

South West Hertfordshire

Retail and Leisure Study

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FINAL



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1.0 Introduction

Instruction

- 1.1 Nexus Planning (Nexus) was commissioned by Dacorum Borough Council, Hertsmere Borough Council, Three Rivers District Council and Watford Borough Council in October 2017, to produce a Joint Retail and Leisure Study for the four Council areas. St Albans City and District joined in with the original commissioning authorities in February 2018.
- 1.2 The commissioning authorities are currently undertaking reviews of their respective Local Plans. Technical work which has recently been undertaken has identified the five Council areas as being within a single housing and employment market area. Therefore, this 2018 Retail and Leisure Study will form part of the evidence base upon which the emerging Local Plans for each respective Local Authority are based. It will also feed into an emerging Joint Strategic Plan for South West Hertfordshire.
- 1.3 The approach adopted by Nexus has been refined to reflect the latest Government guidance. The Study was undertaken using guidance provided in the National Planning Policy Framework (NPPF) (March 2012), the revised NPPF (July 2018) and National Planning Practice Guidance (NPPG) (2014).
- 1.4 Accordingly, a fundamental objective of the Study is to produce a NPPF and NPPG compliant Retail and Leisure Study, which provides the Councils with an objective assessment of retail and leisure development needs, together with a clear understanding of retail and leisure provision and possible strategic responses.
- 1.5 The aims and objectives for this Study include the following;
 - i. Provide context for the Study through a review of the national planning policy position and an appraisal of economic, retail and leisure trends in shopping patterns at a national and regional level and how this might affect the evolution of town centres and future policy recommendations;
 - ii. Establish a retail market (catchment) area for the local authority areas' retail facilities and their position within the wider sub-region;

- iii. Review the hierarchy of centres within all five local authorities. This will include assessing the appropriateness of designated centre boundaries and providing recommendations on primary shopping areas and frontages.
- iv. Undertake a comprehensive assessment as to the existing vitality and viability of each of the authority area's defined town and district retail centres, specifically:
 - o Hemel Hempstead, Berkhamsted and Tring in Dacorum Borough;
 - o Borehamwood, Potters Bar (Darkes Lanes), Potters Bar (High Street), Bushey, Bushey Heath and Radlett in Hertsmere Borough;
 - o Rickmansworth, South Oxhey, Abbots Langley and Chorleywood in Three Rivers District;
 - o St Albans City and Harpenden Town Centre in St Albans City and District Council; and
 - o Watford and North Watford/St Albans Road in Watford Borough.
- v. Benchmark the performance, vitality and viability of centres against relevant and comparable town centre locations. Review each retail/town centre and rank them in a hierarchy; this review should look at smaller centres and parades. Town and local centre boundaries and neighbourhood centres need to be re-evaluated in the light of the findings.
- vi. Conduct a Telephone Household Survey to establish the current shopping patterns of respondents and the market shares of retail and leisure facilities across an identified Study Area;
- vii. Produce a flexible model for retail expenditure and floorspace projections across the Study Area that will allow for up-to-date population, expenditure and committed development information to be incorporated. This will also take account of the potential impact of the increase in online shopping (sometime referred to as 'e-tailing'), as well as Scenario testing to take account of the changes in spatial patterns of development and projected population changes on the basis of the South West Hertfordshire Strategic Housing Market Assessment 2016;
- viii. Produce a quantitative assessment of the future demand for retail floorspace across the authority areas over the plan periods. This will establish the expenditure and floorspace

capacity of retail centres to meet projected population and expenditure growth over the study period and will incorporate a comparative assessment of changes since the previous studies. This would take into account the need for both convenience and comparison goods shop floorspace and be provided as local figures for each authority area;

- ix. Consider the potential impact of identified local issues, including spatial changes in residential population, new transport infrastructure, parking provision and accessibility requirements and advice on subsequent future town centre strategies that may be appropriate;
 - x. Provide recommendations on the potential of the authority areas to meet the identified retail and leisure needs, in addition to a qualitative review and 'gap analysis' of current retail and commercial leisure provision (including arts and culture facilities) in the centres to identify whether there are any key uses or specific occupiers not currently represented in the centres. This will include an analysis of emerging retail and leisure sectors and any key constraints to be considered;
 - xi. Review of potential locations to meet the identified retail and leisure needs, an overview of inflow/outflow of spending to/from the authority areas and opportunities to help facilitate 'claw back' of lost expenditure (where necessary). This may include recommendations of suitable locations for accommodating any forecast retail and leisure capacity;
 - xii. Review draft policy wording to ensure they are fit for purpose and address any deficiencies across the centres; and
 - xiii. Assessment of the potential impacts of permitted development rights and appropriate policy responses.
- 1.6 Nexus engaged NEMS Market Research Limited (NEMS) to undertake surveys of 2,200 households within a defined Study Area in November 2017 and February 2018¹. The Study Area for the household survey encompasses 22 zones, which are based on postcode sectors grouped to reflect areas that are expected to exhibit similar patterns of shopping behaviour.

¹ After St Albans joined the commissioning authorities in February 2018

1.7 To inform this Study, Nexus has carried out a wide-ranging examination of existing operators within the Local Authority Areas and studied available published data sources, such as Experian GOAD and Venuescore. Nexus has also referred to the latest Experian population and expenditure data in order to establish the up-to-date position with regard to both convenience and comparison goods capacity.

Structure of Report

1.8 We have structured our report as follows;

- **Section 2** summarises key current and future retail and leisure trends, therefore providing the context for this Study and how it can be used to guide plan-making.
- **Section 3** provides an abridged explanation of relevant national and local planning policy as it relates to retail and leisure;
- **Section 4** comprises a synopsis of the vitality and viability of the Town/ District centres within the five Local Authority areas;
- **Section 5** details our assessments of the current and future population and expenditure levels within the Study Area;
- **Section 6** comprises a review of the survey research and considers the key findings with regards to shopping patterns throughout the Study Area;
- **Section 7** provides our analysis in respect to the quantitative and qualitative need for further convenience and comparison goods retail floorspace over the assessment period (to 2036);
- **Section 8** details the existing leisure provision in the Study Area and considers future leisure capacity over the plan period; and
- **Section 9** we identify our recommendations in respect of the Councils' future strategies for retail, town centre and leisure development.

2.0 Current and Emerging Retail Trends

Current Retail Picture Overview

- 2.1 The economic climate that prevailed during the most recent economic recession (circa 2008 to 2013) had substantial impacts on the retail market by restricting resident incomes and changing the way people spend. As a consequence, the level of spending retracted. Since 2013 (recognised as being the end of the recession in the UK), the economy slowly regained momentum and economic reports released in early 2016 indicated a return to pre-recession levels of economic activity. The Brexit vote and subsequent triggering of Article 50, is though expected to dampen business and consumer confidence and the prospects for significant growth in the near future.
- 2.2 During 2017 the consumer economy tightened, with rising inflation and slowing wage growth. Experian reports that 2017 saw the UK shift from being one of the fastest growing G7 economies to one of the slowest². The ongoing uncertainty around Brexit and the 2017 general election only exacerbated the uncertain environment. However, in their Midsummer Retail Report 2017, Colliers International recognised that headline figures from the UK retail property sector are, on the face of it, positive with prime rents up 1.8% year-on-year – the best increase since 2008³. Overall, prime vacancy has decreased by 0.2%, the first nationwide movement since 2014. The Office of National Statistics (ONS) has estimated that the UK economy grew 0.4% in Q4 of 2017⁴.
- 2.3 While the economy has continued to grow, consumer confidence is the lowest it has been since the Brexit vote of June 2016, and household incomes have suffered as a result of high inflation and a decrease in median weekly earnings for full-time employees. Consequently, consumer spending power has been limited. Alongside this, companies are continuing to hold back on investment decisions in the wake of Brexit negotiations. The recent administration of Maplin and closure of Toys R Us serve to demonstrate the significant structural issues in the retail investor market.

² 'Retail Planner Briefing Note 15', Experian, December 2017

³ 'Midsummer Retail Report', Colliers, August 2017

⁴ 'Second Estimate of GDP: October to December 2017', ONS, 22 February 2018

The Labour Market and Wages

- 2.4 In April 2017, median gross weekly earnings for full-time employees in the UK were £550, up 2.2% from £539 in 2016⁵. However when adjusted for inflation, full-time workers' weekly earnings decreased by 0.4% compared with 2016. This is the first time since 2014 that there has been a fall in this measure which reflects a higher level of inflation in April 2017 (2.6%).
- 2.5 Domestic economic drivers of positive UK retail performance are linked to two key factors:
- (1) Low inflation – drives growth in real wages, strengthens household confidence and disposable income; and
 - (2) Low interest rates – lead to low mortgage rates, which in turn results in more money in the pockets of borrowers.

Conversely, high inflation and high interest rates would lead to poor UK retail performance.

- 2.6 Each of the factors set out above have a significant impact on the public's general confidence, and in turn their tendency to spend their earnings on retail goods. Since the year 2010, taxation rates and levels have increased (including VAT, national insurance contributions, and capital gains tax). As a direct result of these increases, consumers' spending power reduced year-on-year in the period to 2016, impacting upon households' spending.
- 2.7 Employment rates (the proportion of people aged from 16 to 64 who were in work) offer a more positive outlook. The employment rate for the period August to October 2017 was 75.1%, lower than for the period between May to July 2017 (75.3%) but higher than for a year earlier (74.4%)⁶. The May to July rate was the highest rate since records began in 1971. The unemployment rate for the UK was recorded as being 4.3% at October 2017 down from 4.8% for a year earlier and the joint lowest since 1975.

⁵ 'Statistical bulletin: Annual Survey of Hours and Earnings: 2017 Provisional Results', ONS, 26 October 2017

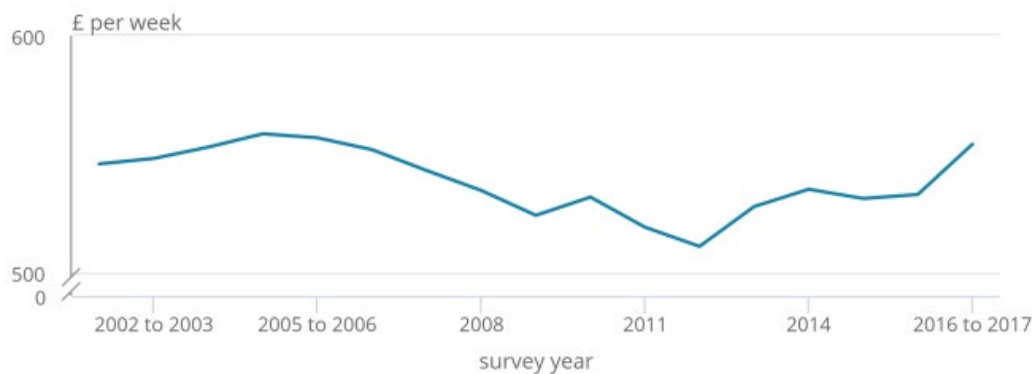
⁶ 'UK Labour Market' ONS, 13 December 2017

Household Spending

2.8 In a turning of the tide, the ONS reported that total average weekly household spending rose to £554.20 in the financial year ending (FYE) 2017⁷. After adjusting for inflation, household spending has not been this high since the FYE 2006. It is also a rise of £21.20 in real terms when compared with the previous year. Figure 2.1 indicates that following the 2008 economic downturn, and subsequent period of uncertainty, total household expenditure per week returned to pre-recession levels at FYE 2017.

Figure 2.1 | Total household expenditure at financial year ending 2017

UK, financial year ending 2002 to financial year ending 2017



Source: Family spending in the UK: financial year ending 2017, ONS, 18 January 2018

2.9 Figure 2.2 shows the actual growth and forecast growth in retail and leisure spending per head as identified in the Experian's Retail Planner Briefing Note 15⁸.

⁷ 'Family spending in the UK: financial year ending 2017', ONS, 18 January 2018

⁸ 'Retail Planner Briefing Note 15', Experian, December 2017

Figure 2.2 | UK Retail and Leisure Spend per Head 2008-2036

Vol Growth per head (%)	Actual Growth										Forecast			Trends	
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020-24	2025-36	
Retail spend	2.0	-2.8	0.7	-1.1	1.3	1.9	2.1	2.8	3.5	1.4	0.4	1.2	2.2	2.3	
Convenience goods	-4.2	-4.2	-0.6	-3.3	-0.2	-0.3	-0.3	-1.0	1.0	0.0	-0.6	-0.2	0.1	0.1	
Comparison goods	4.4	-2.9	1.4	0.1	2.3	3.5	3.6	5.2	5.0	2.3	0.9	2.1	3.2	3.2	
Leisure	-2.9	-9.7	0.1	0.1	1.0	0.7	0.2	1.7	0.7	0.3	-0.1	0.8	1.1	1.2	

Source: Experian Retail Planner Briefing Note 15, December 2017

- 2.10 Figures published in Experian’s Retail Planner Briefing Note 15 identify steady growth in overall retail spending per head since 2012 coming to a head in 2016 at 3.5%. The forecast is slightly weaker, with Experian predicting growth of 1.4% in 2017, 0.4% in 2018 and 1.2% in 2019.
- 2.11 As Figure 2.2 shows, there has been negative annual growth in convenience goods expenditure since 2008 and this is forecast to continue into 2018 (-0.6%) and 2019 (-0.2%). This negative growth is due in part to falling prices of convenience goods, particularly in relation to the increasing market share of discounters such as Aldi and Lidl.
- 2.12 For the periods 2020-24, and 2025-36 Experian forecast limited growth per annum (0.1%) in convenience spending.
- 2.13 Comparison goods expenditure on the other hand has remained positive since 2010, peaking in 2015 (5.2%) and 2016 (5.0%). This growth is however forecast to weaken into 2018 (0.9%) and 2019 (2.1%). Predicted trends between 2020-24 and 2025-36 show positive annual growth of 3.2% for comparison goods.
- 2.14 At FYE 2009, at the height of the economic recession, growth in spending on leisure was at -9.7%. Spending recovered to some extent the following year, recording growth of 0.1%, and continued to be positive between 2010 and 2016. The forecast growth for leisure spend is positive again for 2017 (0.3%), falls in 2018 (-0.1%) and is forecast to improve again in 2019 (0.8%). The longer term forecast identifies that leisure spending will remain low but steady between 2020-24 (1.1%) and 2025-36 (1.2%).

Retail Property Market

- 2.15 As with the retail market, the retail property landscape in the UK has dramatically developed over the last 50 years. The post-war years saw a significant redevelopment effort focused on town centres. However, in more recent times, and most notably during the 1990s, the retail landscape changed following the introduction of retail warehouse parks and large out-of-town regional shopping malls. However, new retail development is once again becoming more focused on town centre locations and a shift back to traditional High Streets.
- 2.16 In 2011 Colliers reported that economic conditions were resulting in significant structural changes to the UK high street, with many retailers displaying signs of caution by decreasing the size of their property portfolios, completely abandoning weaker towns and putting a concerted effort into acquiring sites in city centres and major regional shopping centres⁹. At this time, comparison goods retailers were finding it increasingly difficult to justify being represented in every town centre in the UK. However, the general consensus across retail commentary, is that there is a more positive picture for high street retail in the future. Most notably, Colliers declared in 2015 that high streets are 'no longer dead or dying'. Representative of this is the fact that in 2014 investment into high street assets jumped by circa 30% to £2.39 billion¹⁰.
- 2.17 It is important to remember that despite pressure from a growing internet shopping market and continued investment in shopping centre developments, 80% of retail spend still happens within High Street shops¹¹. Across the country, local groups and Business Improvement Districts (BID) are making a concerted effort to ensure the viability and vitality of their High Streets.
- 2.18 In terms of current vacancy rates, the UK average proportion of vacant units as at January 2018, was identified by Experian as 11.2%¹². The rate of vacancies is described by Colliers as being 'stubbornly high' as it is not typical or reflective of the total economic or retail climate. Colliers explain that, in light of recent advances in the performance of the UK economy, it should have improved a lot more against its 2012 peak of 16.3%.

⁹ 'Great Britain Retail: Autumn 2011', Colliers, 2011

¹⁰ 'Midsummer Retail Report: 2015', Colliers, August 2015

¹¹ 'Midsummer Retail Report: 2017', Colliers, August 2017

¹² 'Experian GOAD Category Report', Experian January 2018

- 2.19 Overall vacancy rates (floorspace) fell from 9.7% to 9.5% between April 2016 and April 2017. This represents the first annual reduction since 2014. While on the face of it this appears to be positive, it is tempered with a long-term level of persistent vacancies, which continues to be of concern. It is important to distinguish that this high level of vacancy is driven mainly by non-prime units. Colliers identify, in their Midsummer Report, that the prime unit vacancy rate (floorspace) sits around 5.4% while non-prime is as high as 12.8% as at April 2017.
- 2.20 In short, the continually high average vacancy rate, despite improving economic conditions, is representative of a discernible divergence between in-demand high quality units and lack of demand for secondary premises in smaller locations.

The Role of the Town Centre

- 2.21 The improving high street environment is not solely driven by 'pure' retail offerings. The food and beverage sector is a significant contributing factor to the growth of UK high streets as town centres adapt to the changing way that people live and shop. Colliers explains the desire of UK shoppers to 'graze' while they shop has seen a significant boost in the quantity of coffee shops, restaurants, bars and grab-and-go convenience food outlets on UK high streets. We are also seeing a growing number of multi-faceted stores, such as a barber shop that also sells clothing, or a vape shop that also serves coffee. In addition to this, the growing popularity of going out to eat brings more visitors to the town centre¹³.
- 2.22 Further to this, as digital technologies continue to advance, the importance of understanding and operating within the digital world of retail shopping is becoming just as essential as trading in the traditional physical shopping world. The challenges set by online retailing are substantial. However, large cities, towns, or shopping centres, which offer an 'experience' and choice for customers with high volume trading potential for the retailers, continue to be attractive¹⁴. Growing investments in physical retail development is indicative of the desire of shoppers to have a physical retail experience and not just make all of their retail purchases online.

¹³ 'UK Economic Outlook', PwC, March 2016

¹⁴ 'Midsummer Retail Report' Colliers, August 2015

2.23 UK town centres and high streets provide highly visible and empirical evidence of the scale of the economic recession. Recent improvements in the economy (as evident when reviewing household spending and average earnings statistics) have seen increased investment into town centre retail stores and a small but important drop in vacancy rates.

Retail Trends

Convenience

2.24 Instability currently prevails in the food retailing market and supermarkets are most affected. Numerous supermarket chains are currently in the process of consolidating their assets; selling stores, pulling construction programmes, and letting go of sites already with planning permission.

2.25 The prominence and attractiveness of out-of-centre, large format food stores has resulted in suffering town centres. However, following recognition of these detrimental impacts in 2014, UK Governments enforced stricter local planning rules, which make these types of development harder to gain planning permission for. At the forefront of this is the 'town centre first' approach, which is re-asserted in both the NPPF (2012), and the revised NPPF (2018).

2.26 Food and grocery retailers have had to return to town centres and adopt alternative methods of retailing. This is also a response to changing consumer behaviours. The UK food market has been shaped in recent years by the broad change in shopping habits with many customers opting to complete smaller but more frequent grocery shops. Fewer households now complete the traditional once-a-week "big shop".

2.27 The most common approach taken is to offer lower cost product ranges within stores. We also see retailers offering much more flexible models, including protracted opening hours (sometimes staying open 24 hours), online shopping, home delivery, and click and collect. Retailers are also diversifying into non-food items including fuel. In a bid to keep and win new customers, many retailers have opted to put a concerted effort into branding, and marketing, including presence on social media. Tapping into the modern consumer's desire to purchase food on the go, several food retailers now have a presence in dense town centre locations where their stores are accommodated over much smaller floor plates such as Sainsbury's Local and Tesco Express.

- 2.28 In a move that may change the face of supermarket shopping as we know it, Amazon opened a store in Seattle in January 2018 which involves no check-out operators or self-service tills¹⁵. Customers enter the store by swiping their smart-phone “Amazon Go app” and are tracked by hundreds of ceiling mounted cameras and electric sensors that register what items they pick up. Purchases are billed to the customers’ credit card when they leave the store.
- 2.29 Discount food retailers remain the fastest growing supermarkets in UK town centres. When analysing the performance of Aldi, which is considered a food and grocery discounter, Retail Economics describes that it has “attacked the heartland of UK grocery” by undercutting the ‘big four’ with highly competitive prices and investing in more high quality premium produce. This approach has broadened Aldi’s appeal to more affluent customers. In the same way, Lidl has also adopted an aggressive growth programme relating to its pricing, produce offer and ambitious store expansion since 2013. To date, the strategy has achieved what it has intended by growing Lidl’s market share. The widening of product ranges will help broaden market appeal while a focus on more alcohol will help support sales¹⁶.
- 2.30 In the 12 weeks to 31st December 2017, Aldi commanded 6.8% of the UK grocery market, while Lidl was on 5.0%¹⁷. Even so, Tesco remains the UK’s largest supermarket with a 28.0% market share, while Sainsbury’s has 16.4%, Asda 15.3%, Morrisons 10.7%, Co-op 5.8%, and Waitrose 5.2%¹⁸.
- 2.31 The scene set above indicates the food sector is facing a number of unique structural challenges, which is causing issues for food operations and subsequently restricting growth in this sector. One of the overriding challenges comes from the intense price competition created by the key food discounters (Aldi and Lidl), which are taking market shares away from the big four grocers (Tesco, Sainsbury’s, Morrisons, Asda)¹⁹.

¹⁵ ‘Amazon opens a supermarket with no checkouts’ BBC, 22 January 2018

¹⁶ ‘UK Food and Grocery’, Retail Economics, September 2015

¹⁷ ‘Why Aldi and Lidl will keep on growing’, Management Today Online, 31 May 2017

¹⁸ Kantar World Panel, 31 December 2017

¹⁹ ‘UK Retail Sales’, Retail Economics, March 2016

Comparison

2.32 The comparison retail market saw the biggest drop in trade during the economic recession. The Economic and Social Research Council, in its March 2015 report, attributes the drop in sales to two factors –

- (1) consumers' general reluctance to spend on comparison 'big-ticket' items, and
- (2) the fact comparison retailers are often more susceptible to online price comparison.

In recent years, consumers are growing more confident in making online purchases of comparison goods, meaning town centre stores continue to suffer as a consequence²⁰. The strong performance of comparison online retailing is supported by a report showing high levels of year-on-year growth in the sector²¹.

2.33 When evaluating the current trends influencing the performance of the comparison retail market, it is important to recognise the physical shift that is evident in town centres nationwide. The number of comparison retail units present in UK high streets is decreasing. This trend is evident when reviewing Experian Goad data which identifies that in November 2016 the comparison sector accounted for 32.0%²² of all town centre units, dropping from 33.4%²³ in 2011 (during the recession) and 47.4%²⁴ in 2006 (before the recession).

2.34 Against this background, in their Midsummer Retail Report, Colliers²⁵ predicts that comparison retailers are holding on to their current units while in search of larger higher quality retail units where they can provide a wider range of items. This is driven by the need to provide consumers with a high-quality shopping environment, coupled with their expectations for a wide selection of goods being available in store. Retailers must meet these demands in order to compete with the rise of e-tailing for comparison goods. Notwithstanding, Colliers more recent report identifies that retailers are continuing to invest in the integration between online and traditional retailing, and many retailers have entered

²⁰ 'Annual Report', The Economic and Social Research Council, March 2015

²¹ 'Online Retailing: Britain, Europe, US and Canada', Centres for Retailing, 2017

²² 'Goad Category Report', Experian, November 2016

²³ WYG, 2011

²⁴ GVA Grimley, 2006

²⁵ 'Colliers Midsummer Retail Report', Colliers, August 2015

into a new phase of consolidation²⁶.

2.35 In summary, comparison retailing is fuelled by fierce competition, and in particular competition made possible by the internet. Companies operating in the comparison market need to fight for their sales through adapting to the new and modern desires and needs of the consumer, and most importantly acknowledge the fact that prices are likely to be compared over the internet. The option of 'click and collect' is a combination being introduced in response to growing popularity. To attract customers into a physical store, it is vital that the stores:

- (1) provide an enjoyable experience for the shopper by being in a physically and aesthetically pleasing and exciting space; and
- (2) provide a wide array of different products that the shopper can see and touch.

Special Forms of Trading and Internet Shopping

2.36 It is very much apparent that internet shopping has revolutionised the retail market as we know it, particularly when considering the rise in the availability and popularity of online shopping. The popularity and increased availability of the internet, as well as the growing confidence of consumers in making purchases online, has led to a distinctive change in the way in which goods and services are purchased. Reports on "E-tailing" suggest it currently accounts for somewhere between one in every five to ten pounds that are spent in the UK²⁷ (taking account of monthly fluctuations).

2.37 The strong increase in online shopping in the past decade has lifted the share of special forms of trading (SFT) to a level where it now accounts for 16.5% of total retail sales²⁸. The ONS collects data for SFT, comprising sales via the internet, mail order, stall and markets, door to door and telephone sales.

²⁶ 'Midsummer Retail Report: 2017', Colliers, August 2017

²⁷ 'UK online retail sales to reach £62.7bn in 2020', Verdict Retail, 17 September 2015

²⁸ 'Retail Planner Briefing Note 15', Experian, December 2017

- 2.38 The internet's share of total retail is expected to come in at roughly 14% of all purchases for 2017, and is valued at £55.1 billion at 2017 prices. By comparison, internet sales accounted for 4.7% of all purchases in 2008. Non-internet forms of SFT were estimated to account for £8.8 billion in 2017, bringing the total SFT to £63.9 billion. Experian forecasts that by 2022 the SFT share of total retail sales will reach 20%, and 22.5% by the mid-2030s. Growth is expected to be maintained, particularly through new technology such as mobile phones and tablets that make internet shopping even more convenient.
- 2.39 In addition, a more co-ordinated approach to retail offer is expected with the online and physical world working together – an approach which is coined "omni-channel". This is indicative of the relationship between an online retail presence producing in-store purchasing. Research produced by Deloitte in 2015 estimated that digital technology influenced 33% of in-store retail sales in the UK in 2014, equivalent to £100 billion²⁹.
- 2.40 In summary, the rise of the online retail world continues apace. As the influence of "E-Commerce" continues to grow, we can expect retailers to react and start prioritising how they will make sure the relationship between real world retail stores and their online presence become more integrated.

Out of Centre Retailing, Shopping Centres and Retail Parks

- 2.41 From 1996 to 2006, out-of-town retailing was recognised as the 'engine of retailing growth'. Between 1996 and 2006 retail sales as a whole increased by 62.1% and sales at out-of-town stores grew nearly twice as fast, at 118%³⁰.
- 2.42 The growth of out-of-centre retailing has been constrained by the 'town centre first' policy regime enforced through the NPPF (2012) and as a consequence traditionally out-of-centre retailers (for example supermarkets) are re-focusing back to the centre of UK towns.
- 2.43 In 2013, Deloitte highlighted the fact that there is a limit to how much an out-of-centre shopping centre can fully meet the needs of consumers³¹. Deloitte reported the drive of consumers to out-of-centre locations is primarily motivated by their desire to seek out lower prices, convenience (e.g. ability to park cars, visit multiple shops on one trip), and the wide range of goods available at out-of-centre locations by virtue of their larger store formats. However, changes in consumer habits have driven a return to

²⁹ 'The Deloitte Consumer Review (2015) – Digital Predictions 2015', Deloitte, 2015

³⁰ 'London Borough of Richmond-Upon-Thames Retail Study 2006', GVA Grimley, March 2006

³¹ 'The Deloitte Consumer Review 2013', Deloitte, 2013

smaller format shops in more centrally located and accessible locations. As consumer habits return to traditional in-centre shopping, the draw of out-of-centre shopping venues is weakened.

- 2.44 Notwithstanding, shopping centre complexes and retail parks continue to be an integral part of retailing across the UK, although the emphasis on such complexes has changed over the past decade. In 2011, Colliers reported that shopping centre development was at a standstill and little activity was anticipated over the next four years to 2015³². However, in recent years the level of shopping centre development in the UK has seen some progression, following a number of years of very minimal development.
- 2.45 It is clear that the draw of shopping centres includes the experience, and not the retail offer alone. Trends show that consumers are increasingly willing to travel to larger out of town shopping centres for their overall experience and to use the leisure facilities. In response to this, the split between retail and leisure units present within UK shopping centres is shifting; with more experiential offers in the form of leisure services.

Residential Growth in Town Centres

- 2.46 Residential uses within town centres are proving both beneficial and challenging in terms of town centre revitalisation. Permitted development (PD) rights, and particularly office to residential development, made permanent in 2016, have streamlined the process for office to residential conversion within town centres. This has particularly had implications in Greater London and surrounding regions where there is a significant difference in office and residential floorspace value. This, combined with high demand and land scarcity, has created an incentive for the conversion of offices in viable locations.
- 2.47 Residential uses within town centres lead to added footfall and patronage for food and non-food stores, and retail and leisure services. On the other hand, residential development within town centres can have a negative impact on the functionality of retail and leisure due to the sensitivities associated with residential development such as noise, odour and air quality, as well as the potential creation of 'dead' frontages where activity previously existed. It is vitally important to strike a balance between all interests and find an equilibrium.

³² 'Colliers Midsummer Retail Report', Colliers, August 2016

Trends in Leisure

- 2.48 Leisure is often considered a discretionary activity and, as such, consumer spending on leisure is greatly influenced by the economic climate and, in particular, average levels of disposable incomes. However, when assessing the average spend of UK households on leisure activities, it becomes clear that, even in light of an economic downturn, consumers in the UK have shown a growing desire to engage in leisure activities. Mintel estimated that this industry was worth £80 billion in 2015, approximately 15% higher than the 2010 total expected worth³³.
- 2.49 Figure 2.3 illustrates changes in UK average weekly household spending on leisure before the recession (2006), during the recession (2011) and after the recession (2014 and 2016). ONS have adjusted all the figures to strip out the effects of inflation, so that true like-for-like comparisons can be made.

Figure 2.3 | ONS Weekly Household Spending Data on Leisure Items

Leisure Item / Activity	2006		2011		2014		2016	
	£	%	£	%	£	%	£	%
Sports admissions, subscriptions, leisure class fees and equipment hire	£5.80	17.6	£6.70	18.9	£6.90	17.9	£6.40	17.1
Cinema, theatre and museums etc.	£2.00	6.1	£2.40	6.8	£2.80	7.3	£2.60	6.9
Admissions to clubs, dances, discos, bingo	£0.60	1.8	£0.60	1.7	£0.50	1.3	– ³⁴	-
Gambling payments	£3.60	10.9	£2.70	7.6	£2.90	7.5	£2.70	7.2
Restaurants and café meals	£12.80	38.9	£14.70	41.4	£16.60	43.1	£16.90	45.1
Take away meals/food and other snack food	£8.10	24.6	£8.40	23.7	£8.80	22.9	£8.90	23.7
Total	£32.90	100	£35.50	100	£38.50	100	£37.50	100

Sources: 'Family Spending, 2017 Edition', ONS, released on 17 February 2017
'Family Spending, 2015 Edition', ONS, released on 8 December 2015
'Family Spending, 2012 Edition', ONS, released on 4 December 2012
'Family Spending, 2007 Edition', ONS, released on 28 January 2008

³³ 'Leisure Review', Mintel, October 2015

³⁴ ONS does not hold this data.

- 2.50 The most recent ONS data (for the 2016 year based on three year average) identified that an average UK household would spend £37.50 on leisure activities, out a total of £527.20 spent on average by UK households per week. It is interesting to assess the data on average household spending from the ONS for years preceding (2006), during the recession (2011) and after the recession (2014). Overall spend on leisure activities has generally increased in that time from £32.90 in 2006 to £37.50 in 2016, although there was a reduction in average spend per household of £1 between 2014 and 2016. Overall the proportion of spend on particular leisure items has for the most part stayed reasonably similar, although there has been a reduction in gambling payments (10.9% in 2006, compared with 7.2% in 2016). There has also been an increase in spend on restaurants and café meals (38.9% in 2006 compared with 45.1% in 2016).
- 2.51 A challenge now faces the industry with the introduction of the National Living Wage. From 1 April 2016, the UK introduced a new mandatory National Minimum Wage (NMW) for workers aged 25 and above, initially set at £7.20 - a rise of 50p relative to the previous NMW rate. That represents a £910 per annum increase in earnings for a full-time worker on the former National Minimum Wage. A NMW rate of £6.70 continues to apply for those aged 21 to 24. As of April 2017 the NMW for workers aged 25 and over was £7.50, and £7.05 for those aged 21 to 24³⁵.
- 2.52 Therefore, while the increased base level wage will improve living standards for low-paid workers, in the process it seems certain to push up leisure operators' wage costs, since they largely rely on unskilled workers.

Regional Market Trends – East England

- 2.53 The East of England region is generally one of the strongest performing regions within the UK, both in terms of labour market trends and retail performance. The strength of the London economy has consistently boosted retail performance in the surrounding regions since the economic recession of 2008, leaving the rest of the country lagging.
- 2.54 ONS publishes headline labour market trends at the end of each quarter. Figure 2.4 shows employment rate, unemployment rate and inactivity rate for the United Kingdom as a whole, England, the South East, and London to provide a comparison.

³⁵ 'National Minimum Wage and National Living Wage Rates', Gov.uk, accessed January 2018

Figure 2.4 | ONS Regional Labour Market Statistics Comparison

	Employment rate (%) aged 16 to 64	Unemployment rate (%) aged 16 and over	Inactivity rate (%) aged 16 to 64
United Kingdom	75.3	4.3	21.2
England	75.7	4.3	20.8
East	78.6	3.7	18.3
South East	80.1	3.0	17.4
London	74.4	5.2	21.5

Source: ONS: Regional labour market statistics in the UK: January 2018

- 2.55 The East of England region significantly out-performs the UK, England and most other regions, having a higher employment rate, a lower unemployment rate and a lower inactivity rate. A look into household expenditure is further evidence to suggest that it is one of the most affluent regions in the UK. The ONS identify that the East of England region had the third highest average weekly household expenditure between 2014 and 2016, second only to London and the South East, exceeding the average weekly household spend by £45 per week.
- 2.56 This trend of high performance continues into the retail sector. For the three years ending December 2016, the broader the South East retail sector (including Hertfordshire) delivered a total growth of 12.3% p.a., outperforming the rest of the UK growth of 5.4% p.a. over this period³⁶. In 2016, supermarkets in the South East outperformed the rest of the UK with growth of 1.1%, while the rest of the country returned negative growth of -1.1%.
- 2.57 While the overall economic outlook for the UK is one of uncertainty, high employment rates in Eastern England, including Hertfordshire, result in improved spending power and healthier town centres.

³⁶ 'UK Supermarket Investment Report 2016', MSCI & Colliers International, March 2017

Conclusion

- 2.58 The retail market has experienced significant changes in recent years. The prevailing retail environment continues to be somewhat unstable. In response to this unpredictability, those operating in the market are forced to adapt quickly or otherwise face failing profits.
- 2.59 Consumer expectations are continually evolving, producing a dynamic and unstable retail market. The providers operating in the market are required to evolve as a result of numerous dynamic factors, including: the characteristics of the UK population; consumer demands; popularity in private car ownership; planning policy; and digital advances. The diverse nature of the factors which form consumer expectations is forcing retailers to pursue new innovative development proposals.
- 2.60 During 2017 the consumer economy tightened, with rising inflation and slowing wage growth. Experian reports that 2017 saw the UK shift from being one of the fastest growing G7 economies to one of the slowest³⁷. The ongoing uncertainty around Brexit and the 2017 general election only exacerbated the prevailing uncertainty.
- 2.61 Notwithstanding the overall trend of prolonged uncertainty, the general outlook for East England is slightly better, with high rates of employment, low unemployment, and improved spending power. Similarly the South East's retail sector continues to outperform the UK.

³⁷ 'Retail Planner Briefing Note 15', Experian, December 2017

3.0 Planning Policy and Regeneration Context

Introduction

- 3.1 This Retail and Leisure Study provides evidence that will support and inform the production of the emerging plans for the Councils. As such, it is important to analyse and understand how adopted and emerging national planning documentation may shape the context for local policy-making, in particular those policies that relate to retail and leisure.
- 3.2 The following section of this Study establishes the planning policy and regeneration context for the Study Area. Relevant documents from Dacorum Borough, Hertsmere Borough, Three Rivers District, St Albans City and District and Watford Borough Local Development Frameworks, in addition to associated Neighbourhood Plans, supporting documents, studies, and appraisals have been reviewed and a summary is provided below.

National Planning Policy Framework (2012)

- 3.3 The National Planning Policy Framework (NPPF) was originally published on 27th March 2012, coming into force with immediate effect for plan-making and development management decisions. Subsequent to this, the National Planning Policy Guidance (NPPG) was produced and published on 6th March 2014 as an online tool to support the implementation of the NPPF. A revised NPPF was published on 24th July 2018, and replaces the 2012 version NPPF. This section of the Study provides an analysis of the requirements of the 2012 NPPF. The revised NPPF is discussed in the section following.
- 3.4 The NPPF is unashamedly pro-growth with a “presumption in favour of sustainable development”. It effectively instructs decision makers to make positive decisions and support development unless there are clear adverse environmental, social and/or economic impacts. The NPPF provides the national guidance against which all planning applications should be considered.
- 3.5 The NPPF directly addresses economic development and acknowledges how planning can proactively drive and support economic development and, in turn, deliver homes, business, industrial units, infrastructure and thriving local places that England needs. Further, the NPPF emphasises that every effort should be made to objectively identify and then meet business development needs.

- 3.6 The NPPF stresses the Government's commitment to securing economic growth in order to create jobs and prosperity. Paragraph 17 asserts the planning system should do everything it can to support sustainable economic growth. Additionally, Paragraph 19 explains significant weight should be placed on the need to support economic growth through the planning system and that planning should operate to encourage development and not act as an impediment to sustainable growth. Paragraph 20 details that local planning authorities should plan proactively to meet the development needs of business and support a "21st century economy". Further to this, Paragraph 21 explains that investment in business should not be over-burdened by the requirements of planning policy.
- 3.7 To ensure the continued vitality of town centres, Paragraphs 23 to 27 of the NPPF promote and support new development and investment within town centre boundaries, recognising that town centres are the heart of communities. Where town centres are in decline, the NPPF directs local planning authorities to plan positively for their future to encourage economic activity.
- 3.8 The NPPF recognises the need for local authorities to promote the vitality and viability of their towns and cities through the promotion of competition and growth management. Specifically, Paragraph 23 of the NPPF provides guidance for local planning authorities in drawing up Local Plans, it indicates that they should:
- a. Recognise town centres as the heart of their communities and pursue policies to support their viability and vitality;
 - b. Define a network and hierarchy of centres that is resilient to anticipated future economic changes;
 - c. Define the extent of town centres and primary shopping areas, based on a clear definition of primary and secondary frontages in designated centres, and set policies that make clear which uses will be permitted in such locations;
 - d. Promote competitive town centres that provide customer choice and a diverse retail offer and which reflect the individuality of town centres;

- e. Retain and enhance existing markets and, where appropriate, re-introduce or create new ones, ensuring that markets remain attractive and competitive;
- f. Allocate a range of suitable sites to meet the scale and type of retail, leisure, commercial, office, tourism, cultural, community and residential development needed in town centres. It is important that needs for retail, leisure, office and other main town centre uses are met in full and are not compromised by limited site availability. Local planning authorities should therefore undertake an assessment of the need to expand town centres to ensure a sufficient supply of suitable sites;
- g. Allocate appropriate edge of centre sites for main town centre uses that are well connected to the town centre where suitable and viable town centre sites are not available. If sufficient edge of centre sites cannot be identified, set policies for meeting the identified needs in other accessible locations that are well connected to the town centre;
- h. Set policies for the consideration of proposals for main town centre uses which cannot be accommodated in or adjacent to town centres;
- i. Recognise that residential development can play an important role in ensuring the vitality of centres and set out policies to encourage residential development on appropriate sites; and
- j. Where town centres are in decline, local planning authorities should plan positively for their future to encourage economic activity.

3.9 Furthermore, Paragraph 24 requires local planning authorities to enforce a sequential approach when assessing planning applications for main town centre uses that are not in an existing centre or in accordance with an up to date Local Plan. To do this, local authorities should require applications for main town centre uses to be located in town centres, then in edge of centre locations and only if suitable sites are not available should out-of-centre sites be considered. When reviewing edge of centre and out-of-centre proposals, they should give preference to accessible locations well connected to the town centre.

- 3.10 Paragraph 26 specifies that local planning authorities should require an impact assessment for retail, leisure and office development outside of town centres that are not in accordance with an up to date Local Plan and if the development is over a proportionate, locally set threshold. Where there is no locally defined threshold, the default threshold will be 2,500 sq m. The impact assessment should assess – (1) 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, and (2) the impact of the proposal on town centre vitality and viability, including local consumer choice and trade in the town centre and wider area, up to five years from the time the application is made.
- 3.11 In summary, the NPPF endorses a ‘town centre first’ approach to all retail activity (including leisure). It stipulates that where retail and leisure proposals cannot be accommodated within, or, adjacent to the town centre applicants have to demonstrate, through the dual application of the impact test and the sequential test, that the development will not affect negatively upon the vitality and viability of town centres.

Revised NPPF (2018)

- 3.12 The revised NPPF (published on until 24th July 2018) introduces subtle changes to retail and town centre policy, such as a new requirement to allocate sites for town centre uses to meet capacity for a minimum of “at least ten years” rather than over the full plan period (Paragraph 85).
- 3.13 Paragraph 85(b) identifies that planning policies should define the extent of town centres and primary shopping areas, but no longer requires that primary shopping frontages and secondary shopping frontages are defined.
- 3.14 The text relating to the sequential test is also updated, defining ‘availability’ as sites that may become available within a ‘reasonable period’. Whilst the revised NPPF does not seek to define what a ‘reasonable timeframe’ would be, it moves away from appeal decisions such as at Rushden Lakes that suggested sites should be “currently available” (Paragraph 86).
- 3.15 Finally, the requirement for the impact test to be applied to office developments has been removed (Paragraph 89).

Ensuring the Vitality of Town Centres Planning Practice Guidance

- 3.16 National Planning Practice Guidance (referred to as the NPPG) entitled 'Ensuring the Vitality of Town Centres' was published in March 2014 and replaced the previous Planning for Town Centres Practice Guidance. The online tool provides a succinct synopsis of how retail and main town centre planning policy should be applied in practice.
- 3.17 In short, the specific objectives of the NPPG remain similar to those of its predecessor. For example, it directs local planning authorities to plan positively and support town centres, in addition to setting out objectives that aim to generate local employment, promote competition within and between town centres, and create attractive and diverse places for users.
- 3.18 In addition to the enforcement of a 'town centre first' approach in order to meet local needs, the NPPG outlines that this should be delivered through a positive vision or strategy that is communicated through the development plan. In summary, local authorities should use development plan documents, policies and supporting guidance documents to address the following matters:
- The appropriate and realistic role, function and hierarchy of town centres in the area for the duration of the plan period. This should involve an audit of the vitality and viability of existing town centres and their ability to accommodate new development;
 - Encapsulate a clear vision for the future of each town centre and the most appropriate mix of uses;
 - Ability for the town centre to accommodate the scale of assessed need through new development;
 - Timeframe for the delivery of new retail floorspace;
 - Any other complementary approaches which are necessary or appropriate to enhance the town centre to deliver the vision for its future; and
 - How the car parking provision can be enhanced in order to encourage town centre vitality.

- 3.19 Of specific relevance to this Retail and Leisure Study, Paragraph 005 of NPPG categorises a series of key indicators to be used when assessing the health of a centre over time. We base our health-checks on these indicators, as set out in detail in Section 5 of this Report.
- 3.20 Paragraph 005 also explains that it is often the case that successful town centre regeneration initiatives involve a range of improvements such as renewed public realm, parking, and accessibility and other partnership mechanisms, rather than being purely led by retail schemes or focused on substantial new development.

Relaxation of Permitted Development Rights

- 3.21 Over the past few years, the Government has sought to support the nation's town centres by adopting flexible policies that allow the diversification of town centre units.
- 3.22 In May 2013 changes were made to the Town and Country Planning (General Permitted Development) Order 1995 in response to the Portas Review's recommendation to make it easier to convert surplus space in order to provide for the effective re-use of town centre units. The May 2013 amendments provided for a period of three years during which the change of use of B1 offices to C3 residential uses could take place without the need for formal planning permission. Under this order, applicants are simply required to apply for a prior approval notice from the relevant local planning authority.
- 3.23 The 2013 Order also provides for the temporary change of use (for up to two years) of uses falling within Use Classes A1, A2, A3, A4, A5, B1, D1 and D2 to uses falling within Classes A1, A2, A3 and B1. Prior approval for this type of use would be given when it relates to no more than 150 sq m of floorspace and the temporary provision has not formerly been relied upon.
- 3.24 In April 2014, permitted development rights were further extended to provide for certain additional changes of use without the need for formal planning permission. The changes introduced two new classifications of permitted development for commercial premises, as follows:
- a) The first provides for the change of use of premises and land from Use Class A1 to use as a 'deposit taker' (effectively comprising banks, building societies, credit unions and friendly societies).
 - b) The second provides for the change of use from Use Classes A1 and A2 to C3 residential.

- 3.25 Again, there are certain restrictions as to where and when the rights can be exercised. Most notably, the change of use must relate to no more than 150 sq m of floorspace.
- 3.26 Further extensions to the permitted development rights came into force two years later on 4 April 2016. The key changes introduced by this 2016 Order include:
- a) Removal of the 31 May 2016 deadline (for B1 offices to C3 residential use) altogether (being the end of the previously identified three-year period), thereby making the permitted rights permanent; and
 - b) Allowing laundrettes to change to residential uses.
- 3.27 The intended consequence of such measures is to secure the redevelopment and reuse of premises and diminish long-term vacancies. To this end, the rights are expected to support town centres to be comprised of well-utilised units.
- 3.28 In the following section we will separately review the Local Development Plans for the five Local Planning Authorities.

The Dacorum Local Development Plan

- 3.29 The current development plan for Dacorum Borough Council is made up of the following:
- Dacorum Borough Local Planning Framework Core Strategy (adopted September 2013)
 - Dacorum Borough Council's Site Allocations DPD (adopted July 2017)
 - 'Saved' Policies from the Dacorum Borough Local Plan 1991 – 2011.
- 3.30 In addition to the documents listed above, Dacorum Borough Council commissioned a Retail Study Update published October 2011 to inform the evidence base for the Council's retail and town centre policies. This document has been assessed alongside the development plan documents.

Dacorum Core Strategy (September 2013)

- 3.31 The Core Strategy (adopted 25 September 2013) is the principal document in Dacorum’s Local Planning Framework, setting out the planning framework and core policies for the Borough to 2031.
- 3.32 The content of the Core Strategy identifies the settlements to which new development will be directed and the amount of new housing and employment land that will be provided in these areas up to 2031.
- 3.33 Given the subject matter of this Study, only those policies which are relevant to retail and leisure have been the focus of this assessment. Below the relevant policies are identified and their relevance explained.

Table 3.1 | The Retail Hierarchy

Settlement Classification	Settlement
Principal Town Centre	Hemel Hempstead (including Hemel Hempstead Old Town)
Secondary Town Centre	Berkhamsted, Tring
Local Centre – with a district shopping function	Woodhall Farm
Local Centre – with a neighbourhood shopping function	Adeyfield, Apsley, Bennetts End, Boxmoor, Bovingdon, Chaulden, Gadebridge, Grovehill, Heart of Maylands, Highfield (Bellgate), Highfield (The Heights), Kings Langley, Leverstock Green, Markyate, Miswell Lane (and Western Road), Nash Mills, Northchurch, Warners End

Source | Dacorum Core Strategy

- 3.34 In addition to the above, the Core Strategy also identifies out of centre retail locations. However, these were updated and superseded by the Site Allocations DPD in July 2017. The updated retail locations are referred to in our review of the Site Allocations DPD later on in this Chapter.
- 3.35 However, of note, the Core Strategy re-designated Jarman Fields from a local centre with a district shopping function to an out of centre retail and leisure location.

3.36 Policy CS4 'The Towns and Large Villages' outlines the following acceptable uses for town centre locations:

- a) Shopping uses;
- b) Compatible leisure uses;
- c) Business uses; and
- d) Social and community uses

3.37 Policy CS 16: 'Shops and Commerce' of the Dacorum Core Strategy refers to the main retail hierarchy, outlined in table 3.1 above and indicates the available capacity for convenience and comparison floorspace throughout the plan period (discussed in more detail later on in this chapter). The policy encourages new retail development within the town centres that will strengthen the retail hierarchy and seeks to retain sufficient shops in these centres. The policy goes on to outline that Hemel Hempstead will be the main destination for comparison goods shopping, leisure, entertainment and civic and cultural activities. Other centres will provide core shopping facilities and services for their local communities. Further, development proposals that promote a diverse evening economy in the town centres will be supported provided that their social and environmental impacts are controlled. Retail developments will also be subject to the Sequential Approach and Retail Impact Assessments.

3.38 The Hemel Hempstead Place Strategy in the Core Strategy includes a vision for the town centre and sets out development opportunities for seven different town centre character zones. It also includes a policy for new development in Hemel Hempstead Town Centre (Policy CS33). Policy CS33 outlines the following principles that should guide development within the Town Centre;

- a) secure additional retail stores in the Marlowes Shopping Zone (and a new food store);
- b) deliver a mix of uses to support the prime retail function;
- c) encourage an attractive evening economy along Waterhouse Street;
- d) deliver a range of new homes;
- e) create new offices;

- f) deliver new leisure, education and cultural facilities, including a primary school and library;
- g) keep a public sector presence;
- h) restore the Water Gardens and retain and create other public spaces

3.39 This policy is further expanded on in the Hemel Hempstead Town Centre Masterplan (referred to in more detail later on in this chapter).

Dacorum's Site Allocations DPD

3.40 The Site Allocations Development Plan Document (DPD) was adopted in July 2017 and sets out how the policies and proposals in Dacorum's Core Strategy will be delivered.

3.41 Policy SA7 'Shopping Areas in Town Centres' defines the primary and secondary shopping frontages for the Town Centres including permitted uses within these areas. The policy emphasises the importance of development contributing to the vibrancy of the town centres and outlines that all development in Hemel Hempstead Town Centre should support the strategy outlined in the Town Centre Masterplan.

3.42 The Site Allocations DPD proposes two additional out of centre retail locations within the borough. As such, Table 3.2 supplements the schedule of retail parks (Table 6) outlined in the Core Strategy.

3.43 The purpose of this table is to reaffirm the out of centre shopping locations within the Borough and highlight the addition of two out of centre retail locations designated in Two Waters, Hemel Hempstead and Berkhamsted (Gossoms End/Billet Lane).

Table 3.2 | Retail Parks

Location	Main Use
<i>Out of centre retail locations</i>	
Hemel Hempstead	
<ul style="list-style-type: none"> • Sainsbury, Apsley Mills Retail Park, London (Sainsbury Apsley) • Remainder of Apsley Mills Retail Park, London Road (Apsley Mills) • Two Waters, London Road (Two Waters East) • Dunelm and Wickes, London Road (London Road) • B&Q, Two Waters Road (Corner Hall) • London Road/ Two Waters Way (Two Waters West) 	<ul style="list-style-type: none"> • Food Retailing • Bulky, non –food goods • Bulky, non –food goods • Bulky, non –food goods • Bulky, non –food goods • Food retailing
Berkhamsted	
<ul style="list-style-type: none"> • Gossoms End/ Billet Lane (Billet Lane) 	<ul style="list-style-type: none"> • Food retailing
Tring	
<ul style="list-style-type: none"> • Tesco, London Road (Tring) 	<ul style="list-style-type: none"> • Food Retailing
<i>Out of centre retail and leisure locations</i>	
<ul style="list-style-type: none"> • Jarman Fields 	<ul style="list-style-type: none"> • Food Retailing and non-food goods (excluding clothing and footwear unless ancillary to the main use of the unit). • Leisure uses.

Source | Dacorum Sites Allocations DPD

3.44 In addition to the two new retail parks, the Sites Allocations Document sets out the following retail proposals:

- **Proposals S/1** – Jarman Fields, St Albans Road, Hemel Hempstead. Proposals for a retail and leisure park. Acceptable uses are outlined as retail and leisure. Development must maximise the use of the site and ensure no significant impact on Hemel Hempstead Town Centre. The sale and display of clothing is not acceptable.
- **Proposal MU/1** – West Herts College Site and Civic Zone, Queensway/ Marlowes/ Combe Street (north)/ Leighton Buzzard Road, Hemel Hempstead. Proposals for new Public Sector Quarter and housing (500 – 600 homes). Proposals should secure a range of uses including educational, commercial, leisure and retail.
- **Proposal MU/7** – Gossoms End/ Billet Lane, Berkhamsted. Proposals for a new foodstore and housing (30), subject to retailing having a satisfactory impact on the town centre.

'Saved' Policies from the Dacorum Borough Local Plan

3.45 The majority of retail policies within the Saved Local Plan have been superseded by the Core Strategy. However, the following are still of relevance.

3.46 Policy 43 'Shopping Areas in Local Centres' resists the change of use of shops with less than 8 shops as well as larger shopping areas where the loss of a shop use will not be permitted at street level unless;

- At least 60% of the total frontage remains in shop use, and an appropriate range of local shops remains;
- The alternative use is appropriate to the commercial functioning of the area; and
- Non retail uses are dispersed throughout the area.

3.47 In relation to shopping development outside existing centres, Policy 44 'Shopping Development Outside Existing Centres' considers that proposals will be required to show that a sequential approach has been considered and that there is a quantitative and qualitative need for the development. For major proposals a trade capacity and impact study may be required to accompany a planning application. The policy goes on to say that shopping development will only be permitted outside existing centres if it meets the following criteria;

- i. Does not result in an over provision of floorspace likely to damage the main shopping hierarchy in Dacorum or adjoining districts;
- ii. Would not seriously affect the vitality and viability of nearby town or local centres;
- iii. Would not prejudice future investment in existing centres;
- iv. Provides a necessary extension of the range and diversity of outlets available to shoppers;
- v. Is easily and safely accessible by a choice of means of transport, including passenger transport, as well as by cyclists, pedestrians and people with disabilities;
- vi. Would help reduce the need to travel.

3.48 Policy 45 'Scattered Local Shops' resists the loss of individual shops outside of the town centres and local centres.

[Hemel Hempstead Town Centre Masterplan Supplementary Planning Document \(January 2013\)](#)

3.49 The Hemel Hempstead Town Centre Masterplan was given SPD status when the Core Strategy was adopted in September 2013.

3.50 The purpose of the Hemel Hempstead Town Centre Masterplan is to provide the direction for the future of the town centre and to enable transformation and regeneration to proceed as quickly as possible. It takes its lead from, and builds upon, the Hemel Hempstead Place Strategy which is set out in the Core Strategy.

3.51 The Masterplan sets out key regeneration objectives for the town centre, an overall vision, detailed strategies for each character zone and considers the delivery aspects of the masterplan, taking into account viability and phasing of key town centre proposals.

Gade Zone Planning Statement (2012) - Guidance Document

3.52 The Gade Zone Planning Statement provides guidance on the broad policy, development and design framework for the Gade Zone in Hemel Hempstead Town Centre, one of the seven town centre character zones outlined in the Hemel Hempstead Town Centre Masterplan. The Gade Zone is the first of the seven zones to be developed.

3.53 In terms of land use, Gade Zone Objectives include;

- To secure residential development in the northern area – strengthening the retail function
- To introduce a new supermarket in the central areas of the Gade Zone to attract movement and footfall from the main town centre shopping area thereby increasing vitality in the northern part of the town centre;
- To encourage a leisure & evening economy in the southern area of the Gade Zone to help revitalise the Water Gardens;
- To retain/re-use buildings of character and historic importance; and
- To increase activity in and around the public square and promote uses which support the evening economy in that location.

Retail Study Update

3.54 The Dacorum Borough Council's Retail Study Update (2011) produced by GL Hearn builds on Dacorum's previous retail studies published in 2006 and 2009. The recommendations for Dacorum Borough Council within the Study update conclude that:

- In 2016 there was a theoretical need for around 2,260 sq m (sales) of convenience floorspace in Hemel Hempstead, which, with some ancillary comparison floorspace, would equate to a superstore of approximately 2,800 sq m (sales) or 4,300 sq m (gross).
- Whilst the calculation showed a theoretical capacity for additional comparison shopping to serve Hemel Hempstead over the study period, it was not considered that recommendations should be made for specific allocations in the short to medium term.

- The Study concludes that there is only a modest need for retail provision to serve Berkhamsted (for both convenience and comparison goods floorspace) and, as such, does not require any specific allocations up to 2016/2021.
- Similarly, the retail need in Tring was modest and it was advised that there was no specific allocation of retail floorspace.

Hertsmere Local Development Plan

3.55 The current Development Plan for Hertsmere Borough Council is made up of the following;

- The Core Strategy (January 2013);
- Site Allocations and Development Plan Document (November 2016); and
- Elstree Way Corridor Area Action Plan (July 2015).

3.56 In addition to the documents listed above, Hertsmere Borough Council commissioned a Town Centre and Shopping Study published July 2008 to inform the evidence base for the Council's retail and town centre policies. This document has been assessed alongside the development plan documents.

The Hertsmere Borough Council Core Strategy – 2013

3.57 The Core Strategy sets out the Council's vision and strategy for the Borough over a period of fifteen years. It includes a variety of overarching spatial policies to guide future development and land use in the borough.

3.58 Core Strategy Objectives include '*to improve environmental and streetscape quality in town centres and protect and enhance the built heritage of Hertsmere*', and '*to safeguard and enhance the role of the town and district centres in Hertsmere, steering commercial developments which attract a large number of people toward the most accessible locations.*'

3.59 In Table 5 of the Core Strategy 'Spatial Objectives' are referred to for the Hertsmere centres. Objectives of relevance include;

Borehamwood

- Facilitate the renewal of the Elstree Way Corridor to reinforce a local sense of place, providing a range of housing, employment, community and cultural facilities;
- Reduce shop vacancies and improving the local environment and streetscape along Shenley Road and at Leeming Road;
- Greater consideration of utilising enforcement and compulsory purchase powers to facilitate town centre improvements;
- Improve community facilities and addressing the absence of any public square within Borehamwood Town Centre;
- Address localised anti-social behaviour problems;
- Address environmental quality and physical accessibility at Borehamwood Railway Station and enhancing its role as a key transport node; and
- Reduce traffic congestion in and around the town.

Potters Bar

- Address the poor environment in and around the bus garage;
- Address the decline of the High Street;
- Address localised anti-social behaviour problems;
- Develop the range of evening activities in the town centre for younger people; and
- Roll out town centre improvements beyond Darkes Lane.

Bushey

- Protect the viability and vitality of local shopping, including measures to promote Bushey High Street: and
- Address parking problems specific to Bushey Village and Bushey Heath.

Radlett

- Protect the viability and viability of local shopping;
- Secure high quality development on key sites emerging in the district centre;
- Maintain the character of the town, particularly around the fringe; and
- Maintain and expand key public community services in the town.

3.60 The hierarchy for the town centres, as outlined in the Core Strategy, and supplemented in the Site Allocations and Development Management Policies Plan is illustrated in Table 3.3. The Site Allocations and Development Management Policies Plan in addition set out two lower levels of retail centre – Neighbourhood Parades and Individual Shops – that are also subject to policy protection.

Table 3.3 | Town Centre Hierarchy

Settlement Classification	Settlement
Town Centre	Borehamwood
Local Town Centre	Potters Bar (Darkes Lane)
District Centre	Potters Bar (High Street), Bushey Village, Bushey Heath, Radlett
Local Centre	Leeming Road, Borehamwood
Key Neighbourhood Parade	Manor Way (Borehamwood), Harcourt Road (Bushey), Bushey Hall Road (Bushey), Cranborne Parade (Potters Bar)
Service Village/Neighbourhood Centre	Elstree Village Centre, Andrew Close (Shenley)

Source | Hertsmere Borough Council Core Strategy and Site Allocations and Development Management Policies Plan

3.61 Chapter 8 includes policies relating to Towns Centres and Shopping as well as an assessment of the health of each centre and the role it plays in the borough. The following policies are considered relevant to this study.

- 3.62 Policy CS19 'Key Community Facilities' supports the retention of key community facilities within the Borough.
- 3.63 Policy CS27 'Town Centre Strategy' seeks to ensure that development within the town centres, local town centres and district centres maintains their primary retail function and wider role as a focus for business, leisure, cultural and other town centre uses. Proposals for main town centre uses will be considered in accordance with national planning policy set out in the NPPF, including the application of the sequential test and impact assessment as appropriate.
- 3.64 Policy CS28 'Strengthening Town Centres' outlines appropriate uses for primary and secondary shopping frontages.
- 3.65 Policy CS29 'Retail and Commercial Development in Shenley' determines the location for retail development in Shenley.
- 3.66 Policy CS30 'Safe and Attractive Evening Economy' outlines guidance that seeks to create a balanced evening economy.

[Site Allocations and Development Policies Plan – 2016](#)

- 3.67 The policies in the Site Allocations and Development Policies Plan seek to help deliver the aspirations of, and provide clarity on the Core Strategy policies.
- 3.68 Policy SADM32 'Key Community Facilities' supports the retention, improvement and provision of community facilities.
- 3.69 Policy SADM34 'Open Space, Sports and Leisure Facilities' supports the retention and improvement of open space, sports and leisure facilities.
- 3.70 Policy SADM42 'Town and District Centres' establishes the town centre boundaries of the centres and outlines that the Council will support proposals to improve the facilities, functions and environment of these centres whenever appropriate. Specific proposals for sites within Borehamwood and Radlett town centres are identified.
- 3.71 Policy SADM43 'Primary Frontages' sets out requirements to which development within primary shopping frontages should adhere.

3.72 Policy SADM44 'Secondary Frontages' sets out requirements to which development within secondary shopping frontages should adhere.

3.73 Policy SADM45 'Smaller Centres, Parades and Individual Shops' seeks to protect class A1 shops in smaller centres (classified as the Local Centre, Key Neighbourhood Parades, Neighbourhood Centres, Neighbourhood Parades and Individual Shops). The Local Centre, Key Neighbourhood Parades and Neighbourhood Centres are set out in table 3.3 above. Neighbourhood Parades and Individual Shops are identified in the Site Allocations and Development Management Policies Plan (Table 3) as follows:

Neighbourhood Parades:

- Croxdale Road, Borehamwood
- Hartforde Road, Borehamwood
- Howard Drive, Borehamwood
- Rossington Avenue, Borehamwood
- Aldenham Road, Bushey
- Bournehall Avenue, Bushey
- Bushey Mill Lane, North Bushey
- Park Avenue, North Bushey
- High Street north (1), Potters Bar
- High Street north (2), Potters Bar
- Battlers Green Drive, Radlett

Individual Shops:

- Organ Hall Road, Borehamwood
- Shenley Road (North), Borehamwood
- Studio Way, Borehamwood
- Thirsk Road, Borehamwood
- Sparrows Herne (1), Bushey
- Sparrows Herne (2), Bushey
- High Road (1), Bushey Heath
- High Road (2), Bushey Heath
- Church Road, Potters Bar
- Wayside, Potters Bar
- Aldenham Road, Radlett
- London Road, Shenley
- St Albans Road, South Mimms

- 3.74 Policy SADM46 'Controlling Non-Retail Uses' seeks to control the development of non-retail uses within the key shopping centres.
- 3.75 Policy SADM47 'Night-Time and Evening Uses' outlines criteria to which applications for evening economy uses must adhere.
- 3.76 Policy SADM49 'Shop Fronts' outlines that permission will be granted for well-designed shop fronts which respect the street scene and follow the guidance set out in the Planning and Design Guide SPD.

Radlett District Centre Key Locations SPD -2011

- 3.77 This document sets out the constraints and planning policy context for four locations in Radlett. It provides advice on how existing policies should be applied. The aim of the document is to ensure that key development opportunities in and immediately adjoining Radlett District Centre are maximised. At the time of writing, an updated Planning Brief for Radlett is being prepared to take into consideration the most up-to-date planning guidance for the four key locations in the centre of Radlett.

Retail Evidence Base

- 3.78 Hertsmere Borough Council lies in close proximity to a number of large retail destinations including the Watford Town Centre, Brent Cross in North London, Colney Fields, Hatfield Galleria and St Albans City Centre. As Hertsmere falls within the catchment of a number of these larger centres, historically it has not been considered appropriate to undertake a full retail needs/ capacity assessment for the Borough and Hertsmere's settlements have been considered as part of retail assessments for adjoining local authorities.
- 3.79 Details of adjoining district's retail assessments have been summarised in a Retail Topic Paper (2009), and the health of retail centres in Hertsmere is considered in the Town Centres and Shopping Report (July 2008). Conclusions from the Retail Topic Paper suggest that no further convenience or comparison floorspace should be allocated within the Borough during the plan period.
- 3.80 It should be noted that these studies and their conclusions are now over ten years old.

Three Rivers Development Plan

3.81 The development plan documents for Three Rivers District Council include the following:

- Three Rivers Core Strategy 2011 – 2026 (October 2011);
- Three Rivers Site Allocations Local Development Document (November 2014); and
- Three Rivers Development Management Policies (July 2013).

3.82 In addition to the documents listed above, Three Rivers District Council commissioned a Retail and Leisure Study (published June 2012) to inform the evidence base for their Site Allocations LDD. This document has been assessed alongside the development plan documents.

[Three Rivers Core Strategy 2011-2026](#)

3.83 Three Rivers District Council's Core Strategy, adopted in October 2011, sets out the strategic planning principles that govern development and land use in the District up to 2026.

3.84 Strategic Objective 8 of the Core Strategy outlines the Council's intention to 'maintain and enhance the viability, vitality and variety of shops and services within the Principal Town and Key Centres and retain shops and services in other smaller settlements'. The intention of this objective is to ensure the provision of a range of goods and services across the District to meet the needs of the local community.

3.85 The Core Strategy includes several settlement specific policies that support the settlement hierarchy. These policies aim to provide further detail to ensure the vision and objectives for each settlement are achieved during the plan period. These policies and their objectives are summarised below.

3.86 Through Policy PSP1 'Rickmansworth' the Council details their intention for development in Rickmansworth to be focused, where possible, on previously developed land. Additionally, this policy outlines the Council's objective to maintain and enhance retail use in the town centre by promoting a range of town centre uses in Rickmansworth. These uses include:

- Housing;
- Employment uses;

- Retail uses;
- Leisure facilities; and
- Community facilities.

3.87 Policy PSP2 'Key Centre' of the Core Strategy outlines the policy guidance responsible for development in South Oxhey, Croxley Green, Abbots Langley, Chorleywood, Leavesden and Garston & Mill End Key Centres. Policy PSP2 seeks to locate development within the aforementioned Key Centres on previously developed land.

3.88 In regards to retail specific policy, Part E of Policy PSP2 seeks to maintain and enhance the primary and secondary shopping frontages within Abbots Langley, Chorleywood and South Oxhey District Shopping Centres and the Local Shopping Centre at Croxley Green. Additionally, Policy PSP2 Part F recognises the need for additional retail floorspace within the District's Key Centres.

3.89 Three Rivers Core Strategy Policy PSP2 'Secondary Centres' provides guidance for development in Kings Langley, Carpenders Park, Eastbury, Maple Cross, Moor Park and Oxhey Hall Secondary Centres. Specifically, Policy PSP3 explains that Secondary Centres are expected to maintain and enhance the provision of local shops.

3.90 Policy PSP4 'Villages' conveys the Council's ambitions for development within the villages of Bedmond and Sarratt, highlighting their intentions to improve the existing services, facilities and shops within the two villages.

Town Centres and Shopping

3.91 In addition to the settlement hierarchy and settlement specific policies illustrated above, the Three Rivers Core Strategy provides guidance relating to the management and growth of town centres and shopping facilities. Table 3.4 below sets out the District's Retail Hierarchy indicating the size and importance of the various retail centres in Three Rivers.

Table 3.4 | Three Rivers Retail Hierarchy

Settlement Classification	Settlement
Town Centre	Rickmansworth
District Centres	South Oxhey Abbots Langley Chorleywood
Local Centres	Croxley Green (Watford Road) Croxley Green (New Road) Mill End (Money Hill Parade)
Other Local Shops	57-63 High Street, Bedmond 61-65 Station Road, Kings Langley 15 Bridge Road and 5 Old Mill Road, Hunton Bridge 17-22 School Mead, Abbots Langley 5-7a and Sherwood News, College Road, Abbots Langley 1-14 Katherine Place, Abbots Langley Sarratt Post Office, The Green, Sarratt 41-55 and 295-309 Baldwins Lane, Croxley Green 193-197 Watford Road, Croxley Green 4-12 Scots Hill, 1-3 The Green and 1-4 New Parade, Croxley Green 1-11 Tudor Parade, Mill End 68-82 Church Lane, Mill End 2-28 Main Avenue, Moor Park 10-24 Hallowes Crescent, South Oxhey 305-317 Prestwick Road, South Oxhey 1-18 The Parade, Delta Gain, Carpenders Park 18-48 Little Oxhey Lane, South Oxhey 46-52 Heronsgate Road, Heronsgate 2-4 Station Approach, Chorleywood Sheratons, Wyatts House and Shell Filling Station, Rickmansworth Road, Chorleywood.

Source | Three Rivers District Council Core Strategy

3.92 Core Strategy Policy CP7 'Town Centres and Shopping' outlines the Council's position in respect of development in the District's retail centres and the necessity of maintaining the hierarchy of retail centres. In this regard, Policy CP7 requires new retail development to be located within the Primary Frontages of the District's Town and District Centres.

Three Rivers Development Management Policies (2013) and Site Allocations Document (2014)

- 3.93 The Development Management Policies and Site Allocations Document seek to provide clarity on the policies set out in the District's Core Strategy whilst enabling the delivery of the District's Vision.
- 3.94 Development Management Policy DM12 'Community, Leisure and Cultural Facilities' seeks to protect community, leisure and cultural facilities from redevelopment or change of use.
- 3.95 Chapter 7 of Three Rivers Site Allocations Local Development Documents provides additional detail relating to Strategic Objective 8 of the Core Strategy as outlined above.
- 3.96 Paragraph 7.7 of the Site Allocations Local Development Document sets out the parameters of Primary Frontages, which include the retail core of a centre where Use Class A1 premises are protected.
- 3.97 Paragraph 7.8 states that Secondary Frontages are defined as edge of centre premises where a wider mix of uses are permitted.
- 3.98 Similarly, Paragraph 7.9 outlines that Local Centres are comprised of a mix of uses albeit at a smaller scale than Secondary Frontages.
- 3.99 Policy SA6 'South Oxhey' from the Three Rivers Site Allocations Local Development Document (adopted November 2014) sets out policy guidance specific to the regeneration and modernisation of South Oxhey. This redevelopment project and accompanying policy seek to target deprivation in the area through the promotion of better quality community, leisure and shopping facilities
- 3.100 Site Allocations Policy SA4 'Retail Allocations' details locations where retail development is acceptable in principle. These include:
- The Town Centre at Rickmansworth;
 - The District Centres at South Oxhey, Abbots Langley, and Chorleywood;
 - The Local Centres at Croxley Green (Watford Road and New Road) and Mill End (Moneyhill Parade); and
 - The Local Shops including local shopping parades and individual shops across settlements within the District.

3.101 Policy SA4 also provides additional detail relating to appropriate development in shopping frontages and local centres. This includes:

- Protecting the vitality of Primary Frontages by resisting the loss of Use Class A1 (Retail) uses;
- Promoting the retention of Use Class A1 (Retail) uses in Secondary Frontages;
- Protecting and enhancing identified Local Centres and Local Shops including retaining retail uses and encouraging uses that complement the Local Centres and Shops.

3.102 Furthermore, Policy SA4 states that developments proposing retail uses outside of identified centres will only be acceptable where they pass a sequential test.

[Retail and Leisure Study \(2012\)](#)

3.103 The Three Rivers Retail and Leisure Study produced by Lambert Smith Hampton in 2012 assessed the provision of retail and shopping facilities across the District. The capacity analysis shows that for Three Rivers there was:

- Convenience floorspace capacity of 974 sq m by 2026 in **Rickmansworth**;
- Food-superstore capacity of 2,500 sq m in **South Oxhey**;
- Convenience floorspace capacity of 1,715 sq m by 2026 in **Abbots Langley**;
- Convenience floorspace capacity of 83 sq m by 2026 in **Chorleywood**;
- No capacity for additional convenience floorspace in **Croxley Green**; and
- Capacity for small-scale local convenience floorspace in **Maple Cross**.
- The study concluded that there was no need for additional comparison floorspace across the District.

The St Albans City and District Council Development Framework

3.104 The current development plan for St Albans City and District Council comprises the following;

- District Plan Review – 1994

3.105 In addition to the existing District Plan St Albans City and District Council commissioned a Retail Study Update published September 2013 to inform the evidence base for the Council’s emerging retail and town centre policies. This document has been reviewed alongside the development plan documents.

3.106 St Albans City and District Council are currently in the early stages of preparing a new local plan which was consulted on (Regulation 18) in January/February 2018.

3.107 Of note, the preparation of the Harpenden Neighbourhood Plan is currently in its final stages with adoption anticipated by the end of 2018.

The St Albans District Plan Review (1994)

3.108 Chapter 6 ‘Shopping and Services’ of the St Albans Local Plan outlines the retail and town centre policies for the District. Those of relevance are referred to below;

3.109 Policy 51 sets out the District Plan Review outlines the following retail hierarchy for the centre within St Albans City and District.

Table 3.5 | St Albans Retail Hierarchy

Settlement Classification	Settlement
Minor Sub – Regional Centre	St Albans
Minor District Centre	Harpenden
Neighbourhood Centres	Southdown, Redbourn, Wheathampstead, Verulam Estate, Fleetville. The Quadrant Marshalswick and London Colney
Local Centres	As listed in Policy 55

Source | St Albans District Plan Review

- 3.110 Policy 51 'Shopping and Service uses, Overall Strategy' outlines the Councils overall strategy towards shopping and service uses, whilst Policy 52 'Shopping Development in St Albans City Centre' outlines criteria against which retail proposals in St Albans City Centre will be assessed.
- 3.111 Policy 53 'Shopping Development in Harpenden Town Centre' outlines the criteria against which retail proposals in Harpenden Town Centre will be assessed, and Policy 54 'Shopping Development in Neighbourhood Centres' outlines the criteria under which retail proposals in Neighbourhood Centres will be assessed.
- 3.112 Policy 55 'Local Shopping Facilities' outlines the criteria against which Local Shopping Facilities will be assessed, whilst Policy 56 'Loss of Retail Floorspace' outlines how planning applications which result in a loss of retail floorspace would be resisted.
- 3.113 Policy 57 'Service Use' outlines criteria to which planning applications for service uses (A2 and A3 use class) must adhere.
- 3.114 Policy 58 refers to 'Major Retail Development Outside Existing Town Centres' and outlines sites proposed for retail, a number of which have been developed out in the period since 1994. The policy also outlines that out of town shopping will be permitted at London Colney if Policy 141 is adhered to. Other proposals for major retail developments (over 1,500 sq m) must submit a detailed retail impact assessment.
- 3.115 Chapter 10 'Leisure' of the St Albans District Plan outlines the leisure policies for the District. Those of relevance are referred to below:
- 3.116 Policy 91 'Location of Leisure Facilities' outlines that applications new leisure facilities will not be permitted unless they are acceptable in terms of location, access, car parking, environmental impact and safety.
- 3.117 Policy 92 'New Indoor Sports Facilities' refers to land allocated for indoor sports facilities including; again, a number of which have been developed in the period since 1994.

3.118 In addition to the policies outlined in the District Plan, more detailed policy guidance is provided in 'Policy Area Statements' for the following centres:

- St Albans City Centre;
- Harpenden Town Centre;
- Highfield Oval Site, Harpenden;
- Fleetville;
- London Colney and
- The Upper Colne Valley.

[St Albans City and District Council Retail Study Update \(April 2010\)](#)

3.119 The St Albans City and District Retail Study Update was prepared by Strategic Perspectives in 2010.

3.120 The Retail Study (which updated the 2009 Retail Study) outlined that St Albans City Centre could support a comparison goods sales area of circa 20,000 sq m (net) by 2021, increasing to 25,000 sq m by 2026. Limited capacity for comparison floorspace is identified in Harpenden Town Centre for between 820 sq m and 830 sq m (net) up to 2016 increasing to between 2,240 sq m and 2,380 sq m (net) by 2031.

3.121 In relation to convenience floorspace, Strategic Perspectives identified a qualitative and quantitative need for a suitably sized food store to anchor St Albans City centre's convenience offer. However, taking into consideration the requirement to balance this with the need for a significant critical mass of comparison goods floorspace, it was not recommended that sites be allocated in the city centre for an anchor convenience store as such sites should be occupied by comparison floorspace. For Harpenden Town Centre the forecast capacity for convenience floorspace was for between 1,190 sq m and 1,280 sq m (net) by 2016 and between 1,670 sq m and 1,690 sq m (net) by 2031.

The Watford Local Development Framework

3.122 The current development plan for Watford Borough Council comprises the following:

- Watford Local Plan 2006-2031 Part 1 Core Strategy (2013); and
- Saved Policies of the Watford District Plan 2000 (2003).

3.123 In addition to the documents listed above, Watford Borough Council commissioned a Retail Study Update published September 2013 to inform the evidence base for the Council’s retail and town centre policies. This document has been assessed alongside the development plan documents.

[Watford Core Strategy \(2013\)](#)

3.124 Watford Borough Council adopted Part 1 of the Core Strategy on 30th January 2013.

3.125 The content of the Core Strategy sets out the Council’s vision and strategy for the Borough from 2006 to 2031. This document identifies the settlements to which development will be directed and details the Council’s vision and spatial policies that will guide future development in the Borough.

3.126 Chapter 7 of the Core Strategy outlines the retail hierarchy used to manage the growth of the Borough’s town and local centres. This hierarchy is illustrated in Table 3.5 below.

Table 3.6 | Watford Retail Hierarchy

Settlement Classification	Settlement
Town Centre	Watford Town Centre
District Centre	North Watford/St Albans Road
Neighbourhood Centres	Garston Park Parade, Goodwood Parade, Longspring, Langley Road/St Albans Road, Buckingham Road, Bushey Arches, Vicarage Road, Whippendell Road East
Local Shops	Euston Avenue, Leavesden Road, Langley Way, Orbital Crescent, The Gossamers, Tolpits Lane, Tudor avenue, Villiers Road, Horseshoe Lane, Whippendell Road/Ascot Road, St Johns Road, St James Road, Hardwoods/Hagden Land, Haines Way, Watford Fields, North Approach, Eastbury Road

Source / Watford Core Strategy

3.127 In addition to the information set out in Table 3.5 above, the Core Strategy sets out additional planned facilities at the following locations:

- **Neighbourhood Centres**
 - i. Ascot Road Station Area (planning permission granted in 2017)
 - ii. JR Tagger Site (enhancement of Bushey Arches Centre)
- **Local Shops**
 - i. Health Campus
 - ii. Nascot Grange development
 - iii. Leggatts Campus redevelopment

3.128 Policy TLC1 'Retail and Commercial Leisure Development' emphasises the role and function of Watford Town Centre as the main focus for an array of town centre uses including:

- Comparison goods shopping (within the primary shopping area);
- Leisure and entertainment; and
- Civic and cultural activities

3.129 Similarly, Policy SPA1 'Town Centre' solidifies Watford as a regional centre in the retail hierarchy.

3.130 Whilst additional retail floor space is expected to continue to be predominantly located within the primary shopping area, Policy TLC1 identifies that additional comparison and convenience floorspace may be acceptable in other Special Policy Areas (SPAs) providing the development is appropriate in scale, does not negatively affect Watford Town Centre and meets the provisions of the sequential test. The acceptable SPAs include Watford Junction SPA, Lower High Street SPA, Western Gateway SPA and Health Campus SPA.

3.131 Policy TLC2 'Neighbourhood Centres' of Watford's Core Strategy seeks to promote sustainable neighbourhood centres that meet the needs of the current and future community. In this regard, the

Council will seek to ensure that an appropriate balance of use classes is maintained throughout the Borough's neighbourhood centres whilst encouraging an array of local facilities and ensuring derelict and vacant properties are brought back into use.

3.132 In addition to the Town Centre and Neighbourhood Centres detailed above, the Core Strategy also identifies 'out of centre' and 'edge of centre' leisure and retail locations in the Borough. Edge of centre is defined as areas lying within 300m of a Primary Shopping Area. The existing edge of centre locations are detailed in Table 3.6 below. Paragraph 7.4.2 of Watford's Core strategy states that "consideration will be given to additional retail floor space and changes to the type of goods sold, where it can be demonstrated that the proposed development would complement the town centre offer". However, a sequential test will be required to support any retail or leisure development not located within the Town Centre, as set out in NPPF and local policy.

Table 3.6 | Existing Out and Edge of Centre Provision

Location	Main Use
<i>Out of centre retail and leisure locations</i>	
Colne Valley Retail Park	Non food – bulky goods
St Albans Road Homebase	Non food – bulky goods
Watford Arches Retail Park	Non food – bulky goods
Dome Roundabout: Sainsbury and Asda	Food retail (some comparison in store)
Woodside	Leisure and Sport
Bushey Mill Lane – Top Golf	Leisure
<i>Edge of Centre retail and leisure locations</i>	
Century Park	Non food – bulky goods
Waterfields Retail Park	Non food – bulky goods
Tesco Store	Food retail (some in store comparison space)

Source | Watford Core Strategy

Saved Policies from the Watford District Plan 2000 (2003)

- 3.133 Of the policies retained from the Watford District Plan 2000 (2003), several relate to retail development.
- 3.134 Saved Policy S5 'Non-retail Uses in Prime Retail Frontage' resists the development of uses outside of Use Classes A1, A2 and A3 on ground floor level of prime retail frontages. Furthermore, saved Policy S5 requires 80% of A1 shops located in designated primary shopping frontages to be retail in use.
- 3.135 Saved Policy S6 'Non-Retail Uses within the Harlequin (*now Intu*) Shopping Centre' restricts sites within this location to Use Class A1, A2 and A3 only, with a maximum allowance for no more than 10% non-Use Class A1 uses in this location.
- 3.136 Secondary retail frontages are protected by Saved Policy S7 of Watford's District Plan 2000, which seeks to "retain the general retail character of the frontage while permitting an adequate number of non-retail units". This policy outlines additional guidance to which development located within designated secondary retail frontage is required to adhere.
- 3.137 Saved Policy S9 'Non-retail Uses in North Watford Shopping Centre/Local Shopping Frontages' provides guidance relating to circumstances where non-retail uses in this location are acceptable.
- 3.138 Watford's Core Strategy includes several Special Policy Area (SPAs) that guide development in each location throughout the Borough. These policies and their objectives are summarised below.
- 3.139 Policy SPA1 'Town Centre' provides additional guidance on development in Watford Town Centre. The aim of this policy is to ensure Watford Town Centre remains competitive given increasing competition from other centres by strengthening its position as a regional centre in the Borough's retail hierarchy. This policy promotes a balance of town centre facilities including retail, leisure and entertainment. Policy SPA1 also conveys the Council's ambition to redevelop Charter Place Shopping Centre (now the Intu Centre) to deliver an additional 10,000 sq m of retail floorspace.
- 3.140 Policy SPA2 'Watford Junction' relates to Watford Junction and the surrounding area. This policy aims to deliver new retail, café, restaurant and leisure facilities in two key activity nodes to reinforce the role of St Albans Road District Centre and support the Orphanage Way rail station.
- 3.141 Policy SPA3 'Health Campus' concerns the delivery of a major mixed-use development in Health Campus that will provide new community facilities and local centre shops, in addition to other facilities

and residential development, in west Watford.

- 3.142 The objective of SPA4 'Lower High Street' is to improve and enhance the public realm in the Lower High Street area. This includes extensions to and, where appropriate, the addition of Use Class A1 retail units in edge of centre locations. An impact test will be required for any net additional retail development in the area.
- 3.143 Policy SPA5 'Dome Roundabout' outlines the Council's intention to resist new retail development in the area and "encourage mixed use development in the area to help diversify uses in what is a predominately out of town retail area".
- 3.144 Policy SPA6 'Western Gateway' outlines the potential for the major regeneration of the area including new small-scale retail units and a Use Class A1 retail supermarket that will help meet local needs.

[Watford Junction Development Brief Supplementary Planning Document Consultation Statement](#)

- 3.145 In addition to Policy SPA2 detailed above, Watford Council are currently in the process of producing the Watford Junction Development Brief SPD that will guide development in this area. The draft version of this document was produced August 2016. The Council consulted 81 people over a six week period. Several comments were received in relation to the proposed retail and leisure uses in Watford Junction.
- 3.146 The Council agrees that, with the planned addition of new homes in the area, new retail and leisure facilities will be required to support the needs of the new residents, mindful that they should not detract from the vitality and viability of Watford Town Centre. In addition, the commuters to Watford Junction Train Station are poorly provided for and would benefit from additional shopping facilities.

[Retail Study Update](#)

- 3.147 The Watford Borough Council's Retail Study Update (2013) produced by GVA builds on Watford's previous retail study published November 2010 to assess the Borough's retail capacity. The capacity analysis indicates that for Watford there was:
- Convenience goods floorspace capacity of 2,714 sq m (net) up to 2018; 4,504 sq m (net) up to 2023; and 6,229 sq m (net) up to 2028; and

- Comparison goods floorspace capacity of 7,510 sq m (net) in 2018; 24,339 sq m (net) up to 2023; and 47,128 sq m (net) up to 2028.

Conclusion

- 3.148 The NPPF recognises and stresses the importance of promoting the vitality and viability of town centres through a 'town centre first' approach to developing a defined retail hierarchy. Town centres play an essential contributing role in the nation's economy as well as acting as the heart of local communities where both social and commercial exchanges take place.
- 3.149 As a direct result of the NPPF coming into force, all out-of-centre planning applications for main town centre uses must provide a full assessment of the impact of the proposal on the vitality and viability of protected centres (for applications greater than 2,500 sq m, or a locally set threshold). It is on the basis of this impact assessment that local planning authorities consider the overall impact of the planned development on their existing retail provision as well as pipeline retail developments.
- 3.150 As part of the production of their new Local Plans, the Councils are gathering a suite of new technical studies and reports to form the evidence base upon which the new Local Plans will be based. This Retail and Leisure Study will form part of the evidence base and influence those policies which relate to retail and leisure and most importantly those policies which influence and support the vitality and vibrancy of the centres and settlements in Dacorum Borough, Hertsmere Borough, Three Rivers District, St Albans City and District Council and Watford Borough Council areas.

4.0 Assessment of Key Centres

Introduction

- 4.1 This section of the South West Hertfordshire Retail and Leisure Study details our analysis of the vitality and viability of the key centres in Dacorum Borough Council, Hertsmere Borough Council, Three Rivers District Council, St Albans City and District Council and Watford Borough Council.
- 4.2 The analysis focuses on the 17 centres in the Study Area. The plan included at **Appendix A** illustrates the location of the Study Area relative to the main settlements in the sub-region. Figure 4.1 identifies the hierarchy of the centres relevant to each local authority area. At present, a range of definitions are used by different Councils.

Figure 4.1 | Centre Hierarchies

Dacorum Borough Council		Hertsmere Borough Council	
Hemel Hempstead – Principal Town Centre Berkhamsted – Secondary Town Centre Tring – Secondary Town Centre		Borehamwood – Town Centre Potters Bar (Darkes Lane) – Local Town Centre Potters Bar (High Street) – District Centre Radlett – District Centre Bushey – District Centre Bushey Heath – District Centre	
Three Rivers District Council		Watford Borough Council	
Rickmansworth – Town Centre South Oxhey – District Centre Abbots Langley – District Centre Chorleywood – District Centre		Watford – Town Centre Watford St Albans Road – District Centre	
St Albans City and District Council			
St Albans – Minor Sub Regional Centre Harpenden – Minor District Centre			

- 4.3 Our full health-check of all 17 centres is contained at **Appendix C**. This section summarises our findings, and should be read in conjunction with the appendix.

Methodology

4.4 The National Planning Policy Framework (NPPF, March 2012) states that local planning authorities should:

- Set out policies for the management and growth of town centres over the plan period;
- Recognise town centres as the heart of their communities; and
- Pursue policies to support their viability and vitality.

4.5 Paragraph 23 of the NPPF recognises that town centres are the heart of communities and local planning authorities should pursue policies to support their viability and vitality, in addition to promoting competitive town centres that provide customer choice and a diverse retail offer and which reflect the individuality of each town centre.

4.6 While the NPPF does not provide a list of criteria to be used to assess the health of a centre, the Government's 'Ensuring the Vitality of Town Centres' National Planning Practice Guidance (NPPG, March 2014) provides a helpful set of indicators. Further, the NPPG explains these indicators should be monitored on a regular basis in order to judge the health of a centre and its performance over time.

4.7 Below is a list of the indicators that have been used to complete the assessment of the health of the centres. The list comes from Planning Practice Guidance: *Ensuring the Vitality of Town Centres*.

- **Diversity of Uses** – Data on the diversity of uses in each of the town centres was collated during the Retail Surveys completed by Nexus Planning in November 2017. The collected data includes the number, type and quantum of floorspace provided in these locations. Diversity of uses within each centre is discussed later in this chapter.
- **Proportion of Vacant Street Level Property** – Vacant properties were also identified during the November 2017 site visits. The volume of vacant floorspace within a town centre can provide an indication of how it is performing. However, it is important to acknowledge that a degree of vacancy is inevitable and sometimes desirable. Some 'churn' is expected in the market as units alter and change as new businesses enter a town and others leave. In this context, vacant units are commonly found in even the strongest of town centres. Equally, a low vacancy rate does not necessarily mean a town centre is performing well; as the quality and performance of the occupied

units may be relatively poor. For example, if a town centre is dominated by a high number of charity shops, while it may have a low vacancy rate, the town's overall attractiveness is likely to be poor and the town may be facing decline.

- **Commercial Yields on Non-Domestic Property** – Whilst this can be an indicator of town centre performance over time, data on commercial yields for the centres of Dacorum Borough, Hertsmere Borough, Three Rivers District, St Albans District and Watford Borough is not publically available at this time, as it is now only produced by ONS for major cities. Commercial rents (as described below) provide a suitable alternative indication of the relative attractiveness of each centre and we include these within our assessment.
- **Customers' Views and Behaviour** – Information on customers' views is based on the results of the comprehensive NEMS household telephone survey (completed in November 2017). NEMS surveyed 2,000 residents across the Study Area. These results provide an indication of how a centre is both used and viewed by local residents. These are set out in the complete health check assessment attached in **Appendix C** and in Section 6.
- **Retailer Representation and Intentions to Change Representation** – Information on the current strength of centres and retailer representation has been derived from Javelin Venuescore UK Shopping Venue Rankings, Experian GOAD Category Reports and from other published sources and is explored throughout the health check assessments.
- **Commercial Rents** – Zone A rental data can provide information on historic trends. This information has been derived from online sources and is included in the health check assessments for all centres in Appendix C.
- **Pedestrian Flows** – General footfall and pedestrian flows were observed by Nexus Planning during site visits to each of the study centres. Each centre was visited on different days of the week and at different times of the day. Therefore, Nexus Planning was able to obtain a comprehensive understanding of pedestrian flows through observation at these varying times.

- **Accessibility** – Consideration of access to and around each centre was informed by the Nexus Planning site visits. This was in addition to results from the NEMS household telephone survey and a desktop review of data detailing access to public transport and parking facilities. The accessibility of a centre is determined by the ease and convenience of access by a variety of transport means; including that which is provided to pedestrians, cyclists and disabled people – and the ease of access from the main arrival points to the principal attractions in the centre.
- **Perceptions of Safety and Occurrence of Crime** – General perceptions of safety were gathered during the site visits and from a review of existing crime statistics published by the Police.
- **State of Town Centre Environmental Quality** – Consideration of the quality of the buildings and public realm in each of the centres was informed by Nexus Planning’s site visits to each of the centres and the NEMS household telephone survey.

4.8 The following sections of the report provide a summary of the Nexus Planning assessment of the health of Study Area centres in respect to the above indicators derived from the NPPG.

4.9 Complete health check assessments and accompanying land-use plans, mostly prepared by Experian Goad and updated by Nexus, are provided for each town centre at **Appendices B and C**

4.10 Goad plans are defined by Experian, and whilst they are broadly in line with town and district centre boundaries shown on Proposals Maps, they are not always identical.

4.11 As part of the health check assessments, Nexus undertook stakeholder engagement with local representatives to understand the local context, including issues and concerns affecting local residents and businesses. This involved discussions with local retailers, representation groups and members and was carried out via email (Dacorum Borough Council, Hertsmere Borough Council and Three Rivers District Council) and meetings (Watford Borough Council).

4.12 The engagement covered the vitality and viability of the centres, vacancies, mix of retail, parking, street environment, accessibility, crime and security and town centre events. Feedback and responses are summarised in the health check assessments (**Appendix C**).

Venuescore Ranking

- 4.13 Figure 4.2 ranks the sub-region's principal centres based on the Javelin Venuescore UK Shopping Venue Rankings 2015/16. The index details from 2010/11 and 2013/14 are also shown for comparison purposes.
- 4.14 Javelin Venuescore's index ranks 3,500 retail venues within the UK (including town centres, stand-alone malls, retail warehouse parks and factory outlet centres) based on the strength of their current retail provision. Towns and major shopping centres are graded using a scoring system which takes into account the presence of multiple retailers in each location – including anchor stores, fashion operators and non-fashion multiples. It is important to acknowledge that the Venuescore index does not include an assessment of independent operators, or other town centre health indicators, identified in the NPPG i.e. these factors do not affect the score. Therefore, a centre that has a high prominence of independent retailers will have a lower score, regardless of any other factors. A low ranking does not therefore mean that a centre is 'poor', it simply means that it does not contain a high number of national multiple retailers. Indicative of this, many centres actively seek to attract independent retailers in order to provide diversity and interest.
- 4.15 As illustrated in Figure 4.2, Watford is the highest scoring centre of the study centres and is classed as a 'Major Regional' centre by Venuescore (2015-16). Watford Town Centre is ranked 46th of the all the centres surveyed. This particularly high ranking is a reflection on the type of retail offer within Watford's Town Centre, much of which is major retailers.
- 4.16 St Albans has the second highest ranking of all centres (125th) and is classified as a 'Regional' centre having dropped from 115th in 2010.
- 4.17 Hemel Hempstead and Borehamwood are ranked at 163rd and 267th respectively. Hemel Hempstead is classified as a 'Regional' centre, while Borehamwood is classified as a 'Sub-Regional' centre. Interestingly, Borehamwood changed from a ranking of 682nd in 2010, a significant increase over a six year period, and an indication primarily of an increase of major retailers within the Shopping Park.
- 4.18 Most of the study centres had a market classification of 'Middle'. Berkhamsted, St Albans and Harpenden all have a market classification of 'Upper Middle', while Watford St Albans Road and Potters Bar High Street were both designated a market classification of 'Lower Middle'. This market classification measures the degree to which the centre has a high-end or discount focus.

- 4.19 Tring has the lowest ranking of centres within the Study Area (3,152), which is primarily a reflection of the number of independent stores that are prevalent within the centre. There are very few multiple retailers within Tring District Centre.
- 4.20 Watford St Albans Road, Rickmansworth, Potters Bar Darkes Lane, Potters Bar High Street and Radlett were all between 1,000 and 2,000 in terms of Venuescore rankings from 2015-16. Watford St Albans Road, Rickmansworth, and Potters Bar High Street have all dropped significantly in the rankings since 2010, indicating that they have a proportionately lower number of national multiples now than in 2010
- 4.21 Also provided in Figure 4.2 is a comparison against some other major centres just outside of the study area. Key 'Major Regional' and 'Regional' centres located in the surrounding local authorities include Milton Keynes, Harrow, Luton and Brent Cross. Although the Study Area's largest centres provide comprehensively for convenience and comparison shopping, a proportion of the Study Area's comparison shopping needs are met by major shopping centres nearby. Some of these centres have strong overall rankings for 2015-16, including Milton Keynes ranked 34th, Luton ranked 91st, Harrow ranked 99th, and Brent Cross, ranked 130th.
- 4.22 Smaller centres within the Study Area, including South Oxhey, Bushey, Bushey Heath, Chorleywood and Abbots Langley, were not included in Venuescore's rankings because of their size. While some of these centres did have National Multiples present, overall these centres were generally comprised predominantly of independent retailers.
- 4.23 Figure 4.3 identifies the retail, shopping and leisure parks within the local authorities and ranks them by Venuescore ranking. Colney Fields Shopping Park had the highest ranking of those included in the rankings.

Figure 4.2 | Comparison of Venuescores for Study Area Centres

Centre	Classification	2010 Rank	2013-2014 Rank	2015-2016 Rank	2015-2016 Score	Market Position Classification	Market Position Index (Average 100)
Milton Keynes	Major Regional	35	29	34	308	Upper Middle	114
Watford	Major Regional	42	45	46	266	Middle	107
Luton	Regional	115	80	91	199	Middle	92
Harrow	Regional	110	93	99	189	Middle	95
Brent Cross (Mall)	Regional	154	84	100	188	Upper Middle	130
St Albans	Regional	115	141	125	171	Upper Middle	120
Hemel Hempstead	Regional	135	151	163	146	Middle	93
Borehamwood	Sub-regional	682	281	267	99	Middle	90
Harpenden	Major District	628	596	574	53	Upper Middle	124
Berkhamsted	District	769	714	659	47	Upper Middle	123
Amersham	District	489	636	675	46	Middle	109
Watford, Market Street	Local	-	-	2,827	11	Lower Middle	77
Hatfield	District	1,013	1,061	1,003	32	Lower Middle	75
Watford, St Albans Road	District	769	1,204	1,047	31	Lower Middle	90
Rickmansworth	Minor District	854	901	1,120	29	Middle	103
Potters Bar Darkes Lane	Minor District	N/A	1,108	1,151	28	Middle	97
Potters Bar High Street	Minor District	868	1,605	1,486	21	Lower Middle	89
Radlett	Local	1,830	2,428	1,789	29	Middle	109
Tring	Local	1,674	1,263	3,152	10	Middle	96

Source: Venuescore, 2010, 2013/14, and 2015/16 (Study Area centres are shown in bold)

Figure 4.3 | Comparison of Venuescores for Retail Parks

Centre	Classification	2010 Rank	2013-2014 Rank	2015-2016 Rank	2015-2016 Score	Market Position Classification	Market Position Index (Average 100)
Colney Fields Shopping Park	District	-	735	757	41	Middle	103
Hemel Hempstead, Apsley Mills Retail Park	Minor District	-	1,204	1,193	27	Middle	96
Watford, Odhams IE	Minor District	-	1,383	1,193	27	Lower Middle	84
Watford, Waterfields Retail Park	Minor District	1,803	1,204	1,193	27	Middle	100
St Albans Retail Park	Minor District	1,526	1,108	1,281	25	Middle	96
Watford, Century / Watford Arches	Minor District	1,526	1,524	1,372	23	Upper Middle	112
Hemel Hempstead, Jarman Retail Park	Local	-	2,061	1,908	16	Middle	93
Hemel Hempstead, London Road Retail Park	Local	-	-	2,577	12	Middle	104
Hemel Hempstead, Woodhall Farm	Local	-	2,428	3,152	10	Lower Middle	86
Potters Bar South Mimms M S A	Local	1,961	2,428	2,193	14	Upper Middle	111
Borehamwood Stirling IE Retail Park	Local	-	2,428	2,577	12	Middle	106

Source: Venuescore, 2010, 2013/14, and 2015/16

Diversity of Uses

- 4.24 A comprehensive health check assessment of each centre is provided in **Appendix C**. A summary and overall comparison of centre composition and diversity of uses is provided below.
- 4.25 While overall the centres range in function and vitality, they were generally found to be healthy. Across the 17 centres it is clear that many play specific roles within the sub-region, but are also complementary. For example, Rickmansworth quite obviously plays an administrative and business function, while Watford, St Albans and Hemel Hempstead, the largest centres in the Study Area, function as the main comparison goods shopping locations. Some of the smaller centres such as Tring, Bushey and Harpenden deliver strong retail and leisure services, and provide a popular local restaurant and café culture.

Comparison of Centre Composition by Unit

- 4.26 Figure 4.4 provides a comparison of the composition of each town centre by unit. We identify the outliers in each instance.

Figure 4.4 | Comparison of Composition for Study Centres, by Unit, 2017 (%)

	Convenience	Comparison	Retail Services	Leisure Services	Financial and Business Services	Vacant
Hemel Hempstead	6.1	33.0	14.0	22.3	14.2	10.3
Berkhamsted	4.2	34.0	20.0	24.0	14.0	3.0
Tring	7.6	27.2	18.5	30.4	15.2	1.1
Borehamwood	12.2	28.0	15.0	28.0	12.0	4.3
Potters Bar Darkes Lane	7.0	27.2	22.8	26.3	11.4	5.3
Potters Bar High Street	7.7	23.8	24.6	30.8	6.9	6.2
Radlett	11.2	22.5	27.0	20.2	13.5	5.6
Bushey	3.7	16.7	22.2	29.6	20.4	7.4
Bushey Heath	20.0	28.9	20.0	20.0	11.1	0.0
Rickmansworth	9.8	23.8	18.9	23.0	21.3	3.3
South Oxhey	17.5	19.3	24.6	21.1	3.5	14.0
Abbots Langley	17.1	26.8	17.1	24.4	12.2	2.4
Chorleywood	16.1	33.9	17.9	17.9	5.4	8.9
St Albans	4.1	38.5	14.7	22.9	12.6	7.1
Harpenden	8.1	26.7	19.0	23.3	13.8	9.0
Watford	6.9	35.3	10.0	27.1	11.0	9.7
Watford St Albans Road	12.6	23.3	18.0	23.8	12.1	10.2
UK Average	8.8	31.0	14.5	23.9	10.3	11.2

Source: Experian, 2017, and Nexus Planning, 2017

- 4.27 The composition of each centre is further evidence to the variety of centre functions across the five local authority areas. Watford, Hemel Hempstead and St Albans, the largest, most dominant centres within the Study Area, had some of the lowest proportion of convenience units. Meanwhile the smaller, local centres had much higher proportions of convenience units, accommodating more, smaller, independent convenience units.
- 4.28 St Albans has the highest proportion of comparison units of the 17 centres following by Watford, Berkhamsted and Hemel Hempstead. This may be unexpected considering Watford’s role as a regional centre but is likely to be a reflection of the Intu Shopping Centre Development in Watford Town Centre which is currently on-going. Bushey had both the lowest proportion of convenience and comparison units, further confirmation of this District Centre’s services dominance.

- 4.29 Turning to retail services, Radlett had the highest proportion, and was identified as having a particularly high incidence of health and beauty units. Watford, Hemel Hempstead and St Albans had the lowest proportion of retail services, again an illustration of their comparison goods dominance.
- 4.30 Overall there was a strong leisure services offer across all 17 centres which was also the category of the least variance. The strongest leisure offers were identified in Potters Bar High Street and Tring. The lowest offer of leisure services was in Bushey Heath and Chorleywood.
- 4.31 Rickmansworth dominated the financial and business services market, having almost double the UK average of this category of units. Similarly, Bushey had a high proportion of financial and business services, many of which were identified as being property services. South Oxhey had the lowest proportion of financial and business services units, which is unsurprising considering the impending redevelopment.

Comparison of Centre Composition by Floorspace

- 4.32 Figure 4.5 shows the total floorspace for each centre and Figure 4.6 provides a comparison of the composition of each town centre by floorspace.

Figure 4.5 | Comparison of Composition for Study Centres, by Floorspace (total)

		Convenience	Comparison	Retail services	Leisure Services	Financial and Business Services	Vacant	Total
Dacorum	Berkhamsted	6,010	8,750	3,220	7,890	3,130	770	29,770
	Hemel Hempstead	7,860	39,850	4,550	11,680	8,150	8,140	80,230
	Tring	1,260	3,340	1,350	3,530	3,020	90	12,590
Hertsmere	Borehamwood	17,680	21,860	3,300	11,910	3,540	1,480	59,770
	Bushey Heath	1,570	2,640	630	970	400	0	6,210
	Bushey	270	740	1,470	2,050	1,070	420	6,020
	Potters Bar Darkes Lane	3,880	5,300	2,640	5,850	1,580	800	20,050
	Potters Bar High Street	6,550	5,370	4,290	6,440	1,680	1,320	25,650
	Radlett	1,070	2,860	1,970	2,620	1,700	780	11,080
St Albans	Harpenden	5,840	5,810	2,800	6,420	3,840	1,750	26,460
	St Albans	2,290	33,390	4,400	19,550	6,900	5,460	71,990
Three Rivers	Rickmansworth	5,840	3,740	1,820	6,100	3,110	440	21,050
	South Oxhey	1,480	1,970	1,260	1,590	150	1,360	7,810
	Chorleywood	405	660	315	395	110	250	2,135
	Abbots Langley	553	535	270	385	190	50	1,983
Watford	Watford	9,600	48,565	4,510	30,785	6,670	14,250	114,380
	Watford St Albans Road	2,590	14,830	3,940	6,330	2,230	2,370	32,290

Source: Experian, 2017 and Three Rivers District Council, 2017 (Chorleywood and Abbots Langley) & Hertsmere Borough Council 2012 (Radlett)

4.33 As would be expected, Figure 4.5 illustrates that Watford has the highest total floorspace of all centres (114,380 sq m), followed by Hemel Hempstead (80,230 sq m) and St Albans City (71,990 sq m). Abbots Langley has the lowest total retail floorspace (1,983 sq m) closely followed by Chorleywood (2,135 sq m).

Figure 4.6 | Comparison of Composition for Study Centres, by Floorspace, 2017 (%)

	Convenience	Comparison	Retail services	Leisure Services	Financial and Business Services	Vacant
Hemel Hempstead	9.8	49.7	5.7	14.6	10.2	10.1
Berkhamsted	20.2	29.4	10.8	26.5	10.5	2.6
Tring	10	26.5	10.7	28	24	0.7
Borehamwood	29.6	36.6	5.5	19.9	5.9	2.5
Potters Bar Darkes Lane	19.4	26.4	13.2	29.2	7.9	4
Potters Bar High Street	25.5	20.9	16.7	25.1	6.5	5.1
Bushey	4.5	12.3	24.4	34.1	17.8	7
Bushey Heath	25.3	42.5	10.1	15.6	6.4	0
Radlett	9.7	25.8	17.8	23.7	16.0	7.1
Rickmansworth	27.7	17.8	8.6	29	14.8	2.1
South Oxhey	19	25.2	16.1	20.4	1.9	17.4
Abbots Langley	27.9	27	13.6	19.4	9.6	2.5
Chorleywood	19	30.9	14.8	18.5	5.2	11.7
St Albans	3.2	46.4	6.1	27.2	9.6	7.1
Harpenden	22.1	22	10.6	24.3	14.5	6.6
Watford	8.4	42.5	3.9	26.9	5.8	12.5
Watford St Albans Road	8.7	46	12.2	19.6	7	7.3
UK Average	15.2	34.9	6.8	25	7.7	9.7

Source: Experian, 2017, Three Rivers District Council, 2017 (Chorleywood and Abbots Langley) & Hertsmere Borough Council, 2012 (Radlett).

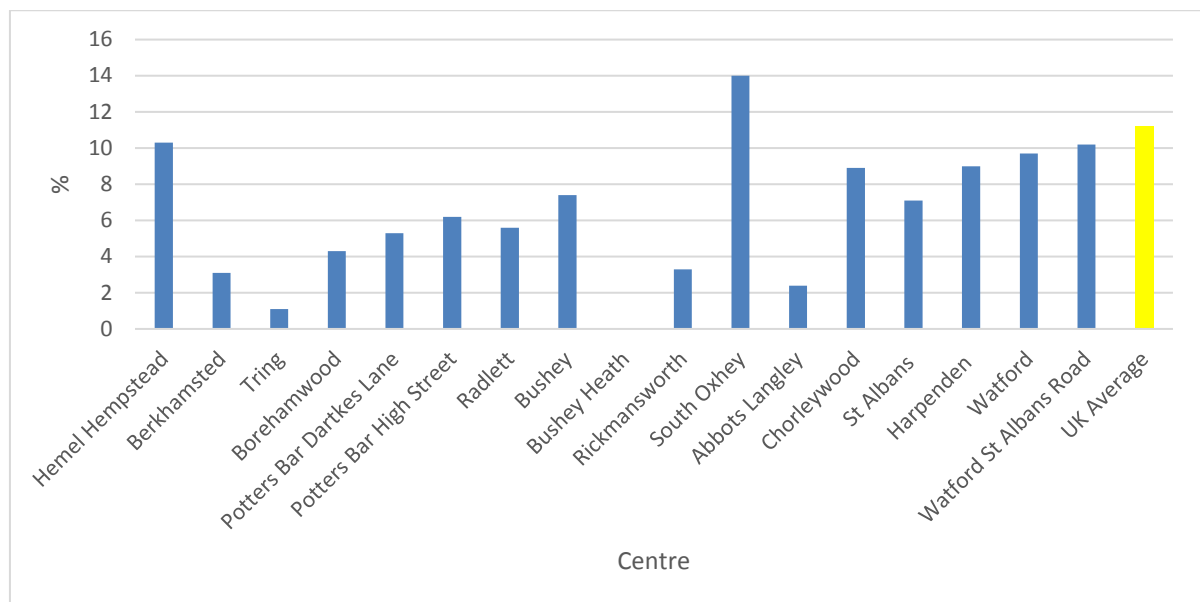
4.34 In terms of convenience floorspace, there is correlation between those centres that have large floorplate supermarkets having the highest proportions of convenience floorspace. For example, Borehamwood had the highest proportion of convenience floorspace of the 17 centres, owing mostly to the large Tesco Extra within the town centre boundary. Rickmansworth had a similarly high convenience floorspace due to the three large supermarkets (Waitrose, M&S and Iceland) within the town centre. St Albans had the lowest proportion of convenience floorspace of the 17 centres, with just 3.2%, reflecting the large Morrisons and Sainsbury’s foodstores which are located outside of the town centre. Similarly, Watford, Watford St Albans Road, and Hemel Hempstead also have particularly low convenience floorspace, which, again, is due to the prominence of large floorplate convenience supermarkets located just outside of the town centre boundaries.

- 4.35 Hemel Hempstead had the highest proportion of comparison goods floorspace, closely followed by St Albans, Watford St Albans Road and Watford. The high proportion of comparison floorspace in St Albans City reflects the high proportion of comparison units (highest of all 17 centres) within the city centre. Watford St Albans Road has a number of large floorplate comparison retailers including TK Maxx and The Range, at the southern end of the centre. Similarly, Watford Town Centre draws customers from all over the region for its comparison goods offer. This offer will increase with the impending completion of Watford's Intu redevelopment.
- 4.36 On top of having the second lowest proportion of convenience floorspace (4.5%), Bushey was also identified as having the lowest proportion of comparison floorspace, with just 12.3%. This reflects Bushey District Centre's particularly strong services offer. Bushey has the highest proportion of retail services and leisure services floorspace. For retail services in particular, the proportion of floorspace was significantly higher than any other centre. An analysis of the type of retail units in Bushey shows that there are a couple of large health and beauty units, as well as a vehicle repairs workshop, which have larger floorplates. By comparison, Borehamwood had the lowest proportion of retail services floorspace, consistent with it having the lowest proportion of retail services units.
- 4.37 While Bushey had the highest proportion of leisure services floorspace, Hemel Hempstead had the lowest. Hemel Hempstead's retail offer is focussed on its comparison offer, and there are very few restaurants and cafes within the town centre. To some extent, Hemel Hempstead's lack of leisure services is countered by the other centres in Dacorum Borough, Tring and Berkhamsted, which each have a particularly strong offer of leisure services. There have also been a number of restaurants opened at Jarman Park Leisure Centre.
- 4.38 Tring had the highest proportion of financial and business services floorspace. This is due in part to Tring Market Auctions, which has a particularly large floor area. There are also a variety of other financial and business services located within the town. South Oxhey had the lowest financial and business services floorspace representing just 1.9% of the total. As previously identified, this is due to the impending redevelopment. Interestingly, Watford and Borehamwood both had particularly low financial and business services floorspace, despite being major town centres within Watford and Hertsmere Boroughs.

Vacancies

4.39 Figure 4.7 shows a comparison of the 17 centres and the proportion of vacant units in each. The chart illustrates that the majority of centres have a proportion of vacant units well below the UK average with the exception of South Oxhey. This high vacancy rate is understood to be as a result of the impending South Oxhey Initiative. Bushey Heath was the only centre to have no vacancies, although Tring, Abbots Langley, Berkhamsted and Rickmansworth all also had particularly low vacancy rates.

Figure 4.7 | Comparison of Vacancy Rates by Unit (%)



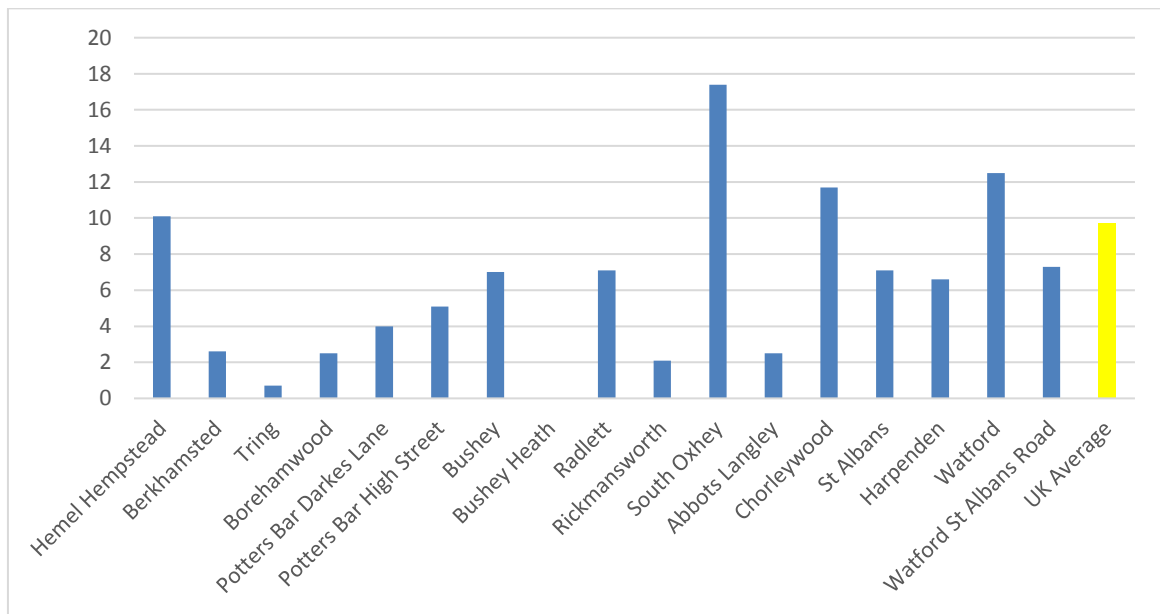
Source: Experian, Three Rivers District Council (Chorleywood and Abbots Langley) and Hertsmere Borough Council (Radlett).

4.40 Turning to floorspace, South Oxhey had the highest proportion of vacant floorspace, again due to the impending redevelopment. Watford and Hemel Hempstead were each above the UK average. When considering that Watford and Hemel Hempstead had a low proportion of vacant units, this indicates that the vacant units in these towns are the larger units; this may be a reflection of the impending redevelopment of both the Intu Shopping Centre (Watford) and Marlowes Shopping Centre (Hemel Hempstead).

4.41 On the other hand Bushey Heath had no vacancies, while Tring and Rickmansworth had very low vacant floorspace. On the whole, vacancy rates were very low across the majority of towns within the Study Area.

4.42 Figure 4.8 graphically illustrates and provides a comparison of the 17 centres and the proportion of vacant floorspace in each.

Figure 4.8 | Comparison of Vacancy Rates by Floorspace (%)



Source: Experian, Three Rivers District Council (Chorleywood and Abbots Langley) and Hertsmere Borough Council (Radlett).

Evening Economy

4.43 The evening economy is an important part of ensuring the vitality and viability of city and town centres. Evening based activities provide jobs, draw tourists, and ensure centres remain active outside of the daytime hours. In 2016, the night time economy UK wide was estimated to be worth more than £66 billion and provided jobs for over 1.3 million people.³⁸

4.44 As part of this Study we have undertaken an analysis of the evening economy offered in each of the Study Area centres by considering the number of units which fall within the evening economy category. Units within the category include restaurants, takeaways, bars, pubs and nightclubs.

4.45 Figure 4.9 provides a comparison of evening economy units for each centre within the five authority area.

³⁸ Manifesto for the Night Time Economy, 2016, Philip Kolvin QC

Figure 4.9 | Comparison of Evening Economy Provision for the Study Area

Local Authority	Centre	Units (#)	Proportion of Total Units (%)
Dacorum	Hemel Hempstead	42	11.7
	Berkhamsted	30	15.7
	Tring	18	19.6
Hertsmere	Borehamwood	33	17.6
	Potters Bar Darkes Lane	20	17.5
	Potters Bar High Street	20	15.4
	Radlett	10	11.2
	Bushey	11	20.4
	Bushey Heath	6	13.3
St Albans	St Albans	66	15.1
	Harpenden	33	11.2
Three Rivers	Rickmansworth	15	12.3
	South Oxhey	5	8.7
	Abbots Langley	6	14.6
	Chorleywood	5	8.9
Watford	Watford	61	15.6
	Watford St Albans Rd	36	17.5

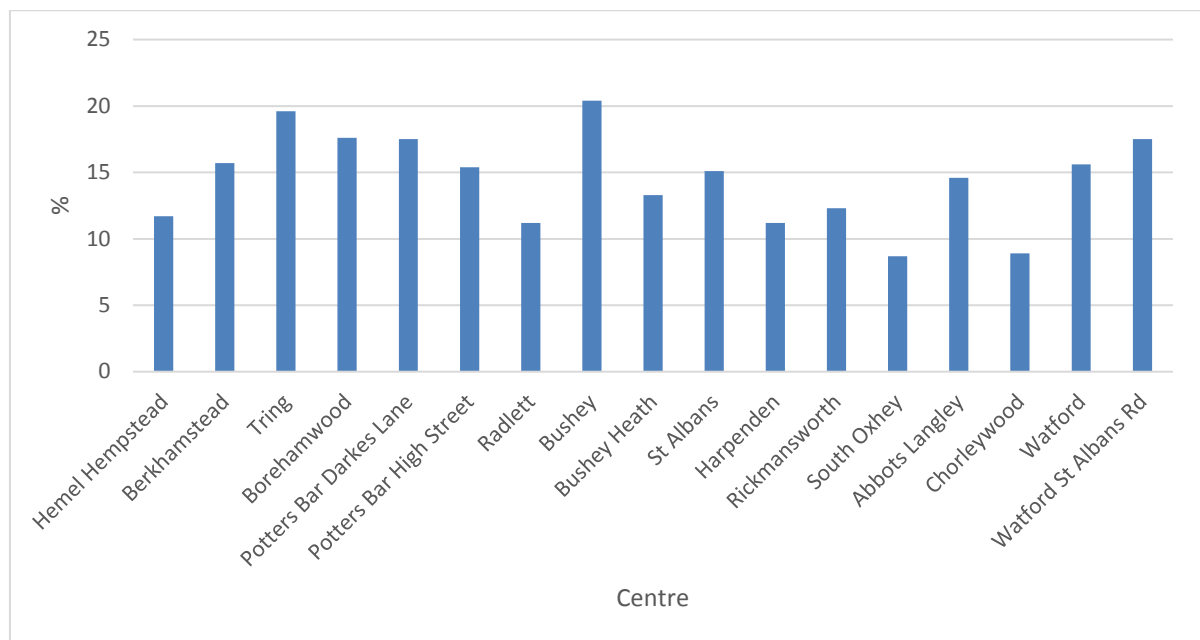
Source: Experian, 2017, Nexus Planning, 2017

4.46 When considering number of units alone, St Albans (66) and Watford (61) had the highest number of restaurants, takeaways, bars, pubs and nightclubs of all centres within the Study Area. This is no surprise considering the size of those centres. Hemel Hempstead (42) and Watford St Albans Road (36) had the next most. It is noted that 20 of the 36 evening economy units within Watford St Albans Road were fast food or takeaways.

4.47 Chorleywood and South Oxhey had the lowest number of evening economy units, with just 5 apiece, while Abbots Langley and Bushey Heath each had 6 units.

4.48 Figure 4.10 provides a visual comparison of the proportion of evening economy units of the total number of units within each centre. The comparison shows that Bushey (20.4%) and Tring (19.6%) had the highest proportion of evening economy units, while South Oxhey (8.7%) and Chorleywood (8.9%) had the lowest.

Figure 4.10 | Comparison of Evening Economy Provision for Study Area (% of total)



Source: Experian, 2017, Nexus Planning, 2017

Key Observations

4.49 What is clear from analysing the composition of the centres is that each centre functions quite differently. There is also a notable difference in the roles of the local authorities’ Town Centres and their District Centres.

4.50 **Watford, Hemel Hempstead and St Albans** are the largest centres within the five local authorities, and the major comparison retail centres. In combination with the retail and shopping parks located outside of but in proximity to those town centres, Watford, Hemel Hempstead and St Albans are the comparison shopping destinations. Hemel Hempstead is comprised of the New Town and Old Town.

While the two centres are included within one Town Centre boundary, they are in reality quite separate, but function as complementary centres, with the Old Town having a stronger focus around services. Due to its cultural offer, St Albans City attracts a slightly different draw to Watford and Hemel Hempstead, with attractions such as the City Cathedral and traditional markets drawing tourists from further afield.

- 4.51 Interestingly, **Watford St Albans Road**, also has a large proportion of comparison floorspace, but has the perception of being service based. The elongated high street has a high number of specialised independent shops, which have a more localised function.
- 4.52 **Berkhamsted, Borehamwood, Harpenden** and **Rickmansworth**, are all smaller than Watford, Hemel Hempstead and St Albans, but function independently, as main centres. Each centre provides a combination of convenience and comparison goods, as well as services. Rickmansworth has a particularly high prominence of financial and business services and Harpenden has a particularly strong food and drink offer.
- 4.53 **Tring, Radlett, Abbots Langley** and **Chorleywood** all function as particularly localised centres, focused around services rather than comparison or convenience goods for local residents.
- 4.54 When considering geography and composition, the centres of **Bushey** and **Bushey Heath** also have a complementary relationship. The two centres, located only a mile apart, complement each other. While Bushey provides an oversupply of retail, leisure and financial and business services, Bushey Heath provides much more in the way of convenience and comparison. While on their own, neither centre would be considered particularly viable, together they provide a healthy composition.
- 4.55 Similar to Bushey and Bushey Heath, the two Potters Bar centres, complement each other with their centre composition. While **Potters Bar High Street** has a particularly high proportion of retail and leisure services, **Potters Bar Darkes Lane** has a significant offer of comparison goods units and financial and business services.
- 4.56 It is difficult to conclude how the current **South Oxhey** District Centre is performing considering the impending redevelopment. Its role in the wider region will become clearer over the coming years.

Out of Centre Retail

4.57 Figures 4.11 and 4.12 highlight the larger out of town centre convenience and comparison offer across all five local authorities (excluding petrol stations and small standalone shops or groups of shops).

Figure 4.11 | Out of Town Centre Convenience Retail

Location	Store	Parking spaces	Sq m (gross area)
Dacorum			
Aldi, London Road, Hemel Hempstead	Aldi	71	1,430
Redbourn Road, Hemel Hempstead	Aldi	77	1,422
London Road, Apsley Mills, Hemel Hempstead	Sainsbury's Superstore	524	7,619
Jarman Way, Hemel Hempstead	Tesco Extra	610	9,581
London Road, Tring	Tesco Superstore	198	2,397
Hertsmere			
Stirling Way, Borehamwood	Morrisons	394	6,734
Three Rivers			
Frogmoor Wharf, Harefield Road, Rickmansworth	Tesco Extra	311	3,847
St Albans			
Everard Close, St. Albans	Sainsbury's	345	7,085
Colney Fields Shopping Park, London Colney	Marks & Spencer	1,685	3,290
Colney Fields Shopping Park, London Colney	Sainsbury's	1,685	15,017
Watford			
Ascot Road, Watford	Morrisons	488	6,733
Lower High Street, Watford – waterfields	Tesco Extra	993	13,011
Odhams Industrial Estate, St Albans Road, Watford	Asda	1,500	19,307
Cow Lane, Watford	Sainsbury's	350	6,074

Source: Store Point 2016

Figure 4.12 | Out of Town Centre Comparison Retail

Location	Store	Parking spaces	Sq m (gross area)
Dacorum			
Apsley Mills Retail Park, London Road, Hemel Hempstead	<ul style="list-style-type: none"> • Homebase • Carpet Right • Wren Living • Argos • Currys 	336	9,018
London Road Retail Park	<ul style="list-style-type: none"> • Halfords • Office Outlet • Pets at Home 	159	3,349
Standalone Units	<ul style="list-style-type: none"> • Dunelm, London Road • Wickes, London Road • B&Q, Two Waters Road 	45 75 92	3,188 2,241 3,000
St Albans			
Abbey View Retail Park, Griffiths Way, St. Albans	<ul style="list-style-type: none"> • Homebase • Matalan • Argos • Halfords • Carpetright • McDonalds • Pets at Home • Currys 	428	11,404
Colney Fields Shopping Park, Barnet Road, London Colney	<ul style="list-style-type: none"> • Marks and Spencer • Next • Boots • Monsoon • Sports Direct • New Look 	1,685	30,668
Watford			
Colne Valley Retail Park, Lower High Street, Watford	<ul style="list-style-type: none"> • Natuzzi • DFS • Oak furniture land • Dreams • Carpet right • Tapi • ScS • Harveys 	274	8,191
Waterfields Shopping Park, Waterfields Way, Watford	<ul style="list-style-type: none"> • Next • David's Bridal • Sports Direct • Boots • Argos • Smyths (toy store) 	319	6,968
Watford Arches Retail Park, Lower High Street, Watford	<ul style="list-style-type: none"> • B & Q • Kwik Fit • Mothercare 	240	11,443

Note: There is no substantial out of town centre comparison retail within Hertsmere or Three Rivers

Source: <https://completelyretail.co.uk/index.html>

Local Centres

4.58 The five Local Authorities presently have different adopted retail hierarchies. In order to establish a consistent approach for defining a retail hierarchy, the adopted local centres, neighbourhood centres, shopping parades, neighbourhood parades and local shops across all five authorities have been analysed and assessed. Based on this assessment the lower order centres have been designated into two categories; local centres and neighbourhood centres. The assessment excludes adopted designated individual shops, which would remain individual shops in any future retail hierarchy.

4.59 The NPPF does not provide individual definitions for local or neighbourhood centres, but does provide the following definition for town centres which references 'local centres' and 'parades of shops of neighbourhood significance':

Area defined on the local authority's proposal map, including the primary shopping area and areas predominantly occupied by main town centre uses within or adjacent to the primary shopping area. References to town centres or centres apply to city centres, town centres, district centres and local centres but exclude small parades of shops of purely neighbourhood significance. Unless they are identified as centres in Local Plans, existing out-of-centre developments, comprising or including main town centre uses, do not constitute town centres.

4.60 Based on the NPPF definition of town centre, the lower order centres have been assessed and designated into a hierarchy of local centres and neighbourhood centres, which would fall below the district centre tier in the upper tiers of the retail hierarchy. A broad definition for each is provided below, although it is noted that these definitions are guides only. Where applicable, a designation for individual shops has also been recommended.

4.61 Local centres include a range of shops and services, limited community services (e.g. health centre, community centre, village halls) and some leisure services such as restaurants, cafes and takeaways. Generally, the centre will contain a dominant supermarket. For the purposes of establishing a lower order retail hierarchy, a local centre is defined as a destination which meets these characteristics, and generally consists of between 15 and 40 units. In some cases, a local centre may have less than 15 units, where it still provides an important local function, or has a supermarket that dominates the convenience market within the wider local area.

- 4.62 A neighbourhood centre generally provides a range of small shops and services of a particularly localised nature that meet residents’ day-to-day needs. Neighbourhood centres serve an area more geographically contained than a local centre. These centres are typically comprised of 3 to 14 units.
- 4.63 In addition to the local centres and neighbourhood centres designations, in some cases where a centre is particularly disconnected (i.e. doesn’t comprise a consistent strip of 3 or more adjoining shops), or is comprised of 1 or 2 units, this has been recommended for designation in an individual shops category.
- 4.64 It should be acknowledged that local and neighbourhood centres are somewhat fluid by nature. The function of individual centres may change with the addition of certain types of units or a specific development that changes the overall function. As such, there may be scope for centres to move between local and neighbourhood categories and therefore this assessment should be used as a guide only. There may also be scope to for some local centres to graduate to district status with growth, and also some neighbourhood centres may become more akin to individual shop status in the future.

Dacorum Borough

- 4.65 The adopted Dacorum Borough lower order retail hierarchy consists of ‘local centre – with a district shopping function’ and ‘local centre – with a neighbourhood shopping function’. These centres have been assessed and designated as local and neighbourhood centres. A complete assessment is provided in **Appendix J**. A summary is provided below.

Figure 4.13 | Dacorum Borough – Recommended Local and Neighbourhood Centres

Local Centres	Neighbourhood Centres
Woodhall Farm	Boxmoor
Adeyfield	Chaulden
Apsley	Gadebridge
Bennetts End	Grovehill
Kings Langley	Highfield (Bellgate)
Bovingdon	Highfield (The Heights)
Maylands	Leverstock Green
	Markyate
	Miswell Lane (and Western Road)
	Nash Mills
	Northchurch
	Warners End

4.66 The assessment has identified 7 local centres and 12 neighbourhood centres within Dacorum Borough.

A summary and description of some of these centres is provided below.

- Woodhall Farm consists of only five retail units including a Sainsbury's Superstore, small grocery store, dry cleaner, pharmacy and takeaway. While generally it would be expected that a local centre would have more retail units, the centre serves more than a neighbourhood function which is apparent based on market share for the Sainsbury's Superstore. The centre is also adjacent to two medical centres and a primary school, giving it an important community services function.
- Apsley consist of approximately 35 retail units in a typical high street arrangement. The centre provides a range of shops and services, many of which serve a much wider area, and therefore the centre would typically fall into the local centre category. There are however, six out-of-centre retail destinations located in close proximity to the local centre area. Out-of-centre retail locations are listed in Table 1 in the Council's Site Allocations Development Plan Document. An important relationship exists between Apsley local centre and the adjoining out of centre retail parks (Sainsbury's, Apsley Mills Retail Park, remainder of Apsley Mills Retail Park, Two Waters Retail Park, and Dunelm and Wickes, London Road). In policy terms, it is considered that there would be scope to elevate Apsley to District Centre status where Apsley local centre is connected, in policy terms, with the adjoining retail parks. If this were the case, Apsley would consist of more than 40 units, would serve a variety of functions, and would serve a similar role in the wider area to other designated District Centres.
- Boxmoor consists of approximately 15 units with a range of shops and services. While on face value the centre could be considered a local centre, the function of the centre is actually more akin to a neighbourhood centre. This is due to the centre being somewhat disconnected – the retail units are dispersed with residential units – and the limited nature of the retail units themselves. The only convenience store is small and serves a small area.
- Maylands is an area of Dacorum Borough that is changing rapidly. The area is presently designated as a local centre – with neighbourhood shopping function. At the heart of the development of this area is the recently completed Maylands Plaza, which provides a mixed use development including residential and 10 retail units. In addition, the Aviva site has permission for a new retail park for 12 class A1 and A3 units with construction to begin

imminently. When considering these recently permitted and completed elements, Maylands would function as a Local Centre. As further developments come forward and the number of units increases to more than 40, Maylands may be further elevated to District Centre status.

Hertsmere Borough

4.67 The adopted Hertsmere Borough lower order retail hierarchy consists of local centres, key neighbourhood parades and neighbourhood parades as identified in the Policies Map document. These centres have been assessed and designated as local and neighbourhood centres. A complete assessment is provided in Appendix J. A summary is provided below.

Figure 4.14 | Hertsmere Borough – Recommended Local and Neighbourhood Centres

Local Centres	Neighbourhood Centres
Leeming Road (Borehamwood)	Harcourt Road (Bushey)
Manor Way (Borehamwood)	Bushey Hall Road (Bushey)
	Cranborne Parade (Potters Bar)
	Elstree Village Centre
	Andrew Close (Shenley)
	Croxdale Road (Borehamwood)
	Hartforde Road (Borehamwood)
	Howard Drive (Borehamwood)
	Rossington Avenue (Borehamwood)
	Aldenham Road (Bushey)
	Bournehall Avenue (Bushey)
	Bushey Mill Lane (Bushey)
	Park Avenue (North Bushey)
	Battlers Green Drive (North Bushey)
	High Street North (Potters Bar)

4.68 The assessment has identified 2 local centres and 15 neighbourhood centres within Hertsmere Borough. A summary and description of some of these centres is provided below.

- Leeming Road, Borehamwood is comprised of approximately 40 retail units. In the adopted Hertsmere Local Plan 2012-2027 policies map the centre is designated as local centre. The local centre is comprised of two shopping parades facing one another. The centre is anchored by Co-operative Foods store and providing a range of convenience and comparison goods shops, retail services and leisure services including food and drinking establishments and independent shops.

- Manor Way, Borehamwood is a local centre comprised of one parade of shops of approximately 20 units. The parade provides a comprehensive offer of convenience and comparison goods, as well as a café and takeaway options, and minor retail services that service the local area. The centre is designated as a local centre in the adopted Local Plan.
- High Street North, Potters Bar, is presently designated as a neighbourhood parade. The centre is made up of three parades of shops that have frontage to High Street, Potters Bar. The area is located to the north of Potters Bar High Street District Centre (as designated in the adopted Local Plan) and would almost be classed as an extension of that district centre. As High Street North consists of approximately 20 units across the three parades, and provides a range of services, it could reasonably be designated as a local centre in this case. However, as the centre does not have a significant convenience goods offer, and is secondary to the larger Potters bar High Street District Centre to the south, the High Street North has been designated as a neighbourhood centre for the purposes of this study.

Three Rivers District

4.69 The adopted Three Rivers lower order retail hierarchy consists of local centres and other local shops as identified in the adopted Three Rivers Local Plan. These centres have been assessed and designated as local and neighbourhood centres. A complete assessment is provided in Appendix J. A summary is provided below.

Figure 4.15 | Three Rivers District – Recommended Local and Neighbourhood Centres

Local Centres	Neighbourhood Centres
Croxley Green (Watford Road)	2-8 Chalfont Road, Maple Cross
Croxley Green (New Road)	57-63 High Street, Bedmond
Mill End (Money Hill Parade)	61-65 Station Road, Kings Langley
	15 Bridge Road and 5 Old Mill Road, Hunton Bridge
	17-22 School Mead, Abbots Langley
	5-7a and Sherwood News, College Road, Abbots Langley
	1-14 Katherine Place, Abbots Langley
	41-55 and 295-309 Baldwins Lane, Croxley Green
	193-197 Watford Road, Croxley Green
	4-12 Scots Hill, 1-3 The Green & 1-4 New Parade, Croxley Green
	1-11 Tudor Parade, Mill End
	68-82 Church Lane, Mill End
	2-28 Main Avenue, Moor Park
	10-24 Hallows Crescent, South Oxhey

305-317 Prestwick Road, South Oxhey
1-18 The Parade, Delta Gain, Carpenders Park
18-48 Little Oxhey Lane, South Oxhey
46-52 Heronsgate Road, Heronsgate
2-4 Station Approach, Chorleywood
Wyatts House and Shell Filling Station, Rickmansworth Road,
Chorleywood

4.70 The assessment has identified 3 local centres and 21 neighbourhood centres within Three Rivers District. Some commentary is provided below:

- Watford Road, Croxley Green, New Road, Croxley Green and Money Hill Parade, Mill End are currently designated as local centres, and have been confirmed as local centres in the current assessment. All three provide a comprehensive offer of convenience and comparison retailers, retailer services, leisure services and some financial and business serviced. The centres service the wider area.
- Maple Cross is presently designated as a local centre in the adopted Local Plan. However, as the centre consists of just a small convenience store, post office and takeaway, the assessment has recommended Maple Cross is designated as a neighbourhood centre in the future.
- Sarratt Post Office is presently designated as other local shops. As this centre has just one unit, it is recommended that it is designated in the individual shops in the future.
- The remainder of units are recommended for designation as neighbourhood centres. Neighbourhood centres are not necessarily protected in planning terms, however specific identification for the safeguarding of a neighbourhood centre may be given within the retail hierarchy.

St Albans District

4.71 The adopted St Albans City and District lower order retail hierarchy consists of neighbourhood centres and local centres as identified in the Local Plan document. In this case, the neighbourhood centres are a higher tier than local centres. The adopted centres have been assessed and designated as local and neighbourhood centres based on criteria established for the present Study. A complete assessment is provided in Appendix J. A summary is provided below.

Figure 4.16 | St Albans District – Recommended Local and Neighbourhood Centres

Local Centres	Neighbourhood Centres
Southdown	8-26 High Oaks, St Albans
Redbourn	34-41 Abbey Avenue, St Albans
Wheathampstead	23-39 Vesta Avenue, St Albans
Fleetville	28-38 Abbots Avenue West, St Albans
Verulam Estate	St Brelades Place, St Albans
The Quadrant Marshalswick	2-36 Beech Road, St Albans
London Colney	15-23 Central Drive, St Albans
	38-52 Newhouse Park, St Albans
	399-421 & 444 Hatfield Road, St Albans
	191-205 Cell Barnes Lane, St Albans
	Highfield Local Centre
	381-397 Luton Road, Harpenden
	95-105 Luton Road, Harpenden
	50-54 Westfield Road, Harpenden
	121-125 & 138-146 Lower Luton Road, Harpenden
	103-107 Station Road, Harpenden
	81-97 Old Watford Road, Bricket Wood
	95-127 Oakwood Road, Bricket Wood
	19-27 Blackboy Wood, Bricket Wood
	2A Tippendall lane; 301—305, 337 & 192-204 Watford Road, Chiswell Green
	2-30 How Wood
	69-71, 68-76 & land south of 84 Park Street; 1-2 Park Street Lane, Park Street
	15 & 8-16 High Street, Colney Heath

4.72 The assessment has identified 7 local centres, 23 neighbourhood centres and 3 individual shops within St Albans District. Some commentary is provided below:

- The adopted Local Plan identifies a hierarchy of neighbourhood and local centres. The majority of the adopted neighbourhood centres have been categorised as local centres in

this exercise. Similarly, the majority of adopted local centres have now been categorised as neighbourhood centres. Where there were only one of sometimes two separated retail units in a centre, these have been categorised as individual shops.

- Verulam Estate has been categorised a local centre, despite the fact it has only two retail units. This is because one of those units is a Waitrose store which is an important foodstore within the St Albans area, accounting for 0.81% of main food shopping trips for the whole Study Area.
- 19-23 Sandridge Road, St Albans is designated as a local centre in the adopted Local Plan, however as it is comprised of only one small convenience store there is potential to downgrade this centre the individual shops category.

Watford Borough

4.73 The adopted Watford lower order retail hierarchy consists of neighbourhood centres and local shops as identified in the adopted Core Strategy. In this case, the neighbourhood centres are a higher tier than local shops. The adopted neighbourhood centres and local shops have been assessed and designated as local and neighbourhood centres based on criteria established for the present Study. Some centres have also been assessed as better suited to the individual shops category. A complete assessment is provided in Appendix J. A summary is provided below.

Figure 4.17 | Watford Borough – Recommended Local and Neighbourhood Centres

Local Centres	Neighbourhood Centres
Garston Park Parade	Bushey Arches
Goodwood Parade	The Brow
Longspring	Euston Avenue
Station Area – Langley Road/St Alban’s Road	Langley Way
Buckingham Road	Orbital Crescent
Vicarage Road	The Gossamers
Whippendell Road East	Tolpits Lane
	Tudor Avenue
	Villiers Road
	Horseshoe Lane
	Whippendell Road/Ascot Road
	St Johns Road
	North Approach
	Eastbury Road

4.74 The assessment has identified 7 local centres, 14 neighbourhood centres and 5 individual shops within Watford Borough. A summary and description of some of these centres is provided below.

- All of the presently adopted neighbourhood centres have been categorised as local centres in this exercise, with the exception of Bushey Arches which is discussed below. Similarly, the majority of the presently adopted local shops can be easily categorised as neighbourhood centres, however there are five centres that may also be categorised as individual shops rather than neighbourhood centres.
- Bushey Arches presently consists of approximately 12 units and contains a number of vacant units within the centre. It does not have a dominant convenience goods outlet and as such is considered to be better suited to the neighbourhood centre category. However, should revitalisation occur and a convenience goods market emerge the centre may be able to be designated as a local centre in the future.
- Watford Fields, Leavesden Road, St James Road, Harwoods/Hagden Lane and Haines Way are all designated as local centres in the adopted Local Plan. Presently however, these centres are either comprised of multiple stores that are disconnected, or are comprised of only one small convenience store. As such it is recommended that these centres are downgraded to individual shops category. The exception would be if there was a proposal to expand these centres to provide additional retail units in the near future.

Pipeline Developments

4.75 In accordance with the Duty to Cooperate, as prescribed in paragraph 178 of the NPPF, Nexus has collaborated with Officers of the commissioning authorities to contact neighbouring local planning authorities in order to identify future capacity and pipeline schemes within competing centres. The pipeline schemes of interest are those of a nature and scale which could have the effect of consolidating or significantly enhancing their market share, which might in turn have the effect of drawing further trade away from South-West Hertfordshire. In this instance, we consider this to be developments comprising of at least 1,000 sq m of retail or leisure floorspace.

4.76 A number of forthcoming retail and leisure developments, as well as the identified capacity for

additional convenience and comparison floorspace, have been highlighted in the following local authority jurisdictions.

Aylesbury Vale

- 4.77 The Aylesbury Vale Town Centre Retail Capacity Update (2016) identified retail capacity (up to 2033) for convenience retail up to 6,980 sq m (net) in Aylesbury Town Centre, 29 sq m (net) in Wendover and 328 sq m (net) in Winslow and provides a district wide figure for comparison retail of 29,289 sq m (net).
- 4.78 There are a number of retail commitments throughout the district including 2,000 sq m (gross) A1 retail floorspace at College Road (16/01040/AOP) and 1,400 sq m (gross) A1 floorspace at Berryfields MDA (3/2386/AOP, 07/03447/AOP) as allocated in the adopted AVLDP. Up to 2,100 sq m (gross) of flexible retail floorspace is proposed at Hampden Fields (16/00424/AOP) and the Royal Mail Sorting Office Site (HELAA site AYL052) proposes 5,000 sq m (gross) of leisure and comparison floorspace. An outline planning application at the Former Civic Centre Site proposes 97 sq m (gross) of retail use and 3,115 sq m (net) of food and beverage units as well as 700 sq m (gross) D1 use (14/01794/AOP). The erection of a 1,424 sq m (net) foodstore is proposed at Land off London Road (16/04496/APP).
- 4.79 In addition, 14,160 sq m (gross) comparison and 3,540 sq m (gross) of convenience floorspace is allocated at Waterside North within the Aylesbury Town Centre Growth Opportunity Study (2016).

Barnet

- 4.80 The Town Centre Floorspace Needs Assessment (TCFNA) updated in 2010 outlines global capacity of 2,218 sq m (net) convenience floorspace and 7,046 (net) comparison floorspace across the borough up to 2021.
- 4.81 Barnet has recently appointed Peter Brett Associates to update the 2010 Study Town Centre Floorspace Needs Assessment which will support the review of Barnet's Local Plan up to 2036.
- 4.82 The Cricklewood, Brent Cross and West Hendon Regeneration Area Development Framework (adopted 2005) outlines the provision of a new town centre to include 27,000 sq m (gross) of leisure floorspace, 55,000 sq m (gross) comparison retail and 20,000 sq m (gross) of convenience shopping. A reserved matters application was granted in May 2017 to deliver up to 82,325 sq m (gross) of class A1 – A5 floorspace and 14,534 sq m D2 floorspace at the Brent Cross Regeneration Area.

Central Beds

- 4.83 The Central Bedfordshire Council Retail Study and Addendum (2013) outlines capacity for 15,175 sq m (net) of convenience floorspace across the borough, and 34,575 sq m (net) of comparison goods floorspace by 2031.
- 4.84 There are no allocations for leisure and retail in either Mid Beds Core Strategy and Site Allocations Document or the South Beds Local Plan.
- 4.85 Turning to planning applications, a total of 2,000 sq m (gross) retail and 1,500 sq m (gross) leisure floorspace is proposed to support a new local centre (Houghton Regis North 2) and a new retail park at Groveburt Road – 7,269 sq m (Gross) (16/05251). In addition, 1,568 sq m (gross) retail is proposed at the former Co-op site in Houghton Regis (16/03378), 2,326 sq m (gross) A1 retail use at Land West of Barton Road (15/03559) and a mixed use proposal at Marson Park North includes 1,300 sq m (gross) A1 retail (14/02084). In relation to leisure uses, in February 2017 an application to refurbish Dunstable Leisure Centre was approved (including 115 sq m net increase) and a new activity building of 1,152 sq m (gross) D2 use is proposed in Henlow Bridge Lakes (16/01023). In addition, an application for a drive through McDonalds is currently being considered at Stratton Business Park (17/4854).

Chiltern and South Bucks

- 4.86 The Chiltern and South Bucks Retail and Leisure Study produced by Nexus Planning in 2017 outlines that there are no committed, emerging or extant permissions for new convenience retail floorspace across the combined Districts that could come forward over the next few years. As with convenience capacity modelling, there are no significant comparison goods commitments to take account of in either District.
- 4.87 The retail study concludes that there is capacity for between 3,200 sq m (net) and 4,400 sq m (net) comparison floorspace by 2026 and between 7,300 (net) and 9,200 sq m (net) convenience floorspace by 2036.

Harrow

- 4.88 Representatives at Harrow Borough Council identified a number of extant planning applications for retail developments in the borough including a 1,692 sq m (gross) food store at the Anmer Lodge Site

(P/0412/14) and 1,548 sq m (gross) of mixed use floorspace (D1, A1, A2 and A3) at Equitable and Lyon House (P/3118/11). Development has started for both sites. More recently, in 2017, permission was granted (P/0739/17) for the change of use from a retail warehouse club to an indoor climbing centre (2,986 sq m gross). The largest extant permission is for 2,171 sq m (gross) A1 flexible use at the Kodak Site which is likely to be built out over the next three - five years (P/2165/15).

- 4.89 The Harrow Retail Study Review prepared by NLP in 2009 identifies the opportunity to accommodate additional retail floorspace of up to 51,700 sq m (gross) up to 2020. This includes convenience floorspace of up to 6,740 sq m (net) and comparison floorspace of up to 33,000 sq m (net).

Hillingdon

- 4.90 A total of 7,366 sq m of leisure and retail floorspace has been granted at the Old Vinyl Factory in two separate planning applications (59872/APP/2012/1838 and 59872/APP/2012/1838), both of which developments have started. In addition, 3,000 sq m of flexible retail floorspace has been granted at St Andrews Park (585/APP/2009/2752). Works are yet to start on the Former Hayes Car Park Site and Imperial House site for which 2,741 sq m and 2554 sq m of A1 retail floorspace has been approved respectively (1942/APP/2015/4127 and 5039/APP/2015/4395). In addition, 22,663 sq m of flexible use floorspace has been approved at the former Nestle Factory (1331/APP/2017/1883) for which S.106 negotiations are ongoing.
- 4.91 The Town Centre and Retail Study Update (2012) produced for Hillingdon Borough Council updates the 2006 retail study and outlines a borough wide capacity for between 9,647 sq m and 13,781 sq m (net) convenience floorspace by 2026 (none of which should come forward before 2016). The 2012 Study only considered capacity for convenience floorspace.

Luton

- 4.92 The Luton Retail Study Update (2015) prepared by WYG recommends additional floorspace over the plan period (up to 2031).
- 4.93 In relation to comparison floorspace, WYG identify capacity for 2,642 sq m (net) and 4,420 sq m (net) of additional comparison retail floorspace to be delivered by 2020, increasing to between 18,057 sq m (net) and 30,096 sq m (net) by 2025, 29,690 sq m (net) and 49,483 sq m (net) by 2030 and between 32,229 sq m (net) and 53,715 sq m (net) by 2031.

- 4.94 The study identified immediate capacity (2015) to accommodate between 2,402 sq m (net) and 3,393 sq m (net) of new convenience goods floorspace, rising to between 4,446 sq m (net) and 6,279 sq m (net) by 2025, between 4,125 sq m (net) and 5,757 sq m (net) by 2030 and 6,450 sq m (net) and 9,064 sq m (net) by 2031.
- 4.95 The Power Court Site (Policy LLP9) and Napier Park (Policy LLP8) are both significant brownfield sites allocated for mixed use development (including retail) within the Luton Local Plan. Whilst the plan outlines that Napier Park will have a 'convenience retail led' Neighbourhood Centre, the Power Court Site is allocated for circa 3,393 sq m (net) retail convenience floorspace and will also provide for a proportion of the borough's overall identified comparison floorspace need. Policy LLP11 outlines that the Northern Gateway Site will also deliver a significant amount of retail floorspace.
- 4.96 The Council's vision for the Northern Gateway Development Site, located between the Mall and Luton Station, includes proposals to accommodate substantial retail and catering at ground floor and mall levels, and an additional anchor/ department store for the town centre with homes above. This is however subject to planning permission.
- 4.97 An outline planning application for the Power Court Site (16/01400/OUTEIA) has been submitted which, alongside a brand new football stadium, includes an entertainment, music and conference venue (use class D2) of up to 2,700 sq m (gross), up to 2,600 sq m (gross) of other entertainment (use class D1 / D2) floorspace, food and beverage floorspace (uses class A1 – A5) and a foodstore (use class A1) of up to 3,000 sq m (gross).
- 4.98 In addition, an outline planning application was submitted for a mixed use development at Newlands Road including up to 37,000 sq m (gross) of comparison retail floorspace, up to 300 sq m (gross) convenience floorspace, 8,500 sq m (gross) food and beverage floorspace, up to 16,000 sq m (gross) leisure floorspace and up to 8,500 sq m (gross) of retail and leisure servicing ancillary floorspace.
- 4.99 Both applications are currently being considered by Luton Borough Council.
- 4.100 Other extant planning applications of note include the development of land for an A1 retail warehouse and B1/ B2 employment at Dallow Road, Luton - 3,023 sq m gross (14/01304/OUT). An application for the installation of mezzanine floor to provide 2,403 sq m (gross) additional retail floorspace in Asda, Wigmore Lane is currently pending (08/01045/RENEW) and an application to create 2,260 sq m (gross) additional retail floorspace at Madford Retail Park (16/00534/FUL) is approved but works are yet to

commence.

Welwyn Hatfield

- 4.101 Commitments in Welwyn Hatfield include 1,766 sq m (gross) of retail floorspace at Oldings Corner Retail Park, Hatfield (6/2015/1713/Maj) and a 1,038 sq m (gross) foodstore at Land East of Bessemer Road (6/2016/1058/FULL) which will be occupied by Aldi. An application is currently being considered for 1,194 sq m (gross) retail floorspace at 1 – 9 Town Centre (6/2017/0606/MAJ).
- 4.102 The Welwyn Hatfield Local Plan, which has recently been submitted to the SoS for examination allocates a site 'Town Centre North' (SADM 19) for around 6,000 sq m (net) of additional comparison retail floorspace in Welwyn Garden City.
- 4.103 The Retail Needs Study Update 2012 prepared by NLP identifies capacity for 6,000 sq m (net) convenience floorspace up to 2029. However, if a large food store is delivered, capacity will reduce to 3,600 sq m (net) by 2029 due to higher expected sales densities. Capacity for 17,000 sq m (net) comparison floorspace is identified in the Borough up to 2029.

North Hertfordshire

- 4.104 The North Herts District Council Retail Study (2016) prepared by Nathaniel Lichfield and Partners indicates that there is potential for further convenience goods floor space of 6,800 sq m (gross) within the District up to 2026, increasing to 8,600 sq m (gross) by 2031. Urban extensions throughout the Borough, including North Hitchin will contribute to approximately 2,000 sq m (gross) of this floorspace.
- 4.105 In relation to comparison floorspace, scope for about 13,400 sq m (gross) of additional comparison floorspace up to 2031 is identified in the District as a whole, and this could increase to 22,500 sq m (gross) by 2031. It is considered that at least 3,900 sq m (gross) of this comparison floorspace could be provided within urban extensions in the form of local shopping provision.

5.0 Population and Expenditure

Introduction

5.1 We identify below how we assess the current population and available convenience and comparison retail expenditure within the Study Area, as well as the methodology for forecasting the available expenditure across the plan period. This data has informed our quantitative model of available retail capacity in the Study Area, along with the NEMS Market Research household telephone survey, which we go on to discuss in Section 6.

Study Area

5.2 A key task of this Study was to identify a suitable Study Area. This is the area within which residents of the Districts and beyond might look to the 17 main towns of the combined District's area for their retail and leisure needs. In keeping with general practice, we then sub-divide the overall Study Area into distinct Zones in order to allow for a more detailed analysis of market share patterns.

5.3 We agreed with the four original Councils at our inception meeting that the Study Area would comprise 20 defined Zones. Once St Albans District was later added to the Study, this was expanded to 22 Zones. Figure 5.1 shows the definitions of the survey zones by postal sector, whilst Figure 5.2 shows the geographic extent of the Study Area (also contained at **Appendix A**).

5.4 The Study Area contains all parts of Hertsmere, Three Rivers, Dacorum, Watford and St Albans, as well as a number of areas within adjoining authorities. In particular, Zones 15, 16, 17, 20 and 22 contain a significant population that lies outside the combined Districts. These areas are included so that we can accurately understand any levels of inflow expenditure which might exist.

5.5 In Section 6 that follows, we explain how we treat Zones 1-14, 18, 19 and 21 as the 'Inner Study Area' when modelling certain elements of retail and leisure capacity. Notably, with the subsequent inclusion of St Albans in the Study, we have chosen to include Zone 19 as being *within* the Inner Study Area. Whilst much of the area sits outside of the boundary of St Albans District, the vast majority of both its retail floorspace (Colney Fields Shopping Park) and its population (London Colney and surrounds) sits within it, and so this is justified.

Figure 5.1 | Definitions of Survey Area Zones

Survey Zone	Postcode Sectors
Zone 1 Watford South	WD17 1, WD17 2, WD17 3, WD17 4, WD18 0, WD18 6, WD18 7, WD18 8, WD19 4, WD23 2, WD99 1
Zone 2 Watford North	WD24 4, WD24 5, WD24 6, WD24 7, WD25 0, WD25 7, WD25 9
Zone 3 Bushey & Aldenham	WD23 1, WD23 3, WD23 4, WD25 8
Zone 4 Radlett & Shenley	WD7 7, WD7 8, WD7 9
Zone 5 Borehamwood & Elstree	WD6 1, WD6 2, WD6 3, WD6 4, WD6 5
Zone 6 Potters Bar	EN6 2, EN6 3, EN6 5
Zone 7 Rickmansworth	WD3 1, WD3 3, WD3 7, WD3 8, WD18 9
Zone 8 Batchworth Heath & South Oxhey	HA6 2, HA6 3, WD19 5, WD19 6, WD19 7
Zone 9 Chorleywood & Sarratt	WD3 4, WD3 5, WD3 6, WD3 9
Zone 10 Kings Langley & Abbots Langley	WD4 8, WD4 9, WD5 0
Zone 11 Hemel Hempstead	HP1 1, HP2 4, HP2 5, HP2 7, HP3 8, HP3 9
Zone 12 Hemel Hempstead Fringe	AL3 8, HP1 2, HP1 3, HP2 6, HP3 0
Zone 13 Berkhamsted	HP4 1, HP4 2, HP4 3
Zone 14 Tring	HP23 4, HP23 5
Zone 15 Three Rivers Fringe	HA1 1, HA1 4, HA2 0, HA2 6, HA2 7, HA2 9, HA4 7, HA4 8, HA4 9, HA5 1, HA5 2, HA5 3, HA5 4, HA5 5, HA6 1, HA6 6, HA7 9, HA8 4, SL9 0, SL9 9, UB9 5, UB9 6
Zone 16 Dacorum Western Fringe	HP5 1, HP5 2, HP5 3, HP22 4, HP22 5, HP23 6
Zone 17 Dacorum Northern Fringe	LU1 4, LU6 1, LU6 2, LU6 3, LU7 0, LU7 1, LU7 2, LU7 3, LU7 4, LU7 9
Zone 18 St Albans	AL1 1, AL1 2, AL1 3, AL1 4, AL1 5, AL2 2, AL2 3, AL3 4, AL3 5, AL3 6, AL3 7, AL4 9, AL5 3
Zone 19 London Colney Fringe	AL2 1, AL4 0, AL9 6, AL9 7, EN6 4
Zone 20 Hertsmere Southern Fringe	EN4 0, EN4 9, EN5 2, EN5 3, EN5 4, EN5 5, HA3 5, HA3 6, HA3 7, HA7 1, HA7 2, HA7 3, HA7 4, HA8 0, HA8 5, HA8 6, HA8 7, HA8 8, HA8 9, NW7 3, NW7 4
Zone 21 Harpenden	AL4 8, AL5 1, AL5 2, AL5 4, AL5 5
Zone 22 St Albans Northern Fringe	AL6 9, AL8 7, AL10 9, SG4 8, LU1 3, LU2 9

Figure 5.3 | Population Forecast Scenarios (Dwellings per Annum, 2016-2036)

Authority Area	'Scenario 1' Strategic Housing Market Assessment	'Scenario 2' Capped up to date Local Plan (Govt published)	'Scenario 3' Capped out of date LP based on 10 year 2016-2026 projected growth	'Scenario 4' Capped out of date LP based on new Local Plan period projected growth (to 2036)
Dacorum	756	602	980	1096
Hertsmere	599	372	700	700
Three Rivers	514	252	560	630
Watford	577	364	840	770
St Albans	639	504	980	875
Total	3,085	2,094	4,060	4,071

5.8 The Councils have asked us to model population forecasting on an authority-wide basis, with annualised figures through until 2036. For those Zones whose population sits largely outside the Districts (i.e. Zones outside the 'Inner Study Area'), we have utilised Experian projections through until 2036. An explanatory note for the population data is contained at **Appendix G**.

Population Forecasts

5.9 Applied to the Experian base data figures for 2016, we present our population forecasts on a Zone-by-Zone basis in Figure 5.4 below. The range of forecasting sees a 13.2% differential between the minimum forecast population for the Inner Study Area at 2036 of 718,932 ('Scenario 2') and the maximum forecast population at 2036 of 813,828 ('Scenario 4').

Figure 5.4 | Population across the Study Area under each Scenario

'Scenario 1'	2017	2021	2026	2031	2036
Zone 1 Watford South	63,394	66,443	70,254	74,065	77,876
Zone 2 Watford North	51,786	54,276	57,389	60,502	63,615
Zone 3 Bushey & Aldenham	20,775	21,971	23,465	24,960	26,454
Zone 4 Radlett & Shenley	13,407	14,179	15,143	16,108	17,072
Zone 5 Borehamwood & Elstree	40,388	42,713	45,618	48,524	51,429
Zone 6 Potters Bar	25,344	26,802	28,626	30,449	32,272
Zone 7 Rickmansworth	27,275	28,607	30,271	31,936	33,600
Zone 8 Batchworth Heath & S Oxhey	33,509	35,145	37,190	39,235	41,280
Zone 9 Chorleywood & Sarratt	16,270	17,064	18,057	19,050	20,043
Zone 10 Kings Langley & Abbots Langley	24,014	25,187	26,652	28,118	29,583
Zone 11 Hemel Hempstead	66,826	70,175	74,361	78,547	82,733
Zone 12 Hemel Hempstead Fringe	38,091	40,000	42,386	44,772	47,158
Zone 13 Berkhamsted	25,298	26,566	28,150	29,735	31,320
Zone 14 Tring	14,609	15,341	16,256	17,171	18,087
Zone 18 St Albans	95,559	99,115	103,560	108,006	112,451
Zone 19 London Colney Fringe	35,163	36,472	38,107	39,743	41,379
Zone 21 Harpenden	34,116	35,386	36,973	38,560	40,147
Inner Study Area sub-total	625,824	655,440	692,460	728,460	766,500
Zone 15 Three Rivers Fringe	201,793	209,921	218,799	226,809	233,987
Zone 16 Dacorum Western Fringe	50,286	51,866	53,772	55,511	57,159
Zone 17 Dacorum Northern Fringe	98,752	104,129	110,301	115,553	120,278
Zone 20 Hertsmere Southern Fringe	200,121	209,670	220,104	229,504	238,385
Zone 22 St Albans Northern Fringe	62,274	65,108	68,438	71,558	74,218
Study Area Total	1,239,050	1,296,134	1,363,874	1,428,415	1,490,527

'Scenario 2'	2017	2021	2026	2031	2036
Zone 1 Watford South	63,113	65,036	67,440	69,844	72,248
Zone 2 Watford North	51,556	53,127	55,091	57,055	59,019
Zone 3 Bushey & Aldenham	20,662	21,404	22,332	23,261	24,189
Zone 4 Radlett & Shenley	13,334	13,813	14,412	15,011	15,610
Zone 5 Borehamwood & Elstree	40,168	41,611	43,416	45,220	47,025
Zone 6 Potters Bar	25,205	26,111	27,244	28,376	29,508
Zone 7 Rickmansworth	27,105	27,758	28,574	29,390	30,206
Zone 8 Batchworth Heath & S Oxhey	33,301	34,103	35,105	36,108	37,110
Zone 9 Chorleywood & Sarratt	16,168	16,558	17,045	17,531	18,018
Zone 10 Kings Langley & Abbots Langley	23,865	24,440	25,158	25,877	26,595
Zone 11 Hemel Hempstead	66,656	69,322	72,656	75,989	79,322
Zone 12 Hemel Hempstead Fringe	37,994	39,514	41,414	43,314	45,214
Zone 13 Berkhamsted	25,233	26,243	27,505	28,767	30,029
Zone 14 Tring	14,572	15,155	15,883	16,612	17,341
Zone 18 St Albans	95,371	98,176	101,682	105,188	108,694
Zone 19 London Colney Fringe	35,094	36,126	37,416	38,706	39,997
Zone 21 Harpenden	34,049	35,051	36,302	37,554	38,806
Inner Study Area sub-total	623,446	643,548	668,676	693,804	718,932
Zone 15 Three Rivers Fringe	201,793	209,921	218,799	226,809	233,987
Zone 16 Dacorum Western Fringe	50,286	51,866	53,772	55,511	57,159
Zone 17 Dacorum Northern Fringe	98,752	104,129	110,301	115,553	120,278
Zone 20 Hertsmere Southern Fringe	200,121	209,670	220,104	229,504	238,385
Zone 22 St Albans Northern Fringe	62,274	65,108	68,438	71,558	74,218
Study Area Total	1,236,672	1,284,242	1,340,090	1,392,739	1,442,959

'Scenario 3'	2017	2021	2026	2031	2036
Zone 1 Watford South	63,742	68,180	73,728	79,276	84,824
Zone 2 Watford North	52,069	55,695	60,227	64,759	69,291
Zone 3 Bushey & Aldenham	20,825	22,223	23,969	25,716	27,462
Zone 4 Radlett & Shenley	13,439	14,341	15,468	16,595	17,723
Zone 5 Borehamwood & Elstree	40,486	43,203	46,598	49,994	53,389
Zone 6 Potters Bar	25,405	27,110	29,240	31,371	33,502
Zone 7 Rickmansworth	27,305	28,756	30,569	32,383	34,196
Zone 8 Batchworth Heath & S Oxhey	33,546	35,328	37,556	39,784	42,012
Zone 9 Chorleywood & Sarratt	16,287	17,153	18,235	19,316	20,398
Zone 10 Kings Langley & Abbots Langley	24,040	25,318	26,914	28,511	30,108
Zone 11 Hemel Hempstead	67,074	71,415	76,842	82,268	87,695
Zone 12 Hemel Hempstead Fringe	38,233	40,707	43,800	46,893	49,986
Zone 13 Berkhamsted	25,392	27,035	29,089	31,144	33,198
Zone 14 Tring	14,663	15,612	16,799	17,985	19,171
Zone 18 St Albans	96,033	101,487	108,305	115,122	121,940
Zone 19 London Colney Fringe	35,338	37,345	39,853	42,362	44,871
Zone 21 Harpenden	34,286	36,233	38,667	41,101	43,535
Inner Study Area sub-total	628,164	667,140	715,860	762,580	813,300
Zone 15 Three Rivers Fringe	201,793	209,921	218,799	226,809	233,987
Zone 16 Dacorum Western Fringe	50,286	51,866	53,772	55,511	57,159
Zone 17 Dacorum Northern Fringe	98,752	104,129	110,301	115,553	120,278
Zone 20 Hertsmere Southern Fringe	200,121	209,670	220,104	229,504	238,385
Zone 22 St Albans Northern Fringe	62,274	65,108	68,438	71,558	74,218
Study Area Total	1,241,390	1,307,834	1,387,274	1,463,515	1,537,327

'Scenario 4'	2017	2021	2026	2031	2036
Zone 1 Watford South	63,649	67,718	72,803	77,889	82,975
Zone 2 Watford North	51,994	55,317	59,472	63,626	67,780
Zone 3 Bushey & Aldenham	20,825	22,223	23,969	25,716	27,462
Zone 4 Radlett & Shenley	13,439	14,341	15,468	16,595	17,723
Zone 5 Borehamwood & Elstree	40,486	43,203	46,598	49,994	53,389
Zone 6 Potters Bar	25,405	27,110	29,240	31,371	33,502
Zone 7 Rickmansworth	27,350	28,982	31,022	33,063	35,103
Zone 8 Batchworth Heath & S Oxhey	33,601	35,607	38,113	40,620	43,126
Zone 9 Chorleywood & Sarratt	16,314	17,288	18,505	19,722	20,939
Zone 10 Kings Langley & Abbots Langley	24,080	25,517	27,314	29,110	30,906
Zone 11 Hemel Hempstead	67,203	72,058	78,126	84,195	90,264
Zone 12 Hemel Hempstead Fringe	38,306	41,073	44,532	47,992	51,451
Zone 13 Berkhamsted	25,440	27,278	29,576	31,873	34,171
Zone 14 Tring	14,691	15,753	17,079	18,406	19,733
Zone 18 St Albans	95,887	100,757	106,844	112,931	119,018
Zone 19 London Colney Fringe	35,284	37,076	39,316	41,556	43,795
Zone 21 Harpenden	34,234	35,972	38,145	40,319	42,492
Inner Study Area sub-total	628,190	667,272	716,124	764,976	813,828
Zone 15 Three Rivers Fringe	201,793	209,921	218,799	226,809	233,987
Zone 16 Dacorum Western Fringe	50,286	51,866	53,772	55,511	57,159
Zone 17 Dacorum Northern Fringe	98,752	104,129	110,301	115,553	120,278
Zone 20 Hertsmere Southern Fringe	200,121	209,670	220,104	229,504	238,385
Zone 22 St Albans Northern Fringe	62,274	65,108	68,438	71,558	74,218
Study Area Total	1,241,416	1,307,966	1,387,538	1,463,911	1,537,855

Retail Expenditure Forecasts

- 5.10 Retail expenditure data (in the form of convenience and comparison goods expenditure per capita) has been sourced from the in-house Experian Micromarketer G3 system.
- 5.11 The data takes account of the socio-economic characteristics of the local population to provide local consumer expenditure calculations. Experian is a robust source of population and expenditure data that is widely used for calculating retail capacity across the industry.
- 5.12 Expenditure data from Experian is provided in 2016 prices (as is every subsequent monetary value) and has been projected forward using per capita growth forecasts derived from the latest Experian Planner Briefing Note 15 (December 2017).
- 5.13 As identified in Figure 5.5 below, Experian forecasts suggest that convenience goods expenditure will fall in 2018, and again in 2019, as a result of a trend towards more price conscious shopping patterns and the growth of high street discounters such as Lidl and Aldi, as discussed in further detail in Section 2. Growth is not now anticipated in the convenience goods sector until 2020, and even then forecasts are very conservative at 0.1% growth per annum over the period 2020-2036.
- 5.14 Comparison expenditure is shown to have risen by 2.3% in 2017, before levelling off to 0.9% in 2018 and 2.1% in 2019. Experian then forecast a steady growth of 3.2% per annum over the period 2020-2036, as comparison retailers incorporate newer technologies, innovations and formats (including 'click and collect') in order to respond to the increasing competition from internet shopping.
- 5.15 Experian note that long-term forecasts should be treated with caution and subject to regular reviews, given the wide range of factors that can influence the broader national economy. These forecasts relate only to the growth in expenditure at 'bricks and mortar' premises. We deal separately with the internet (or special forms of trading) below.

Figure 5.5 | Experian Retail Expenditure Forecasts

Year	Convenience growth rates	Comparison growth rates
2017	0.0%	2.3%
2018	-0.6%	0.9%
2019	-0.2%	2.1%
2020	0.1%	3.2%
2021	0.1%	3.2%
2022	0.1%	3.2%
2023	0.1%	3.2%
2024	0.1%	3.2%
2025	0.1%	3.2%
2026	0.1%	3.2%
2027	0.1%	3.2%
2028	0.1%	3.2%
2029	0.1%	3.2%
2030	0.1%	3.2%
2031	0.1%	3.2%
2032	0.1%	3.2%
2033	0.1%	3.2%
2034	0.1%	3.2%
2035	0.1%	3.2%
2036	0.1%	3.2%

Source: Table 1a, Experian Retail Planner Briefing Note 15, December 2017. Figure for 2036 follows trend data.

Non-Store Retailing or Special Forms of Trading

- 5.16 Special forms of trading (SFT) are defined by Experian as sales via the internet, mail order, stalls and markets, vending machines, door-to-door and telephone sales, including online sales by supermarkets, department stores and catalogue companies and are discussed in detail in 'Growth in E-Tailing (or E-Commerce)' in Section 2.
- 5.17 Experian Retail Planner Briefing Note 15 (December 2017) provides estimated forecasts of internet and other SFT, which allows for us to 'strip out' any expenditure that survey respondents suggest is made by SFT and instead utilise Experian's forecasts. This ensures that the proportion of SFT accounted for in our modelling increases in line with Experian forecasts, as opposed to remaining constant.
- 5.18 Many stores offer online sales, but source goods from regular stores' stock, as is often the case for foodstores where employees will pick online orders from stores' shelves before, during or after opening hours. These orders are then delivered by dedicated vans at each store and as such, the online expenditure is attributed to tangible stores. Experian provides 'adjusted' figures, cited below at Figure

5.6, which make an allowance for these online sales derived from individual stores to ensure that the expenditure is counted as 'available' spend within the Study Area.

Figure 5.6 | 'Adjusted' Special Forms of Trading Market Share Forecasts

Year	Adjusted Convenience SFT	Adjusted Comparison SFT
2017	3.2%	14.8%
2021	3.9%	16.9%
2026	4.6%	17.5%
2031	5.1%	17.8%
2036	5.3%	18.0%

Source: Appendix 3, Experian Retail Planner Briefing Note 15, December 2017. Figure for 2036 follows trends data.

Convenience Goods Expenditure

5.19 We project forward available expenditure per capita and population growth for each survey zone in 2017, 2021, 2026, 2031 and 2036, in order to estimate the total available convenience and comparison goods expenditure under each Scenario.

Figure 5.7 | Total Available Convenience Goods Expenditure by Scenario

Scenario	Area	2017	2021	2026	2031	2036	Growth 2017-2036
Scenario 1	Inner Study Area	£1,335.1m	£1,400.4m	£1,475.9m	£1,554.2m	£1,637.6m	£282.5m
	Whole Study Area	£2,587.1m	£2,670.5m	£2,803.8m	£2,936.2m	£3,073.4m	£486.3m
Scenario 2	Inner Study Area	£1,350.0m	£1,375.0m	£1,425.3m	£1,478.4m	£1,536.3m	£186.4m
	Whole Study Area	£2,581.9m	£2,645.1m	£2,753.3m	£2,860.5m	£2,972.1m	£390.1m
Scenario 3	Inner Study Area	£1,360.1m	£1,425.1m	£1,525.3m	£1,628.3m	£1,736.8m	£376.7m
	Whole Study Area	£2,592.1m	£2,685.2m	£2,853.3m	£3,010.4m	£3,172.5m	£580.4m
Scenario 4	Inner Study Area	£1,360.2m	£1,425.6m	£1,526.3m	£1,629.8m	£1,738.8m	£378.5m
	Whole Study Area	£2,592.2m	£2,695.7m	£2,854.2m	£3,011.8m	£3,174.5m	£582.3m

Source: Table 2a, Appendix E.

- 5.20 As identified in Figure 5.7 above, we consider both the expenditure generated by residents of the Inner Study Area and the Whole Study Area. Scenario 2 has the lowest growth forecasts, with convenience goods spend increasing by £186.4m/£390.1m over the period 2017-2036, whilst Scenario 4 has the highest growth with spend increasing by £378.5m/£582.3m over the same period.
- 5.21 For the purpose of the Study this total available convenience expenditure is split across two sub-categories, with a Study Area average of 81.6% of spending attributed to main food shopping trips and 18.4% attributed to 'top-up' shopping trips (as derived from Questions 9 and 15 of the NEMS Household Survey on a zone by zone basis).

Comparison Goods Expenditure

- 5.22 Experian provides comparison goods expenditure divided into eight sub-categories to allow for more detailed investigations of available expenditure. Bulky goods categories include 'DIY', 'Electrical' and 'Furniture', while non-bulky goods are made up of 'Books, CDs and DVDs', 'Chemist Goods', 'Clothing & Footwear', 'Small Household Goods' and 'Toys and Recreational Goods'.

Figure 5.8 | Total Available Comparison Goods Expenditure by Scenario

Scenario	Area	2017	2021	2026	2031	2036	Growth 2017-2036
Scenario 1	Inner Study Area	£2,184.9m	£2,448.3m	£2,997.2m	£3,670.5m	£4,496.3m	£2,311.3m
	Whole Study Area	£4,144.3m	£4,638.5m	£5,612.9m	£6,791.5m	£8,219.8m	£4,075.5m
Scenario 2	Inner Study Area	£2,176.7m	£2,404.0m	£2,896.0m	£3,494.5m	£4,222.7m	£2,046.1m
	Whole Study Area	£4,136.0m	£4,594.3m	£5,511.6m	£6,615.4m	£7,946.2m	£3,810.2m
Scenario 3	Inner Study Area	£2,193.0m	£2,491.4m	£3,093.3m	£3,836.1m	£4,752.4m	£2,559.4m
	Whole Study Area	£4,152.4m	£4,681.7m	£5,709.0m	£6,957.1m	£8,475.9m	£4,323.5m
Scenario 4	Inner Study Area	£2,193.1m	£2,492.1m	£3,096.3m	£3,842.0m	£4,762.2m	£2,569.0m
	Whole Study Area	£4,152.5m	£4,682.4m	£5,711.9m	£6,963.0m	£8,485.7m	£4,333.2m

Source: Table 8, Appendix E.

- 5.23 Applying the increases in population and comparison goods expenditure per capita, Figure 5.8 above estimates that the Inner Study Area will experience increases in spend of between £2,046.1m and £2,569.0m over the period 2017-2036, and the Whole Study Area of between £3,810.2m and £4,333.2m over the same period.

Summary

- 5.24 The base data established in this section is now utilised, in conjunction with our analysis of the market shares of retailers across the Study Area in Section 6, to inform our subsequent analysis of retail expenditure capacity in Section 7.

6.0 Original Market Research

Introduction

- 6.1 Nexus has partnered with specialist consultancy NEMS Market Research Ltd in order to identify shopping and leisure patterns, preferences and trends through a comprehensive household telephone survey of residents across the Study Area. This data provides the underlying structure of our quantitative retail capacity modelling, which is used to calculate the capacity for new retail floorspace across the Study Area over the plan period.
- 6.2 NEMS has gathered empirical evidence through undertaking a household telephone survey of 2,000 households in December 2017. When St Albans was added into the Study in February 2018, this was supplemented by the survey of an additional 200 households, bringing the total number of households surveyed to 2,200³⁹. The Survey Area is described previously in Section 5.
- 6.3 There are potential limitations with such datasets, which are restricted by the number of surveys that can be carried out across the Study Area, as well as the length of the household questionnaire itself. In order to minimize any statistical error, the results of the survey are weighted according to the population profile in each zone, as set out in **Appendix D**. As such, the NEMS results provide a broad, representative indication of the market shares of retail and leisure destinations across the Study Area.
- 6.4 The market share for leisure facilities is described separately in Section 8, where those qualitative findings are tied into our quantitative capacity analysis. This section, and following Section 7, therefore concentrate fully on analysis of the retail element of this Study.

Household Telephone Survey

- 6.5 The shopping patterns indicated by the household survey provide the basis of the calculations of the retail expenditure at each retail destination. We divide the percentage market share of each destination into the total available expenditure for the Study Area (as discussed in Section 5).

³⁹ 100 households in Zone 18 (St Albans) were surveyed in the December 2017 survey, and then a replacement 100 households in Zone 18 were surveyed in the February 2018 survey. This was to ensure that qualitative questions relating to St Albans and Harpenden were properly captured in a comparable way to all of centres of the Inner Study Area.

- 6.6 A limitation of the household survey is that the results may underestimate trade to smaller centres and retail facilities. In order to counter this, we ask respondents for the destination they 'last' made a purchase, in order to record more infrequent purchases and impulse shopping, which is more likely to be at smaller centres and stand-alone stores.
- 6.7 The household survey also provides details of linked trips between various destinations, the use of other town centre facilities, the most popular means of travel to each centre and the frequency of visits. The full tabulations of the results of the household telephone survey are provided at **Appendix D**.
- 6.8 As previously described, the Study Area goes beyond the boundaries of the combined Districts. In our discussion below, we have therefore identified an 'Inner Study Area' as a best-fit of the majority of the population the five Districts. This is defined as Zones 1-2 (Watford Borough), Zones 3-6 (Hertsmere Borough), Zones 7-10 (Three Rivers District), Zones 11-14 (Dacorum Borough) and Zones 18, 19 and 21 (St Albans District). In these Zones, we would expect a significant proportion of the resident population to look towards towns of the South West Hertfordshire Authorities for their convenience goods retailing in particular (the category carried out closest to home), followed by comparison goods shopping and leisure activities, for which residents are usually prepared to travel farther afield.

Market Shares - Scenarios

- 6.9 For the purposes of the ensuing market share analysis, we discuss all monetary figures under 'Scenario 1' only. This is in order not to over-complicate the analysis by examining minor differences in turnover under all 4 scenarios. The equivalent figures under each scenario are though presented in full at **Appendix E**, and we do fully go on to examine the consequential capacity projections under each scenario in Section 7, as well as under the recommendations which comprise Section 9.

Convenience Goods

- 6.10 In overall terms, Figure 6.1 shows that residents of the Study Area spread their convenience goods shopping across a wide range of stores and centres, with a number of 'big 4' stores competing for similar market shares. Over half of all spending by residents of the Study Area is carried out within the Inner Study Area (53.2%), with the rest of the Study Area accounting for 31.8%, and stores outside the Study Area accounting for 15.0% of spending.

Figure 6.1 | Convenience Goods - Study Area Market Share by Store

Destination	Market Share	Turnover
Tesco Extra, Watford	3.2%	£82.6m
Tesco, Borehamwood	2.9%	£75.5m
Asda, Watford	2.9%	£74.4m
Sainsbury's, London Rd, Hemel	2.8%	£73.1m
Morrisons, St Albans	2.5%	£65.8m
Tesco, Jarman Way, Hemel	2.4%	£63.2m
Waitrose, Berkhamsted	2.1%	£53.5m
Sainsbury's, Cow Lane, Watford	2.0%	£52.8m
Sainsbury's, St Albans	2.0%	£52.7m
Tesco, Tring	1.9%	£49.1m
Morrisons, Watford	1.7%	£44.8m
Sainsbury's, London Colney	1.7%	£44.4m ⁴⁰
Sainsbury's, Harpenden	1.7%	£44.2m
Others	23.4%	£599.6m
Inner Area sub-total	53.2%	£1,375.7m
Others in the Study Area	31.8%	£822.9m
Study Area sub-total	85.0%	£2,198.6m
Others outside the Study Area	15.0%	£388.5m
Total	100.0%	£2,587.1m

Source: Appendix E, Tables 3 and 4

- 6.11 Turning to consider the Inner Study Area in isolation, it is apparent that the combined turnover of all convenience goods facilities within the Inner Study Area (£1,375.7m, Table 5) actually exceeds the combined spending power of all residents within the Inner Study Area (£1,355.1m, Table 2a). This means that the Inner Study Area is a net importer of convenience goods trade i.e. that Inner Study Area residents spending, coupled with inflows of trade from residents beyond the Inner Study Area, exceeds any leakage of trade of Inner Study Area residents to destinations elsewhere. Based on our experience elsewhere, this is a healthy level of retention and suggests that the five authority areas combined are, on the whole, self-sufficient for convenience goods spending.
- 6.12 Breaking this down further, we are able to examine the market share of the five authority areas in isolation. We summarise this in Figure 6.2 below. The results show that Dacorum, Watford and St Albans have more dominant market shares, reflective of centres within those areas being higher in the retail hierarchy (principally Hemel Hempstead, Watford and St Albans).

⁴⁰ We assume in Table 5 at Appendix E that this store also benefits from an inflow of trade from beyond the Study Area, taking its overall convenience turnover to £66.6m.

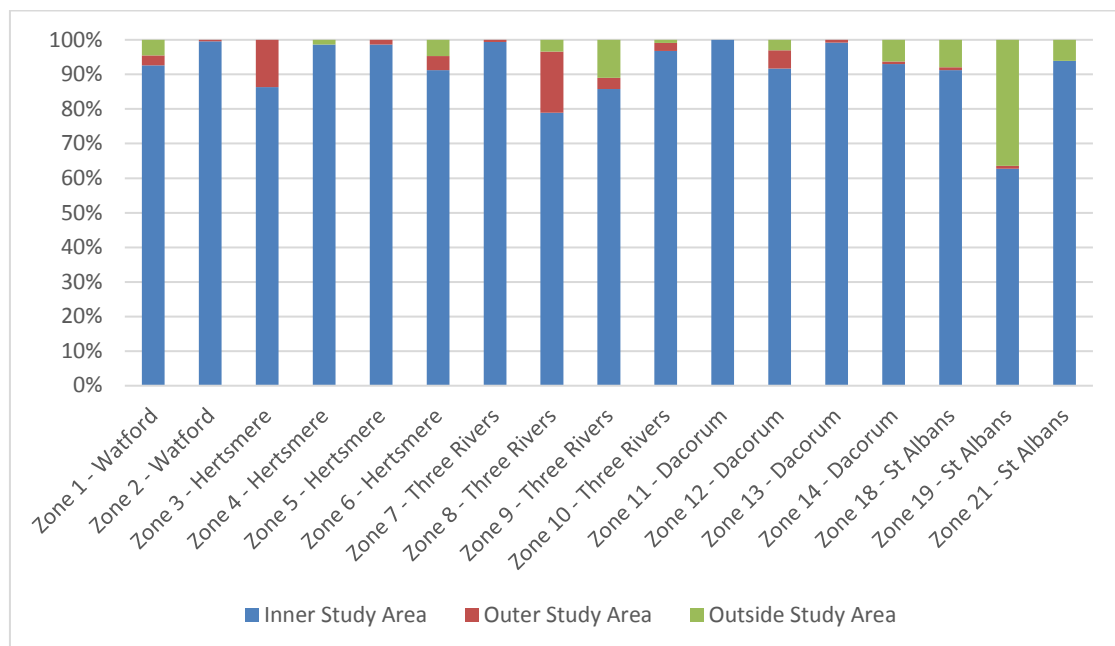
Figure 6.2 | Convenience Goods – Inner Study Area Market Share by Area

Destination	Market Share	Turnover
Dacorum Borough	28.3%	£389.4m
Watford Borough	23.2%	£319.2m
St Albans District	23.2%	£319.1m
Hertsmere Borough	14.5%	£199.3m
Three Rivers District	10.8%	£148.7m
Inner Area sub-total	100.0%	£1,375.7m

Source: Appendix E, Table 4

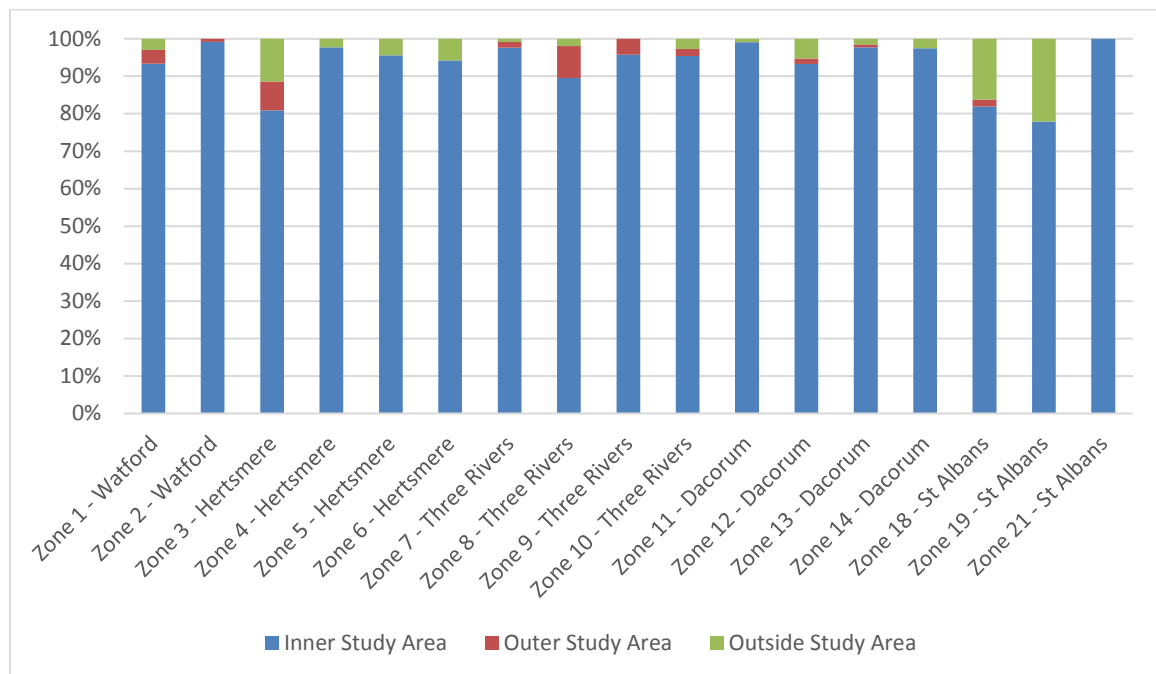
6.13 We are also able to examine the degree of self-sufficiency within each authority area. Figure 6.3 below examines the amount of main food spending retained within each Zone. The results show that the highest levels of expenditure retention are in Watford and Dacorum, with greater levels of leakage from parts of St Albans, Hertsmere and Three Rivers. Most pronounced is the leakage of trade out of Zone 19 (London Colney Fringe; 37%), Zone 8 (Batchworth Heath & South Oxhey; 21%), Zone 9 (Chorleywood & Sarratt; 14%) and Zone 3 (Bushey & Aldenham; 14%). In each case though, this is in part likely to be due to the more peripheral nature of these Zones to the Inner Study Area. It would be expected that a certain proportion of the resident population would travel to other nearby foodstore destinations, perhaps linked to places of work.

Figure 6.3 | Convenience Goods – Main Food Spending



6.14 Turning to a comparable analysis of top-up food shopping, Figure 6.4 identifies that there is an overall healthy picture of retention within all zones. It is expected that the majority of top-up food shopping is carried out close to home, and the results show this to be the case. Again, Zone 3 in Hertsmere and Zones 18 and 19 in St Albans show the largest amount of spend leaking beyond their immediate area, though at levels of c20%, this is not overly concerning. To some extent, as with main food shopping, this may be attributable to residents working in larger towns outside the immediate area, and picking up their top-up food shopping before, during or after work.

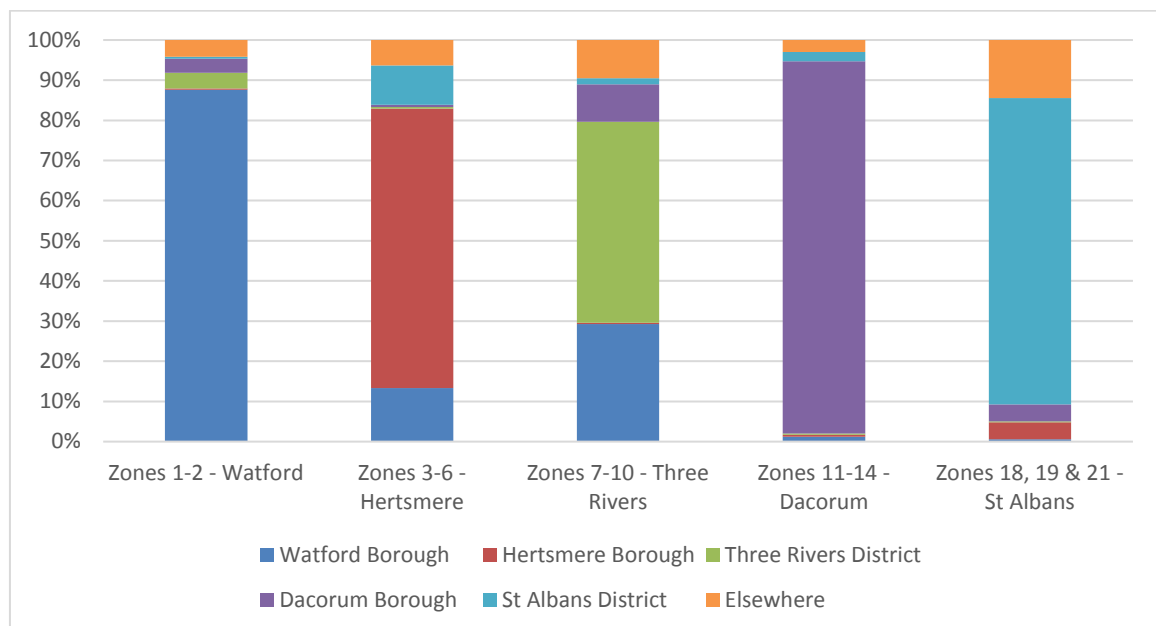
Figure 6.4 | Convenience Goods – Top-up Food Spending



6.15 Finally, we examine the inter-relationship between the 4 authority areas. In Figure 6.5 below, we consider the proportion of spending carried out by residents of each authority area in other authority areas. The results show that residents of Dacorum and Watford are the most likely to spend within their own area, with very little trade exported to any of the other four authority areas. Residents in Dacorum carry out 93% of their convenience goods spend in Dacorum itself. The equivalent figure in Watford is 88%.

6.16 Convenience goods spend in St Albans, Hertsmere and Three Rivers is more widely distributed. Residents in St Albans carry out 76% of their convenience goods spending in St Albans District itself, with the majority of the 'leakage' flowing outside the Study Area to places such as Hatfield and Luton. Hertsmere residents carry out 70% of their convenience goods spending in Hertsmere itself, and export 13% of their custom to stores in Watford, as well as 10% to St Albans. Meanwhile trade is even more widely dispersed in Three Rivers, with only 50% of residents carrying out their convenience goods shopping in Three Rivers itself, with 29% exported to Watford, 10% outside the Study Area and 9% to Dacorum. Meanwhile trade is even more widely dispersed in Three Rivers, with only 50% of residents carrying out their convenience goods shopping in Three Rivers itself, with 29% exported to Watford, 10% outside the Study Area and 9% to Dacorum.

Figure 6.5 | Convenience Goods – Residents Spend per Local Authority Area



Comparison Goods

6.17 Turning to consider comparison goods, we examine market shares across the range of categories defined by Experian. These eight categories cover all ranges of bulky and non-bulky items. The full results of our market shares analysis are set out at Tables 7-26 of **Appendix E**.

6.18 To begin with, we look at the overall comparison goods spend by location in Figure 6.6. The results show that destinations in the Inner Study Area account for 51.2% of the spending of all Study Area residents (£2,121.3m per annum). Watford Town Centre has by far the largest market share (21.1% or £873.8m), with Hemel Hempstead Town Centre the second most popular destination (6.0% or

£248.5m), closely followed by St Albans City Centre (5.6% or £231.7m). After that, a number of out-of-centre retail parks around Watford, Hemel Hempstead and St Albans feature significantly in the market share assessment.

6.19 Beyond the Inner Study Area, a number of peripheral large shopping destinations such as Welwyn Garden City, Milton Keynes, Harrow and Central London feature prominently in terms of market share attraction.

Figure 6.6 | Comparison Goods - Study Area Market Share

Destination	Market Share	Turnover
Watford Town Centre	21.1%	£873.8m
Hemel Hempstead Town Centre	6.0%	£248.5m
St Albans City Centre	5.6%	£231.7m
Apsley Mills RP, Hemel Hempstead	2.7%	£112.6m
Colney Fields Shopping Park	2.7%	£112.2m
Watford Arches RP, Watford	2.4%	£98.8m
Borehamwood Town Centre	1.7%	£69.9m
Waterfields RP, Watford	1.4%	£56.0m
Berkhamsted Town Centre	1.1%	£45.7m
Abbey View RP, St Albans	0.8%	£31.9m
Harpenden Town Centre	0.7%	£27.9m
Potters Bar Town Centre	0.5%	£22.4m
Colne Valley RP, Watford	0.5%	£19.7m
Tring Town Centre	0.4%	£17.6m
Rickmansworth Town Centre	0.3%	£12.5m
Others in the Inner Study Area	3.3%	£140.1m
Inner Area sub-total	51.2%	£2,121.3m
Harrow Town Centre	4.3%	£179.5m
Ruislip Town Centre	2.2%	£90.2m
Barnet Town Centre	1.5%	£64.1m
Edgware District Centre	1.3%	£55.0m
Leighton Buzzard Town Centre	1.1%	£45.3m
Others in the Study Area	4.5%	£182.3m
Study Area sub-total	66.1%	£2,737.7m
Welwyn Garden City Centre	5.0%	£207.0m
Milton Keynes Town Centre	4.8%	£200.8m
Central London	3.8%	£157.6m
Brent Cross Shopping Centre	1.9%	£77.1m
Aylesbury Town Centre	1.8%	£75.7m
Uxbridge Town Centre	1.8%	£72.9m
High Wycombe Town Centre	1.3%	£52.4m
Luton Town Centre	1.2%	£48.6m
Others outside the Study Area	12.3%	£514.0m
Total	100.0%	£4,144.4m

Source: Appendix E, Table 25

- 6.20 In Figure 6.7 below, we examine the attraction of the Inner Study Area to its own residents for each comparison goods category. There is a relatively broad attraction across each of the goods categories, with similar overall retention in both non-bulky (77.6%) and bulky goods (77.0%). Overall, 77.4% of all comparison goods spending carried out by Inner Study Area residents is carried out within the Inner Study Area itself.
- 6.21 However, it is clear that there are notable differences between different categories of goods. As would be expected, consumers are generally prepared to travel further for some items, such as clothing and footwear, small household items, furniture and electrical goods, and so it is unsurprising that those categories have the lowest retention levels. Other categories of goods, such as chemist and DIY goods, typically have the highest retention levels because consumers have less requirement to visit multiple destinations or to choose between brands. The patterns of trade set out in Figure 6.7 are therefore very typical of any given Study Area.

Figure 6.7 | Comparison Goods – Inner Study Area Market Share by Category

Category	Inner Study Area	Outer Study Area	Elsewhere
Clothing & Footwear	78.2%	0.7%	21.1%
Books, CDs, DVDs etc	85.0%	0.9%	14.1%
Small Household Goods	71.2%	1.4%	27.4%
Recreation Goods	81.1%	1.7%	17.2%
Chemist Goods	93.1%	0.5%	6.4%
<i>Non-bulky Goods Average</i>	<i>77.6%</i>	<i>0.9%</i>	<i>21.5%</i>
Electrical Goods	75.5%	1.6%	22.9%
DIY Goods	84.7%	4.3%	11.0%
Furniture Goods	72.5%	1.5%	26.0%
<i>Bulky Goods Average</i>	<i>77.0%</i>	<i>2.3%</i>	<i>20.7%</i>
All Goods Average	77.4%	1.3%	21.3%

- 6.22 Figure 6.8 considers the popularity of shopping destinations for each of the comparison goods categories amongst residents of the Inner Study Area. The table highlights that Watford Town Centre is the single most popular destination for all categories of comparison goods within the Inner Study Area, except for DIY goods, where Watford Arches Retail Park is the most popular destination.
- 6.23 Hemel Hempstead Town Centre and St Albans City Centre are notably strong in each of the non-bulky goods categories, whilst Watford Arches and Apsley Mills Retail Parks provide for the greatest proportions of bulky goods market share.

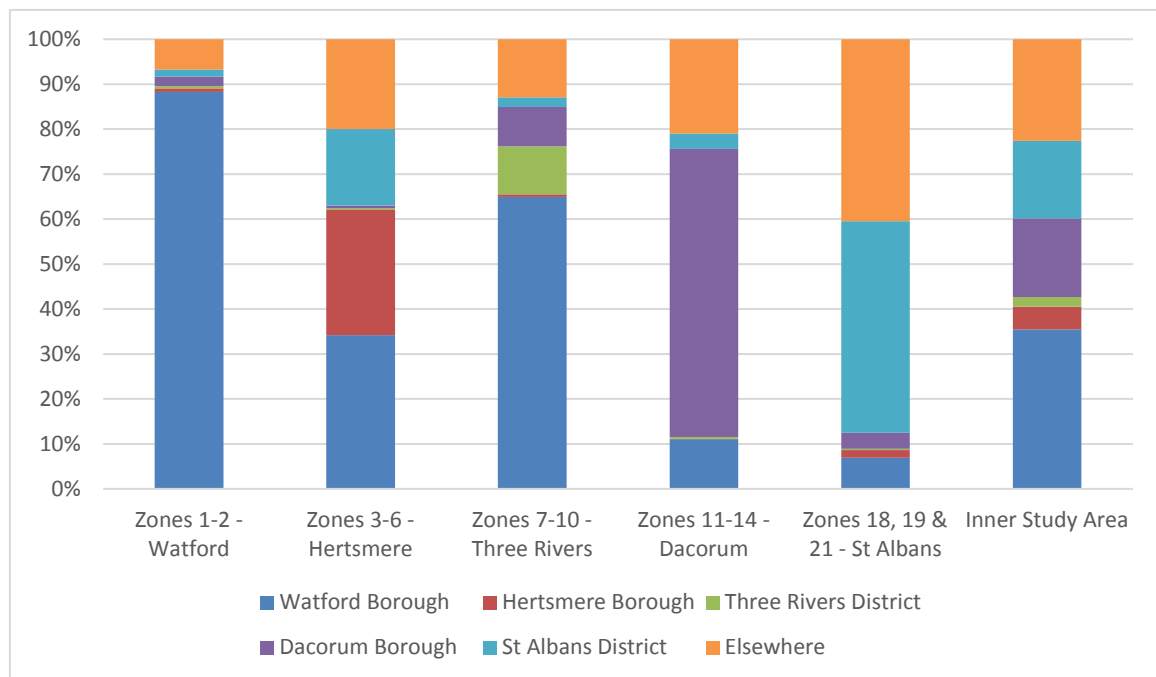
6.24 The remaining centres and retail parks within the Inner Study Area pick up a broad range of comparison goods trade, with a general trend towards higher levels of chemist and small media goods trade being directed towards the smaller town centres such as Borehamwood, Berkhamsted, Harpenden and Rickmansworth.

Figure 6.8 | Comparison Goods – Inner Study Area Market Share by Category

Destination	All Comparisor Goods	Clothing & Footwear	Books, CDs, DVDs etc	Small household	Recreation	Chemist	Electrical	DIY	Furniture
Watford Town Centre	28.4%	34.1%	23.8%	30.0%	28.1%	20.0%	28.9%	8.6%	25.5%
Hemel Hempstead Town Centre	10.2%	15.5%	13.0%	7.4%	13.0%	11.3%	5.3%	5.5%	2.6%
St Albans City Centre	10.1%	10.8%	15.7%	11.1%	8.2%	12.5%	5.0%	12.4%	6.1%
Apsley Mills RP, Hemel Hempstead	4.8%	0.2%	0.7%	7.6%	3.5%	0.9%	13.0%	11.3%	5.2%
Colney Fields RP, London Colney	3.9%	8.8%	0.6%	3.5%	1.3%	2.9%	0.7%	0.2%	0.0%
Watford Arches RP, Watford	3.8%	0.7%	0.3%	0.6%	2.6%	0.1%	8.0%	18.9%	15.1%
Borehamwood Town Centre	2.2%	1.8%	1.9%	2.4%	2.6%	4.3%	1.6%	2.3%	2.0%
Waterfields RP, Watford	1.9%	1.3%	0.0%	0.9%	7.4%	1.2%	2.3%	1.1%	1.3%
Berkhamsted Town Centre	1.7%	1.3%	7.3%	0.6%	2.5%	5.4%	0.9%	1.7%	1.3%
Abbey View RP, St Albans	1.4%	0.8%	0.7%	0.9%	1.6%	0.1%	1.1%	8.3%	1.0%
Harpenden Town Centre	1.3%	0.5%	6.3%	0.5%	1.5%	7.2%	0.8%	0.5%	0.9%
Potters Bar Town Centre	0.9%	0.3%	2.1%	0.8%	0.4%	3.2%	1.0%	1.3%	1.6%
Colne Valley RP, Watford	0.7%	0.0%	0.0%	0.3%	1.7%	0.0%	1.4%	0.7%	2.4%
Rickmansworth Town Centre	0.5%	0.0%	2.5%	0.3%	0.8%	4.0%	0.2%	0.4%	0.6%
Tring Town Centre	0.4%	0.0%	0.4%	0.7%	0.1%	1.7%	0.2%	1.3%	0.2%
Chorleywood Town Centre	0.4%	0.1%	1.4%	0.2%	0.5%	1.2%	0.2%	1.0%	0.2%
Elsewhere in the Inner Study Area	4.8%	2.0%	8.3%	3.8%	5.3%	17.0%	9.9%	9.2%	6.5%
Elsewhere	22.6%	21.1%	15.0%	28.4%	19.9%	7.0%	24.5%	15.3%	27.5%
Inner Study Area sub-total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

- 6.25 Figure 6.9 below considers how each of the authority areas compare in terms of attracting their own residents' spending. The results illustrate that Watford is not only the dominant destination for its own residents' comparison goods spending (88%), but that it is also the dominant destination for Three Rivers residents, 65% of whom travel to Watford for their comparison goods requirements. Watford also accounts for sizable proportions of spending by Hertsmere (34%), Dacorum (11%) and St Albans residents (7%).
- 6.26 Only 28% of Hertsmere residents' comparison goods spending is carried out within Hertsmere itself, with 37% being carried out beyond the Inner Study Area (principally to Brent Cross and Welwyn Garden City). As previously described, the picture in Three Rivers is that there is a significant export of trade to Watford (65%) and Dacorum (9%), with only 11% of all comparison goods spending carried out within the District itself. None of the other areas have any significant inflow from other authority areas.
- 6.27 Dacorum is largely self-sufficient, providing for 64% of its residents' own comparison goods spending. Notable amounts of trade are though exported to destinations outside the Inner Study Area (21%). This is principally to Milton Keynes. The same is true in St Albans (41% leakage to 'elsewhere') where Welwyn Garden City is the main beneficiary.

Figure 6.9 | Comparison Goods – Residents Spend per Local Authority Area



Summary

6.28 Our market share analysis has shown that the Inner Study Area is largely self-sufficient in terms of providing for its residents' convenience goods needs. With retention levels generally in excess of 90%, it is clear that there are no significant concerns with the range and choice of convenience goods facilities. This also reflects our qualitative questioning under the household telephone survey. As we will go on to examine in our capacity analysis in Section 7, this is built on the strong performance of a number of 'big 4' stores which are surveyed to perform well above company expectations. Notwithstanding this, there are small pockets of leakage out of Hertsmere, and we bear this in mind when making our recommendations on capacity in Section 9.

6.29 Turning to consider comparison goods, it is to be expected that the Inner Study Area will provide for a lower market share given the close proximity of a number of high order centres, such as Milton Keynes, Harrow and Central London, as well as out-of-centre shopping centres such as Brent Cross and Colney Fields. Notwithstanding, the two principal centres of Watford and Hemel Hempstead cater for significant amounts of comparison goods trade across a range of sectors. Watford is the most popular destination for all forms of comparison goods trade, with the only exception being for DIY goods. In overall terms, the Inner Study Area attracts proportionately more custom for bulky goods than non-

bulky goods, with its large retail parks providing popular for bulky purchases. The smaller town centres cater well for chemist and small media items.

6.30 In the Section which follows, we apply these market share findings to the expenditure calculation discussed in Section 5 in order to arrive at capacity figures for the period through until 2036.

7.0 Retail Capacity

Introduction

- 7.1 One of the key aims of this Study is to provide recommendations on the capacity for new retail floorspace over the plan period to 2036. The use of long-term projections should be treated with caution and reviewed regularly in order to test the accuracy of the forecasts against emerging datasets. External national and international factors can influence the wider performance of the economy, which can have trickle down effects on local shopping patterns. As discussed in Section 2, one such example has been the trend toward convenience discounters (such as Lidl and Aldi) in response to the period of economic downturn between 2008 and 2013.
- 7.2 We also note that any identified retail capacity across the Study Area does not necessarily equate to justification for new retail floorspace in itself (especially in out-of-centre locations), and any such development would be required to be assessed in line with national policy in terms of impacts on the vitality and viability of town centres, the potential to prejudice emerging town centre developments, and the 'town centre first' sequential approach to site selection. As we will go on to examine in our conclusions and recommendations in Section 9, this is particularly pertinent to South-West Hertfordshire where a significant proportion of existing retail floorspace is found in town centre locations, as opposed to out-of-centre locations.
- 7.3 Detailed quantitative retail capacity tables are enclosed at **Appendix E**. These tables consider the four population scenarios described previously in Section 5.

Methodology

- 7.4 Retail capacity modelling follows a consistent, robust methodology which incorporates a number of datasets and informed assumptions which we describe further below, but broadly speaking:

$$\text{Available Expenditure (£m)} - \text{Turnover (£m)} = \text{Surplus or Deficit (£m)}$$

- 7.5 Experian MMG3 census software is used to provide localised expenditure per capita per annum for various forms of retail spending. These figures are then projected forwards based on population growth, changes in expenditure over time and Special Forms of Trading (SFT) such as internet shopping.
- 7.6 The turnover of existing retailers across the Study Area is calculated based on average sales densities, or turnover, per square metre. Various retail planning sources such as Verdict UK Food & Grocery Company Briefing Reports, and Mintel Retail Rankings, provide average (or benchmark) sales densities for all national multiple retailers.
- 7.7 The surplus or deficit equates to the difference between the available retail expenditure across the Study Area and the turnover of existing facilities within the Study Area. If the total turnover is greater than the available expenditure then the model would identify an oversupply of retail floorspace, whilst a surplus of expenditure would suggest capacity for additional retail floorspace.
- 7.8 Once the surplus or deficit of expenditure is calculated, it is then presented in floorspace figures (using average sales density assumptions) in order to demonstrate the findings within a 'real world' context. Often surplus figures are presented under a number of different scenarios representing various retailers. For example, considering convenience spend, discount retailers (such as Aldi and Lidl) operate at a lower sales density than the 'big 4' (Tesco, Asda, Sainsbury's and Morrisons). Given the same pot of expenditure, a higher sales density would result in a lower floorspace capacity than a lower sales density which would result in a higher floorspace capacity.

Capacity for Future Convenience Goods Floorspace

- 7.9 The household survey results show that the Inner Study Area has a 53.2% convenience goods market share of all spending carried out by residents of the Study Area. The combined turnover of its stores and centres (£1,375.7m⁴¹ in Table 5 of **Appendix E**) contrasts to the combined expenditure of the resident population of the Study Area (£2,587.1m in Table 2a).
- 7.10 In keeping with standard retail study methodology, when assessing the capacity for new convenience retail floorspace we adopt a constant market share in line with findings of the latest household survey (i.e. that stores across the combined authority areas will continue to draw 53.2% of all convenience goods spending from the Study Area – see Table 6a). We consider maintaining a constant market share

⁴¹ For population 'Scenario 1'. The figures differ slightly under each Scenario set out at Appendix E.

a sensible basis for analysis because on the one hand there is significant planned population growth and a range of already committed developments inside the Inner Study Area, which would together result in over 8,000 sq m net of new floorspace (see Table 6c). But on the other hand we have examined in Section 4 the range of competing centres outside the Inner Study Area which would be expected to exert a pull on residents of the Inner Study Area (e.g. at Brent Cross and Luton). The two factors would to some extent even each other out. Also to note is that convenience goods shopping is more typically carried out close to home, and we would not therefore consider it desirable or sustainable to plan for any reduction in market share.

7.11 Based therefore on a constant market share, we then allow for growth in retail expenditure over the period to 2036 (as considered in Section 4), as well as utilising data provided within the latest Experian Retail Planner Briefing Note 15 in order to take account of forecast growth in efficiencies in retailers trading (for example, through the adoption of new technologies and more efficient use of available floorspace). Floorspace efficiencies are estimated to have a greater impact on comparison retailers than convenience retailers over the plan period as the rise of food discounting continues to subdue the projected efficiencies in turnover of existing convenience retail floorspace.

7.12 We go on to make a number of statistical assumptions through the quantitative capacity exercise in order to account for the following variables. These are contained at Table 5 of Appendix E and can be summarised as:

- Utilising a 'goods based' approach, we strip out expenditure for non-food comparison goods such as clothing, household goods, CDs, DVDs and other media that are now commonly sold at major foodstores so that only the convenience goods floorspace is being considered (i.e. on a like-for-like basis with available convenience expenditure). These deductions are made in line with floorspace figures sourced from Verdict UK or, where data is not available, Nexus' professional judgement based on site visits.
- We also make assumptions as to the gross to net convenience goods sales floorspace of each store, again utilising online planning records where available, Storepoint 2016, Verdict UK Food & Grocery Retailers 2015 or Nexus' professional judgement.
- Finally, we consider whether foodstores are likely to attract any additional 'inflow' from outside of the Study Area. We have based this assessment on the results obtained from survey, as well as an

assessment of potential spend from other areas (including tourist spend).

- 7.13 We then go on to calculate the anticipated turnover of all major convenience goods operators based on the published company sales data, referred to as 'benchmark' turnover. 'Benchmark' turnover is calculated from national average 'sales densities' (turnover per square metre) from sources such as Verdict UK Food & Grocery Company Briefing Reports and Mintel Retail Rankings. By comparing the turnover estimates derived from the findings of the household survey (total available expenditure distributed on the basis of each destinations market share) to the benchmark turnovers, we are able to establish where stores are trading above (overtrading) or below (under-trading) company averages.
- 7.14 Importantly, we are very cognisant of the fact that a large percentage of existing convenience goods floorspace in some parts of South West Hertfordshire are contained within designated Centres. Broadly speaking, Hertsmere, Three Rivers and St Albans do not have as many out-of-centre retail parks and standalone foodstores, as is typical in many other parts of the country (and in Watford and Dacorum). Perhaps for that reason, our assessment also shows that a number of town centre convenience foodstores in Hertsmere, Three Rivers and St Albans are trading at above company average expectations. In keeping with NPPF policy on 'town centres first', we have therefore adopted the approach of assuming that all stores within identified centres in those areas which trade above company average will continue to do so, without having any of their 'over-trade' set aside to support new retail floorspace. In taking this approach, we have carefully assessed existing town centre stores for any significant issues with their over-trading and find that none are severe (e.g. consistent instances of queuing around stores, or a lack of car parking spaces). This is corroborated by the qualitative questions in our household telephone survey which did not point towards any significant degree of dissatisfaction amongst convenience goods shoppers. We therefore consider this to be a robust approach.
- 7.15 For Watford and Dacorum though, there is a considerable presence of out-of-centre retail provision, and broadly speaking, centres within those Districts are not as vulnerable to out-of-centre trade because of their scale and quality of town centre provision, and so adopt the approach that all over-trade could support additional convenience floorspace provision in those two areas.
- 7.16 In all cases, for stores located outside designated town centres, surplus expenditure over and above benchmark turnover is considered to be available to support new floorspace, as this suggests that existing convenience goods providers in the Study Area are stretched and overproviding to meet the

existing need. These sums, together with the additional spend generated by the growing population of South West Hertfordshire over the period 2017-2036, therefore provides the 'surplus expenditure' shown in Table 6 at **Appendix E**.

- 7.17 Based on the household survey, we identify in Tables 3-5 that convenience retailers in the Inner Study Area turnover an estimated £1,370.9m-£1,380.5m (dependent on which scenario is considered). In each case, this is significantly higher than the benchmark turnover of £1,153m across all scenarios at 2017 (see Table 5 at **Appendix E**). Once inflow expenditure is taken into account⁴², this overtrade equates to between £254.1m and £263.5m of additional expenditure across the Inner Study Area at 2017 (see Table 5). Put another way, the combined existing convenience stores are trading at around 34% above company average expectations.
- 7.18 As previously discussed, we then discount any over-trading stores within designated Centres such that their over-trade does not inflate the capacity for new convenience goods floorspace at the expense of the performance of existing Centres. Table 5 at Appendix E highlights these stores in blue; their cumulative over-trade is shown in Table 6 and comes to between £138.7m and £141.2m at 2017, dependent on the scenario.
- 7.19 Figures 7.1 to 7.4 below set out the resultant gross convenience goods capacity under each of the four population scenarios tested.

Figure 7.1 | Gross Additional Convenience Goods Capacity in SW Hertfordshire – Scenario 1

Year	Benchmark Turnover (£m) ¹	Survey Turnover (£m) ²	Inflow (£m)	Designated Centre Overtrading (£m)	Surplus Expenditure (£m)
2017	1,152.9	1,375.7	36.0	140.0	118.7
2021	1,148.3	1,420.0	36.4	139.5	168.7
2026	1,149.4	1,491.0	36.8	139.6	238.7
2031	1,155.2	1,561.4	37.3	140.3	303.1
2036	1,161.0	1,634.3	37.7	141.0	370.0
Inner Study Area Market Share (%)			53.2%		

⁴² We make an allowance for large foodstores in London Colney to attract inflow from beyond the Study Area because of their relative size and peripheral location to the Study Area.

Figure 7.2 | Gross Additional Convenience Goods Capacity in SW Hertfordshire – Scenario 2

Year	Benchmark Turnover (£m) ¹	Survey Turnover (£m) ²	Inflow (£m)	Designated Centre Overtrading (£m)	Surplus Expenditure (£m)
2017	1,152.7	1,370.9	35.8	138.7	115.4
2021	1,148.1	1,404.5	36.3	138.1	154.6
2026	1,149.2	1,461.9	36.7	138.2	211.2
2031	1,155.0	1,518.8	37.1	138.9	262.1
2036	1,160.8	1,578.1	37.6	139.6	315.3
Inner Study Area Market Share (%)				53.1%	

Figure 7.3 | Gross Additional Convenience Goods Capacity in SW Hertfordshire – Scenario 3

Year	Benchmark Turnover (£m) ¹	Survey Turnover (£m) ²	Inflow (£m)	Designated Centre Overtrading (£m)	Surplus Expenditure (£m)
2017	1,153.0	1,380.3	36.1	141.3	122.0
2021	1,148.4	1,435.2	36.5	140.8	182.5
2026	1,149.6	1,519.4	36.9	140.9	265.8
2031	1,155.3	1,603.1	37.4	141.6	343.5
2036	1,161.1	1,689.4	37.8	142.3	423.8
Inner Study Area Market Share (%)				53.3%	

Figure 7.4 | Gross Additional Convenience Goods Capacity in SW Hertfordshire – Scenario 4

Year	Benchmark Turnover (£m) ¹	Survey Turnover (£m) ²	Inflow (£m)	Designated Centre Overtrading (£m)	Surplus Expenditure (£m)
2017	1,153.0	1,380.5	36.0	141.2	122.3
2021	1,148.4	1,435.6	36.5	140.6	183.1
2026	1,149.6	1,520.0	36.9	140.7	266.6
2031	1,155.3	1,603.9	37.4	141.4	344.5
2036	1,161.1	1,690.6	37.8	142.1	425.1
Inner Study Area Market Share (%)				53.3%	

¹ Benchmark for stores and centres in the Inner Study Area. Allows for increased turnover efficiency as set out in Table 4a Experian Retail Planner 15 (December 2017)

² Assumes constant market share claimed by Inner Study Area facilities at 53% from Study Area expenditure (assumes no inflow)

Source: Table 6a, Appendix E

- 7.20 Figure 7.1 (SHMA population growth Scenario 1) identifies a surplus of £118.7m expenditure in 2017, increasing to £238.7m in 2026, and £370.0m by 2036. Figures 7.2 to 7.4 follow the same conventions for each different population scenario.
- 7.21 We then consider committed and extant permissions for new convenience retail floorspace across the authority areas that could come forward over the next few years. This includes any developments which are currently under construction, or have opened since December 2017, and so would not have been operating at the time of the household telephone survey. We do not take into account proposed allocations for retail floorspace in Development Plans that do not benefit from extant and implementable permission over the plan period. In total, these committed developments equate to a net convenience floorspace of 8,029 sq m and an estimated turnover of £60.3m (see Table 6c at **Appendix E**). The most notable convenience goods commitments include a new foodstore of 1,950 sq m net on the Aviva Site in Hemel Hempstead, a new 1,921 sq m net foodstore at Griffiths Way South in St Albans, and an allowance for 1,441 sq m net at the Intu Extension in Watford.
- 7.22 These commitments are deducted from the surplus expenditure set out under each scenario in Figures 7.1 to 7.4. Once accounted for, we are able to calculate the net additional convenience goods capacity for South-West Hertfordshire. This is set out under Figures 7.5 to 7.8 below.

Figure 7.5 | Net Additional Convenience Goods Capacity in SW Hertfordshire – Scenario 1

Year	Surplus Expenditure (£m)	Commitments (£m)	Residual Expenditure (£m)	Floorspace Capacity (sq m net)	
				Min ¹	Max ²
2017	118.7	60.3	58.2	5,000	6,400
2021	168.7	60.1	108.3	9,400	11,900
2026	238.7	60.1	178.3	15,400	19,600
2031	303.1	60.4	242.4	20,800	26,500
2036	370.0	60.7	309.0	26,400	33,600

Figure 7.6 | Net Additional Convenience Goods Capacity in SW Hertfordshire – Scenario 2

Year	Surplus Expenditure (£m)	Commitments (£m)	Residual Expenditure (£m)	Floorspace Capacity (sq m net)	
				Min ¹	Max ²
2017	115.4	60.3	54.9	4,700	6,000
2021	154.6	60.1	94.3	8,200	10,400
2026	211.2	60.1	150.8	13,000	16,500
2031	262.1	60.4	201.4	17,300	22,000
2036	315.3	60.7	254.3	21,800	27,600

Figure 7.7 | Net Additional Convenience Goods Capacity in SW Hertfordshire – Scenario 3

Year	Surplus Expenditure (£m)	Commitments (£m)	Residual Expenditure (£m)	Floorspace Capacity (sq m net)	
				Min ¹	Max ²
2017	122.0	60.3	61.3	5,300	6,700
2021	182.5	60.1	122.1	10,600	13,400
2026	265.8	60.1	205.4	17,700	22,500
2031	343.5	60.4	282.7	24,300	30,800
2036	423.8	60.7	362.7	31,000	39,400

Figure 7.8 | Net Additional Convenience Goods Capacity in SW Hertfordshire – Scenario 4

Year	Surplus Expenditure (£m)	Commitments (£m)	Residual Expenditure (£m)	Floorspace Capacity (sq m net)	
				Min ¹	Max ²
2017	122.3	60.3	61.7	5,300	6,800
2021	183.1	60.1	122.6	10,600	13,500
2026	266.6	60.1	206.1	17,800	22,600
2031	344.5	60.4	283.8	24,400	31,000
2036	425.1	60.7	364.0	31,100	39,500

¹ Average sales density assumed to be £11,605 per sq m (rounded) based on the average sales density of the leading four supermarkets as identified by Verdict 2016

² 50% of residual expenditure assumed to be consumed by leading four supermarkets (£11,605 sq m) and 50% assumed to be consumed by discount operators (£6,670 per sq m) as identified by Verdict 2014 and Mintel 2015. This equates to £9,137/sq m.

Source: Table 6d, Appendix E

- 7.23 Taking account of committed turnover (see Table 6c at Appendix E), we identify a residual expenditure at 2021 ranging from £94.3m under Scenario 2 to £122.6m under Scenario 4. As previously discussed, the majority of this residual is made up from the over-trade at existing out-of-centre stores in the earlier years, though over time, population and expenditure growth becomes more of a factor.
- 7.24 Using average sales densities to calculate a minimum floorspace scenario (a large supermarket operator) and a maximum floorspace scenario (a combination of discount foodstores and larger supermarket operators), we calculate that, when the Inner Study Area (the five authority areas) is viewed as a whole, there is capacity for additional convenience goods, as identified in Figures 7.5 to 7.8. This is notwithstanding the range of committed developments.
- 7.25 We then take the Inner Study Area figures and look at how this capacity might be distributed on an authority by authority basis. This exercise is carried out for each population scenario in Tables 6e – 6x at **Appendix E**. We apportion the floorspace capacity based on existing market share performance in the Inner Study Area. As previously highlighted, this exercise shows that stores and centres attract c53% of the expenditure carried out by residents of the Study Area (£2,587.1m for Scenario 1, Table 2a at **Appendix E**).
- 7.26 This overall market share is broken down as follows between the five authority areas:
- Hertsmere 7.7%
 - Three Rivers 5.7%
 - Dacorum 15.1%
 - Watford 12.3%
 - St Albans 12.3%
- 7.27 Based on these constant market shares through until 2036, convenience goods floorspace capacity within the Inner Study Area is divided as shown in Figures 7.9 to 7.12 for each scenario.

Figure 7.9 | Net Additional Convenience Goods Floorspace Capacity by Authority Area – Scenario 1

Year	Authority Area	Surplus Expenditure (£m)	Commitments (£m)	Residual Expenditure (£m)	Floorspace Capacity (sq m net)	
					Min ¹	Max ²
2017	Hertsmere	-26.3	0.0	-26.3	-2,300	-2,900
	Three Rivers	-0.1	4.2	-4.3	-400	-500
	Dacorum	124.2	30.1	94.1	8,100	10,300
	Watford	16.2	13.0	3.2	300	400
	St Albans	4.5	13.0	-8.5	-700	-900
	Inner Study Area	118.4	60.3	58.2	5,000	6,400
2021	Hertsmere	-19.0	0.0	-19.0	-1,600	-2,100
	Three Rivers	5.3	4.2	1.1	100	100
	Dacorum	137.8	30.0	107.8	9,300	11,800
	Watford	27.7	12.9	14.8	1,300	1,600
	St Albans	16.6	12.9	3.6	300	400
	Inner Study Area	168.4	60.1	108.3	9,400	11,900
2026	Hertsmere	-9.2	0.0	-9.2	-800	-1,000
	Three Rivers	12.8	4.2	8.6	700	900
	Dacorum	157.6	30.0	127.6	11,000	14,000
	Watford	43.9	12.9	30.9	2,700	3,400
	St Albans	33.1	13.0	20.1	1,700	2,200
	Inner Study Area	238.5	60.1	178.3	15,400	19,600
2031	Hertsmere	-0.1	0.0	-0.1	0	0
	Three Rivers	19.7	4.2	15.5	1,300	1,700
	Dacorum	176.2	30.2	146.0	12,600	15,900
	Watford	58.7	13.0	45.7	3,900	5,000
	St Albans	48.1	13.0	35.1	3,000	3,800
	Inner Study Area	302.9	60.4	242.4	20,800	26,500
2036	Hertsmere	9.3	0.0	9.3	800	1,000
	Three Rivers	26.8	4.3	22.6	1,900	2,500
	Dacorum	195.5	30.3	165.2	14,100	17,900
	Watford	74.1	13.1	61.0	5,200	6,600
	St Albans	63.7	13.1	50.6	4,300	5,500
	Inner Study Area	369.7	60.7	309.0	26,400	33,600

Source: Table 6a-6x, Appendix E. Figures may not add due to rounding.

Figure 7.10 | Net Additional Convenience Goods Floorspace Capacity by Authority Area – Scenario 2

Year	Authority Area	Surplus Expenditure (£m)	Commitments (£m)	Residual Expenditure (£m)	Floorspace Capacity (sq m net)	
					Min ¹	Max ²
2017	Hertsmere	-26.4	0.0	-26.4	-2,300	-2,900
	Three Rivers	-0.4	4.2	-4.6	-400	-500
	Dacorum	123.2	30.1	93.1	8,000	10,200
	Watford	14.8	13.0	1.8	200	200
	St Albans	4.0	13.0	-9.0	-800	-1,000
	Inner Study Area	115.2	60.3	54.9	4,700	6,000
2021	Hertsmere	-20.7	0.0	-20.7	-1,800	-2,300
	Three Rivers	3.8	4.2	-0.4	0	0
	Dacorum	133.8	30.0	103.8	9,000	11,400
	Watford	23.8	12.9	10.8	900	1,200
	St Albans	13.7	12.9	0.7	100	100
	Inner Study Area	154.4	60.1	94.3	8,200	10,400
2026	Hertsmere	-12.8	0.0	-12.8	-1,100	-1,400
	Three Rivers	9.8	4.2	5.6	500	600
	Dacorum	149.8	30.0	119.8	10,400	13,100
	Watford	36.8	12.9	23.8	2,100	2,600
	St Albans	27.1	13.0	14.1	1,200	1,500
	Inner Study Area	210.9	60.1	150.8	13,000	16,500
2031	Hertsmere	-5.7	0.0	-5.7	-500	-600
	Three Rivers	15.2	4.2	11.0	900	1,200
	Dacorum	164.6	30.2	134.5	11,600	14,700
	Watford	48.4	13.0	35.4	3,000	3,900
	St Albans	39.0	13.0	26.0	2,200	2,800
	Inner Study Area	261.8	60.4	201.4	17,300	22,000
2036	Hertsmere	1.8	0.0	1.8	200	200
	Three Rivers	20.9	4.3	16.6	1,400	1,800
	Dacorum	180.1	30.3	149.8	12,800	16,300
	Watford	60.7	13.1	47.6	4,100	5,200
	St Albans	51.4	13.1	38.3	3,300	4,200
	Inner Study Area	315.0	60.7	254.3	21,800	27,600

Source: Table 6a-6x, Appendix E. Figures may not add due to rounding.

Figure 7.11 | Net Additional Convenience Goods Floorspace Capacity by Authority Area – Scenario 3

Year	Authority Area	Surplus Expenditure (£m)	Commitments (£m)	Residual Expenditure (£m)	Floorspace Capacity (sq m net)	
					Min ¹	Max ²
2017	Hertsmere	-26.2	0.0	-26.2	-2,300	-2,900
	Three Rivers	0.0	4.2	-4.2	-400	-500
	Dacorum	125.4	30.1	95.3	8,200	10,400
	Watford	17.4	13.0	4.4	400	500
	St Albans	5.1	13.0	-7.9	-700	-900
	Inner Study Area	121.6	60.3	61.3	5,300	6,700
2021	Hertsmere	-17.4	0.0	-17.4	-1,500	-1,900
	Three Rivers	6.5	4.2	2.3	200	300
	Dacorum	142.0	30.0	112.0	9,700	12,300
	Watford	31.4	12.9	18.5	1,600	2,000
	St Albans	19.7	12.9	6.7	600	700
	Inner Study Area	182.2	60.1	122.1	10,600	13,400
2026	Hertsmere	-5.7	0.0	-5.7	-500	-600
	Three Rivers	15.5	4.2	11.3	1,000	1,200
	Dacorum	165.5	30.0	135.5	11,700	14,900
	Watford	50.6	12.9	37.7	3,300	4,100
	St Albans	39.3	13.0	26.3	2,300	2,900
	Inner Study Area	265.5	60.1	205.4	17,700	22,500
2031	Hertsmere	5.3	0.0	5.3	500	600
	Three Rivers	23.7	4.2	19.5	1,700	2,100
	Dacorum	187.9	30.2	157.7	13,600	17,200
	Watford	68.5	13.0	55.5	4,800	6,100
	St Albans	57.4	13.0	44.4	3,800	4,800
	Inner Study Area	343.1	60.4	282.7	24,300	30,800
2036	Hertsmere	16.7	0.0	16.7	1,400	1,800
	Three Rivers	32.3	4.3	28.1	2,400	3,000
	Dacorum	211.0	30.3	180.7	15,500	19,600
	Watford	87.0	13.1	74.0	6,300	8,000
	St Albans	76.1	13.1	63.1	5,400	6,800
	Inner Study Area	423.4	60.7	362.7	31,000	39,400

Source: Table 6a-6x, Appendix E. Figures may not add due to rounding.

Figure 7.12 | Net Additional Convenience Goods Floorspace Capacity by Authority Area – Scenario 4

Year	Authority Area	Surplus Expenditure (£m)	Commitments (£m)	Residual Expenditure (£m)	Floorspace Capacity (sq m net)	
					Min ¹	Max ²
2017	Hertsmere	-26.2	0.0	-26.2	-2,300	-2,900
	Three Rivers	0.1	4.2	-4.1	-400	-500
	Dacorum	125.9	30.1	95.8	8,300	10,500
	Watford	17.2	13.0	4.3	400	500
	St Albans	4.9	13.0	-8.1	-700	-900
	Inner Study Area	121.9	60.3	61.7	5,300	6,800
2021	Hertsmere	-17.4	0.0	-17.4	-1,500	-1,900
	Three Rivers	6.6	4.2	2.4	200	300
	Dacorum	142.6	30.0	112.6	9,700	12,400
	Watford	31.2	12.9	18.3	1,600	2,000
	St Albans	19.5	12.9	6.6	600	700
	Inner Study Area	182.7	60.1	122.6	10,600	13,500
2026	Hertsmere	-5.6	0.0	-5.6	-500	-600
	Three Rivers	15.6	4.2	11.4	1,000	1,300
	Dacorum	166.3	30.0	136.3	11,800	14,900
	Watford	50.5	12.9	37.6	3,300	4,100
	St Albans	39.2	13.0	26.2	2,300	2,900
	Inner Study Area	266.3	60.1	206.1	17,800	22,600
2031	Hertsmere	5.4	0.0	5.4	500	600
	Three Rivers	6.6	4.2	2.4	200	300
	Dacorum	188.7	30.2	158.6	13,600	17,300
	Watford	68.5	13.0	55.5	4,800	6,100
	St Albans	57.4	13.0	44.3	3,800	4,800
	Inner Study Area	344.2	60.4	283.8	24,400	31,000
2036	Hertsmere	16.8	0.0	16.8	1,400	1,800
	Three Rivers	0.1	4.2	-4.1	-400	-500
	Dacorum	212.0	30.3	181.6	15,500	19,700
	Watford	87.1	13.1	74.0	6,300	8,000
	St Albans	76.1	13.1	63.0	5,400	6,800
	Inner Study Area	424.7	60.7	364.0	31,100	39,500

Source: Table 6a-6x, Appendix E. Figures may not add due to rounding.

Capacity for Future Comparison Goods Floorspace

- 7.28 The methodology for calculating capacity for comparison goods floorspace differs from that used to model capacity for convenience goods floorspace. The principal reason for this is that there are no robust, industry standard benchmark sales densities for calculating the turnover of smaller independent retailers that typically make up the majority of the comparison provision of town centres (although it is noted that Mintel Retail Rankings do provide published sales densities for national multiple comparison retailers). Moreover, the trading levels of comparison retailers can fluctuate significantly depending on a number of localised variables, most notably the location of the retailer relative to similar providers (as customers are likely to link multiple comparison goods trips to retailers in close proximity to each other).
- 7.29 As such, we adopt a standard approach that comparison goods retailers across the Study Area are trading 'at equilibrium' at 2017, meaning that we adopt the survey derived turnover of each facility, and examine capacity by measuring the growth in available expenditure to 2036.
- 7.30 We have also given careful consideration to the basis for our market share assessment of capacity. Whereas we adopt a 'constant market share' approach with convenience goods, we consider that there are such sizable, permitted, developments in close proximity to the Inner Study Area, that it is highly likely that there will be some decline in comparison goods market share over time. We detailed these in Section 4. In particular, we are mindful of the grant of planning permission for 55,000 sq m of comparison goods floorspace at Brent Cross, as well as the identification of significant amounts of future capacity in Luton, which has materialised into planning applications currently being considered by Luton Borough Council for over 37,000 sq m of new comparison goods floorspace at Power Court and Newlands Road, together with ancillary attractions. These three developments alone, adopting a sales density of £6,500/sq m (as per the approved Brent Cross application) might turnover in the region of £620m per annum. Whilst both would draw from a wide catchment, at least some of this trade would be expected to draw from South West Hertfordshire, with all five authority areas likely to be affected.
- 7.31 Set against this, there is of course planned development in South West Hertfordshire, including the current works underway to expand the Intu Centre in Watford, the regeneration of South Oxhey, and the range of comparison goods commitments around Hemel Hempstead. However, on balance, we consider that South West Hertfordshire is likely to experience a reduction in comparison goods market

share as a result of the significant developments coming forward in neighbouring authority areas. This will be felt to different extents by each authority, depending on their geography and their own pipeline developments. At this stage, we give less weight to the current proposals in Luton, as they are not yet determined, as opposed to Brent Cross, which has planning permission. Our assumptions, using Scenario 1 as a worked example, are set out in Figure 7.13.

Figure 7.13: Comparison Goods – Market Share Assumptions

Authority Area	Current Market Share	Key Factors	Forecast Market Share
Hertsmere	3.5%	Close to Brent Cross. No major planned development in the Borough.	12% loss of existing market share to 3.1% ⁴³
Three Rivers	1.3%	South Oxhey Regeneration. Likely to continue to look to Watford.	No change.
Dacorum	10.5%	Northern parts close to Luton. Pipeline of c. 14,000 sq m of new comparison goods floorspace.	No change.
Watford	25.8%	New Intu Centre extension of c. 6,000 sq m of new comparison goods floorspace.	No change.
St Albans	10.0%	Close proximity to Luton and reasonable proximity to Brent Cross. Pipeline of c. 6,000 sq m of new comparison goods floorspace.	10.2% loss of existing market share to 9.0% ⁴⁴
Inner Study Area	51.2%		49.7%

⁴³ We assume that the Brent Cross extension will turnover an additional £357m per annum (55,000 sq m net x £6,500/sq m). This is derived from the RPS Retail Impact Assessment (2013 application). A 25% trade diversion was assumed from 'other centres', within which the likes of Hertsmere would fall. Based on geography, we assume that around 5% of trade diversion would therefore derive from Hertsmere, equating to approximately £18m per annum. This is c12% of the Borough's current comparison goods turnover (£147m from Table 26e).

⁴⁴ There is less clarity over the likely extent of comparison goods floorspace coming forward in Luton (with both Power Court and Newlands Way as current applications). Based on the capacities identified in the latest WYG Luton Retail Study though, we consider it reasonable to assume that there will be a minimum of 25,000 sq m net of new comparison goods floorspace over the SW Herts Plan period. Adopting a sales density of £6,500/sq m, this would turnover at c£163m per annum. We make an assumption that 20% of trade to this floorspace would be diverted from St Albans District (c£33m per annum). We also assume that 2% of the Brent Cross turnover would be derived from St Albans District (c£11m). This combined £44m impact is c10% of the District current comparison goods turnover (£427m from Table 26e)

7.32 For the purposes of our assessment, we have therefore assumed that there will be a reduction in the current market share of facilities in both Hertsmere and St Albans, and that as a result the market share of the Inner Study Area will reduce from 51.2% to 49.7%. We project forward our capacity assessment on that basis. Based on the scale and location of planned nearby developments, we consider this to be a robust basis for analysis.

7.33 Figures 7.14 to 7.17 below set out the resultant gross comparison goods capacity under each of the four population scenarios tested.

Figure 7.14 | Gross Comparison Goods Capacity in SW Hertfordshire – Scenario 1

Year	Turnover	Available Expenditure	Inflow	Surplus Expenditure
	(£m) ¹	(£m) ²	(£m)	(£m)
2017	2,154.7	2,121.3	33.4	0.0
2021	2,293.6	2,307.1	36.7	50.1
2026	2,564.8	2,791.7	42.9	269.8
2031	2,859.6	3,377.9	50.3	568.6
2036	3,188.3	4,088.3	58.8	958.8
Inner Study Area Market Share (%)			49.7%	

Figure 7.15 | Gross Comparison Goods Capacity in SW Hertfordshire – Scenario 2

Year	Turnover	Available Expenditure	Inflow	Surplus Expenditure
	(£m) ¹	(£m) ²	(£m)	(£m)
2017	2,147.9	2,114.6	33.3	0.0
2021	2,286.3	2,282.3	36.6	32.6
2026	2,556.6	2,738.0	42.8	224.2
2031	2,850.5	3,286.4	50.1	486.0
2036	3,178.1	3,947.5	58.7	828.0
Inner Study Area Market Share (%)			49.7%	

Figure 7.16 | Gross Comparison Goods Capacity in SW Hertfordshire – Scenario 3

Year	Turnover	Available Expenditure	Inflow	Surplus Expenditure
	(£m) ¹	(£m) ²	(£m)	(£m)
2017	2,160.9	2,127.4	33.5	0.0
2021	2,300.2	2,300.6	36.8	67.2
2026	2,572.1	2,842.0	43.1	313.0
2031	2,867.8	3,463.4	50.4	646.0
2036	3,197.4	4,219.5	59.0	1,081.0
Inner Study Area Market Share (%)			49.8%	

Figure 7.17 | Gross Comparison Goods Capacity in SW Hertfordshire – Scenario 4

Year	Turnover	Available Expenditure	Inflow	Surplus Expenditure
	(£m) ¹	(£m) ²	(£m)	(£m)
2017	2,161.2	2,127.7	33.5	0.0
2021	2,300.5	2,331.3	36.8	67.6
2026	2,572.4	2,843.9	43.1	314.5
2031	2,868.1	3,466.7	50.4	649.0
2036	3,197.8	4,224.8	59.0	1,086.0
Inner Study Area Market Share (%)			49.8%	

1. Allows for increased turnover efficiency as set out in Table 4b Experian Retail Planner 15 (December 2017)

2. Assumes constant market share claimed by South West Hertfordshire facilities at 49.8% from the Study Area

- 7.34 Figure 7.14 (Scenario 1 - SHMA population growth scenario) identifies a surplus of £50.1m expenditure in 2021, increasing to £269.8m in 2026, and £568.6m by 2031. Figures 7.15 to 7.17 follow the same conventions for each different population scenario.
- 7.35 We then consider committed and extant permissions for new comparison retail floorspace across the authority areas that could come forward over the next few years. This includes any developments which are currently under construction, or have opened since December 2017, and so would not have been operating at the time of the household telephone survey. In the same way as we viewed convenience goods, we do not take into account proposed allocations for retail floorspace in Development Plans that do not benefit from extant and implementable permission over the plan period.
- 7.36 In total, these committed developments equate to a net comparison goods floorspace of 25,842 sq m and an estimated turnover of £173.3m (see Table 26c at **Appendix E**). The most notable commitments include 8,000 sq m net of new floorspace at Jarman Park in Hemel Hempstead, 5,763 sq m net of new floorspace as part of the Intu redevelopment in Watford, and 5,613 sq m net at the Aviva Site in Hemel Hempstead.
- 7.37 These commitments are deducted from the surplus expenditure set out under each scenario in Figures 7.13 to 7.16. Once accounted for, we are able to calculate the net comparison goods capacity. This is set out under Figures 7.18 to 7.21 below.

Figure 7.18 | Net Additional Comparison Goods Capacity in SW Hertfordshire – Scenario 1

Year	Surplus Expenditure (£m)	Commitments (£m) ⁴	Residual Expenditure (£m) ³	Floorspace Capacity (sq m net)	
				Min ¹	Max ²
2017	0.0	173.3	-173.3	-23,100	-31,500
2021	50.1	184.5	-134.3	-16,800	-23,000
2026	269.8	206.1	63.8	7,100	9,800
2031	568.6	229.8	338.8	34,000	46,500
2036	958.8	256.2	702.6	63,300	86,400

Figure 7.19 | Net Additional Comparison Goods Capacity in SW Hertfordshire – Scenario 2

Year	Surplus Expenditure (£m)	Commitments (£m) ⁴	Residual Expenditure (£m) ³	Floorspace Capacity (sq m net)	
				Min ¹	Max ²
2017	0.0	173.3	-173.3	-23,100	-31,500
2021	32.6	184.5	-151.9	-19,000	-26,000
2026	224.2	206.1	18.1	2,000	2,800
2031	486.0	229.8	256.2	25,700	35,100
2036	828.0	256.2	571.8	51,500	70,300

Figure 7.20 | Net Additional Comparison Goods Capacity in SW Hertfordshire – Scenario 3

Year	Surplus Expenditure (£m)	Commitments (£m) ⁴	Residual Expenditure (£m) ³	Floorspace Capacity (sq m net)	
				Min ¹	Max ²
2017	0.0	173.3	-173.3	-23,100	-31,500
2021	67.2	184.5	-117.2	-14,700	-20,000
2026	313.0	206.1	106.9	12,000	16,300
2031	646.0	229.8	416.2	41,800	57,100
2036	1,081.0	256.2	824.9	74,300	101,500

Figure 7.21 | Net Additional Comparison Goods Capacity in SW Hertfordshire – Scenario 4

Year	Surplus Expenditure (£m)	Commitments (£m) ⁴	Residual Expenditure (£m) ³	Floorspace Capacity (sq m net)	
				Min ¹	Max ²
2017	0.0	173.3	-173.3	-23,100	-31,500
2021	67.6	184.5	-116.9	-14,600	-20,000
2026	314.5	206.1	108.4	12,100	16,600
2031	649.0	229.8	419.2	42,100	57,500
2036	1,086.0	256.2	829.8	74,800	102,100

1. Average sales density assumed to be £7,500 per sq m which Nexus Planning considers to be towards the higher end of what could be achieved in South West Hertfordshire
2. Average sales density assumed to be £5,500 per sq m which Nexus Planning considers to be towards the lower end of what could be achieved in South West Hertfordshire
3. 'Residual Expenditure' calculated by subtracting turnover of commitments (sourced from Table 26c) from surplus expenditure (sourced from Table 26a)
4. 'Commitments' allows for increased turnover efficiency as set out in Table 4b Experian Retail Planner 15 (December 2017)

7.38 Taking account of committed turnover (see Table 26c at **Appendix E**), we identify a negative residual expenditure at 2021 ranging from -£151.9m under Scenario 2 to -£116.9m under Scenario 4. Negative capacities are shown into the near future as the turnover of the range of commitments exceeds the amount of expenditure growth. By 2026 though, there are positive residual sums under all the population scenarios as expenditure growth begins to outstrip the commitments currently in the system. Looking at the long-range forecast, by 2036 there is assessed to be between £571.8m and £829.8m of additional comparison goods expenditure under all population scenarios.

7.39 Using average sales densities to calculate a minimum floorspace scenario (£7,500/sq m at 2017) and a maximum floorspace scenario (£5,500/sq m at 2017), we calculate that, when the Inner Study Area is viewed as a whole, there is capacity for additional comparison goods, as identified in Figures 7.18 to 7.21. This is after factoring in the current range of committed developments.

7.40 We then take the Inner Study Area figures and look at how this capacity might be distributed on an authority by authority basis. This exercise is carried out for each population scenario in Tables 26e – 26t at **Appendix E**. We apportion the floorspace capacity based on existing market share performance for the Inner Study Area. As previously highlighted, this exercise shows that stores and centres in the Inner Study Area are forecast to attract 49.7% of the comparison expenditure carried out by residents of the Inner Study Area.

7.41 On this basis, the projected overall market share is broken down as follows between the five authority areas (see Tables 26e, 26i, 26m, 26q and 26u at **Appendix E**):

- Hertsmere 3.1%
- Three Rivers 1.3%
- Dacorum 10.5%
- Watford 25.8%
- St Albans 9.0%
- Inner Study Area total 49.7%

7.42 Based on these market shares through until 2036, comparison goods floorspace capacity within the Inner Study Area is divided as shown in Figures 7.22 to 7.25 for each scenario.

Figure 7.22 | Net Additional Comparison Goods Floorspace Capacity by Authority Area – Scenario 1

Year	Authority Area	Surplus Expenditure (£m)	Commitments (£)	Residual Expenditure (£m)	Floorspace Capacity (sq m net)	
					Min ¹	Max ²
2021	Hertsmere	-11.7	0.0	-11.7	-1,500	-2,000
	Three Rivers	3.0	6.9	-3.9	-500	-700
	Dacorum	23.9	95.5	-71.6	-9,000	-12,200
	Watford	59.2	46.0	13.2	1,700	2,300
	St Albans	-24.3	36.1	-60.4	-7,600	-10,300
	Inner Study Area	50.1	184.5	-134.3	-16,800	-23,000
2026	Hertsmere	0.2	0.0	0.2	0	0
	Three Rivers	8.9	7.7	1.2	100	200
	Dacorum	71.6	106.8	-35.2	-3,900	-5,400
	Watford	177.2	51.4	125.8	14,100	19,200
	St Albans	11.9	40.4	-28.5-21.7	-3,200	-4,400
	Inner Study Area	269.8	206.1	63.8	7,100	9,800
2031	Hertsmere	16.9	0.0	16.9	1,700	2,300
	Three Rivers	16.9	8.6	8.4	800	1,100
	Dacorum	136.0	119.1	17.0	1,700	2,300
	Watford	336.6	57.4	279.2	28,100	38,300
	St Albans	62.1	45.0	17.1	1,700	2,300
	Inner Study Area	568.6	229.8	338.8	34,000	46,500
2036	Hertsmere	39.1	0.0	39.1	3,500	4,800
	Three Rivers	27.4	9.5	17.8	1,600	2,200
	Dacorum	219.8	132.7	87.1	7,800	10,700
	Watford	543.9	64.0	480.0	43,300	59,000
	St Albans	128.6	50.2	78.4	7,100	9,600
	Inner Study Area	958.8	256.2	702.6	63,300	86,400

Source: Table 26a-26t, Appendix E. Figures may not add due to rounding.

Figure 7.23 | Net Additional Comparison Goods Floorspace Capacity by Authority Area – Scenario 2

Year	Authority Area	Surplus Expenditure (£m)	Commitments (£)	Residual Expenditure (£m)	Floorspace Capacity (sq m net)	
					Min ¹	Max ²
2021	Hertsmere	-12.7	0.0	-12.7	-1,600	-2,200
	Three Rivers	2.5	6.9	-4.4	-500	-700
	Dacorum	20.2	95.5	-75.3	-9,400	-12,900
	Watford	50.0	46.0	4.0	500	700
	St Albans	-27.4	36.1	-63.5	-8,000	-10,900
	Inner Study Area	32.6	184.5	-151.9	-19,000	-31,500
2026	Hertsmere	-2.6	0.0	-2.6	-300	-400
	Three Rivers	7.7	7.7	0.0	0	0
	Dacorum	61.9	106.8	-44.8	-5,000	-6,900
	Watford	153.4	51.4	102.0	11,400	15,600
	St Albans	3.7	40.4	-36.6	-4,100	-5,600
	Inner Study Area	224.2	206.1	18.1	2,000	2,800
2031	Hertsmere	11.8	0.0	11.8	1,200	1,600
	Three Rivers	14.7	8.6	6.2	600	800
	Dacorum	118.6	119.1	-0.5	0	-100
	Watford	293.6	57.4	236.2	23,700	32,400
	St Albans	47.4	45.0	2.3	200	300
	Inner Study Area	486.0	229.8	256.2	25,700	35,100
2036	Hertsmere	30.9	0.0	30.9	2,800	3,800
	Three Rivers	23.9	9.5	14.3	1,300	1,800
	Dacorum	192.2	132.7	59.5	5,400	7,300
	Watford	475.9	64.0	411.9	37,100	50,700
	St Albans	105.1	50.2	55.0	5,000	6,800
	Inner Study Area	828.0	256.2	571.8	51,500	70,300

Source: Table 26a-26t, Appendix E. Figures may not add due to rounding.

Figure 7.24 | Net Additional Comparison Goods Floorspace Capacity by Authority Area – Scenario 3

Year	Authority Area	Surplus Expenditure (£m)	Commitments (£)	Residual Expenditure (£m)	Floorspace Capacity (sq m net)	
					Min ¹	Max ²
2021	Hertsmere	-10.6	0.0	-10.6	-1,300	-1,800
	Three Rivers	3.4	6.9	-3.4	-400	-600
	Dacorum	27.7	95.5	-67.8	-8,500	-11,600
	Watford	68.3	46.0	22.3	2,800	3,800
	St Albans	-21.3	36.1	-57.4	-7,200	-9,800
	Inner Study Area	67.2	184.5	-117.2	-14,700	-20,000
2026	Hertsmere	3.0	0.0	3.0	300	500
	Three Rivers	10.1	7.7	2.4	300	400
	Dacorum	81.2	106.8	-25.6	-2,900	-3,900
	Watford	200.3	51.4	148.9	16,700	22,800
	St Albans	19.6	40.4	-20.8	-2,300	-3,200
	Inner Study Area	313.0	206.1	106.9	12,000	16,300
2031	Hertsmere	21.9	0.0	21.9	2,200	3,000
	Three Rivers	19.0	8.6	10.5	1,100	1,400
	Dacorum	153.3	119.1	34.3	3,400	4,700
	Watford	378.2	57.4	320.8	32,200	44,000
	St Albans	76.2	45.0	31.1	3,100	4,300
	Inner Study Area	646.0	229.8	416.2	41,800	57,100
2036	Hertsmere	46.9	0.0	46.9	4,200	5,800
	Three Rivers	30.7	9.5	21.2	1,900	2,600
	Dacorum	247.2	132.7	114.5	10,300	14,100
	Watford	609.6	64.0	545.7	49,200	67,100
	St Albans	150.8	50.2	100.6	9,100	12,400
	Inner Study Area	1,081.0	256.2	824.9	74,300	101,500

Source: Table 26a-26t, Appendix E. Figures may not add due to rounding.

Figure 7.25 | Net Additional Comparison Goods Floorspace Capacity by Authority Area – Scenario 4

Year	Authority Area	Surplus Expenditure (£m)	Commitments (£)	Residual Expenditure (£m)	Floorspace Capacity (sq m net)	
					Min ¹	Max ²
2021	Hertsmere	-10.6	0.0	-10.6	-1,300	-1,800
	Three Rivers	3.4	6.9	-3.4	-400	-600
	Dacorum	27.6	95.5	-67.9	-8,500	-11,600
	Watford	68.2	46.0	22.2	2,800	3,800
	St Albans	-21.3	36.1	-57.4	-7,200	-9,800
	Inner Study Area	67.6	184.5	-116.9	-14,600	-20,000
2026	Hertsmere	2.9	0.0	2.9	300	400
	Three Rivers	10.0	7.7	2.4	300	400
	Dacorum	80.8	106.8	-26.0	-2,900	-4,000
	Watford	199.6	51.4	148.2	16,600	22,700
	St Albans	19.8	40.4	-20.5	-2,300	-3,100
	Inner Study Area	314.5	206.1	108.4	12,100	16,600
2031	Hertsmere	21.7	0.0	21.7	2,200	3,000
	Three Rivers	18.9	8.6	10.4	1,000	1,400
	Dacorum	152.5	119.1	33.4	3,400	4,600
	Watford	376.7	57.4	319.3	32,100	43,800
	St Albans	76.6	45.0	31.6	3,200	4,300
	Inner Study Area	649.0	229.8	419.2	42,100	57,500
2036	Hertsmere	46.6	0.0	46.6	4,200	5,700
	Three Rivers	30.5	9.5	21.0	1,900	2,600
	Dacorum	245.8	132.7	113.1	10,200	13,900
	Watford	607.2	64.0	543.2	49,000	66,800
	St Albans	151.5	50.2	101.4	9,100	12,500
	Inner Study Area	1,086.0	256.2	829.8	74,800	102,100

Source: Table 6a-26t, Appendix E. Figures may not add due to rounding.

Summary

- 7.43 We identify capacity for both additional convenience and comparison floorspace over the Plan period under all four population Scenarios. Existing foodstores within the combined Districts are evidenced to be significantly over-trading and, together with expenditure growth over time, this creates the potential for more floorspace to be added. However, a significant number of over-trading stores are based in designated centres in South West Hertfordshire, and so we have only taken account of the over-trade at out of centre facilities, coupled with expenditure growth, to formulate our convenience goods capacity assessment.
- 7.44 Whilst comparison goods market share is lower, there is significant forecast expenditure growth over time. This fuels the potential for new comparison goods floorspace. However, this is tempered by the planned development of a number of large comparison goods developments in the surrounding area – including at Brent Cross and Luton – each of which will exert a draw in the future on residents of South West Hertfordshire. Whilst some planned development in the area will help to retain market share – such as the Intu Centre extension in Watford, and the South Oxhey Regeneration – we consider it likely that some parts of the Inner Study Area will experience a small decline in market share.
- 7.45 As well as examining the overall picture across the Inner Study Area, we have also considered the breakdown of floorspace capacity by authority area. In each case, the range we give is the difference between the lowest population growth scenario (Scenario 2) and the highest population growth scenario (Scenario 4). The figures for Scenarios 1 and 3 will fall in-between the two.
- 7.46 As we will go on to explore further in Section 9, it must be stressed that capacity does not equate to need. Capacity assessment is a theoretical exercise based on empirical data gathered at the current time, as well as forecasts into the future. Forecasting as far away as 2036 must be treated with some caution, as there will be economic, political and technological unknowns that will intervene over that period. Moreover, capacity modelling should not be seen as an absolute; it is a guide. For example, even where capacity is identified in an area, an out-of-centre development which would cause significant adverse impact on the vitality and viability of a designated town centre should be resisted, irrespective of the capacity identified. The corollary of this is that where no, or limited, capacity is

identified, this should not restrain appropriate development coming forward, such as town centre developments which bolster the vitality and viability of designated town centres.

7.47 Our results can be summarised as follows:

Hertsmere

- Convenience centres and stores in Hertsmere attract 7.7% of market share from the Study Area. Holding this market share constant, and with little by way of commitments within the Borough, we forecast that there will be no capacity for new convenience goods floorspace by 2026 under all population scenarios, and for an additional 200 sq m net (Scenario 2) to 1,400-1,800 sq m net (Scenario 4) by 2036.
- Comparison goods destinations within the Borough attract just 3.5% of market share from the Study Area, and we forecast that this will reduce to around 3.1% as a result of major retail developments outside the Borough. Recognising also that there are no current substantial commitments, we forecast that there will be either zero, or negligible, capacity for additional comparison goods floorspace by 2026 under all scenarios, and for between an additional 2,800–3,800 sq m net (Scenario 2) to 4,200-5,700 sq m net (Scenario 4) by 2036.

Three Rivers

- Convenience centres and stores in Three Rivers attract the lowest proportion of market share from the Study Area; 5.7%. The South Oxhey regeneration project is a major scheme underway in Three Rivers, and as a result there is some deduction to the amount of spend available. We forecast between 500-600 sq m net (Scenario 2) and 1,000-1,300 sq m net (Scenario 4) of additional convenience goods capacity at 2026, increasing to between 1,400-1,800 sq m net (Scenario 2) and 2,400-3,100 sq m net (Scenario 4) by 2036.
- Turning to consider comparison goods provision, the District exports a significant amount of its trade and currently accounts for a 1.3% market share of Study Area trade. Allied to this small market share, the South Oxhey project already provides for a significant amount of new comparison goods floorspace within the District. As a result, we forecast there to be zero capacity for additional comparison goods at 2026 under Scenario 2, and for between 300-400 sq m net under Scenario 4.

By 2036, this is forecast to have grown to additional capacity for between 1,300-1,800 sq m net (Scenario 2) and 1,900-2,600 sq m net (Scenario 4).

Dacorum

- Dacorum accounts for the largest proportion of convenience goods market share, attracting 15.0% of spend from the Study Area. The household survey also showed that stores within the Borough also overtrade by significant amounts - by up to approximately £123m per annum – the large majority of which is at out-of-centre stores. Set against this, it has a range of existing convenience goods commitments totalling over £30m in likely spend per annum. Notwithstanding, we forecast that at 2026 there will be between 10,400-13,100 sq m net of additional convenience goods floorspace capacity (Scenario 2) and 11,800-14,900 sq m net (Scenario 4). By 2036, this will have increased to between 12,800-16,300 sq m net (Scenario 2) and 15,500-19,700 sq m net (Scenario 4).
- In terms of comparison goods, the Borough attracts a 10.5% market share of spending from the Study Area. Large commitments total £90m of spend per annum, and result in a negative comparison goods capacity under all scenarios at 2026. By 2036, modest additional floorspace capacity is forecast of between 5,400-7,300 sq m net (Scenario 2) and 10,300-14,100 sq m net (Scenario 4).

Watford

- Watford Borough has a market share of 12.3% of convenience goods spend in the Study Area. After factoring in the cumulative overtrade of out-of-centre facilities, and commitments of c£13m per annum, we calculate that there will be capacity for between 2,100-2,600 sq m net additional convenience goods floorspace at 2026 under Scenario 2, and between 3,300-4,100 sq m net under Scenario 4. By 2036, this capacity is forecast to increase to between 4,100-5,200 sq m net under Scenario 2 and to between 6,300-8,000 sq m net under Scenario 4.
- Turning to comparison goods, Watford Borough has by far the highest market share of the five authority areas, attracting a market share of 25.7% of all Study Area spending (50.3% of all comparison goods spending carried out in the Inner Study Area). Commitments at Intu total c£43m per annum, but there is still a significant quantitative capacity beyond this. We calculate that by 2026 there is capacity to support up to a further 11,400-15,600 sq m net (Scenario 2) or 16,700-

22,800 sq m net (Scenario 4). Population and expenditure growth, couple with high market share, pushes the long-range forecast for 2036 to between 37,100-50,700 sq m net (Scenario 2) and 49,200-67,100 sq m net (Scenario 4).

St Albans

- St Albans attracts 12.3% convenience goods market share from the Study Area. After holding its market share constant, and after allowing for a new foodstore at Griffiths Way South (c£13m turnover), we calculate that there will be modest capacity for additional convenience goods floorspace of 1,200-1,500 sq m net at 2026 under Scenario 2, and between 2,300-2,900 sq m net under Scenario 4. By 2036, this is forecast to increase to between 3,300-4,200 sq m net under Scenario 2, and to between 5,400-6,800 sq m net under Scenario 4.
- Turning to comparison goods, St Albans has a current market share of 10.0% of all Study Area spending. For the reasons we have described earlier on in this Section, we think it likely that there will be a reduction in St Albans market share following the opening/extension of a number of competing comparison retail destinations in the nearby area. We have therefore modelled a reduction of the District's market share to 9.0% for the purposes of future comparison goods capacity forecasting. As a result, we forecast that there will be no capacity for new comparison goods floorspace at 2026 under any scenario. By 2036, there will though be headroom for between an additional 5,000 – 6,800 sq m net under Scenario 2 and between 9,100 – 12,500 sq m net under Scenario 4.

7.48 Notwithstanding the capacities identified, it is important to recognise that the local authority areas are characterised by a number of strategically important town centres, and so it is highly relevant to consider the desirability of potentially impacting on such town centre trade by adding more competition. We weigh up these factors, set against our considerations of the health of existing centres, in Section 9.

8.0 Leisure

Introduction

- 8.1 The leisure market has undergone drastic structural changes over the past few years. The economic downturn of 2008 to 2013 significantly changed consumers' spending behaviours. Even though overall spending was down, the popularity of going to the cinema or theatre has steadily increased, as has eating out at restaurants, cafés, or purchasing takeaway meals. Additionally, as the health and fitness world flourishes, the number of fitness centre memberships has steadily increased. ONS reported that in 2006 average weekly spend on 'sports admissions, subscriptions, leisure class fees and equipment hire' was £5.80 and in 2014 it had increased to £6.90. Further commentary on recent and emerging leisure trends is included in Section 2 of this report.
- 8.2 This section of the Retail and Leisure Study provides a concise analysis of current and predicted trends influencing the leisure sector, as well as an examination of the performance of the five local authorities' existing leisure base.

Methodology

- 8.3 The results of the NEMS Household Survey offer an indication of locations/facilities where residents of the Study Area satisfy their leisure and cultural needs. As such, the Survey enables us to analyse patterns of travel and potential deficiencies (those that are qualitative in nature) in the joint Council area of provision.
- 8.4 The modelling of future commercial leisure need cannot necessarily be based upon the same quantitative model used to estimate retail need (as we have done in Section 5, by estimating future expected expenditure). This is because leisure spending is not undertaken regularly and is typically influenced by external factors. The inherent nature of restaurant, café and bar spending is that it is often undertaken whilst travelling, on holidays and day trips and for special occasions and, as such, patterns of spending are generally dispersed widely across and, in part, beyond the Study Area.
- 8.5 Additionally, public houses, restaurants, clubs, are typically accommodated in smaller units. By virtue of their smaller size, the market can generally deliver units of this scale unaided by intervention through the development plan process as allocations. Nonetheless, we go on to model the future spending

available to support new restaurant and beverage floorspace to provide an indication of the potential for additional development to be supported, in conjunction with our qualitative assessment and conclusions on the health and performance of the centres.

- 8.6 We also appraise the existing provision of leisure facilities across the authority areas, and compare this against recognised sector 'standards' or 'benchmarks'. The completion of this 'benchmarking exercise' allows us to establish deficits and where gaps in the provision of existing facilities may be.

Existing Market Share by Leisure and Cultural Sector

- 8.7 The NEMS Household Survey (undertaken in November 2017 and March 2018) asked respondents to describe their leisure and cultural activities and habits. The responses to these questions (Questions 35 – 44) inform our understanding of leisure trends and needs. The breakdown of the answers to these questions is set out in full within **Appendix D** and we extrapolate the key results in the following Section.
- 8.8 It is important to acknowledge that residents outside of the local authority areas may visit facilities within the local authority areas for leisure, recreation and cultural activities, as well as vice-versa. In response to this, the Study Area (from which respondents were engaged) includes border zones (zones 15, 16, 17, 20 and 22) to understand the leisure habits of residents on the fringe of Dacorum Borough, Hertsmere Borough, Three Rivers District, St Albans District and Watford Borough Council. However, as the purpose of this section is to review the leisure patterns of residents within the five local authority areas, a detailed review of the border zones will not be included.
- 8.9 In the following section, we summarise and interpret the responses given to the household survey, paying particular attention to distance travelled in order to identify any gaps in provision, as well as general levels of satisfaction with the area's provision of leisure and cultural facilities.

Participation in Leisure Activities

- 8.10 In the first instance, it is important to have an understanding of the participation rates and general popularity of leisure activities across the Study Area. In Question 35 of the household survey NEMS asked respondents to identify all of the leisure activities in which they participated (respondents were allowed to identify as many options as they wished).

8.11 As evident in Figure 8.1, the most popular leisure activity across the Study Area is to go to a restaurant, which 71.5% of Study Area respondents indicated they do on at least an occasional basis. The second most popular activity is going to a theatre/ concert hall/ museum/ art gallery, which 54.6% of respondents to Question 35 indicated is an activity in which they partake. Following this, 52.4% visit the cinema, while 43.7% visit pubs/bars/night clubs. Visiting bingo halls, (1.5%), is the least popular activity followed by ten pin bowling, in which only 15.1% of respondents partake. Of note, trips to the theatre/concert hall/ museum/ art gallery are particularly high when compared to elsewhere. This is likely to be attributed to the strong access links into and out of Central London.

Figure 8.1 | Participation in Leisure Activities (%)

Activity	Study Area Average	Watford Area (Zones 1-2)	Hertsmere Area (Zones 3-6)	Three Rivers Area (Zones 7-10)	Dacorum Area (Zones 11-14)	St Albans Area (Zones 18,19,21)	Border Zones (Zones 15, 16, 17, 20, 22)
Indoor Health & Fitness	27.3%	25.6%	29.2%	32.7%	24.8%	25.0%	27.7%
Cinema	52.4%	43.7%	55.0%	50.6%	62.0%	58.9%	49.8%
Restaurant	71.5%	64.2%	70.3%	77.9%	75.6%	79.8%	68.7%
Pubs/bars/nightclubs	43.7%	37.8%	34.6%	49.1%	48.8%	45.4%	43.8%
Ten pin bowling	15.1%	27.6%	15.0%	21.9%	12.9%	14.6%	12.3%
Bingo	1.5%	2.3%	3.1%	2.5%	1.85%	1.5%	0.8%
Cultural Facilities	54.6%	32.6%	55.0%	49.7%	53.2%	62.9%	57.5%
None mentioned	12.2%	20.3%	12.4%	9.9%	10.6%	9.3%	12.3%

Source: Question 35 of NEMS Household Survey, Appendix D

8.12 We isolate the market share for each authority in Figure 8.1. Whilst this is not necessarily indicative of a capacity for additional facilities across the authority areas, which we consider in detail in the following section, some differences in the market shares across the authorities are worthy of note:

- Residents in Dacorum are generally more likely to visit the cinema. This is likely to be attributed to the presence of Cineworld, located at Jarman Square, Hemel Hempstead, which is the largest cinema within the Study Area.
- Social activities (restaurants, bars and pubs, nightclubs and social clubs) are most popular with

residents in the St Albans, Three Rivers and Dacorum Areas, with all three areas attracting custom at above Study Area average levels for both. The survey results show that this is attributed to the particularly strong food and drink offer in the likes of St Albans City, Harpenden, Rickmansworth, Berkhamsted and Hemel Hempstead.

- Ten pin bowling is most likely to be undertaken by residents in Watford, probably due to the fact that the only bowling facility within the Study Area is located in this area.
- Cultural activities (theatre/concert halls/museums/art galleries) are less likely to be undertaken by residents in Watford when compared to the other authority areas. The strongest attendance at such facilities is evident within St Albans.

Leisure Destinations

8.13 NEMS asked a series of questions to understand where residents of each zone usually undertake their chosen leisure activity, shown in Figure 8.2. The fully tabularised results are shown in **Appendix D**.

Figure 8.2 | Most Popular Leisure Destinations by Zone (%)

Activity	Study Area Average	Watford Area (Zones 1 – 2)	Hertsmere Area (Zones 3 – 6)	Three Rivers Area (Zones 7 – 10)	Dacorum Area (Zones 11-14)	St Albans Area (Zones 18, 19, 21)
Indoor Health & Fitness	Hemel Hempstead Town Centre	Watford Town Centre	Borehamwood Town Centre	Rickmansworth Town Centre	Hemel Hempstead Town Centre	St Albans City Centre
Cinema	Cineworld, Jarman Square Hemel Hempstead	Vue, Woodside Leisure Park, Watford	The Reel Cinema, Borehamwood	Vue, Woodside Leisure Park, Watford	Cineworld, Jarman Square Hemel Hempstead	Odyssey, London Road, St Albans
Restaurant	Watford Town Centre	Watford Town Centre	Borehamwood Town Centre	Rickmansworth, Town Centre	Hemel Hempstead Town Centre	St Albans City Centre
Pubs/bars/nightclubs	Watford Town Centre	Watford Town Centre	Borehamwood Town Centre	Rickmansworth, Town Centre	Hemel Hempstead Town Centre	St Albans City Centre
Ten Pin Bowling	Hollywood Bowl, Woodside Leisure Park, Watford	Hollywood Bowl, Woodside Leisure Park, Watford	Hollywood Bowl, Woodside Leisure Park, Watford	Hollywood Bowl, Woodside Leisure Park, Watford	Hollywood Bowl, Woodside Leisure Park, Watford	Hollywood Bowl, Woodside Leisure Park, Watford
Bingo	Gala, Borehamwood	Mecca Luton – Outside Study Area	Gala, Borehamwood	Raging Ball Club , High Wycombe - Outside Study Area	Others - Outside Study Area	Gala, Borehamwood
Cultural facilities	Central London	Central London	Central London	Central London	Central London	Central London

Source: Questions 36-42 of NEMS Household Survey, Appendix D

8.14 Figure 8.2 highlights that all five local authority areas are broadly self-sufficient when it comes to the majority of its own residents' needs. Unsurprisingly, Central London is the most popular destination in all areas for cultural trips (theatre/ concert/ museum/ gallery) reflecting strong transport connections into and out of London. We consider below a more in-depth analysis on a sector-by-sector basis of where residents are carrying out their trips.

Indoor Sports & Health and Fitness

8.15 As set out in Figure 8.1, the NEMS survey highlighted that 27.3% of the Study Area residents participate in health and fitness activities. Participation rates are broadly similar across the Study Area but are notably higher in the Three Rivers area, reflecting the nearby availability of a number of facilities.

8.16 The results to Question 36 at **Appendix D** show that popular destinations for the Watford area are Watford Town Centre (54.3% of all trips) and Bushey Town Centre (23.0%). The results indicated that 9.7% of respondents visit a health and fitness facility in Central London, reflecting the number of residents commuting in and out of London who have a membership near their place of work.

8.17 The most popular destination for residents in the Hertsmere area is Borehamwood Town Centre (32.4% of all trips). A fair number of residents also visit Potters Bar Town Centre (19.9%) and Bushey Town Centre (15.3%).

8.18 For residents in the Three Rivers area, the most popular destination is Rickmansworth Town Centre (23.0%) and Northwood Local Centre (16.1%).

8.19 Residents within the Dacorum area are most likely to visit Hemel Hempstead for their health and fitness trips (70.1%) followed by Bushey Town Centre (12.7%).

8.20 The most popular destination for residents in the St Albans Area is St Albans City Centre (44.1%). A high number of health and fitness trips are also carried out in Harpenden Town Centre (21.6%).

8.21 It is unsurprising that popular destinations vary quite substantially throughout the Study Area, particularly as it is common for residents to exercise close to their place of work.

Cinemas

- 8.22 In total, 52.4% of Study Area residents make cinema trips. Cineworld located at Jarman Square, Hemel Hempstead attracts most trips (21.4%) within the Study Area, closely followed by Vue at Woodside Leisure Park, Watford (18.5%). This is unsurprising considering these are the only two multiplex cinemas in the Inner Study Area.
- 8.23 The Vue, Watford is the most popular cinema in both the Watford area (85.5%) and Three Rivers area (64.2%). Cineworld, Jarman Square, Hemel Hempstead is the most popular destination in the Dacorum area (78.0%). The most popular cinema in the Hertsmere area is the Reel, Borehamwood, which 40.0% of visitors said they last visited on a trip to the cinema. The Odyssey is the most popular cinema in the St Albans area (27.9%) but is very closely followed by Cineworld Jarman Square (27.4%).

Restaurants

- 8.24 The NEMS Household Survey indicated that visiting restaurants is the most popular leisure activity, with 71.5% of respondents within the Inner Study Area identifying this as the leisure activity they participate in the most.
- 8.25 The survey results for Question 35 indicate that residents residing in the St Albans area are most likely to dine out (79.8%). In comparison, residents living in the Watford area are least likely to make a trip to a restaurant (64.2%).
- 8.26 The results also indicated that Watford Town Centre is the most popular location within the Study Area to carry our restaurant trips (10.0%). As respondents residing in the Watford area have the lowest participation rate, this suggests that a large number of residents outside of this area are traveling into Watford Town Centre. This is unsurprising considering Watford's draw as a Regional Centre.
- 8.27 Residents in the Watford area are most likely to carry out restaurant trips within Watford Town Centre (62.3%). Trips of residents in the Hertsmere area are more varied, with 15.8% visiting Borehamwood most often, 13.1% Potters Bar, 12.8% Radlett and 11.3% Bushey, amongst the highest answers.
- 8.28 The most popular restaurant destination for residents within the Three Rivers area is Rickmansworth (19.6%), closely followed by Watford Town Centre (18.2%). Residents in the Dacorum area are most likely to go to Hemel Hempstead (38.3%) to make a trip to a restaurant. This is likely to reflect the

particularly strong food and drink offer in Hemel Old Town. Jarman Park in Hemel Hempstead also features a number of restaurants. Berkhamsted also features prominently for residents in Dacorum, with around 32% of residents visiting regularly.

8.29 Residents of the St Albans Area are most likely to visit St Albans to go to restaurants (41.6%) followed by Harpenden (20.8%). As evidenced in our Heath Checks (Appendix C), both these centres have a particularly strong food and drink offer.

8.30 Therefore, whereas residents within the Watford area, Hertsmere area, Dacorum area and St Albans area carry out most restaurant trips locally, residents within the Three Rivers area are more likely to travel further afield.

Bars, Pubs, Social Clubs and Nightclubs

8.31 Q35 of the survey shows that 43.7% of residents within the Study Area visit a bar, pub, social club or night clubs regularly. Residents within the Three Rivers area (49.1%) are most likely to participate in these activities, followed by the Dacorum area (48.8%), the St Albans area (45.4%), the Watford area (37.8%) and, lastly, the Hertsmere area (34.6%).

8.32 Watford Town Centre is the most popular destination to carry out trips to a bar, pub, social club or night club (10.1%) followed by St Albans City Centre (7.6%). As with restaurant trips, residents within the Watford area, Hertsmere area, St Albans area and Dacorum area are most likely to carry out local trips, whereas residents within Three Rivers are more likely to leave the local area to visit a bar, pub, social club or nightclub.

Ten Pin Bowling

8.33 In total, 15.1% of Study Area respondents play ten pin bowling. Residents within the Watford area are most likely to participate in this activity (27.6%). This is likely to reflect the presence of Hollywood Bowl, Watford, which is the only ten pin bowling facility within the Study Area. Unsurprisingly, Hollywood Bowl, Watford is the most popular ten pin bowling facility within the Watford area (100%), Hertsmere area (62.8%), Three Rivers area (85.3%), St Albans area (64.1%) and the Dacorum area (64.1%) as well as the Study Area as a whole, with 68.8% of all respondents carrying out their bowling trips there.

Bingo

- 8.34 Only 1.5% of Study Area residents participate in bingo. The activity is most popular in the Hertsmere area where 3.1% of respondents play bingo.
- 8.35 Gala in Borehamwood is the most popular with 54.4% of Study Area residents who play bingo visiting this venue most often. No trips were recorded at the Raging Bull, St Albans, which, apart from Gala, Borehamwood, is the only other Bingo facility in the Study Area. Hertsmere and St Albans residents are the only ones who undertake the majority of their bingo trips within the Study Area itself, whereas residents of Watford, Three Rivers and Dacorum make most of their trips outside of the Study Area.

Theatres Galleries and Museums

- 8.36 Question 35 of the NEMS Household Survey suggests that cultural trips are the second most popular leisure activity, with 54.6% of respondents visiting the theatre, galleries or museums regularly.
- 8.37 In all Council areas, trips to theatres, galleries and museums are most likely to be carried out in Central London (71.3%) reflecting the excellent access links into the city.

Need for Additional Leisure Facilities

- 8.38 Question 44 of the household survey found that the majority of respondents across the five Council areas (68.8%) did not identify any leisure facilities that they wished to see more of. This suggests that residents are largely happy with the provision of facilities. Such a response is typical of our surveys across the UK.
- 8.39 In Figure 8.3 we isolate the responses of each Council area to identify what the main requests for new leisure facilities were from residents in each area. More than one suggestion was allowed.
- 8.40 The results show that a new swimming pool was the most requested leisure facility (7.6% across the Study Area), with a new cinema (6.3%) and bowling alley (3.8%) showing up as the second and third most popular requests.
- 8.41 The highest demand for a swimming pool was from the border zones outside of the Inner Study Area (10.8%). The highest demand for a cinema was within the Hertsmere area where 9.4% of residents

would like to see additional facilities. The demand for cinemas within the Study Area will likely be satisfied by the impending cinema developments in Watford and Hemel Hempstead Town Centres.

Figure 8.3 | Leisure Facilities residents wish to see more of (%)

Activity	Study Area Average	Watford Area (Zones 1 – 2)	Hertsmere Area (Zones 3 – 6)	Three Rivers Area (Zones 7 – 10)	Dacorum Area (Zones 11-14)	St Albans Area (Zones 18, 19, 21)	Border (Zones 15, 16, 17, 20, 22)
None or don't know	68.8%	78.3%	65.0%	71.3%	63.5%	70.9%	67.9%
Swimming Pool	7.6%	6.3%	4.1%	6.2%	3.7%	3.1%	10.8%
Cinema	6.3%	6.2%	9.3%	2.9%	2.0%	6.8%	7.3%
Bowling Alley	3.8%	0.0%	4.8%	1.1%	7.9%	4.6%	3.6%
Theatre	3.5%	1.2%	1.2%	0.7%	5.1%	3.8%	4.3%
Restaurants and Cafes	2.6%	3.9%	2.9%	3.0%	6.7%	2.5%	1.4%
More sports facilities (football pitches, tennis courts)	2.5%	3.2%	2.6%	1.7%	2.0%	4.5%	1.8%
Health and fitness (gym)	2.3%	2.4%	2.7%	1.6%	2.7%	1.2%	2.5%

Source: Question 44 of NEMS Household Survey, Appendix D (multiple responses allowed to this question)

Capacity for Additional Leisure Facilities

8.42 Having identified existing market shares and examined the demand for new facilities from the authority area's residents, we consider here the potential supply-side issues for the provision of new leisure facilities. The purpose of this assessment is to examine the realism and viability of actually providing for new facilities.

8.43 Due to the nature of the leisure market, we have chosen to adopt a different assessment methodology from that used to analyse the quantitative capacity in the retail market. The reason for this primarily relates to the degree to which the leisure market is disaggregated. However, the lack of reliable data

for a number of leisure uses is also an influencing factor; as the data available is not sufficient and would not represent credible information from which we can base our assessment.

8.44 The findings of the NEMS household survey allow us to assess the market share secured by facilities within the Council areas and the wider Study Area for a variety of leisure sectors. As such, we have undertaken a 'benchmarking' exercise by referencing the estimated increases in the Study Area population. The results of the 'benchmarking' exercise have been used to inform our conclusions with regards to the prospective future need for additional commercial leisure facilities.

Estimated Study Area Population

8.45 In Section 5 of this Retail and Leisure Study, we set out our assessment of how the Study Area's population will grow at regular year intervals from 2017 to 2036 (i.e. at 2017, 2021, 2026, 2031 and 2036). We have calculated the existing population within each postal code sector using Experian Micromarketer G3 data.

8.46 As outlined in Section 5, this Retail and Leisure Study looks at four population forecasts for the Study Area. In order to gauge the reasonable demand for all four scenarios, for the purpose of this chapter, we have looked at two population forecasts – Scenario 2 (the lowest growth scenario) and Scenario 4 (the highest growth scenario).

Health and Fitness Capacity

8.47 A May 2017 report from, the Leisure Database Company⁴⁵ identifies that the level of health and fitness clubs in the UK is higher than it has ever been before, with more clubs and more members. In terms of membership rates across the whole of the UK, the Leisure Data Base Company outlines that 14.9% of the UK's population are registered members at private health and fitness clubs meaning that 1 in every 7 people is a member of a gym. In 2017 there were in the region of 6,728 health and fitness clubs operating across the UK (up from 6,435 in 2016). The biggest area of growth has come from low cost gyms. The 2017 report concludes that there are now over 500 low cost clubs, which account for 35% of membership in the private sector.

⁴⁵ State of the UK Fitness Industry 2017, Leisure Database Company, May 2017

- 8.48 In 2017, the UK population was calculated at 66.2 million⁴⁶, and therefore, we calculate there to be on average one club for every 9,839 persons. Our calculations are summarised in Figures 8.4 (Scenario 2) and 8.5 (Scenario 4).
- 8.49 As outlined at the beginning of this chapter, when estimating the potential requirement for additional health and fitness facilities in the authority areas, we have considered only the capacity within the combined Council areas themselves, rather than the wider Study Area (so, excluding Zones 15-17 and 20-22). The reason for this is that it is typical customer behaviour to travel shorter distances to seek out health and fitness facilities in convenient locations close to their home or place of work compared to other leisure facilities (e.g. cinema, bowling, theatre). Such trips are likely to be completed by a single person on a regular basis - i.e. one to two times a week, as shown by the household survey. The type and frequency of trips varies greatly for cinema and ten pin bowling activities. Visits to these kinds of leisure facilities are typically completed on a much less frequent basis and undertaken by groups of people and/or families. As a consequence, participants in cinema or ten pin bowling activities are more willing to travel further distances.
- 8.50 The household survey results suggest that 85.7% of residents within the authority areas currently carry out their health & fitness activities within the Inner Study Area. We term this the 'Retention rate', and use it as a benchmark (assumed to be constant) to underpin our assessment of the number of additional facilities that can be supported in the Inner Study Area over time. As would be expected, there is a wide degree of variation in the retention rate (being the proportion of spending from residents of authority areas at facilities within their boundaries).
- 8.51 For Scenario 2, the Inner Study Area has an identified estimated population of 623,446 at 2017, increasing to 718,932 at 2036. Based on the current retention rate identified above, we calculate that the authority areas could support around 54 health and fitness clubs at the current time, increasing to around 63 clubs at 2036.
- 8.52 Turning to Scenario 4, the Inner Study Area has an estimated population of 628,190 at 2017, increasing to 813,828 at 2036. Based on the assumed benchmark, we calculate that the authority areas could support around 71 clubs at 2036.

⁴⁶ Extrapolation of data by United Nations, Department of Economic and Social Affairs, Population Division. [World Population Prospects: The 2017 Revision](#).

Figure 8.4 | Scenario 2: Health and Fitness Centre Requirement

Year	Inner Study Area	Retention of Health and Fitness Trips	Typical Population Required to Support Centre	Potential No. of Clubs Supported by the Area
2017	623,446	534,231	9,839	54
2021	643,548	551,456	9,839	56
2026	668,676	572,988	9,839	58
2031	693,804	594,521	9,839	60
2036	718,932	616,053	9,839	63

Note: Typical population to support a health and fitness club derived from the Leisure Database Company Research (2017)

Figure 8.5 | Scenario 4: Health and Fitness Centre Requirement

Year	Inner Study Area	Retention of Health and Fitness Trips	Typical Population Required to Support Centre	Potential No. of Clubs Supported by the Area
2017	628,190	538,296	9,839	55
2021	667,272	571,785	9,839	58
2026	716,124	613,647	9,839	62
2031	764,976	655,508	9,839	67
2036	813,828	697,369	9,839	71

8.53 There are a total of 22 publically owned leisure complexes in the combined Council area;

- Watford Leisure Centre (Watford Borough Council)
- Watford Leisure Centre, Woodside (Watford Borough Council)
- William Penn Centre (Three Rivers District Council)
- The Centre (Three Rivers District Council)
- Sir James Altham Swimming Pool (Three Rivers)
- Hertswood Leisure (Hertsmere Borough Council) (currently under re-construction)
- The Venue (Hertsmere Borough Council)

- Furzeffield Centre (Hertsmere Borough Council)
- Bushey Grove Leisure Centre (Hertsmere Borough Council)
- Westminster Lodge Leisure Centre (St Albans City and District Council)
- Redbourn Leisure Centre (St Albans City and District Council)
- Coltandswick Lesiure Centre (St Albans City and District Council)
- Batchwood Golf Course and Sports Centre (St Albans City and District Council)
- Harpenden Sports Centre (St Albans City and District Council)
- Gadebridge Park (Dacorum Borough Council)
- Everyone Active , Jarman Park (Dacorum Borough Council)
- Everyone Active, Hemel Hempstead (Dacorum Borough Council)
- Everyone Active, Longdean (Dacorum Borough Council)
- Everyone Active, Kings Langley (Dacorum Borough Council)
- Everyone Active, Langley Meadows (Dacorum Borough Council)
- Everyone Active, Berkhamsted (Dacorum Borough Council)
- Everyone Active, Tring (Dacorum Borough Council)

8.54 There are a few larger private members clubs in the Council areas, including Nuffield Health (Dacorum, Three Rivers, St Albans) and David Lloyd (Hertsmere).

8.55 The research completed by Nexus has also identified a number of small private health and fitness clubs in the combined Council areas (40 in total). These are of varying sizes, and include a mix of low cost chains such as Anytime Fitness (Dacorum) Pure Gym (Hertsmere), Fitness 4 Less (Watford, Dacorum), Fitness First (St Albans) and The Gym (Watford, Hertsmere, Dacorum) as well as independent clubs.

8.56 This brings the total health and fitness centre provision to 62 different facilities across the combined

area. It is also important to note that there will also be a limited number of smaller clubs that have not been identified as part of our assessment.

- 8.57 The current provision of 62 health and fitness facilities across the Inner Study Area is slightly above the existing demand for both Scenario 2 (54 health and fitness facilities) and Scenario 4 (55 health and fitness facilities). However, by the end of the plan period (2036) this demand is estimated to increase to 63 facilities for Scenario 2 and 71 facilities for Scenario 4.
- 8.58 Therefore, towards the end of the plan period Scenario 4 shows some demand for additional health and fitness facilities. No additional demand for such facilities is forecast for Scenario 2.
- 8.59 In our experience, the Council areas have a particularly strong representation of larger publically owned leisure complexes. The increasing trend of smaller 'budget gyms' also contributes to the high number of gyms located within the Study Area.
- 8.60 In summary, we would not recommend that the Councils plan for any further facilities at this time. Notwithstanding this, and in keeping with NPPF policy on encouraging healthy activities, the Councils should assess the principle of new health and fitness developments coming forward on their own merits.

Cinema Capacity

- 8.61 The Combined Council areas have the following cinemas;
- Vue, Woodside Leisure Park , Watford– 11 screens , 1,840 seats (Watford Borough Council)
 - Reel Cinema, Borehamwood – 4 screens, 580 seats (Hertsmere Borough Council)
 - The Rex, Berkhamsted – 1 screen, 350 seats (Dacorum Borough Council)
 - Cineworld, Jarman Square, Hemel Hempstead – 17 screens, 1,788 seats (Dacorum Borough Council)
 - Odyssey, St Albans- 1 screen, 426 seats (St Albans City District Council)
- 8.62 Therefore, the total supply within the inner Study Area is 34 screens and 4,984 seats. In addition to the cinemas outlined above, we note that the Watersmeet Theatre in Rickmansworth and Wyllyotts Theatre in Potters Bar offer part time showings.

- 8.63 The NEMS Household Survey outlines that cinemas across the authority areas attract 53% of all cinema trips made by residents of the Study Area. In 2016, the Cinema Advertising Association identifies that total cinema admissions were 168.3 million with the national average being 2.6 trips per person.
- 8.64 The Cinema Advertising Association identifies 788 cinema facilities with 4,194 screens in the UK. Lichfield’s Cinescope database identifies approximately 800,000 cinema seats in the UK. In 2016 (the most recently available public data) the national yearly average was 210 trips per seat or 40,000 cinema trips per screen.
- 8.65 As shown in Figures 8.6 and 8.7, in order to gauge the number of cinema seats that can be supported by the Study Area, (in population Scenario 2 and 4) we have calculated the anticipated cinema attendance (based on the national average of 2.6 trips per person). The Inner Study Area’s current cinema trip retention has also been taken into account (80.6% of all cinema trips).

Figure 8.6 | Scenario 2: Cinema Screen Capacity

Year	Inner Study Area Population	Number of Cinema Visits Per Person	Total Cinema Attendance	Cinema Trip Retention	Trips per seat	Cinema Seats Supported by the Area
2017	623,446	2.6	1,620,960	1,306,980	210	6,224
2021	643,548	2.6	1,673,225	1,349,121	210	6,424
2026	668,676	2.6	1,738,558	1,401,799	210	6,675
2031	693,804	2.6	1,803,890	1,454,477	210	6,926
2036	718,932	2.6	1,869,223	1,507,155	210	7,177

Source, Lichfields, Cinescope (2016)

Figure 8.7 | Scenario 4: Cinema Screen Capacity

Year	Inner Study Area Population	Number of Cinema Visits Per Person	Total Cinema Attendance	Cinema Trip Retention	Trips per seat	Cinema Seats Supported by the Area
2017	628,190	2.6	1,633,294	1,316,925	210	6,271
2021	667,272	2.6	1,734,907	1,398,856	210	6,661
2026	716,124	2.6	1,861,922	1,501,268	210	7,149
2031	764,976	2.6	1,988,938	1,603,681	210	7,637
2036	813,828	2.6	2,115,953	1,706,093	210	8,124

Source, Lichfields, Cinescope (2016)

- 8.66 Our benchmarking exercise in relation to Scenario 2 (see Figure 8.6) estimates that (taking retention rates into account) there would be around 1,306,980 cinema admissions in 2017, and that by 2036 this would increase to around 1,507,155 admissions. Based on the national average of 210 trips per seat, we are then able to calculate the number of seats that can be supported in the area.
- 8.67 Figure 8.6 illustrates that, based on population Scenario 2, an average of 6,224 cinema seats can be supported by the Inner Study Area in 2017 rising to 7,177 in 2036.
- 8.68 In relation to Scenario 4 (Figure 8.7), an average of 6,271 cinema seats can be supported by the Study Area in 2017 rising to 8,124 in 2036.
- 8.69 This exercise suggests that the existing provision of 4,984 cinema seats is below that which the population could support. We are however aware of developments coming forward for multi-screen cinemas in both Watford Town Centre and Hemel Hempstead Town Centre. Plans for a new Cineworld as part of the Intu redevelopment in Watford will include 9 new screens. The new Marlowes redevelopment in Hemel Hempstead will also include 9 new screens. It is anticipated that both these developments will be delivered in the plan period.
- 8.70 The new cinema development in Hemel Hempstead will have 784, whilst the new cinema in Watford will hold 1,512 seats. This will bring the total number of cinema seats in the Inner Study Area to around 7,300. This level of provision will meet the Inner Study Area's demand up until and beyond 2036 for population Scenario 2, and up to 2031 for population Scenario 4.
- 8.71 Under Scenario 4, additional demand is identified up to 2036. However, taking into consideration the part time cinema screens in the area, including at Wyllyotts Theatre in Potters Bar, and Watersmeet Theatre in Rickmansworth, as well as the close proximity and popularity of cinemas outside the Study Area (Vue Harrow and Odeon Hatfield), we consider the existing and planned 7,300 seats to be sufficient in meeting the demand for cinema trips during the plan period.

Ten Pin Bowling Capacity

- 8.72 Mintel is a global provider of Market Research, who provide information on trends and insight in the leisure sector. In terms of data on ten pin bowling trends in the UK, they are one of the only providers. As such, we have looked to Mintel research to provide a general indication of the average number of ten pin bowling lanes per resident in the UK.
- 8.73 Ten pin bowling has generally experienced a decline over the last decade, with a gradual reduction in the number of facilities. In 2014, Mintel identified that there were 5,617 bowling lanes⁴⁷, a decrease since 2011 where 5,773 bowling lanes were identified⁴⁸. Taking into account the UK population at the time this data was produced (64.6 million⁴⁹), this equates to one lane for every 11,500 persons. We set this analysis out for population Scenario 2 and Scenario 4 in Figure 8.8 and Figure 8.9.
- 8.74 There is currently just one ten-pin bowling facility in the local authority areas, Hollywood Bowl, Woodside Leisure Park in Watford which has 26 lanes.
- 8.75 The retention rate for Inner Study Area residents' trips to ten-pin bowling facilities has been taken into account (79% of all trips) in order to calculate the number of additional lanes that can be supported in the Inner Study Area.
- 8.76 Figures 8.8 and 8.9 indicate that, based on the assumed benchmark, (and taking the Inner Study Areas retention rates into consideration), Scenario 2 population could support around 50 lanes during the plan Period up to 2036, compared to Scenario 4 population, where 56 lanes could be supported up to 2036. This significantly exceeds the current level of provision.
- 8.77 Taking this anticipated extra demand into account, it is likely that an additional ten pin bowling facility could be supported in the Study Area within the plan period. Further evidence of this is that 3.8% of respondents to Question 44 of the NEMS Household Survey identified ten-pin bowling as a facility that they would like to see more of, making it the 4th most popular answer.
- 8.78 However, whilst we carry out a similar benchmarking exercise for ten pin bowling as with cinema, health and fitness and retail to identify a theoretical capacity for new facilities, ten pin bowling differs from

⁴⁷ 'Tenpin Bowling – UK' Mintel, May 2014

⁴⁸ 'Tenpin Bowling – UK', Mintel, November 2011

⁴⁹ As identified by the Office for National Statistics' Population Estimates for the UK 2014

the aforementioned activities in that current trends show that demand is consistently falling. As such, new developments cannot be planned for through allocations due to the variability of the market. Notwithstanding this, the exercise outlined in Figure 8.8 and Figure 8.9 identifies what capacity there will be, should such investors come forward over the plan period.

8.79 However, with demand falling in general, and with there being a number of nearby alternatives outside the Study Area, we would not recommend that the Councils plan for any further facilities at this time. Therefore, should such investors come forward within the Study Area for a new facility, we would recommend considering the application on its merits, noting the latent spending capacity across the Inner Study Area.

Figure 8.8 | Scenario 2: Ten Pin Bowling Capacity

Year	Inner Study Area	Retention of Ten Pin Bowling Trips	Typical Population Required to Support a Ten Pin Bowling Lane	Potential Number of Lanes Supported in the Inner Study Area
2017	623,446	494,891	11,500	43
2021	643,548	510,848	11,500	44
2026	668,676	530,795	11,500	46
2031	693,804	550,742	11,500	48
2036	718,932	570,688	11,500	50

Source: Tenpin Bowling – UK' Mintel

Figure 8.9 | Scenario 4: Ten Pin Bowling Capacity

Year	Inner Study Area	Retention of Ten Pin Bowling Trips	Typical Population Required to Support a Ten Pin Bowling Lane	Potential Number of Lanes Supported in the Inner Study Area
2017	628,190	498,657	11,500	43
2021	667,272	529,681	11,500	46
2026	716,124	568,459	11,500	49
2031	764,976	607,238	11,500	53
2036	813,828	646,017	11,500	56

Source: Tenpin Bowling – UK' Mintel

Restaurants, Bars and Café Capacity

- 8.80 We have undertaken an assessment of the potential capacity for additional food and beverage floorspace across the key centres of the authority areas, utilising current market shares as identified through the household survey, population and spending growth rates and benchmarking against current levels of provision. This exercise identifies the future spending available to support additional food and beverage floorspace (in the form of restaurants, bars, café etc.) over the plan period.
- 8.81 This approach is not prescriptive, but instead provides an indication of the scope for future development to be supported, in addition to the findings of the assessments of the key centres.
- 8.82 Experian provides localised data on spending on restaurants and cafés per capita, which includes spending on alcoholic drinks (away from home) and take-away meals (Table 2 at **Appendix H**). This spending ranges widely across the Study Area, from a high of £1,783 per annum (Zone 9, Chorleywood & Sarratt) to £1,132 per annum (Zone 20, Hertsmere Southern Fringe).
- 8.83 Taking into account the population growth, and anticipated leisure spending growth rates from Experian, we calculate a total spend across the Study Area from £1,623m (low population growth) and £1,630m (high population growth) at 2017, rising to £2,321m (low population growth) and £2,483m (high population growth) by 2036 (Table 3 at **Appendix H**).
- 8.84 This spending is then attributed to the restaurant and café facilities across the authority area's key centres (Tables 5-9 at **Appendix H**). As would be expected, there is a wide degree of variation in the retention rate (being the proportion of spending from residents of authority areas at facilities within their boundaries).
- 8.85 Restaurants, cafés etc. in Watford attracted 118% of the Borough's total food and beverage spending, indicating a high degree of inflow from across the wider Study Area. Facilities in Three Rivers only accounted for 48% of spending, which would suggest that residents of the District travel further afield for food and beverage trips, in addition to visiting restaurants and cafés in Three Rivers.

- 8.86 Growing the turnover of facilities from current levels on the basis of comparison goods⁵⁰ growth rates from Experian to account for growth through extensions and trading efficiencies over the plan period (Table 11 at **Appendix H**), we find the anticipated spending surplus (or deficit) under each population scenario.
- 8.87 Under Scenario 4 (being the highest population growth scenario), we find a total food and beverage spending surplus across the five authority areas of £11.8m at 2021, growing to £56.5m by 2036.
- 8.88 However, Scenario 2 (low population growth) suggests a trading deficit over the plan period, which would suggest that the turnover of existing facilities across the authority areas will grow at a faster rate than the expenditure generated by the forecast population growth under this scenario (Table 12 at **Appendix H**).
- 8.89 Adopting an average sales density of £5,000 per sq m at 2017 (again, projected to grow in line with comparison goods growth rates provided by Experian) we calculate the typical restaurant and café floorspace that could be supported by the identified surplus expenditure (Table 12 at **Appendix H**).

⁵⁰ We are not aware of any reliable forecast data for restaurant trade growth, and so have linked this growth to published comparison goods spending as we consider that both are the closest aligned to disposable income spending.

Figure 8.10 | Restaurant and Beverage Floorspace Capacity Distribution (2036)

Destination	Capacity for additional floorspace at 2036 (sq m)	
	Scenario 2 (low population growth)	Scenario 4 (high population growth)
Watford	-1,807	1,599
Others Watford	-40	52
Total Watford	-1,847	1,651
Bushey	-243	307
Radlett	-263	359
Borehamwood	-146	286
Potters Bar	-323	441
Others Hertsmere	-34	69
Total Hertsmere	-1,009	1,461
Rickmansworth	-573	327
Others Three Rivers	-509	402
Total Tree Rivers	-1,082	728
Hemel Hempstead	-557	1,539
Berkhamsted	-424	653
Tring	-153	182
Others Dacorum	-143	274
Total Dacorum	-1,276	2,647
St Albans	-1,603	772
Harpenden	-628	195
Others St Albans	-235	109
Total St Albans	-2,466	1,076

Source: Appendix H (Table 13)

8.90 As shown at Figure 8.10, at the highest population forecast (Scenario 4) this surplus expenditure could support 1,651 sq m gross floorspace in Watford at 2036, 1,461 sq m in Hertsmere, 728 sq m in Three Rivers, 2,647 sq m in Dacorum and 1,076 sq m in St Albans on the basis of current market shares.

8.91 As referenced above, this is not a prescriptive exercise, particularly in light of the expenditure deficit identified under the lowest population growth forecast (Scenario 2). As such, we do not recommend that any centre would require specific intervention in the form of large-scale allocations to meet the identified capacity over and above any gaps identified through the qualitative assessments of the key

centres and smaller units that come forward as planning applications over the plan period.

8.92 Restaurants, cafés and bars remain an essential function of healthy town centres, drawing residents to the area, increasing 'dwell time' and supporting the evening economy. Such facilities should be promoted, providing that such uses would not adversely impact the operation or function of existing retail provision and the vitality and viability of the town centres.

Theatres, Concert Halls, Museums and Art Galleries

8.93 The combined council areas offer the following cultural facilities:

Dacorum Borough Council

- The Old Town Hall Theatre, Hemel Hempstead
- The Boxmoor Play House, Hemel Hempstead
- Vyne Theatre, Berkhamsted
- Dacorum Heritage Trust, Berkhamsted
- Natural History Museum, Tring

Hertsmere Borough Council

- The Ark Theatre, Borehamwood (currently under re-construction)
- Wyllotts Theatre, Potters Bar
- The Radlett Centre, Radlett
- Potters Bar Museum, Potters Bar
- Elstree and Borehamwood Museum, Borehamwood
- Bushey Museum and Art Gallery, Bushey
- De Havilland Aircraft Museum, Shenley

Three Rivers District Council

- Watersmeet Theatre, Rickmansworth
- Three Rivers Museum, Rickmansworth

St Albans City and District Council

- The Alban Arena, Civic Centre, St Albans
- Harpenden Public Halls, Harpenden
- Abbey Theatre, St Albans
- Maltings Arts Theatre, St Albans
- Verulamium Museum, St Albans

Watford Borough Council

- Watford Palace Theatre, Watford
- Pump House Theatre and Arts Centre, Watford
- The Colosseum, Watford
- Watford Museum, Watford

8.94 In addition to the above, following a two year restoration project, a new museum and gallery is due to open in St Albans City Centre in June 2018. The museum will be located within the Grade II listed Town Hall in between Market Place and Chequer Street.

8.95 With 23 main cultural facilities identified across the inner Study Area, it is considered that there is a strong representation of theatres, museums and art galleys across SW Herts. This will be boosted further by the opening of the museum in St Albans City Centre later this year.

8.96 It is noted that there may also be a number of smaller more localised cultural facilities across the Study Area that have not been included in the list of main facilities outlined above.

- 8.97 In addition, the NEMS household survey results clearly illustrated that Central London is by far the most popular destination for cultural facilities with 71.3% of respondents travelling into the capital to carry out trips to the theatre, museum or art gallery. This reflects the particularly strong transport links across the Study Area into Central London and the international draw to the City Centre.
- 8.98 Taking this into account, we do not consider there to be demand for additional cultural facilities across the Study Area during the plan period.

Summary

- 8.99 As part of this Retail and Leisure Study, Nexus has measured the popularity and scale of existing leisure provision against 'benchmarks' in order to ascertain whether there are any gaps in the market where demand is not being met by existing provision.
- 8.100 In terms of existing market shares, the majority of residents currently make leisure trips within the Study Area. Trips are particularly focused around the higher order towns of Watford, St Albans and Hemel Hempstead, with a notable number of visits also taking place at Borehamwood and Rickmansworth.
- 8.101 A fair amount of residents are carrying out their leisure activities within Central London. This is to be expected taking account of strong transport links and the appeal of visiting leisure facilities near places of work (particularly health clubs and restaurants).
- 8.102 Turning to consider the requests for new facilities (Question 44 of the household survey); there were no substantial numbers in any one category, with 68.8% of respondents unable to identify any particular need. In our experience of similar studies across the UK, this is in line with the average of what might be expected, and suggests that provision in the area generally meets its residents' expectations.
- 8.103 The second highest demand across the Study Area after 'nothing' or 'don't know' was for a new swimming facility (7.6%) followed by cinema facility (6.3%). However, taking the two impending cinema developments (in both Watford and Hemel Hempstead) into consideration, it is assumed this demand will be satisfied.

- 8.104 Limited capacity shown to exist for new health and fitness clubs and for additional cinema seats. There is identified capacity for additional bowling facilities and the potential for additional food and beverage floorspace capacity depending on population growth.
- 8.105 The Inner Study Area is well provided for in terms of large leisure centre facilities, but we suggest that demand for health and fitness clubs could be further satisfied with the introduction of additional low cost gyms during the plan period.
- 8.106 The development of two new multi-screen cinemas in Watford and Hemel Hempstead is likely to meet the demand for extra cinemas seats and, whilst the potential demand for a new bowling facility over the plan period is identified, national trends recognise that this is an activity reducing in popularity and much of the demand is absorbed into surrounding high order town centres.
- 8.107 In light of our findings, we do not recommend that it is necessary for the Councils to plan for any significant new major leisure facilities over the plan period by way of specific site allocations.
- 8.108 Notwithstanding the above, and in line with the general provision of the NPPF and reduced trip distances, this demand should be regularly reviewed and the Councils should always be open to the provision of additional facilities in sustainable locations.

9.0 Recommendations and Future Strategy

Introduction

- 9.1 This combined Retail and Leisure Study has been instructed in order to inform the evidence base to support the emerging local plans being prepared for Dacorum Borough Council, Hertsmere Borough Council, Three Rivers District Council, Watford Borough Council and St Albans City & District Council up to 2036.
- 9.2 In the preceding sections we have considered the health of existing centres within the five local authority areas, where residents currently travel for their retail and leisure needs, and, based on an assessment of existing market shares and population/ expenditure growth, what potential cumulative capacity there is for additional retail and leisure floorspace within each local authority area.

Scope of our Brief

- 9.3 The original Brief for the combined Retail and Leisure Study was issued in July 2017. The Brief was informally updated to include St Albans City & District in February 2018.
- 9.4 Under the original Brief, we were asked to prepare an *"NPPF and NPPG compliant Retail and leisure Study, which provides the councils with an objective assessment of retail and leisure development needs, together with a clear understanding of retail and leisure provision and possible local authority planning and strategic responses"*.
- 9.5 In order to satisfy this, the Brief asked that Nexus report back on a number of set objectives. The preceding sections of this report establish a baseline for many of these objectives, and we do not repeat in full our findings in this section in every respect. Our baseline evidence though does allow us to formulate conclusions on a number of objectives related to future strategies for each of the five authorities, and we focus in on those aspects. For completeness though, we work through the key objectives below and detail where our core findings can be found, adding further strategic suggestions where relevant.

Response to Objectives

A. Outline recent retail trends at national, regional and local levels

- 9.6 In Section 2 we set out a detailed assessment of the prevailing retail trends. We have also supplemented this with an analysis of leisure trends. As a summary, it is evident that consumer spending is very volatile. The past decade has seen prosperity and low unemployment contrasted to a sharp economic recession, significant technological advances which affect the way in which we shop, the current political and economic uncertainties around 'Brexit', as well as a number of different Planning regimes. Each of these factors has to different extents fundamentally altered the way in which we choose to carry out our retail and leisure spending. Established retailers continue to struggle to keep pace, with many well-known brands ceasing to trade (most recently Toys R Us and Maplin). However, at the same time there is huge growth in e-tailing and our café and restaurant culture (though equally there are very recent signs of a slow down there too).
- 9.7 On a local level, there is also significant planned or proposed retail growth in neighbouring authority areas such as Luton and Barnet, the impacts of which on South West Hertfordshire can only be speculated upon at the moment. Alongside this, we are asked to consider four different housing scenarios as part of this Study, suggesting a degree of uncertainty with regard to potential population growth.
- 9.8 As a conclusion, there has rarely been a less certain time to forecast retail and leisure needs into the future. We therefore recommend that the Councils take a short/medium-term view on meeting the evolving requirements of their resident populations' retail and leisure needs. We therefore recommend that the Council's place the greatest weight on our forecasts to 2031. Whilst we also forecast to 2036 in line with the Brief, for the reasons we outline, long-range forecasting such as that should be treated with caution under the current climate we have described. Validation of this thought-process comes in the revised NPPF, which advocates allocating sites for town centre uses to meet capacity for a minimum of "at least ten years" rather than over the full plan period (July 2018, Paragraph 86). Notably, we are informed by the authorities that their Plans are likely to be adopted around 2020-2021.

9.9 Accordingly, we recommend that each Council adopts our forecast figures within their emerging spatial policies, but notes a caution over the 2036 figures in particular, and recommend that given the ever-evolving nature of the retail and leisure market, suitable monitoring exercises are put in place over time to assess the changing requirements for bricks and mortar retail and leisure provision. This could include regular health-check exercises, periodic updates to forecasting based on the latest population, expenditure and special forms of trading estimates, or full Retail and Leisure Study Updates.

B. Define the retail market area

9.10 During our early inception discussions, we agreed a suitable Study Area for the South West Hertfordshire region. This is shown at **Appendix A** and formed the basis of our household telephone survey of 2,200 households, the analysis of which is contained at **Appendix E**. Our Study Area contains 22 Zones defined by postcode geography. Each Zone represents either a constituent part of an individual local authority area (cumulatively we have titled these the 'Inner Study Area'), or are Zones beyond the Inner Study Area which we utilise to assess the degree of 'inflow' of trade from immediately adjoining areas. In this way, we are able to build an accurate picture of the market share of the Inner Study Area as a whole, each of the five local authority areas, and each of the major retail and leisure destinations within those authority areas.

C. Analyse how the retail and leisure sector within the Study Area fits within the wider sub-region

9.11 Our full market share analysis is set out in Section 6. We have analysed a number of aspects, but in terms of the overall headlines, we set out in Figure 9.1 below our findings in terms of comparative market share within the Inner Study Area.

Figure 9.1: South West Hertfordshire Market Share Assessment

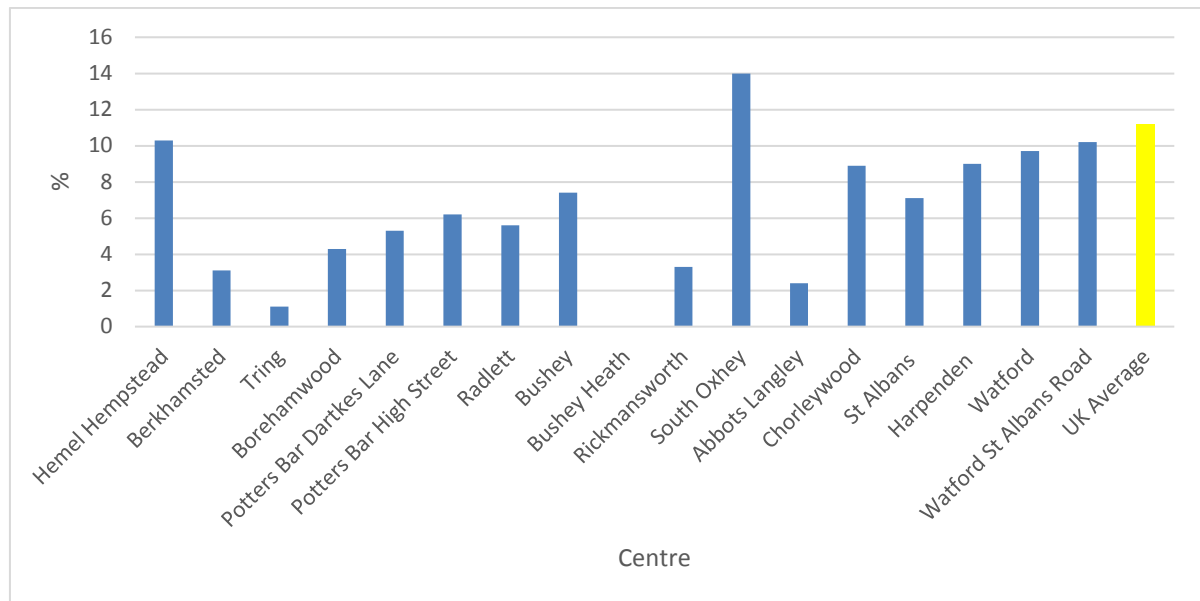
Area	Convenience Goods market Share	Comparison Goods market share
Hertsmere	7.7%	3.5%
Three Rivers	5.7%	1.3%
Dacorum	15.1%	10.5%
Watford	12.3%	25.8%
St Albans	12.3%	10.0%
<i>Inner Study Area</i>	53.2%	51.2%
Elsewhere	46.8%	48.8%

D. Benchmark the retail sector within each centre against other relevant and comparable locations

9.12 In Section 4 we have utilised Venuescore data to measure the standing of each of the major towns in South West Hertfordshire against comparable locations in the wider sub-region. Whilst this can be a crude measure as it relates solely to the presence and quality of national multiples, it does nonetheless help to define the broad characteristics of each centre, and also allows us to examine how centres have changed over time. Our table at Figure 4.2 highlighted that Watford is the region’s highest ranked centre as a Major Regional Centre, with St Albans and Hemel Hempstead following on at the next tier as Regional Centres. We discuss retail hierarchy further under Objective 7 below.

9.13 Throughout the remainder of the study, we have prepared a series of benchmarking exercises to examine our own empirical evidence in order to understand the relative performance of each centre. Some key examples are extrapolated below, where we benchmark the levels of vacancies in each centre under Figure 9.2, and where we examine the market share and turnover of each store or centre for convenience and comparison goods under Figures 9.3 and 9.4.

Figure 9.2 | Comparison of Vacancy Rates by unit (%)



Source: Experian, 2017

9.14 The overall picture is one of general good health (as we explore further under Objective 5 below). The centres within South West Hertfordshire perform well against UK averages, and well against our own considerable experience of preparing retail studies in the South and East of England. We believe that fundamental to this are two things; a) a growing and, for the large part, affluent population, and b) the fact that a relatively large proportion of the area’s retail floorspace is met in town centres, as opposed to out-of-centre retail parks. Of the 17 centres we study in detail, only Watford, Hemel Hempstead and St Albans have notable out-of-centre retail parks nearby. This contrasts to many other parts of the country where town centres have been heavily impacted upon by out-of-centre retail facilities. This makes the town centres in South West Hertfordshire, particularly some of the mid-sized centres such as Borehamwood, Berkhamsted and Harpenden, particularly vulnerable to unsustainable, out-of-centre development. Seeking to protect the vitality and viability of those centres, whilst meeting the needs of a growing populations, forms a thread which runs through our ensuing analysis and recommendations. There is also the comparable size and ambitions for large retail developments beyond the Study Area, most notably in Brent Cross and Luton. We also examine this further below.

9.15 Turning to our exercises in benchmarking the financial performance of different centres and stores, Figures 9.3 and 9.4 below set out our findings in terms of comparative market shares and turnover for both convenience and comparison goods.

Figure 9.3 | Convenience Goods - Study Area Market Share by Store (Scenario 1)

Destination	Market Share	Turnover
Tesco Extra, Watford	3.2%	£82.6m
Tesco, Borehamwood	2.9%	£75.5m
Asda, Watford	2.9%	£74.4m
Sainsbury's, London Rd, Hemel	2.8%	£73.1m
Morrisons, St Albans	2.5%	£65.8m
Tesco, Jarman Way, Hemel	2.4%	£63.2m
Waitrose, Berkhamsted	2.1%	£53.5m
Sainsbury's, Cow Lane, Watford	2.0%	£52.8m
Sainsbury's, St Albans	2.0%	£52.7m
Tesco, Tring	1.9%	£49.1m
Morrisons, Watford	1.7%	£44.8m
Sainsbury's, London Colney	1.7%	£44.4m
Sainsbury's, Harpenden	1.7%	£44.2m
Waitrose, Northwood	1.5%	£39.3m
Tesco, Potters Bar	1.4%	£37.1m
Aldi, London Road, Hemel	1.3%	£33.7m
Others	19.2%	£489.5m
Inner Area sub-total	53.2%	£1,375.7m
Others in the Study Area	31.8%	£822.9m
Study Area sub-total	85.0%	£2,198.6m
Others outside the Study Area	15.0%	£388.5m
Total	100.0%	£2,587.1m

Source: Appendix E, Tables 3 and 4

9.16 This exercise showed that a number of large convenience goods stores in South West Hertfordshire dominate the market share. Our assessment in Section 7 benchmarked their performance against company average expectations (derived from Verdict) and concluded that there was a cumulative over-trade amongst stores in South West Hertfordshire of £258.8m against company benchmarks. The performance of individual stores is set out at Table 5 of **Appendix E**.

Figure 9.4 | Comparison Goods - Study Area Market Share by Centre (Scenario 1)

Destination	Market Share	Turnover
Watford Town Centre	21.1%	£873.8m
Hemel Hempstead Town Centre	6.0%	£248.5m
St Albans City Centre	5.6%	£231.7m
Apsley Mills RP, Hemel Hempstead	2.7%	£112.6m
Colney Fields Shopping Park	2.7%	£112.2m
Watford Arches RP, Watford	2.4%	£98.8m
Borehamwood Town Centre	1.7%	£69.9m
Waterfields RP, Watford	1.4%	£56.0m
Berkhamsted Town Centre	1.1%	£45.7m
Abbey View RP, St Albans	0.8%	£31.9m
Harpenden Town Centre	0.7%	£27.9m
Potters Bar Town Centre	0.5%	£22.4m
Colne Valley RP, Watford	0.5%	£19.7m
Tring Town Centre	0.4%	£17.6m
Rickmansworth Town Centre	0.3%	£12.5m
Others in the Inner Study Area	3.3%	£140.1m
Inner Area sub-total	51.2%	£2,121.3m
Harrow Town Centre	4.3%	£179.5m
Ruislip Town Centre	2.2%	£90.2m
Barnet Town Centre	1.5%	£64.1m
Edgware District Centre	1.3%	£55.0m
Leighton Buzzard Town Centre	1.1%	£45.3m
Others in the Study Area	4.5%	£182.3m
Study Area sub-total	66.1%	£2,737.7m
Welwyn Garden City Centre	5.0%	£207.0m
Milton Keynes Town Centre	4.8%	£200.8m
Central London	3.8%	£157.6m
Brent Cross Shopping Centre	1.9%	£77.1m
Aylesbury Town Centre	1.8%	£75.7m
Uxbridge Town Centre	1.8%	£72.9m
High Wycombe Town Centre	1.3%	£52.4m
Luton Town Centre	1.2%	£48.6m
Others outside the Study Area	12.3%	£514.0m
Total	100.0%	£4,144.4m

9.17 Comparison goods stores and centres in South-West Hertfordshire are shown to cumulatively attract over £2.1bn of spending from the Study Area. This is just over half such spending carried out by residents of the Study Area. The relative comparison goods market share and turnover of each centre is benchmarked in Figure 9.4 above.

E. Carry out a health check of retail centres in accordance with the requirements of the NPPG.

- 9.18 We have carried out a health-check of the primary 17 centres within South-West Hertfordshire. Detailed assessments have been prepared for each centre in keeping with NPPG methodology and are contained at **Appendix C**. Our findings are summarised in Section 4.
- 9.19 These results show that, on the whole, the centres of South-West Hertfordshire perform well against most indicators. By way of commonly used example of this, 16 of the 17 centres have vacancy rates (by unit) which are below the UK average (see also Figure 9.2). The only centre which exceeds the UK average, South Oxhey, only does so because at the time of writing the centre is being redeveloped through the South Oxhey Regeneration programme. There is also evidence of recent public and private investment in most centres, environmental quality is generally high, and our household survey results indicate a general satisfaction with the quantity and quality of town centre uses. Where there are isolated pockets of dissatisfaction, we consider those separately below where we suggest retail strategy on an authority-by-authority basis.
- 9.20 From our analysis of the centres, it is clear that each centre functions quite differently, and that there are several tiers to the local shopping hierarchy (see Objective 7 below).
- 9.21 As shown by our town centre composition and market share analysis, Watford, Hemel Hempstead and St Albans are the largest centres within the five local authorities, and the major comparison retail centres. Watford is the dominant centre in the sub-region, particularly for comparison goods. It attracts more than three times the market share of comparison goods than any other centre in South-West Hertfordshire. Hemel Hempstead and St Albans have similar market shares to each other and perform similar functions. Both are hubs for more day-to-day retail trade west (Hemel Hempstead) and east (St Albans) of Watford. They are however very different in style. Hemel Hempstead is a distinctly modern centre, with a large indoor mall, pedestrianised streets and a number of recent and on-going investments. This main part of the centre (new town) juxtaposes with the old town, which is typified by niche retailers in more dated buildings. St Albans by contrast is a tourist destination by virtue of its cathedral, markets and Roman heritage. It too though has a number of more modern shopping centre extensions which add to its overall viability.
- 9.22 Interestingly, Watford St Albans Road, also has a large proportion of comparison floorspace, but has the perception of being service based. The elongated high street has a high number of specialised

independent shops, which have a more localised function.

- 9.23 Berkhamsted, Borehamwood, Harpenden and Rickmansworth, are all smaller than Watford, Hemel Hempstead and St Albans, but function independently, as main centres. Each centre provides a combination of convenience and comparison goods, as well as services. Rickmansworth has a particularly high prominence of financial and business services and Harpenden has a particularly strong food and drink offer.
- 9.24 Tring, Radlett, Abbots Langley and Chorleywood all function as particularly localised centres, focused around services rather than comparison or convenience goods for local residents.
- 9.25 When considering geography and composition, the centres of Bushey and Bushey Heath have a complementary relationship. The two centres, located only a mile apart, complement each other. While Bushey provides an oversupply of retail, leisure and financial and business services, Bushey Heath provides much more in the way of convenience and comparison. While on their own, neither centre would be considered particularly viable, together they provide a healthy composition.
- 9.26 Similar to Bushey and Bushey Heath, the two Potters Bar centres complement each other with their centre composition. While Potters Bar High Street has a particularly high proportion of retail and leisure services, Potters Bar Darkes Lane has a significant offer of comparison goods units and financial and business services.
- 9.27 It is difficult to conclude how the current South Oxhey District Centre is performing considering the impending redevelopment. Its role in the wider region will become clearer over the coming years.

F. Analyse the structure and performance of the area's existing retail base as well as other relevant main town centre uses

- 9.28 In the health-checks at **Appendix C** we set out a detailed analysis of the structural composition of each centre. We benchmark the composition of each centre against UK averages provided by Experian Goad, as well as historical composition data prepared by previous retail consultants for each of the authority areas. In Figure 9.5 below, we provide a quick-reference guide to how the composition of each centre compares to the UK average, and whether the time-series data shows each component to be increasing or decreasing over time.

Figure 9.5 | Town Centre Composition – UK Benchmark & Trends

Centre	Benchmark to UK Average (2018)				Time-series Trend*			
	Convenience	Comparison	Services (all)	Vacant	Convenience	Comparison	Services	Vacant
Hemel Hempstead	↓	↑	↑	↓	↑	↓	↑	↑
Berkhamsted	↓	↑	↑	↓	↑	↓	↑	↑
Tring	↓	↓	↑	↓	↑	↑	↓	↓
Borehamwood	↑	↓	↑	↓	↑	↓	↑	↓
Potters Bar (Darkes Lane)	↓	↓	↑	↓	↓	↓	↑	↑
Potters Bar (High Street)	↓	↓	↑	↓	↑	↓	↑	↓
Radlett	↑	↓	↑	↓	↑	↓	↑	↑
Bushey	↓	↓	↑	↓	↓	↓	↑	↓
Bushey Heath	↑	↓	↑	↓	↑	↓	↔	↓
Rickmansworth	↑	↓	↑	↓	↓	↓	↑	↓
Abbots Langley	↑	↓	↑	↓	↔	↓	↑	↓
South Oxhey	↑	↓	↑	↑	↓	↓	↑	↑
Chorleywood	↑	↑	↓	↓	↓	↑	↓	↑
St Albans	↓	↑	↑	↓	↓	↓	↑	↑
Harpenden	↓	↓	↑	↓	↑	↓	↑	↑
Watford	↓	↑	↓	↓	↑	↓	↑	↓
North Watford	↑	↓	↑	↓	↓	↓	↑	↓

* Time series data based on current composition of each centre and compared against historical composition data. The time period for each local authority and each centre varies depending on the available data sets and previous retail studies. Refer to Appendix C – Health Checks for the relevant time period for each centre.

9.29 Figure 9.5 is particularly useful in examining the current composition of each centre relative to the UK and other centres in the same sub-region. Some key aspects of the results are as follows:

- As previously discussed, all centres apart from South Oxhey have vacancy rates below the UK average.
- There is a broadly even split between those centres which provide an above average number of convenience units, and those which provide a below average number of convenience units.
- The majority of centres comprise a below average proportion of comparison goods units. Those which are above the UK average though are Hemel Hempstead, Berkhamsted, Chorleywood, St Albans and Watford.
- The vast majority of centres provide an above average proportion of service units. The only centres which provide a lower than UK average proportion are Watford and Chorleywood.
- Nine of the centres show an increase in convenience goods units since they were last surveyed. This reverses the trends of the early 21st century and is likely to be testament to the rolling back of large foodstore openings in recent years, alongside a growth in smaller high street convenience stores and evidence of a small resurgence in independent convenience goods retailing in specialist sectors.
- In keeping with national trends though, the vast majority of centres have shown a trend decline in comparison goods floorspace. This is inevitably due to the impacts of the internet, as highlighted in Section 2. Two centres though which buck this trend are Tring and Chorleywood, both of which evidence an increase in comparison goods provision.
- Hand in hand with a marked general decline in comparison goods units on traditional high streets, has been an increase in the number of service units. This is evident in South-West Hertfordshire too, with all centres except Tring and Chorleywood experiencing an increase since their last surveys.
- There is a very mixed picture regarding vacancy trends in South-West Hertfordshire, with eight centres showing increases and eight centres showing decreases over time. Set against a national picture of small increases in vacancy rates year-on-year, this perhaps paints an encouraging

picture in South-West Hertfordshire. Borehamwood is most notable in terms of its relative decrease in vacancies.

G. Review each retail/town centre and rank them in a hierarchy

9.30 In Section 3, we detailed the existing hierarchy of town centres in South-West Hertfordshire. The centres are defined by five different authorities, and from Development Plans of different eras, and so it is inevitable that there are currently a range of different centre definitions. These are set out in Figure 9.6 below.

Figure 9.6 | Existing Hierarchy of Centres

Dacorum Borough Council	Hertsmere Borough Council
Hemel Hempstead – Principal Town Centre Berkhamsted – Secondary Town Centre Tring – Secondary Town Centre	Borehamwood – Town Centre Potters Bar (Darkes Lane) – Local Town Centre Potters Bar (High Street) – District Centre Radlett – District Centre Bushey – District Centre Bushey Heath – District Centre
Three Rivers District Council	Watford Borough Council
Rickmansworth – Town Centre South Oxhey – District Centre Abbots Langley – District Centre Chorleywood – District Centre	Watford – Town Centre Watford St Albans Road – District Centre
St Albans City and District Council	
St Albans – Minor Sub Regional Centre	
Harpenden – Minor District Centre	

- 9.31 If we are to view the sub-region as a whole and to propose a single conjoined hierarchy, it is notable that the NPPF fails to provide any clear guidance to differentiate between what should constitute a 'town', 'district' or 'local' centre (providing only a generic definition of a 'town centre').
- 9.32 Notably, the NPPF glossary clarifies that: *'References to town centres or centres ... exclude small parades of shops of purely neighbourhood significance.'* As such, small neighbourhood parades differ from local centres, and are not necessarily protected in planning terms (unless specifically identified for safeguarding within the retail hierarchy).
- 9.33 As a result, there is flexibility in the ability of local authorities to title and distinguish between different levels of their town centre hierarchies, with the only set definitions being between town centres and neighbourhood centres.
- 9.34 In our experience, the most commonly used definitions are, in descending order, 'Regional Centres', 'Sub-Regional Centres', 'Major Town Centres', 'Town Centres', 'District Centres' and 'Local Centres'. We utilise these titles in our suggested hierarchy. We define the hierarchy based on our detailed assessment of market shares, as well as the size of the centre (i.e. number of unit and floorspace) and composition of each centre (i.e. the range of facilities which are present). This provides us with an understanding of the reach of each centre in convenience, comparison and leisure terms. Whilst we do not assess in detail some other town centre uses such as hotels and offices, we are mindful of their presence in each centre. Our suggested hierarchy is set out in Figure 9.7.
- 9.35 A Regional Centre is a regionally significant business and commercial hub that draws visitors from an area more expansive than the immediate catchment, providing a significant quantity of high quality convenience and comparison floorspace and major services. Generally a Regional Centre would have a clearly dominant market share of comparison goods shopping within the region. A Regional Centre also provides a comprehensive offer of leisure floorspace including restaurants, cafes, bars and cinemas that visitors will travel some distance specifically to utilise.
- 9.36 A Sub-Regional Centre is a business and commercial hub that while not having the same pulling power of a Regional Centre, has a major offer of convenience and comparison floorspace, and services that serve a wider area than the immediate catchment. A Sub-Regional Centre also provides a comprehensive offer of leisure floorspace including restaurants, cafes, bars and cinemas that visitors will travel to specifically to utilise.

- 9.37 A Major Town Centre is a business and commercial hub serving the local area with a major offer of convenience and comparison floorspace and services. A Major Town Centre also provides an offer of leisure floorspace including restaurants, cafes, bars and cinemas that visitors will travel to specifically to utilise.
- 9.38 Town Centre is a commercial hub serving the local area with an offer of convenience and comparison floorspace and a comprehensive provision of services. Serving the local area, a Town Centre provides an offer of leisure floorspace including restaurants and cafes.
- 9.39 A District Centre serves the local catchment through provision of important convenience and comparison floorspace and local services. Usually between 50 and 100 units, a District Centre is an important local hub for the surrounding residential community.

Figure 9.7 | Suggested Retail Hierarchy for larger centres in South-West Hertfordshire

Hierarchy	Centres	Convenience Market Share	Comparison Market Share	No. of Units	Total Floorspace (sq m net)
Regional Centre	Watford ⁵¹	5 th (1.7%)	1 st (21.1%)	2 nd (391)	1 st (114,380)
Sub-Regional Centres	Hemel Hempstead	6 th (1.5%)	2 nd (6.0%)	3 rd (264)	3 rd (71,150)
	St Albans	7 th (1.3%)	3 rd (5.6%)	1 st (436)	2 nd (71,990)
Major Town Centre	Borehamwood	1 st (7.0%)	4 th (1.7%)	7 th (188)	4 th (59,770)
Town Centres	Berkhamsted	2 nd (5.2%)	5 th (1.1%)	6 th (191)	6 th (29,770)
	Tring	=9 th (0.7%)	7 th (0.4%)	11 th (92)	11 th (12,590)
	Potters Bar (Darkes Lane)	8 th (1.1%)	=10 th (0.2%)	10 th (114)	10 th (20,050)
	Potters Bar (High Street)	4 th (3.1%)	=8 th (0.3%)	8 th (130)	8 th (25,650)
	Harpenden	3 rd (5.1%)	6 th (0.7%)	5 th (210)	7 th (26,460)
	Rickmansworth	14 th (0.4%)	= 8 th (0.3%)	9 th (122)	9 th (21,050)
	Watford North	=12 th (0.5%)	=16 th (0.0%)	4 th (206)	5 th (32,290)
District Centres	Bushey	16 th (0.2%)	=10 th (0.2%)	16 th (54)	16 th (6,020)
	Bushey Heath	17 th (0.0%)	= 16 th (0.0%)	17 th (45)	15 th (6,210)
	South Oxhey	=12 th (0.5%)	= 14 th (0.1%)	14 th (57)	14 th (7,810)
	Chorleywood	15 th (0.3%)	=10 th (0.2%)	15 th (56)	17 th (2,135)
	Abbots Langley	11 th (0.6%)	=10 th (0.2%)	18 th (41)	18 th (1,983)
	Radlett	=9 th (0.7%)	= 14 th (0.1%)	13 th (89)	12 th (11,080)
	Hemel Old Town ⁵²	N/A	N/A	12 th (94)	13 th (9,080)

⁵¹ Watford is a key centre not just in South-West Hertfordshire, but in the wider region, and therefore has been elevated to Regional Centre, over and above the function of Hemel Hempstead and St Albans.

⁵² Newly defined Centre. Please refer to Appendix F.

H. Review whether centres should expand or contract

9.40 The NPPF (2012) provides definitions of 'primary shopping area' and 'primary' and 'secondary' frontages at the glossary at Annex 2:

- The NPPF defines a Town Centre as an *'Area defined on the local authority's proposal map, including the primary shopping area and areas predominantly occupied by main town centre uses within or adjacent to the primary shopping area. References to town centres or centres apply to city centres, town centres, district centres and local centres.'*
- The Primary Shopping Area is the *'Defined area where retail development is concentrated (generally comprising the primary and those secondary frontages which are adjoining and closely related to the primary shopping frontage).'*
- Primary Frontages are *'...likely to include a high proportion of retail uses which may include food, drinks, clothing and household goods.'*
- Secondary Frontages *'...provide greater opportunities for a diversity of uses such as restaurants, cinemas and businesses.'*
- The NPPF also indicates that the Primary Shopping Area will act as the boundary with regard to whether a site is 'in', 'edge' or 'out' of centre. 'Edge-of-centre' is the area that is well-connected and up to 300m from the Primary Shopping Area, with 'Out-of-centre' being the areas beyond that.
- Whilst it has been clearly superseded by the NPPF, in the absence of any other definition, it is pertinent to note that Planning Policy Statement 4: Planning for Sustainable Economic Growth (PPS4) provides an additional qualification to its definition of Primary Shopping Area, stating that: *'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.'*

9.41 Having undertaken a full assessment of each of the centres in Section 4, our considerations in relation to the retail hierarchy and town centre boundaries are highlighted in the table at **Appendix F**. Linked to the table, we identify suggested annotations and boundary revisions on a spatial plan for each centre.

I. Identify net inflow or net outflows of consumers

9.42 Our market share assessment in Section 6 established the amount of convenience and comparison goods trade ‘retained’ and ‘leaked’ from each local authority area. Those results were drawn from our detailed tables at **Appendix E**. Retention is the proportion of expenditure generated by residents of a defined area which is spend at stores and centres within the defined area itself, whilst leakage is that element which is not. In Figure 9.8 below, we summarise the position with respect to each authority area.

Figure 9.8 | Expenditure Retention & Leakage by Authority Area

Area	Convenience Goods		Comparison Goods	
	Retention	Leakage	Retention	Leakage
Hertsmere	69.6%	30.4%	27.9%	72.1%
Three Rivers	50.0%	50.0%	10.7%	89.3%
Dacorum	92.7%	7.3%	64.1%	35.9%
Watford	87.6%	12.4%	88.3%	11.7%
St Albans	76.3%	23.7%	47.1%	52.9%
Inner Study Area	92.1%	7.9%	77.4%	22.6%

9.43 The overall results for the Inner Study Area show a fairly typical pattern of trade retention for convenience and comparison goods. Convenience goods are more typically expected to be found close to home, as they require less choosing between venues (though some ‘brand-allegiance’ is relevant), and often involve shopping for frozen or delicate items which do not lend themselves to

lengthy travel. By contrast, consumers are likely to travel farther afield for comparison goods, where brand is often important, and where the critical mass of a range of shops and services adds to the shopping experience (e.g. the pull of somewhere like Brent Cross to South-West Hertfordshire residents). Respective retention levels of 92.1% and 77.4% are therefore in line with our expectations.

9.44 In terms of convenience goods, Dacorum and Watford provide for the vast majority of their own residents' needs, whilst St Albans and Hertsmere facilities provide for most of their own residents. Consumers in Three Rivers though carry out as much of their convenience goods shopping outside the Borough, as they do inside of it. Proximity to a number of large foodstores in Watford is the explanation for this.

9.45 Turning to consider comparison goods, the differences between the authority areas are very marked. Watford, as the areas sub-regional centre, attracts an impressive 88.3% of its own residents spending, meaning that very few residents feel the need to go elsewhere on a regular basis. Dacorum also retains almost two-thirds of its own residents spend, largely owing to the attraction of Hemel Hempstead. St Albans provides for just less than half its own residents' needs, which the results show to be due to the relative proximity and attraction of large-scale comparison goods centres such as Welwyn Garden City, Watford and Hatfield. Hertsmere (72.1%), and particularly Three Rivers (89.3%), experience large level of comparison goods trade leakage. The nearby presence of facilities in Watford is the main reason for this. In both cases, residents are more likely to shop for comparison goods in Watford than they are in their own authority areas.

J. Take account of the possible changes in the spatial patterns of development within the study area

9.46 Our Brief involves exploring four potential housing growth scenarios across South-West Hertfordshire. These are detailed in Section 5, with a further explanatory note contained at **Appendix G**. These different scenarios are summarised in Figure 9.9 below.

Figure 9.9 | Population Forecast Scenarios (Dwellings per Annum, 2017-2036)

Authority Area	'Scenario 1' Strategic Housing Market Assessment	'Scenario 2' Capped up to date Local Plan (Govt published)	'Scenario 3' Capped out of date LP based on 10 year 2016-2026 projected growth	'Scenario 4' Capped out of date LP based on new Local Plan period projected growth
Dacorum	756	602	980	1096
Hertsmere	599	372	700	700
Three Rivers	514	252	560	630
Watford	577	364	840	770
St Albans	639	504	980	875
Total	3,085	2,094	4,060	4,071

- 9.47 Our capacity calculations at **Appendix E** are worked out for each different population scenario in order for officers to fully account for the potential range of spatial development options around housing growth and location.
- 9.48 As we go on to demonstrate under Objective 11 below, we also fully account for the range of on-the-ground retail developments which are either under construction, or have extant planning permissions, across the Study Area. The likely turnover of these developments is discounted from our capacity projections.
- 9.49 Finally, we also take account of the range of major retail and leisure development which is planned outside of the Study Area. Those potential 'pipeline developments' are detailed fully in Section 4, and have influenced our thinking on projected market shares when calculating our capacities. As we set out in Section 7, we have adopted a 'constant market share' basis for the projections of convenience goods capacity. This is based on our forecast that the strength of existing convenience goods locations, together with commitments not yet build out, and the principle that residents will usually choose to shop for convenience goods close to home, will be sufficient to maintain market share, irrespective of any developments coming forward outside of South-West Hertfordshire.

- 9.50 Where it comes to comparison goods market share though, we have already identified that areas within the sub-region outside of Watford and Dacorum are more likely to 'leak' trade elsewhere. This is most marked in Three Rivers, though that leakage is largely to Watford, and the existing market share base is so small, that we do not see there being any significant change in market share (particularly when the South Oxhey Regeneration project is complete, which will presumably result in a small uplift in attraction).
- 9.51 We do consider though that residents in St Albans and Hertsmere are more vulnerable to being attracted to emerging pipeline developments elsewhere over the Plan period. Whilst St Albans City Centre, and to a lesser extent Borehamwood, provide well for their local residents, it is notable that more than half the residents in both cases already leave their authority areas for their comparison goods shopping. The relative proximity of emerging or potential developments such as Brent Cross and Newlands in Luton is likely to have a draw on residents of each Borough in the future. For the reasons we detail in full at Figure 7.13, we have therefore applied a reduction to the future comparison goods market share projections for both St Albans and Hertsmere.

K. Consider the scope for additional convenience and comparison goods floorspace having regard to the likely implications of recent and committed developments

- 9.52 Our capacity assessment takes account of the range of larger retail commitments advised to us by the five authorities. These are set out at Table 6c of **Appendix E** for convenience goods, and at Table 26c for comparison goods.
- 9.53 Our assessment shows that the range of convenience goods commitments across the five authority areas would have an annual turnover of approximately £60m, whilst the range of comparison goods commitments would have an annual turnover of approximately £173m. In keeping with common practice, we discount these commitments from the pot of assessed available expenditure in each case, in order to ensure that there is no double-counting of available spend in the future.

L. Make recommendations for the future nature and scale of retail and leisure provision in terms of floorspace and location, sensitivity-tested against a number of options/alternatives.

9.54 In Section 7, we build on the work carried out in Sections 5 and 6 to set out our forecast capacity for the plan period. Our assessment finds capacity for both convenience and comparison goods in the period to 2036.

9.55 As we have described under the preceding Objectives, and throughout this Study, this work fully accounts for the latest information on expenditure growth rates across a wide range of retail goods categories, and uses the latest available estimates for the growth of Special Forms of Trading. We also take full account of committed developments both within and outside the Study Area, resulting in the application of different market share approaches.

9.56 Furthermore, we sensitivity-test against a number of options/alternatives, including:

- Four alternative population scenarios; and
- Alternative assumed sales densities to provide a range of capacities for the future occupation of any floorspace arising from any identified additional expenditure capacity.

9.57 In Section 7, we identify capacity for both additional convenience and comparison floorspace over the Plan period under all four population Scenarios. Existing foodstores within the combined Districts are evidenced to be significantly over-trading and, together with expenditure growth over time, this creates the potential for more floorspace to be added. However, a significant number of over-trading stores are based in designated centres in South West Hertfordshire, and so we have only taken account of the over-trade at out of centre facilities, coupled with expenditure growth, to formulate our convenience goods capacity assessment.

9.58 Whilst comparison goods market share is lower, there is significant forecast expenditure growth over time. This fuels the potential for new comparison goods floorspace. However, this is tempered by the planned development of a number of large comparison goods developments in the surrounding area – including at Brent Cross and Luton – both of which will exert a draw in the future on residents of South West Hertfordshire. Whilst some planned development in the area will help to retain market

share – such as the Intu Centre extension in Watford, and the South Oxhey Regeneration – we consider it likely that some parts of the Inner Study Area will experience a small decline in market share.

9.59 On the basis of all the foregoing, Figure 9.10 sets out our assessment of the capacity for additional convenience and comparison goods in South-West Hertfordshire through until 2036 under each of the four population scenarios modelled. We discuss our recommended spatial distribution for the identified capacities under Objective 13.

Figure 9.10 | Capacity for Additional Floorspace in South-West Hertfordshire to 2036

Year	Convenience Goods (sq m net)	Comparison Goods (sq m net)
Scenario 1		
2021	9,400 – 11,900	(16,800) – (23,000)
2026	15,400 – 19,600	7,100 – 9,800
2031	20,800 – 26,500	34,000 – 46,500
2036	26,400 – 33,600	63,300 – 86,400
Scenario 2		
2021	8,200 – 10,400	(19,000) – (26,000)
2026	13,000 – 16,500	2,000 – 2,800
2031	17,300 – 22,000	25,700 – 35,100
2036	21,800 – 27,600	51,500 – 70,300
Scenario 3		
2021	10,600 – 13,400	(14,700) – (20,000)
2026	17,700 – 22,500	12,000 – 16,300
2031	24,300 – 30,800	41,800 – 57,100
2036	31,000 – 39,400	74,300 – 101,500
Scenario 4		
2021	10,600 – 13,500	(14,600) – (20,000)
2026	17,800 – 22,600	12,100 – 16,600
2031	24,400 – 31,000	42,100 – 57,500
2036	31,100 – 39,500	74,800 – 102,100

M. If capacity for additional retail is identified provide a recommendation as to how, where and when this could/should be achieved

9.60 We are asked to examine where the sub-regional capacities set out under Objective 12 might be met.

9.61 Before doing so, we repeat our emphasis in Section 7 that capacity does not equate to need. Capacity assessment is a theoretical exercise based on empirical data gathered at the current time, as well as forecasts into the future. As we have highlighted previously, forecasting as far away as 2036 must be treated with some caution, as there will be economic, political and technological unknowns that will intervene over that period. Moreover, capacity modelling should not be seen as an absolute; it is a guide. For example, even where capacity is identified in an area, an out-of-centre development which would cause significant adverse impact on the vitality and viability of a designated centre should be resisted, irrespective of the capacity identified. The corollary of this is that where there is no, or limited, capacity identified, this should not restrain appropriate sustainable development coming forward, such as town centre developments which bolster the vitality and viability of designated centres.

9.62 There are therefore a number of factors which influence the scope for new floorspace and the appropriate location for that floorspace. Each will be relevant to the Councils in plan-making terms:

- The reliability of long-term projections, particularly beyond 2026;
- The effect of internet/home shopping on the demand for retail property;
- The acceptability of higher than average trading levels;
- The likely level of occupier demand for new floorspace in the Districts, bearing in mind the proximity of larger centres;
- Major retail developments coming forwards beyond the Study Area; and
- The potential impact new development in the Study Area may have on existing centres, including large-scale planned housing developments.

9.63 As we have described under the preceding objectives, each of these factors has informed our thinking in determine where capacities should be met. In keeping with standard retail study methodology, we have apportioned the sub-regional capacities between the five local authority areas in line with their

existing market shares for convenience and comparison goods capacity. These figures fully account for the likely future impact of internet shopping by stripping out special forms of trading on a year-by-year basis to 2036, as well as deducting spend for existing commitments. We also deduct any over-trading from foodstores in city, town or local centres, and for comparison goods, we apply a reduced market share approach in two of the five authority areas in order to account for major planned investment outside the Study Area.

- 9.64 On this basis, we assess capacity on an authority-by-authority basis as follows, and provide commentary on how best we would envisage any capacity being distributed, based on our qualitative judgements of existing provision.
- 9.65 Any negative floorspace capacity figures are expressed in brackets. Negative floorspace capacity arises where existing and permitted stores and centres are able to accommodate all the forecast available expenditure at a point in time i.e. there is enough floorspace in the area to absorb expenditure growth without over-trading. Positive floorspace capacity arises when the amount of available expenditure exceeds the ability of existing and permitted floorspace to accommodate that spending. Please refer to Section 7 and Appendix C for detailed methodologies.

Hertsmere

Figure 9.11 | Capacity for Additional Floorspace in Hertsmere to 2036

Year	Convenience Goods (sq m net)	Comparison Goods (sq m net)
Scenario 1		
2021	(1,600) – (2,100)	(1,500) – (2,000)
2026	(800) – (1,000)	0 – 0
2031	0 – 0	1,700 – 2,300
2036	800 – 1,000	3,500 – 4,800
Scenario 2		
2021	(1,800) – (2,300)	(1,600) – (2,200)
2026	(1,100) – (1,400)	(300) – (400)
2031	(500) – (600)	1,200 – 1,600
2036	200 – 200	2,800 – 3,800
Scenario 3		
2021	(1,500) – (1,900)	(1,300) – (1,800)
2026	(500) – (600)	300 – 400
2031	500 – 600	2,200 – 3,000
2036	1,400 – 1,800	4,200 – 5,700
Scenario 4		
2021	(1,500) – (1,900)	(1,300) – (1,800)
2026	(500) – (600)	300 – 500
2031	500 – 600	2,200 – 3,000
2036	1,400 – 1,800	4,200 – 5,800

9.66 There is no forecast capacity in Hertsmere for either convenience or comparison goods under any scenario to 2021.

9.67 In the convenience sector, this is largely as a result of there being very few out-of-centre foodstores, and their relative under-performance when compared to other areas of the sub-region (e.g. Morrisons in Borehamwood is surveyed to under-trade by £20.4m per annum). Set against this, a number of town centre stores are trading very well (e.g. Tesco Extra in Borehamwood, Tesco in Potters Bar and Lidl in

Borehamwood are assessed to over-trade by £2.4m, £5.6m and £9.5m per annum, respectively). The District is therefore in a healthy position in terms of its convenience goods offer, with the main town centres all providing well for their populations. Allied to this, there were no general concerns raised with the range or quality of convenience goods retailing by residents commenting on the towns of Hertsmere in our household survey.

9.68 Notwithstanding housing growth modelled at between 372 – 700 units per annum to 2036, forecast convenience goods growth rates have dropped as low as 0.1% per annum over the coming years, and so there is only a slow increase in Hertsmere's capacity position. As a result, only small additional capacities are forecast to 2031 (up to 500 - 600 sq m net) and 2036 (up to 1,400 - 1,800 sq m net). We have not identified a particular deficiency in convenience goods in any one town in Hertsmere, and so we recommend that the Council looks to allocate any long-term capacity to small-scale 'local centre' provision related to any major new housing settlements. This could include modest amounts of retail floorspace at Elstree Way, for which major growth is planned. From our review of the Council's most recent 'Issues and Options Paper' (Planning for Growth, September 2017), it is evident that the Council may also seek to deliver a new settlement with land north of Junctions 22 and 23 of the M25 being a possible location (potentially up to 4,000 homes). Convenience goods capacity of the size we have forecast could support such a development by providing for a small foodstore as part of a new local centre.

9.69 Turning to comparison goods capacity, we have previously set out our contention that the District is likely to experience some loss of current market share to nearby large-scale developments which are already in the pipeline, most notably at Brent Cross. As a result, we do not forecast any positive capacity for additional comparison goods floorspace until 2026 (up to 300 – 500 sq m net), increasing by 2031 (up to 2,200 – 3,000 sq m net), and again at 2036 (up to 4,200 – 5,800 sq m net). Unlike convenience goods, we feel that there is some scope for expansion within existing centres to meet the needs of future residents. Borehamwood Retail Park is a positive addition to the town centre, linking a retail park type development directly to the town centre. Any plans to sustainably grow the park should be supported, though noting the concerns raised about parking provision in our health-checks. Two other centres, Bushey Heath and Potters Bar (High Street) received a degree of criticism from respondents to the household survey on their choice and range of shops. Potters Bar (High Street) also received negative comments relating to its layout, with some residents feeling that it is too disjointed. Based on our own health-check work too, we recommend that the Council seek to explore options for

development in these locations to meet the longer-term requirements of the population. This could include physical additions to the existing floorspace on any opportunity sites in order to broaden the range of goods and services offered.

Three Rivers

Figure 9.12: Capacity for Additional Floorspace in Three Rivers to 2036

Year	Convenience Goods (sq m net)	Comparison Goods (sq m net)
Scenario 1		
2021	100 – 100	(500) – (700)
2026	700 – 900	100 – 200
2031	1,300 – 1,700	800 – 1,100
2036	1,900 – 2,500	1,600 – 2,200
Scenario 2		
2021	0 – 0	(500) – (700)
2026	500 – 600	0 – 0
2031	900 – 1,200	600 – 800
2036	1,400 – 1,800	1,300 – 1,800
Scenario 3		
2021	200 – 300	(400) – (600)
2026	1,000 – 1,200	300 – 400
2031	1,700 – 2,100	1,000 – 1,400
2036	2,400 – 3,000	1,900 – 2,600
Scenario 4		
2021	200 – 300	(400) – (600)
2026	1,000 – 1,300	300 – 400
2031	1,700 – 2,100	1,100 – 1,400
2036	2,400 – 3,100	1,900 – 2,600

- 9.70 Three Rivers is a sub-servient retail destination to larger-order centres, predominantly Watford. As a result, it has only relatively low levels of convenience goods (5.7%) and comparison goods (1.3%) market share from the Study Area. We consider that this position is unlikely to change significantly, and that existing market shares are likely to prevail for the reasons we have previously set out.
- 9.71 In convenience goods terms, capacity is therefore generated in part by the significant over-trade of the out-of-centre Tesco store in Rickmansworth (£8.9m per annum), coupled with population growth and the fact that there are only relatively small convenience goods commitments in the District (most notably as part of the South Oxhey regeneration). Under the highest growth population scenario, we estimate that there will be up to 1,000 – 1,300 sq m net capacity in 2026, increasing to up to 1,700 – 2,100 sq m net by 2031 and up to 2,400 – 3,100 sq m net by 2036.
- 9.72 Turning to comparison goods, the Council has embarked on an important redevelopment of South Oxhey, which will see the existing centre completely regenerated. At the time of writing, these works are well underway. The majority of the new floorspace will be allocated to comparison goods and so monitoring the performance of this new centre will be important in the early part of the new Plan period. In the meantime, the District's existing low market share, coupled with the South Oxhey commitment, means that there is only small amounts of additional comparison goods capacity identified in the period to 2036 (up to 1,900 - 2,600 sq m net).
- 9.73 Having viewed Three Rivers 'Issues & Options' consultation (July 2017), it is evident that the new local plan is at an early stage and that there are not yet any detailed policies relating to where future housing need might be met. Accordingly, we would suggest that it is too soon to be specific as to where any retail capacity might be met in relation to new housing development. In saying this, we are also mindful that the adopted Site Allocations LDD (November 2014) made provision for a number of new housing developments, but none of the size which would be likely to necessitate any conjoining retail development to serve the new population (the largest being 425 dwellings in Kings Langley).
- 9.74 Accordingly, we recommend that the Council prepares their retail policy to include the floorspace capacities identified in our assessment, and unless any large-scale housing sites come forward which either singularly, or cumulatively, through the new Local Plan process which would require specific retail provision, that the relatively small capacities identified are set aside for meeting the day-to-day needs of the residents of Three Rivers over the Plan period.

Dacorum

Figure 9.13 | Capacity for Additional Floorspace in Dacorum to 2036

Year	Convenience Goods (sq m net)	Comparison Goods (sq m net)
Scenario 1		
2021	9,300 – 11,800	(9,000) – (12,200)
2026	11,000 – 14,000	(3,900) – (5,400)
2031	12,600 – 15,900	1,700 – 2,300
2036	14,100 – 17,900	7,800 – 10,700
Scenario 2		
2021	9,000 – 11,400	(9,400) – (12,900)
2026	10,400 – 13,100	(5,000) – (6,900)
2031	11,600 – 14,700	0 – (100)
2036	12,800 – 16,300	5,400 – 7,300
Scenario 3		
2021	9,700 – 12,300	(8,500) – (11,600)
2026	11,700 – 14,900	(2,900) – (4,000)
2031	13,600 – 17,200	3,400 – 4,600
2036	15,500 – 19,600	10,200 – 13,900
Scenario 4		
2021	9,700 – 12,400	(8,500) – (11,600)
2026	11,800 – 14,900	(2,900) – (3,900)
2031	13,600 – 17,300	3,400 – 4,700
2036	15,500 – 19,700	10,300 – 14,100

9.75 Dacorum has the highest market share of convenience goods within the South-West Hertfordshire area. It also has a number of large foodstores in out-of-centre locations which are significantly over-trading (including stores in Hemel Hempstead by a cumulative c£63m, and the Tesco in Tring by c£36m). This suggests that there is expenditure headroom in the local market for additional convenience goods floorspace, provided of course the important impact and sequential tests are met. Dacorum also has the largest, or joint largest, housing growth forecasts under all of the housing growth scenarios we have modelled. As a result, and after taking account of commitments which include new

Lidl stores at Jarman Park and Gossoms End, as well as new convenience goods floorspace at Maylands Avenue, we find significant convenience goods capacity within Dacorum at 2021 (ranging between 9,700 – 12,400 sq m net depending on housing growth scenario), increasing to between 15,500 sq m – 19,700 sq m net by 2031.

- 9.76 Dacorum's recent 'Issues and Options' (Shaping Growth in Dacorum, November 2017) suggests that the majority of 'known' housing sites to 2036 will be in the Hemel Hempstead area. Coupled with an existing high market share, this lends quantitative weight to meeting the majority of identified capacities in and around Hemel Hempstead. However, with three further foodstores already in the pipeline in Hemel Hempstead, we would recommend that the Council adopt a cautious approach in the early part of the Plan period. It seems unlikely that there will be any qualitative gaps in provision once the pipeline is built out, and the Council should rightly be concerned for its town centre. We therefore recommend that the Council seeks to closely monitor the health of Hemel Hempstead Town Centre over the coming 5 year period (a sensible period for allowing trading conditions to settle down) and does not actively seek to allocate further convenience retail sites. This does not of course preclude any beneficial town centre convenience goods development in the meantime.
- 9.77 We are also cognisant of the needs of Berkhamsted and Tring, though the survey results show that residents raise no specific concerns with the current level of convenience goods provision, so we do not currently envisage any need to allocate sites for new convenience goods in either. Notwithstanding this, and with the Waitrose store in Berkhamsted trading so well (surveyed at more than double company expectations), and in the absence of a large foodstore competitor in the town, the Council should keep in mind the potential to accommodate a further foodstore in the town centre. Should a suitable site become available, this would provide for consumer choice and account for growth in demand from population pressures over time.
- 9.78 With such large housing developments on the horizon (Dacorum is slated to provide between 11,000 and 20,000 new homes over the period to 2036, depending on which housing scenario is adopted), we would therefore recommend that the majority of the convenience goods capacity identified is directed towards floorspace in support of large urban extensions which are to be identified in due course (noting that the idea of new settlements has been rejected).
- 9.79 Turning to comparison goods provision, there are very significant committed developments coming forwards in Hemel Hempstead which would total nearly 14,000 sq m net of new floorspace. As a result,

we forecast no additional capacity for new comparison goods forecast in the Borough until 2031 at the earliest. In light of this, and our previous advice on forecasting as far as 2036 (when meaningful capacities are shown next to arise), we recommend that the Council does not look to allocate any further sites at this time. This position could be reviewed if and when sites for major new housing developments are determined upon.

9.80 In the meantime, there is evident dissatisfaction from our survey about the range and choice of shops in Hemel Hempstead Town Centre. The Marlowes Centre refurbishment, which incorporates new shops, restaurants and a 9-screen cinema, will hopefully go some way to addressing these concerns, albeit there will actually be a net reduction in overall retail floorspace. Beyond this though, further investment in the town centre which would enhance its offer would be welcome, and if suitable sites could be found, together with an identified market appetite, then this would be a positive way of meeting the identified capacities.

Watford

Figure 9.14 | Capacity for Additional Floorspace in Watford to 2036

Year	Convenience Goods (sq m net)	Comparison Goods (sq m net)
Scenario 1		
2021	1,300 – 1,600	1,700 – 2,300
2026	2,700 – 3,400	14,100 – 19,200
2031	3,900 – 5,000	28,100 – 38,300
2036	5,200 – 6,600	43,300 – 59,000
Scenario 2		
2021	900 – 1,200	500 – 700
2026	2,100 – 2,600	11,400 – 15,600
2031	3,000 – 3,900	23,700 – 32,400
2036	4,100 – 5,200	37,100 – 50,700
Scenario 3		
2021	1,600 – 2,000	2,800 – 3,800
2026	3,300 – 4,100	16,600 – 22,700
2031	4,800 – 6,100	32,100 – 43,800
2036	6,300 – 8,000	49,000 – 68,800
Scenario 4		
2021	1,600 – 2,000	2,800 – 3,800
2026	3,300 – 4,100	16,700 – 22,800
2031	4,800 – 6,100	32,200 – 44,000
2036	6,300 – 8,000	49,200 – 67,100

9.81 Watford has by far the largest market share of comparison goods trade in the Study Area (25.8%). As a result, and notwithstanding commitments at the Intu development for almost 6,000 sq m net of new comparison goods floorspace, we find significant capacity for additional comparison goods floorspace in Watford from 2026 onwards. Short-term growth to 2021 is minimal, with capacity for a maximum of 2,800 – 3,800 sq m net over the period. However, based on forecast population growth and year on year expenditure growth, capacity at 2026 increases sharply to between 11,400 sq m net and 22,800 sq

m net (depending on the population scenario applied). This increases further to between 23,700 sq m net and 44,000 sq m net by 2031.

- 9.82 We advocate these figures to Watford. In the first instance, we recommend a pause in any significant out-of-centre comparison goods growth whilst the Intu development re-establishes itself in the market. A period of 3 years to 2021 will enable the development to take root, and hopefully further bolster Watford Town Centre as the sub-regional market leader in comparison goods custom. After that date, and in order to keep pace with the likely pipeline developments in other sub-regional centres in the wider area, it would make sense for the Council to plan for the capacity we identify to 2026 under the (by then) relevant housing scenario. This is in keeping with both our caution about longer-term forecasting in the current climate, particularly in comparison goods, and is reflected in the recent advocacy of a 10 year approach in the revised NPPF. We recommend that the Council uses our figures for 2031 and 2036 as a general guide, but does not make specific plans for meeting such extensive capacities at this point in time. Were further beneficial and sustainable development to come forward in the town centre over the period to 2026, then this would of course be welcomed in principle in the interim.
- 9.83 Given the significant quantum of comparison goods floorspace capacity forecast in Watford, alongside the evolving nature of the 'competition' with competing sub-regional centres (Brent Cross, Luton etc), we recommend that Watford seeks an updated Retail Study in 3-5 years. This would ideally re-survey local residents to understand how their shopping habits have responded to the opening of the Intu development, and examine what place specific initiatives may need to be carried out to further bolster the Centre. It could also examine the feasibility and impact of meeting the capacity projections to 2036 on any identified sites in or outside the Town Centre.
- 9.84 Turning to convenience goods, we identify relatively smaller capacities, although still sizable in their own right. This capacity largely arises from the survey identified significant over-trades at three out-of-centre stores; Tesco Extra on Lower High Street (£20.7m), Sainsbury's on Cow Lane (£24.5m) and Morrisons at Ascot Road (£7.9m). Again focussing in on the period to 2026, our assessment identifies that there is capacity for up to 4,100 sq m net of additional convenience floorspace.
- 9.85 At the time of writing, the Council has yet to commence with its new Local Plan and so there are no specific sites yet being discussed. Notwithstanding, given the urban nature of the Borough, and the extensive existing out-of-centre provision, it stands to reason that the majority of both the convenience

and comparison goods capacities identified should be sought to be met in Watford Town Centre. This would follow suit with the Council's broad acceptance in their 2016 'Skyline' Supplementary Planning Document, that it is coming under increasing pressure to accommodate suitable taller buildings in and around the town centre. This pressure is likely to intensify under the most recent Government methodologies for calculating housing need.

St Albans

Figure 9.15 | Capacity for Additional Floorspace in St Albans to 2036

Year	Convenience Goods (sq m net)	Comparison Goods (sq m net)
Scenario 1		
2021	300 – 400	(7,600) – (10,300)
2026	1,700 – 2,200	(3,200) – (4,400)
2031	3,000 – 3,800	1,700 – 2,300
2036	4,300 – 5,500	7,100 – 9,600
Scenario 2		
2021	100 – 100	(8,000) – (10,900)
2026	1,200 – 1,500	(4,100) – (5,600)
2031	2,200 – 2,800	200 – 300
2036	3,300 – 4,200	5,000 – 6,800
Scenario 3		
2021	600 – 700	(7,200) – (9,800)
2026	2,300 – 2,900	(2,300) – (3,200)
2031	3,800 – 4,800	3,100 – 4,300
2036	5,400 – 6,800	9,100 – 12,400
Scenario 4		
2021	600 – 700	(7,200) – (9,800)
2026	2,300 – 2,900	(2,300) – (3,100)
2031	3,800 – 4,800	3,200 – 4,300
2036	5,400 – 6,800	9,100 – 12,500

9.86 Our forecasts for St Albans show only modest convenience goods capacity at 2026 of up to 2,900 sq m under the most populous forecast, increasing to up to 4,800 sq m net by 2031. The District is characterised by a very large proportion of its convenience (and comparison) goods floorspace being met within St Albans and Harpenden, as well as at a range of Local Centres. Those stores are surveyed, on the whole, to trade very well. In the particular case of Harpenden, where there is currently no significant out-of-centre retail provision, we consider the Waitrose and Sainsbury's stores to be fundamental footfall generators and that their trade is essential to the on-going vitality and viability of the town centre. Whilst St Albans itself does have an out-of-centre Sainsbury's store (which over-trades by c£20m), it has a recent commitment for a further out-of-centre foodstore, close to the existing Sainsbury's, at Griffiths Way South (1,921 sq m net). We consider that there is therefore no pressing qualitative need to allocate specific large sites for convenience retail development in St Albans over the next 10 years, and that the capacity identified should be envisaged to support the day-to-day requirements of smaller convenience goods retailers, together perhaps, with providing small-scale Local Centre type floorspace to accompany any major planned urban extensions. The Council is at a very early stage of making its new Local Plan, and so any specific sites to meet the capacity we have identified should be identified in conjunction with that process.

9.87 Turning to comparison goods capacity, we show there to be no capacity headroom for additional floorspace until 2031 under each of the population scenarios. This is due to a combination of the sizable commitment for a further 4,800 sq m net of comparison goods floorspace at Griffiths Way South, together with our reduced market share assumption (as with Hertsmere), that St Albans is likely to experience a reduction of around 9% of its current comparison goods market share as a result of its proximity to a range of planned developments in Luton, and permitted developments at Brent Cross. Accordingly, we recommend that the Council adopts a cautious approach to comparison goods capacity. It should also regularly monitor the health of St Albans City Centre once the Griffiths Way South developments have completed and established themselves.

N. Carry out a review of leisure and entertainment facilities, including arts and culture premises.

9.88 As part of this Retail and Leisure Study, Nexus has measured the popularity and scale of existing leisure provision against 'benchmarks' in order to ascertain whether there are any gaps in the market where demand is not being met by existing provision.

9.89 In terms of existing market shares, the majority of residents currently make leisure trips within the Study

- Area. Trips are particularly focused around the higher order towns of Watford, St Albans and Hemel Hempstead, with a notable number of visits also taking place at Borehamwood and Rickmansworth.
- 9.90 A fair amount of residents are carrying out their leisure activities within Central London. This is to be expected taking account of strong transport links and the appeal of visiting leisure facilities near places of work (particularly health clubs and restaurants).
- 9.91 Turning to consider the requests for new facilities (Question 44 of the household survey); there were no substantial numbers in any one category, with 68.8% of respondents unable to identify any particular need. In our experience of similar studies across the UK, this is in line with the average of what might be expected, and suggests that provision in the area generally meets its residents' expectations.
- 9.92 The second highest demand across the Study Area after 'nothing' or 'don't know' was for a new swimming facility (7.6%), though the highest numbers of residents stating this were actually located outside the Inner Study Area. The next highest request was for a new cinema facility (6.3%). However, taking the two impending cinema developments (in both Watford and Hemel Hempstead) into consideration, it is assumed this demand will be satisfied.
- 9.93 Capacity is shown to exist in terms of health and fitness clubs, cinema screens and ten pin bowling facilities, whilst there is the potential for additional food and beverage floorspace capacity depending on population growth.
- 9.94 The Study Area is well provided for in terms of large leisure centre facilities, but we suggest that demand for health and fitness clubs could be satisfied with the introduction of more low cost gyms.
- 9.95 The development of two new multi-screen cinemas in Watford and Hemel Hempstead is likely to meet the demand for extra cinemas screens and, whilst the potential demand for a new bowling facility over the plan period is identified, national trends recognise that this is an activity reducing in popularity and much of the demand is absorbed into surrounding high order town centres.
- 9.96 In light of our findings, we do not recommend that it is necessary for the Councils to plan for any significant new major leisure facilities over the plan period by way of specific site allocations.
- 9.97 Notwithstanding the above, and in line with the general provision of the NPPF and reduced trip distances, this demand should be regularly reviewed and Councils should always be open to the

provision of additional facilities in sustainable locations. The Councils should also consider carefully any proposals which would result in the loss of existing leisure facilities and should resist the diminution of choice in any sector for which there is shown to be long-term demand.

O. Provide an analysis of identified local issues, and suggest strategies and schemes to overcome those issues

9.98 Having conducted our health-checks, analysed the household survey results, spoken with officers of each Council and taken soundings from stakeholders in relevant centres, we are able to identify some key 'local issues' for each centre. We summarise these in Figure 9.16 below, together with potential strategies for addressing the issues raised. These issues will be explored further by each Council as they evolve their Plan.

9.99 These place-specific recommendations should be read in conjunction with our broad recommendations for meeting identified capacities under Objective M.

Figure 9.16 | Local Issues' identified across the Inner Study Area

Centre	Issues	Strategies
Hemel Hempstead	<ul style="list-style-type: none"> • Market Square appears under-utilised • Instances of poor shop frontages • Dated appearance of parts of the Marlowes Centre • Limited evening economy • Improvements could be made to sign-posting 	<p>Broadly, Hemel Hempstead is a well organised and pedestrian friendly, modern shopping centre. There has been recent public and private investment, and the Marlowes Centre refurbishment will help significantly. The Council could though explore some 'light touch' place-making opportunities such as looking at a sign-posting strategy. The Council could also explore pop-up shops on Market Square as a short-term measure, though we are aware that they are considering a mix of potential uses in the longer term.</p>

Centre	Issues	Strategies
Berkhamsted	<ul style="list-style-type: none"> • Car parking near capacity • Lack of pedestrian crossings on the north-east part of the High Street • Improvements could be made to sign-posting 	<p>A new 300+ space car park proposed on Lower Kings Road. This will significantly relieve the current issues. Again, sign-posting could be reviewed in the centre as part of a Borough-wide Strategy.</p>
Tring	<ul style="list-style-type: none"> • Street lighting • Poor street paving • Dolphin Square is beginning to show its age 	<p>The street environment should be reviewed to ensure that the centre continues to appeal to shoppers on foot.</p>
Borehamwood	<ul style="list-style-type: none"> • Furzehill Road car park is in need of refurbishment • High Street public realm • Lack of independent stores • Traffic congestion on Shenley Road and The Boulevard • More parking spaces • Limited evening economy • Desirability of further enhancing links between the shopping park and Shenley Road • Opportunity to raise the profile of the market 	<p>The key issues in Borehamwood are around car parking. A comprehensive review of the centre could be undertaken, in conjunction with key private sector stakeholders.</p> <p>Efforts could also be made to further enhance links between the shopping park and Shenley Road, as well as enhancing the market, further encouraging the evening economy, and investigating public realm improvements.</p>
Potters Bar, Darkes Lane	<ul style="list-style-type: none"> • Lack of landscaping/ greenery • Instances of poor shop frontages • Car dominated environment 	<p>Darkes Lane has a busy feel – this creates vitality, but it can also be off-putting to visitors. The Council could explore ways of improving the environmental appearance of the centre through planting and/or working with the retail sector on improving shop frontages.</p>

Centre	Issues	Strategies
Potters Bar, High Street	<ul style="list-style-type: none"> • Car dominated environment 	<p>The High Street is lengthy and disparate, and can therefore feel car dominated. The Council could explore any long-term opportunities to better 'join-up' the centre through either encouraging new retail development opportunities which might help to knit the centre together, or by encouraging uses on its periphery to relocate to more central positions.</p>
Radlett	<ul style="list-style-type: none"> • Instances of poor shop frontages on Watling Street • Limited evening economy 	<p>Radlett functions well for its local residents, though there are environmental improvements to shop frontages which could be made. The Council could encourage improved designs through their development management function. There is also the opportunity to create a more diverse evening economy and we would recommend that the Council be welcoming of any well-considered planning applications received for changes of use in this respect.</p> <p>Any proposals for the expansion of Battlers Green Farm should be very carefully considered in the context of its consequential impact on the vitality and viability of Radlett Town Centre.</p>
Bushey	<ul style="list-style-type: none"> • Instances of poor shop frontages to the eastern end of High Street 	<p>Both Bushey and Bushey Heath have well established high streets. As a result, there are a number of aged shop frontages and opportunities should be explored through development management to improve on the appearance of some of the more elderly units.</p>

Centre	Issues	Strategies
Bushey Heath	<ul style="list-style-type: none"> • Instances of poor shop frontages • Lack of landscaping/greenery • Improvements to street paving and street furniture 	As above. The Council could also explore an Environmental Strategy for the centre, with a view to upgrading the street environment.
Rickmansworth	<ul style="list-style-type: none"> • Limited evening economy • Instances of poor shop frontages • Improvements to street furniture 	The Council should consider favourably any sustainable applications for evening economy uses in the centre. A review of street furniture and shop frontages would also be a positive step.
South Oxhey	<ul style="list-style-type: none"> • N/A as the centre is being re-modelled 	N/A
Abbots Langley	<ul style="list-style-type: none"> • No significant issues noted 	No current strategies required.
Chorleywood	<ul style="list-style-type: none"> • Shire Lane is a barrier to pedestrian movements to the south of the centre 	The Council should carefully monitor the health of the centre on either side of Shire Lane. If vacancies arose to the South, the measures could be introduced to improve pedestrian movement.
St Albans	<ul style="list-style-type: none"> • Not enough larger footprint retail units • Opportunities to improve the Clock Tower area • Poor linkages between Alban Arena and St Peter's Street • Improvements could be made to sign-posting 	The Council could explore opportunities to amalgamate a limited number of smaller footprint units in order to facilitate opportunities for retailers who might otherwise look to out-of-centre locations.
Harpenden	<ul style="list-style-type: none"> • Lack of available parking spaces • Secondary retail areas lack the vitality of the primary retail areas 	The town is relatively constrained in terms of sites for additional car parking, though strategies could be explored to try and spread the timings of local residents visits e.g. through variable parking charges, or through electronic car park availability sign-posting.

Centre	Issues	Strategies
Watford Town Centre	<ul style="list-style-type: none"> • Watford New Market has low footfall • Car parking deemed by residents to be expensive • Sign-posting and approaches from the train station are poor • Underpasses are unwelcoming • The evening economy is accented towards young adults and may deter families and the elderly 	A review should be undertaken of the viability of the New Market, and whether alternative uses might be interspersed. Despite its relatively prominent location, it feels like a lost opportunity. A thorough audit of sign-posting could be carried out, with a Strategy put in place once the Intu development is completed and the town centre settles down to 'normal' trading. Means of environmental improvements to the underpasses should be explored.
North Watford	<ul style="list-style-type: none"> • Large number of roller-shutter frontages • Volume of traffic can be unwelcoming 	The Council could work with traders to explore ways of improving shop-front appearances, without over-bearing cost. This could include a co-ordinated painting effort to brighten the centre.

P. Review current retail and town centre policies, including frontage policies to assess whether they are fit for purpose

9.100 We are tasked with analysing existing policies of the five local authorities, and making recommendations on whether they are fit for purpose under the current planning policy regime and in the context of the recommendations of this Study. Our recommendations are set out at **Appendix I**. In formulating our recommendations, we take account of a) the National Planning Policy Framework (March 2012 and July 2018), b) Planning Policy Guidance on 'Ensuring the Vitality of Town Centres' (March 2014), and c) the findings and recommendations of this study.

9.101 We are also mindful of emerging policy guidance, especially the recently published revised National Planning Policy Framework (24th July 2018). As this was only available as a pre-consultation draft at the time of writing, we do not amend policies to accord with its revisions. However, the Councils would be well-advised to keep track of its recommendations on town centre uses. We would recommend that a policy review is conducted again closer to the time of adopting the various South-West Hertfordshire Plans.

Glossary of Terms

- Capacity:** Forecast resident spending within the catchment area, with which to support existing and additional retail floorspace
Source: Planning Portal
- Comparison Goods:** Retail items not bought on a frequent basis, for example televisions and white goods (fridges, dishwashers etc.)
Source: Planning Portal
- Convenience Goods:** Everyday essential items, such as food
Source: Planning Portal
- Edge-of-Centre:** For retail purposes, a location that is well connected and up to 300 metres of the primary shopping area. For all other main town centre uses, a location within 300 metres of a town centre boundary. For office development, this includes locations outside the town centre but within 500 metres of a public transport interchange. In determining whether a site falls within the definition of edge-of-centre, account should be taken of local circumstances
Source: NPPF
- Expenditure per Capita:** The amount of money spent on retail goods per person in each Zone across the Study Area
- Expenditure:** Average annual expenditure levels for various forms of goods, multiplied by the population within the defined Study Area.
- Experian Goad:** Experian Goad is a retail property intelligence system that helps retail developers, property investors, planning professionals, and commercial agents to identify profitable locations for retail property development and investment projects. It offers comprehensive retail location plans and easy to use reports covering over 3,000 shopping areas in the UK and Ireland.

Experian (MMG3): A population, expenditure and socio-demographic dataset that utilises the 2011 Census release, projected forward by using growth rates derived from Office for National Statistics projections and current age and gender estimates.

Financial & Business Services: An Experian Goad category comprising the likes of banks, building societies, employment agencies, legal services, estate agents and business services.

Source: Experian Goad

Independent Retailers: Retailers with less than 10 outlets/ stores

Source: Experian

Goad Plans: A plan showing a bird's eye view of a retail centre including the exact location of all retail outlets and vacant premises, fascia name, retail category, and floor space. Key location factors such as pedestrian zones, road crossings, bus stops and car parks are also featured, allowing you to instantly assess the site quality of existing or prospective store locations

Source: Experian

Leisure Services: An Experian Goad category for town centre leisure units which includes bars, cafes, cinemas, nightclubs, take-aways, hotels, public houses and restaurants. For clarity, it does not include facilities for leisure pursuits e.g. sports centres, swimming pools or health & fitness clubs.

Source: Experian Goad

- Main Town Centre Uses:** Retail development (including warehouse clubs and factory outlet centres); leisure, entertainment facilities the more intensive sport and recreation uses (including cinemas, restaurants, drive-through restaurants, bars and pubs, night-clubs, 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)
Source: NPPF
- Market Share:** The proportion of residents that visit a particular retail destination, derived from household survey results
- National Multiple:** Defined as retailers with ten or more stores/ outlets
Source: Experian
- Primary shopping area:** Defined area where retail development is concentrated (generally comprising the primary and those secondary frontages which are adjoining and closely related to the primary shopping frontage)
Source: NPPF
- Primary/ secondary frontages:** Primary frontages are likely to include a high proportion of retail uses which may include food, drinks, clothing and household goods. Secondary frontages provide greater opportunities for a diversity of uses such as restaurants, cinemas and businesses
Source: NPPF
- Retail Floorspace:** Total floor area of the property that is associated with all retail uses in square metres. May be expressed as a net figure (the sales area) or in gross (including storage, preparation and staff areas)
Source: Planning Portal
- Retail Impact:** The potential effects of proposed retail development upon existing shops
Source: Planning Portal

- Retail Services:** An Experian Goad category comprising the likes of dry cleaners, health & beauty, opticians, photo processing, post offices and travel agents.
Source: Experian Goad
- Sequential Approach:** A planning principle that seeks to identify, allocate or develop certain types or locations of land before others. For example, brownfield housing sites before greenfield sites, or town centre retail sites before out-of-centre sites
Source: Planning Portal
- Sales Density:** Turnover, per square metre. Various retail planning sources such as Verdict UK Food & Grocery Company Briefing Reports and Mintel Retail Rankings provide average (or benchmark) sales densities for national multiple convenience retailers
- Special Forms of Trading:** Special forms of trading (SFT) are defined as sales via the internet, mail order, stalls and markets, vending machines, door-to-door and telephone sales, including online sales by supermarkets, department stores and catalogue companies
Source: Experian
- Study Area:** The geographical area where the household survey is carried out, based on postal sectors that make up the 22 zones that broadly cover South-West Hertfordshire and its immediate area.
- Trade draw:** The proportion of trade that a development is likely to receive from customers within and outside its catchment area. It is likely that trade draw will relate to a certain geographic area (i.e. the distance people are likely to travel) and for a particular market segment (e.g. convenience retail). The best way of assessing trade draw where new development is proposed is to look at existing proxies of that type of development in other areas
Source: NPPG

Turnover: Amount of sales per unit area of retail floorspace

Source: Planning Portal

Town Centre: Area defined on the local authority's proposal map, including the primary shopping area and areas predominantly occupied by main town centre uses within or adjacent to the primary shopping area. References to town centres or centres apply to city centres, town centres, district centres and local centres but exclude small parades of shops of purely neighbourhood significance. Unless they are identified as centres in Local Plans, existing out-of-centre developments, comprising or including main town centre uses, do not constitute town centres

Source: NPPF

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