually in real terms over a stated period.