

Hertsmere Local Development Framework

Core Strategy

# Retail Topic Paper

August 2009

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# 1. Introduction

- 1.1 This topic paper has been undertaken in order to set out the existing robust evidence base regarding the retail needs assessments that covers Hertsmere but have been prepared by authorities that adjoin Hertsmere. This justifies Hertsmere Borough Council's position regarding the informed decision not to allocate any major retail sites itself and the choice not to undertake an additional full retail needs / capacity assessment as stated in Paragraph 8.2 of the Core Strategy. It is considered that this action would result in a duplication of evidence.
- 1.2 DCLG publications advise on and advocate the benefits of cross boundary working and information sharing between adjoining local districts. One clear benefit of the integrated approach is that it can 'achieve greater complementarity between potentially competing retail and service centres' (taken from paragraph 1.31 of *Making Timely Progress and the Integration of Policy, Spatial Plans In Practice: Supporting the reform of local planning, December 2006* with *Final Report Spatial Plans In Practice: Supporting the reform of local planning, June 2008 noted*).
- 1.3 Hertsmere Borough Council's Core Strategy has been prepared within the context of national and regional planning policy and it is considered that it has planned appropriately for the future health, vitality and needs of its centres within the context of works being undertaken through Development Plan Documents in adjoining boroughs. This situation will be explored in depth in section 3 of the report.

## 2. Policy context

### National Policy PPS 6

- 2.1 Planning Policy Statement 6 (paragraph 1.3) sets out the governments key objectives for town centres by:
- Planning for the growth and development of existing centres; and
  - Promoting and enhancing existing centres, by focusing development in such centres and encouraging a wide range of services in a good environment that is accessible to all.

### Regional Policy

- 2.2 Policy RSS6 of the East of England Plan states that Local Authorities should develop strategies to ensure centres are protected and enhanced. Policy E5 outlines the regional structures of town centres with Watford Borough Council designated as a regional centre and St Albans City and District Council and Welwyn and Hatfield Borough Council designated as major town centres where retail growth is to be directed. It should also be noted that Watford, Welwyn Garden City and Hatfield have been designated as key centres for development and change through Policies LA3 and LA4. Although Hertfordshire County Council and St Albans recently quashed Policy LA3 following a successful legal challenge, the majority of other policies (including Policy E5) retain full Development Plan Status.

### Local Studies

- 2.3 Hertsmere Borough Council has undertaken a 'Town Centres and Shopping' study which was published in 2008. It is considered that this study has, in conjunction with the other studies noted in paragraph 2.5, provided an appropriate quantitative and qualitative evidence base for the Core Strategy policies affecting Hertsmere's Town Centres.

### Existing full retail studies

- 2.4 This topic paper will utilise the information within three different retail needs and capacity studies undertaken by neighbouring boroughs. These studies have noted that settlements in Hertsmere fall within the catchment off the larger centres in adjoining boroughs and accept that the significance of the size and function of their centres provide substantial 'pull factors' from beyond their boundaries. Therefore, these Councils have undertaken full retail / capacity studies that together produce data coverage for all settlements within the hierarchy listed on page 25 of the Core Strategy (please see appendix A).
- 2.5 *Watford Borough Council* - 'Watford Retail Study 2005' November 2007 (prepared by CB Richard Ellis) and 'Watford Retail Study 2005 – Supplementary Report' March 2007 (undertaken by CB Richard Ellis).

*St Albans City and District Council* - 'Retail and Leisure Study' January 2006 (Prepared by GL Hearn).

*Welwyn & Hatfield Borough Council* - 'Retail and Town Centre Needs Assessment' November 2007 (Prepared by Nathaniel Lichfield and Partners).

### 3. Retail needs assessment for Hertsmere

#### Context

- 3.1 Paragraph 2.9 of PPS 6 states that *'in promoting and enhancing existing centres, regional planning bodies and local planning authorities should consider the network of centres (i.e. the pattern and provision of different centres) and their relationship in the hierarchy'* which is especially appropriate when considering the context in which Hertsmere's Town Centres must operate.
- 3.2 Paragraph 4.18 of the East of England RSS notes that the south region (in which Hertsmere is located) is strongly influenced by London and the larger centres which are closer with complex overlapping catchments.
- 3.3 It is documented in the surrounding Hertfordshire retail studies that catchment areas of retail centres rarely follow boundary lines. The fact that surrounding boroughs retail needs assessments have covered all of the built up areas and villages in Hertsmere (see appendix A) highlights two key issues. Firstly, that it is appropriate for Hertsmere's wider shopping needs to be addressed within neighbouring LDF's. Secondly, the retail centres in Hertsmere are too small to compete with surrounding larger centres and therefore undertaking health checks to ensure that many 'everyday' needs are met, with any major retail proposal requiring an impact assessment, is considered the most appropriate and proportionate way to plan for Hertsmere's retail centres.

#### Evidence drawn from the Watford retail needs assessment

- 3.4 The evidence that is obtained from the Watford Borough Council retail studies (noted in paragraph 2.5 of this topic paper) provides a detailed retail analysis for approximately two-thirds of Hertsmere covering Bushey, Radlett and Borehamwood centres. The north west of Hertsmere Borough has been analysed by both Watford retail studies and St Albans retail studies (see appendix A).
- 3.5 Appendix B shows that the retail centres in Hertsmere Borough are situated in close proximity to either major or regionally important centres. Rather than compete with much larger surrounding town centres, it is considered that the centres in Hertsmere would be best protected and enhanced by complementing (rather than competing with) the surrounding centres and providing mainly for everyday lower order shopping needs. This decision has been informed (in part) by the probability that close retail centres such as Watford have identified a surplus of projected retail expenditure in relation to current floor space provision which could be recaptured through expansion. Watford has the capability to expand with the likelihood that redevelopment of Charter Place will accommodate the identified expenditure including from Radlett and Bushey. Table 5a (Watford retail needs study – supplementary report, 2007. See appendix D) shows that there is 11,190m<sup>2</sup> supportable capacity for new convenience goods by 2021 and 79,640 m<sup>2</sup> supportable capacity for comparison goods.
- 3.6 Table 3a of the Watford retail needs assessment (2007, appendix D) shows that the areas within Hertsmere that are closer in proximity to Watford experience a significant retail expenditure leakage for both convenience and comparison shopping towards Watford retail centre. Table 3a shows this trend unchanged by 2021 and highlights the context in which Hertsmere's retail centres must therefore operate.
- 3.7 Table 3a and 4a (see appendix D) of the 2007 Watford retail needs assessment supplementary report also shows the proportion of Watford's draw upon the catchment area is significantly higher for comparison goods rather than convenience shopping in the area that covers Hertsmere's population through the years 2005, 2006, 2011, 2016 and 2021 mirroring the trends drawn from the other retail needs assessments (see paragraph 3.14 and 3.19). This is to be expected for an identified regional town centre.

### **Evidence drawn from the St Albans retail needs assessment**

- 3.8 The evidence that has been drawn from the St Albans retail analysis duplicates the area covered by the Watford retail studies which serves as confirmation of the complex overlapping retail catchments the influences Hertsmere Borough (see paragraph 3.2 of this topic paper).
- 3.9 The evidence provided by the 2006 St Albans retail needs assessments supports the conclusion that Watford has the greatest influence on the areas identified in the western half of Hertsmere. Several paragraphs of this study (11.12, 11.19, 11.22, 11.26, 11.29, 11.36, 11.40) state that Watford is a key concern to retail business and the pull of Watford is far greater to the 'southern fringe areas' (areas in Hertsmere – see appendix A). As a result smaller retail centres (such as Harpenden) are struggling to compete. Paragraph 9.18 of this study notes that Harpenden's yield rate in 8% which is comparable to Borehamwood (also identified within this retail study at 8%). To contextualise these findings, this study has identified Watford's yield rate to be 5.5% and St Albans to be 5.75% in 2005 (paragraph 9.5 and table 9.3 of the 2006 St Albans study). This shows a relatively strong investor and market confidence in St Albans as a shopping place. Conversely, Borehamwood's Town Centre high yield rate acts as a disincentive for any retail or commercial developers.

### **Evidence drawn from the Welwyn and Hatfield retail needs assessment**

- 3.10 The information that is drawn from the Welwyn and Hatfield retail needs assessment provides a detailed analysis for the eastern part of Hertsmere that incorporated Potters Bar Town Centre and much of its surrounding hinterland.
- 3.11 It can be seen within this topic paper that Hertsmere Borough's district retail centres experience a high level of expenditure leakage to nearby centres thereby limiting the capacity to grow. In the Welwyn and Hatfield Study (2007, paragraph 10.25) it is stated that the expenditure leakage is estimated to be around 93% for Potters Bar. The expenditure leakage is towards much larger centres which would require significant investment in out-of-centre or out-of-town retail development within Hertsmere in order to compete. Therefore, the strategy for retail centres to provide for the everyday needs of the borough's population and to complement larger retail centres rather than compete is considered to be the correct option, in accordance with the East of England RSS policy E5.
- 3.12 The estimated expenditure leakage for Potters Bar is very high and could indicate an under provision of retail floor space. However, upon further analysis of retail expenditure patterns and trends, it is apparent that this is indicative of expenditure leakage for comparison goods only.
- 3.13 Tables 5b, 7b, 8b and 9b (see appendix E) show that the majority of Potters Bar residents shop within Potters Bar for their convenience shopping for years 2007, 2011, 2016 and 2021 with St Albans coming second. Only a minority of Potters Bar residents use Potters Bar Town Centre for comparison shopping with 'other outflow' being cited as the main centre (Tables 3c, 4c, 5c and 6c also for years 2007, 2011 and 2016, appendix E). It must also be noted that these tables show a very small percentage of non-Potters Bar residents from adjoining villages (like Little Heath) shop there, indicating that Potters Bar provides for local needs only and should continue to do so with trends remaining unchanged according to the evidence provided by the 2007 Welwyn and Hatfield retail study.
- 3.14 These patterns of expenditure noted within the previous paragraph are not surprising. However, Appendix I, maps K4 - K9 show that Potters Bar has a reasonable level of comparison retailers (Hertsmere retail study, 2008), so it may be the quality of the comparison retail facilities that leads to the retail expenditure leakage for Potters Bar. This does not imply that a significant amount of additional comparison shopping facilities should be promoted here, due, in part, to the fact that there is no feasible space within Potters Bar Town Centres to provide the comparison shopping facilities. This would imply that any significant new comparison shopping provision would have to be met through an outward expansion of a town centre into the Green Belt or an out of centre development which would run contrary to PPG2 and PPS6 (paragraph 2.14) as well as the town centres hierarchy as set out in the East of England Plan policy E5.

- 3.15 It has also been stated in paragraph 10.32 of the Welwyn and Hatfield retail needs study (2007) that the Hatfield Galleria out of town shopping centre is struggling. Paragraph 12.73 of the St Albans study (2006) states that Colney Fields is under trading and paragraph 6.15 of the same study states that out of town shopping centres are a concern to town centre businesses. Therefore, it is not considered to be appropriate to allocate of out of town comparison retail centre to serve Potters Bar.

#### **Evidence drawn from Hertsmere's Town Centres and shopping study**

- 3.16 The evidence that has been gathered through Hertsmere's own Town Centre and shopping study largely supports the findings of the retail needs assessments undertaken by adjoining districts whilst providing additional information on local needs from local residents and businesses.
- 3.17 There is clear evidence that Hertsmere's retail centres are suffering from increased competition from the surrounding larger centres (see paragraph 3.5 and 3.9 of this topic paper) and this has been highlighted as a key concern by many local businesses (see appendix G). Additionally the Hertsmere's Town Centre study (2008) also indicates that the businesses within the town centres in Hertsmere are also experiencing high business rates, unsatisfactory footfall levels and lack of suitable car parking (see Appendix G) hindering further significant investment that would enhance the retail centres.
- 3.18 Borehamwood (as the main retail centre in Hertsmere) has been the subject of significant comparison retail investment within the last decade as shown by the regeneration of the Boulevard and the extension of Tesco to accommodate a larger store that sells comparison goods within the town centre. Although footfall levels are high around the Boulevard (176, see appendix H) this is largely at the expense of the rest of the high street where footfalls can reach only 36 (Petzone south). The west end of Shenley Road has high vacancy levels with eating and drinking establishments becoming predominant. Even with the investment in Borehamwood, Table 3a of the Watford retail assessment study (see appendix D) still indicates that Watford has a significant draw on this area.
- 3.19 The proximity of Bushey High Street to Watford has had a detrimental effect on this centre, with relatively few comparison and convenience units and low footfall levels (as low as 1 or 2 in some places, see appendix H). Appendix G, Table 81 shows that the low footfall levels are the primary concern to the existing businesses. Bushey Heath High Road fares a little better. Appendix H shows that the highest footfall levels occur in the middle of the High Road. There are fewer vacancies with more diverse uses than in Bushey High Street (see appendix I, maps k13 - k17) but the centre still very much caters for a local catchment and lower order convenience retailing.
- 3.20 Radlett Town Centre enjoys higher footfalls and a higher percentage of comparison and convenience facilities. The north side of Watling Street has more diverse uses and higher vacancies. Table 123 in appendix G shows that the key challenge to retailers / businesses is the low footfall levels. This can be attributed to the proximity to Watford and St Albans as the centres offer a wider range of facilities than Radlett.
- 3.21 Potters Bar has two 'high streets', Darkes Lane and Potters Bar High Street. Darkes Lane has more convenience facilities than High Street and enjoys greater, more evenly distributed footfall levels (see appendix H). Again, appendix G, table 39 and 60 state that low pedestrian footfall is a key concern here. Appendix G table 37 and 58 states that increased competition is another key challenge which supports the evidence as outlined in the St Albans retail study (see paragraph 3.10 of this topic paper).
- 3.22 Table H10 (see appendix F) of Hertsmere's study (2008) suggests that whilst Hertsmere's retail centres are experiencing high levels of expenditure leakage to other centres, Hertsmere's residents everyday needs are being met by the existing convenience stores. This is reflected in the relatively low need to visit to other centres outside of the Borough 'everyday' which is encouraging given the level of competition surrounding the centres. As Hertsmere's retail centres are not classified as either regional or major town centres (as identified by the East of England RSS) it would not be expedient to consider the allocation of significant



amounts of retail floor space in the future but rather to continue to plan for the 'everyday' convenience needs of the residents. In particular, the setting of appropriate primary and secondary frontages, with corresponding use class thresholds represents the most logical way to plan for local needs, together with any other planning initiatives, such as the Local Development Order being piloted for Borehamwood Town Centre.

## 4. Conclusions

- 4.1 The retail centres in Hertsmere suffer from specific issues such as proximity to regional, sub regional and capital centres which affects yield rates and expenditure leakage rates. These issues will continue to affect Hertsmere's centres in the future as shown by the evidence presented in the existing retail studies undertaken by adjoining boroughs. Although everyday lower order convenience requirements are largely met (as discussed in paragraph 3.7 and 3.14), there is an under provision of comparison shopping, although this would be expected from smaller centres that are in close proximity to larger centres. This reflects the approach in the East of England Plan which seeks to maintain this polycentric structure of settlements and town centres. Therefore, there is no justification that Hertsmere's Core Strategy should promote the allocation of additional comparison retail floor space in direct competition with centres like Watford and St Albans. Hertsmere's present and future expenditure surplus would be expected to be taken into account and provided for through DPD's surrounding larger retail centres. The Council would expect that the preparation of DPD's in adjoining districts will address the needs issues raised and would expect to be engaged by them as part of that work.
- 4.2 The Council can continue to monitor the centres to ensure that a balance of 'everyday' needs is accommodated and encourage a diverse range of uses where possible. This can be achieved through appropriate Development Control Policies that cover thresholds and frontages for different areas, annual town centre 'Health Check' studies and innovative tools such as the Local Development Order which Hertsmere is currently developing for Borehamwood Town Centre.

