EAST HERTS COUNCIL

DISTRICT PLANNING EXECUTIVE PANEL – 3 OCTOBER 2013

REPORT BY EXECUTIVE MEMBER FOR STRATEGIC PLANNING AND TRANSPORT

RETAIL AND TOWN CENTRES STUDY UPDATE REPORT (SEPTEMBER 2013)

WARD(S) AFFECTED: ALL

Purpose/Summary of Report

- This report summarises the findings of the East Herts Retail and Town Centres Study Update, September 2013, and seeks endorsement to use the Study to inform the preparation of the East Herts District Plan.

RECOMMENDATIONS FOR DISTRICT PLANNING EXECUTIVE PANEL AND EXECUTIVE: That:	
(A)	**The East Herts Retail and Town Centres Study Update Report, September 2013, be supported as part of the evidence base to inform and support the East Herts District Plan and for Development Management purposes in the determination of planning applications.**
RECOMMENDATIONS FOR COUNCIL: That:	
(A)	**The East Herts Retail and Town Centres Study Update Report, September 2013, be agreed as part of the evidence base to inform and support the East Herts District Plan and for Development Management purposes in the determination of planning applications.**

1.0 Background

1.1 In 2008, the Council commissioned Chase and Partners Consultants to undertake a Retail and Town Centres Study to audit the amount and type of retail across the district and to provide recommendations for an approach to planning for retail needs for the emerging Plan period. However, this Study was undertaken just before the UK went into economic recession and used a 2006 baseline when undertaking forecast calculations. As such, it no longer reflects the latest economic situation. The 2013 Update Study, prepared by consultants Nathaniel Lichfield and Partners, the subject of this report provides an updated assessment of the current economic circumstances, uses up-to-date baseline and expenditure evidence from which to provide more accurate forecasts. The purpose of the Study is threefold:

- To assess changes in circumstances and shopping patterns since the previous study was undertaken;
- To assess the future need and (residual) capacity for retail floorspace distributed by town centre for the period up to 2031;
- To undertake health check assessments of the district's retail centres and audit of local shopping centres/parades.

1.2 Similar to other updated technical reports undertaken in the last two years, the Study provides strategic retail advice which considers among other things, the role the retail sector and town centres play in terms of job creation, the relationship between planned residential growth and the ability of town centres to accommodate growing and changing retail needs.

1.3 The study compares the existing and future needs of the District for convenience and comparison shopping. Convenience shopping is the provision of everyday essential items including food, drink, newspapers and confectionary for example. Comparison shopping is the provision of items not obtained on a frequent basis. These include clothing, footwear and recreational goods for example.

1.4 A representative of Nathaniel Lichfield and Partners will attend the Panel meeting and present the Update Study and be available to answer questions.

2.0 <u>Report</u>

2.1 Chapter 1 introduces the purpose of the Study and establishes the study area. Chapter 2 looks at the relationship between the towns in East Herts and surrounding centres, at current trends in the retail sector and how these trends affect the particular geography of East Herts. Chapter 3 takes current expenditure levels and makes forecasts based on assumed population increases, spending patterns and economic recovery rates. From these forecasts the study calculates how much floor space could be needed throughout the Plan period for convenience and comparison goods.

2.2 The capacity figures suggest existing commitments are sufficient to meet growth up to and beyond 2016, but after 2021 there would be a medium term requirement for additional convenience goods floor space of 1,561 sq.m net (2,230 sq.m gross) primarily concentrated in Bishop's Stortford, and in the longer term surplus expenditure could support 7,620 sq.m net (10,886 sq.m gross). For comparison, the largest supermarket in the District is Sainsbury's in Jackson Square, Bishop's Stortford, which has 3,050 sq.m (net) of convenience floorspace (of a total sales floorspace of 3,813 sq.m net).

2.3 The capacity figures also suggest that for comparison goods, because the retention level is relatively low for East Herts, combined with the economic recession and the existing commitments (such as the Old River Lane development), there is actually an expenditure deficit up to 2021. By 2031, however, future expenditure growth is predicted to create an expenditure surplus of £42.20 million, translating in a demand for an additional 6,122 sq.m net (8,162 sq.m gross) of comparison goods floor space. For comparison, the Wicks in Madford Retail Park, Hertford is 3,755 sq.m (gross).

2.4 The previous 2008 Retail Study predicted a demand for 2,612 sq.m net (4,353 sq.m gross) convenience floor space, and 52,009 sq.m net (74,298 sq.m gross) of comparison floor space between 2008 and 2021. The figure for 2031 within this Study update is significantly lower because of the effects of the recession on expenditure growth between 2008 and 2013, and the lower future growth forecasts (i.e. 2.9% growth per annum rather than 4.8% growth) and the expected implementation of commitments.

2.5 As the 2008 Study explained, in the retail sector, standing still is akin to decline, and there are issues within East Herts' retail offer that would inhibit its ability to capture future retail expenditure. Existing centres are constrained leaving deficiencies or 'gaps' in provision – no large department store is often cited as one reason – a lack of consumer choice and competition leading to over-trading and congestion in existing larger stores (compared to company benchmarks). There are also location-specific needs such as in deprived areas and underserved markets.

2.6 An expansion upon the 2008 Study is the Commercial Leisure Assessment detailed in Chapter 4 of the Study. The district's supply of cinemas, tenpin bowling, bingo, nightclubs, private health and fitness clubs, restaurants and cafés, pubs and bars are considered.

2.7 Whilst there is no quantitative need for new cinema or theatre provision (partly due to the proximity to larger centres, including London) qualitative improvements could be sought to increase retention. There is a current over-supply of private health and fitness clubs, though an increased population growth will support one or two new health and fitness clubs by 2031. There is limited potential for further tenpin bowling provision, particularly if growth in neighbouring larger centres results in competition for facilities within the District. There are no bingo facilities within the district, but the study area could support two bingo facilities by 2031. However, existing provision in neighbouring centres reduces the need to plan for new bingo facilities.

2.8 Food and drink establishments support retail and leisure uses and are important services within town centres. Compared to A1 retail uses, which have seen a decrease nationally, the proportion of A3, A4 and A5 Uses (restaurants, pubs and hot food takeaways) has increased over the last decade. This pattern has been repeated in East Herts' town centres. The Study suggests that in some centres the proportion of A3/A5 uses is relatively low and an increase of 20% of projected floor space could be required for these uses. As a result, the study recommends a flexible approach towards uses that would complement the retail offer of existing centres.

2.9 Chapter 5 of the Study considers the floor space projections from the previous chapters and analyses them with a view to advising on a strategy to accommodate any forecast growth. The Study considers the potential implications of the emerging development strategy. The Study acknowledges that projections up to 2021 are realistic but longer term projections (up to 2026 and beyond) should be treated with caution, and used only as a guide, particularly when translating these forecasts into a policy approach. Regular updating and review of the Study is recommended to ensure changes in the economy can be reflected accurately in any strategy.

2.10 The Study considers the existing level of vacancies within the town centres. If vacancy levels dropped to pre-recession averages, the reoccupation of these units could reduce the need for new retail floor space by approximately 4,500 sq.m (gross). However, many existing vacant units are generally small and in secondary locations. These units may not be attractive to retailers seeking modern units and may therefore only be re-occupied by non-A1 uses. This could have an impact on the format of the district's town centre and should be reflected in emerging policy.

2.11 This chapter also considers the impacts of changes in shopper behaviour and the increasing propensity to shop and trade over the internet. This is classed as a special form of trading. The impact of internet shopping on high streets remains unclear. Some home delivery and internet shopping utilise existing stores rather than warehouses, such as Tesco Direct. Growth in internet sales will not always reduce the demand for shop floor space. In addition, some internet sales may divert trade from existing mail order companies rather than retail operators.

2.12 The Study recommends the requirement to assess future retail development against the sequential test should continue to apply. The Study also provides clarification on what the sequential test means in practice, which will be added to emerging policy to aid understanding.

2.13 Chapter 5 also considers development opportunities for each town centre. Within Buntingford, Hertford, Sawbridgeworth and Ware, the Study suggests there is limited opportunity for development other than small scale intensification and extensions. This would of course depend upon the completion of planned new stores and expansions including the Asda in Ware. Within Bishop's Stortford the Old River Lane redevelopment would absorb any demand for new floorspace in the short to medium term in Bishop's Stortford. However, the Goods Yard has the potential to accommodate further retail development. Sawbridgeworth shows the greatest potential in terms of expenditure, but due to the constraints of the town centre, most of this is likely to continue to be directed towards Bishop's Stortford and Harlow.

2.14 Chapter 6 of the Study considers an appropriate approach to town centre boundaries and primary and secondary frontages. The Study makes a series of recommendations which will need to be reflected in emerging Policy and balanced against the emerging strategy. The recommended approach is to indicate that the first preference for main town centre uses will be within the Primary shopping areas (i.e. the combined primary and secondary frontages) within the town centres of Bishop's Stortford, Hertford and Ware, and within the town centre boundaries in Buntingford and Sawbridgeworth, and development outside of these areas will need to comply with the sequential approach and impact tests as set out in the NPPF.

2.15 Crucially, the Study recommends that there is no need to relax shopping frontage policies in order to encourage non-A1 Class uses to reoccupy vacant units or to regenerate rundown areas. Indeed a *laissez faire* approach in East Herts could result in the deterioration of shopping frontages and could undermine their role as shopping centres. It should be noted however, that recent national policy amendments permit changes to any Use Class for a period of two years, the only restriction being if the unit is within a Conservation Area or Listed Building. The question that is yet to be answered is 'what should happen to that unit once the two year period is up? Is it reasonable to expect a new, successful business to close or relocate especially if they are a Non-A1 Use within a primary frontage?

2.16 Chapter 7 concludes by summarising the findings of the Study and considers the implications on employment creation as a result of changes to retail development across the district. The retail floor space requirements and commitments combined could generate 3,129 direct jobs in East Herts by 2031. The potential full time equivalent job creation is 2,260 jobs. It should be noted that there will be some displacement from existing facilities to new floor space. Also, these figures relate only to direct jobs, there will be further indirect jobs associated with retail and service uses.

2.17 As with all technical studies, the recommendations in this Study will be used to inform the preparation of the District Plan and the emerging development strategy for each town and the District as a whole. It is therefore important to remember that these recommendations will need to be considered in relation to all the other planning issues and development needs of the district.

3.0 Implications/Consultations

3.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.

Background Papers

- East Herts Retail and Town Centres Update Study, September 2013 http://www.eastherts.gov.uk/
- East Herts Retail and Town Centres Update Study, September 2013

Appendices http://www.eastherts.gov.uk/

- East Herts Retail and Town Centres Study, 2008

Contact Member: Cllr Mike Carver - Executive Member for Strategic Planning and Transport
mike.carver@eastherts.gov.uk

Contact Officer: Kevin Steptoe - Head of Planning and Building Control
01992 531407
kevin.steptoe@eastherts.gov.uk

Report Author: Jenny Pierce - Senior Planning Policy Officer
jenny.pierce@eastherts.gov.uk