Part I
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All Wards

WELWYN HATFIELD BOROUGH COUNCIL
CABINET HOUSING AND PLANNING PANEL – 13 JUNE 2016
REPORT OF THE DIRECTOR (GOVERNANCE)

WELWYN HATFIELD RETAIL AND TOWN CENTRE NEEDS ASSESSMENT UPDATE, MAY 2016

1 Executive Summary

1.1 As part of the evidence for the Local Plan the Council need to have an up to date assessment of the need for additional retail floorspace over the plan period. The Welwyn Hatfield Retail and Town Centre Needs Assessment Update has updated previous information on the market shares of the borough's centres and carried out heath checks of those centres. It applies assessments of future spending trends to the borough's centres to arrive at retail capacity forecasts for food and non-food shopping taking into account the growing influence of internet shopping. It also assesses likely commercial leisure requirements. As such, it is an important part of the evidence base to be used to inform the strategies and policies contained in the Local Plan.

2 Recommendation(s)

2.1 That the Panel notes the findings of the Retail and Town Centre Needs Assessment Update, May 2016.

3 Explanation

3.1 As part of a positive approach to planning for town centres, the government's Planning Practice Guidance expects local planning authorities to assess and plan to meet the needs of main town centre uses in full. The Retail and Town Centre Needs Assessment Update (RTCNA) provides that assessment. As such, it forms an important part of the evidence base for the Local Plan and will inform the formulation of policies for town, neighbourhood and village centres. It updates the RTCNA produced in 2007, which had partial updates periodically up to 2012.

3.2 The RTCNA sets out national trends for retail expenditure and town centres showing that there has been growth in spending on comparison goods (non-food) year-on-year since 2010, but that expenditure on convenience goods (mainly food) has only just started to grow after the recession of 2008. Special Forms of Trading, which includes internet shopping, are growing in prominence, and the effects of this have been factored into the RTCNA's analysis of Welwyn Hatfield.

3.3 By way of survey data, the RTCNA updates information on shopping patterns and market share across the borough and a wider study area for convenience goods and comparison goods taking into account internet shopping and click-and-collect. Welwyn Garden City town centre's market share for convenience has increased since 2006, which is only to be expected given the increase in the sizes of Waitrose and Sainsbury's shops since then. Welwyn Garden City town centre has also managed to improve its share for comparison goods. Hatfield town centre has lost some share for convenience goods but has recaptured some expenditure for comparison. Neighbourhood centres as a whole have experienced some increase in convenience expenditure which is likely to be in part a function of the growing market share of Lidl and Aldi. The market share of out-of-centre stores for both convenience and comparison expenditure has fallen, which could be the result of residents choosing to shop at competing centres outside the borough as well as the influence of internet shopping.

3.4 The RTCNA includes health checks for all of the centres in the borough's retail hierarchy and sets out the strengths and weaknesses of the town centres, providing valuable third party information to assist in the production of Local Plan policies.

3.5 The retail capacity assessment is one of the most important parts of the RTCNA. It applies population and expenditure forecasts to the retail centres in Welwyn Hatfield taking into account the market shares of those centres, planned investment within the borough and planned investment in neighbouring authority areas. The assessment converts expenditure growth into likely floorspace capacity for the town centres, neighbourhood centres and village centres, split by convenience and comparison goods for 2021, 2026 and 2032.

3.6 The assessment applies the same approach to retail expenditure that takes place outside the retail hierarchy under the heading "rest of borough". The reason for this is that retail parks, corner shops and The Galleria account for substantial amounts (though a declining proportion) of retail expenditure in the borough. The study points out that national policy promotes a "town centre first" approach to new shopping provision, so the new capacity identified for the rest of the borough should be directed to Welwyn Garden City and Hatfield town centres, followed by the borough's smaller centres, rather than being provided in out-of-centre locations.

3.7 The headline results of the retail capacity assessment are set out in Table 1.

Table 1 – retail capacity forecasts, square metres net

Convenience goods capacity*	**2021**	**2026**	**2032**
Welwyn Garden City town centre	227	544	897
Hatfield town centre	217	402	595
Large neighbourhood centres	-12	188	402
Large village centres	31	60	92
Small neighbourhood and village centres	75	150	232
Rest of borough	368	717	1,094
Total convenience goods capacity	905	2,060	3,311
Comparison goods capacity	**2021**	**2026**	**2032**
Welwyn Garden City town centre	3,695	8,907	15,414

Hatfield town centre	681	1,581	2,684
Large neighbourhood centres	-467	-458	-447
Large village centres	4	123	271
Small neighbourhood and village centres	1	4	6
Rest of borough	-969	296	1,864
Total comparison goods capacity	2,945	10,453	19,793

*convenience goods capacities were also forecast for deep discounters / local supermarkets as an alternative to these figures. They resulted in capacities roughly double those quoted in the table because turnover per unit floorspace is lower than for conventional foodstores.

Source: Welwyn Hatfield RTCNA Update, May 2016, Carter Jonas

3.8 It is notable that comparison goods capacity figures almost double between 2026 and 2032 and there are doubts that this level of provision will, in practice, prove to be necessary. The study makes it clear that economic forecasts become less reliable the further they are projected into the future – especially beyond 10 years. This is partly for methodological reasons and partly because there is uncertainty about how recent trends in retailing will play out in the future. For this reason, it is considered unwise for the Council to plan to meet retail needs beyond 2026 in the Local Plan. The capacity figures to 2026 are broadly achievable and will be used to inform Local Plan policies. The RTCNA will be reviewed regularly to inform future policy.

3.9 The National Planning Policy Framework (NPPF) suggests that when local planning authorities are assessing applications for retail development outside town centre and not in accordance with the local plan, they should require an impact assessment if the development is above a proportionate locally-set threshold. The study also recommends that the Council sets a threshold of 500 square metres for out-of-centre applications affecting either of the town centres and 300 square metres for applications affecting neighbourhood and village centres. Previous updates of the RTNCA suggested a threshold of 1,000 square metres, so this represents an opportunity for the Council (through upcoming Local Plan policy) to be more rigorous in its assessment of out-of-centre retail planning applications and its protection of existing centres.

3.10 The RTCNA also assesses leisure needs to 2032 and identifies capacity for increased provision for eating and drinking out, which it recommends should be focused on the two town centres. Subject to there being commercial interest, it also identifies potential capacity for increasing hotel and health and fitness provision. It does not identify any further capacity for cinemas.

Implications

4 Legal Implication(s)

4.1 There are no legal implications arising directly as a result of this report.

5 Financial Implication(s)

5.1 There are no financial implications arising directly as a result of this report.

6 Risk Management Implications

6.1 There are no risk management implications arising directly as a result of this report.

7 Security & Terrorism Implication(s)

7.1 There are no security and terrorism implications arising directly as a result of this report.

8 Procurement Implication(s)

8.1 There are no procurement implications arising directly as a result of this report.

9 Climate Change Implication(s)

9.1 There are no climate change implications arising directly as a result of this report, though the evidence contained in the RTCNA, if used to inform the Local Plan, may have an influence of climate change.

10 Link to Corporate Priorities

10.1 The subject of this report is linked to the Council's Corporate Priority (Help build a strong economy), and specifically to the achievement of (Revitalise our town centres and other shopping areas)

10.2 It is also linked to the Council's Corporate Priority (Maintain a safe and healthy community), and specifically to the achievement of (Provide for a wide variety of leisure covering arts, culture, fitness and sport)

11 Equality and Diversity

11.1 An Equality Impact Assessment (EIA) has not been carried out in connection with the proposals that are set out in this report (please complete section 11.2 only if an EIA has been completed).

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Background papers to be listed (if applicable)

Welwyn Hatfield Retail and Town Centre Needs Assessment Update, May 2016, Carter Jonas http://www.welhat.gov.uk/article/5504/Retail

Planning Practice Guidance, Department for Communities and Local Government http://planningguidance.communities.gov.uk

National Planning Policy Framework, Department for Communities and Local Government, March 2012 https://www.gov.uk/government/publications/national-planning-policy-framework--2

Appendices to be listed