

North Hertfordshire Local Plan 2011-2031

Retail and Town Centres Background Paper

September 2016

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Introduction and Context

1. This paper explains the evidence behind a number of the key issues and decisions associated with retail and town centre development in the Publication Local Plan (2016).
2. This paper is one of several evidence studies which have been prepared. It needs to be read in conjunction with all other studies, which have all been taken into account in preparing the Local Plan. Collectively these studies have informed the site selection process. An overview of the conclusions can be found in the Site Selection Matrix.
3. The retail environment has been through a period of particular volatility in recent years. The nature of town centres has also transformed with changing shopping patterns and practices. Flexibility is therefore an important part of the Council's development strategy for our town centres to enable for changes in the future.
4. The NPPF states in paragraph 23 that: *“local planning authorities should 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.”* However the PPG suggests town centre strategies should plan for a 3-5 year period, but the longer term plan period should be considered. Projections up to 2021 are considered realistic and are based on up to date forecasts, which take into account the effects of the recession. The long term floorspace projections (up to 2026 and beyond) should be treated with caution and should only be used as a broad guide, particularly when translated into the development plan allocations or when used to guide development management decisions
5. Nathaniel Lichfield and Partners (NLP) have prepared a new Town Centre and Retail Study (2016) which has reviewed the previous study undertaken in 2009 and the subsequent updates ¹. This Study assesses emerging housing targets, including the retail implications of the preferred spatial strategy for the Local Plan.

¹ NLP (2009) Town Centre and Retail Study / NLP (2011) Town Centre and Retail Study Update / NLP (2013) Town Centre and Retail Study Update / NLP (2014) Town Centre and Retail Study Update

6. Figures in the most recent report have not changed a huge amount since the previous 2014 update; however they do acknowledge the impact of development on the edges of the district and on adjoining authorities and an increase in population associated with a larger housing target.
7. The Council also undertakes annual monitoring of the retail environment in North Hertfordshire and prepares a Retail Monitoring Report which details the health and condition of the four main town centres and 13 local centres.²
8. As part of its committed to promoting the well-being of the four town centres in the District, the Council has produced town centre strategies³ for the main centres of Hitchin, Baldock, Letchworth Garden City, and Royston. These promote the vitality and viability of the centres and will need to be reviewed as part of the overall retail strategy. The town centre strategies provide a method of keeping town centre development up-to-date and flexible while taking into account ongoing changes in the retail environment.

Floorspace need over the plan period

9. The overall quantum of need for town centre uses is considered in terms of quantitative and qualitative need. Figures for quantitative need are set by Policy SP4 in the Local Plan, using information forecast through the retail study. Qualitative need is also reported in this document, but is also considered through the production of town centre strategies and annual town centre monitoring.
10. The most recent figures for comparison, convenience and food and beverage projections up to 2031 are set out in the retail study (2016). They are summarised in **Appendix 1** and further summarised in Table 1 below.

² NHDC Retail Monitoring Reports (2004-2015)

³ NHDC (2009) Royston Town Centre Strategy

NHDC (2007) Letchworth Town Centre Strategy

NHDC (2006) Baldock Town Centre Strategy

NHDC (2004) Hitchin Town Centre Strategy

Table 1: Floorspace projections

2016-2021

Area	Convenience	Comparison	Food/Drink	Total
Hitchin	1,500	1,400	900	3800
Letchworth Garden City	800	1,200	400	2400
Royston	1,800	1,000	400	3200
Baldock	0	200	100	300
Urban extensions	500	800	200	1500
Other North Herts	0	100	100	200
Total	4,600	4,700	2,100	11400

2021-2026

Area	Convenience	Comparison	Food/Drink	Total
Hitchin	200	2,500	900	3600
Letchworth Garden City	400	2,500	400	3300
Royston	400	1,300	300	2000
Baldock	400	800	400	1600
Urban extensions	800	1,500	400	2700
Other North Herts	0	100	100	200
Total	2,200	8,700	2,500	13400

2026-2031

Area	Convenience	Comparison	Food/Drink	Total
Hitchin	200	2700	800	3700
Letchworth Garden City	400	2700	400	3500
Royston	300	1300	300	1900

Baldock	400	700	300	1400
Urban extensions	500	1600	500	2600
Other North Herts	0	100	100	200
Total	1800	9100	2400	13300

11. The provision included in urban extensions is set out in each of the strategic policies SP14-SP19 of the Local Plan. The site at Highover Farm is included within the provision for Hitchin.
12. Tables above show figures to 2031 broken down into five year periods. Up to 2031 the total floorspace figure increases to 38,100m². This is broken down as follows:
 - 22,500m² comparison shopping
 - 8,600m² convenience shopping
 - 7,000m² other town centre uses
13. Figures post 2026 are treated with caution owing to current volatility in the retail environment and issues such as growth in internet sales as well as the potential need to review the plan from a residential perspective and the creation of new centres associated with the strategic sites.

Assumptions and strategy

14. The district's town centres are very different and recognising the way in which they function is important to informing future strategy. Hitchin and Baldock currently have a low vacancy rate and include a higher proportion of evening economy uses (A3-A5), where as Letchworth Garden City and Royston have higher vacancy rates and less of a mix of uses. The qualitative argument for additional retail is set out in the retail study.

Vacant units

15. A proportion of additional town centre floorspace requirement (especially in the short term) can be met by filling existing vacant shops.
16. The retail study identifies a healthy vacancy rate to be in the order of 7%. Some vacancies are required to allow for turnover and new businesses coming in. Therefore, to achieve this figure in each of the towns, an assumption can be made about how many units can be filled to deliver a 7% figure.

Background papers

17. As the vacant units are known from town centre monitoring, an average floorspace figure can be assigned to estimate potential vacant floorspace capacity.
18. Essentially 3290m² can potentially be accommodated by filling vacant shops in North Hertfordshire until the vacancy rate is reduced to 7%. Across the district this is a significant contribution up to 2021 which from the recent projections stands at 11,400m², however this would not necessarily deliver additional space where it is needed and deliver in qualitative terms.
19. In Letchworth Garden City filling vacant shops has the potential to meet floorspace requirements up to and beyond 2021. Filling vacant shops will also meet part of the provision in Royston up to 2021. This approach does not prevent development proposals coming forward in the interim but they would need to satisfy the sequential and impacts tests as set out in the NPPF and Policy ETC3 in the Local Plan.
20. In Hitchin and Baldock the vacancy rate is already close to 7%, therefore filling vacant shops does not provide the opportunity to accommodate much additional retail floorspace. Allocations will therefore be required to meet future demand. The Council will need to work together with potential developers and key stakeholders to ensure that such sites are viable and deliverable within the plan period. Sites considered in the plan are detailed in **Appendix 2** of this report along with a summary commentary.
21. There are a number of existing planning permissions for new retail floorspace across the 4 towns which provide for some of the short term need in addition to vacant units, these are listed in **Appendix 1**.

Convenience and Comparison Goods Strategy

22. The retail study identifies that for convenience goods that most need can be met through existing permissions and the creation of new facilities in the Strategic Sites. As the choice of convenience retailing in North Hertfordshire is considered good there appears to be no over-riding need to identify sites for large foods stores in Hitchin or Letchworth Garden City, rather additional capacity can be delivered through store extensions or mezzanine floors (intensification).
23. The strategy for comparison retail and other town centre uses will be to concentrate further development within Hitchin and Letchworth Garden City town centres as the main comparison shopping destinations in the District, maintaining their position in the shopping hierarchy and seeking to maintain the District's market share. Based on the quantum of floorspace identified additional sites will be needed in the short to medium term; however the

strategic sites will also make a contribution in the form of local shopping provision.

Summary Strategy for each town (set out numerically in Appendix 1)

Hitchin

24. There are some small scale additional retail permissions which could accommodate some additional retail space in the short term. In the short/medium term refurbishment of Churchgate Centre could offer an increase of up to 500m² in both the amount and quality of floorspace in this area. In the medium to long term the Churchgate site (HT11) (up to 4000m²) and Paynes Park (HT12) (up to 4000m²) could deliver up to 8000m² of additional floorspace for mixed use development. Hitchin currently attracts 12% of its comparison trade from the Letchworth Garden City, Baldock and Royston areas, therefore in the longer term floorspace demand could be diverted back to Letchworth Garden City as there are no additional site opportunities in Hitchin. This would provide a more sustainable pattern of development. The Council will work with potential developers and other interested parties to bring forward potential development sites as part of a review of the Hitchin Town Centre Strategy.
25. The Strategic Site at Highover Farm has the potential to provide 500m² of floorspace which could help achieve floorspace in the medium term as well.

Letchworth Garden City

26. In the short to medium term filling vacant shops should be the priority. The permissions at Garden Square and the Travel Inn add additional choice and increased town centre floorspace. In the medium to long term the town centre area provides a number of opportunities that could accommodate mixed use development including the Wynd (up to 4500m²), Gernon Road (up to 1000m²) and Arena Parade (up to 5000m²). These would help meet the longer term need and also accommodate additional provision recaptured from Hitchin and provide space that can't be accommodated in Baldock. The Council will work with the Heritage Foundation and other interested parties to bring forward potential development sites as part of a review of the Letchworth town centre strategy.

Royston

Background papers

27. Filling vacant shops and the extant permission for a Waitrose shop on the edge of the town meets most need up to 2026, however the allocation of the Town Hall Site (4000m²) within the town centre is needed for medium to long term.

Baldock

28. Expansion of the Tesco store has previously been permitted, although this has now lapsed, but if reconsidered would meet Baldock's need up to 2026.
29. There are few development opportunities within the town centre and in the longer term the strategic site North of Baldock could accommodate additional future provision together with transferring need to Letchworth Garden City.

Local Centres

30. Within the district's local centres it is harder to plan for retail development over the plan period as they vary in terms of scale and location across the district.
31. There are neighbourhood centres in Hitchin, Letchworth Garden City and at Great Ashby and also village centres in Knebworth, Codicote and Ashwell. The approach taken the draft plan in policy ETC6: Local Centres seeks to prevent the loss of facilities. In terms of future provision, growth of these centres is best delivered through the planning application process as they each serve small areas and the subtleties of demand are too small to plan proactively for. Allocating a site in one location for the need identified above would only serve to distort the function of that particular centre.
32. In 2015 there were 219 units in all local centres, 13 of which were vacant. This suggests a vacancy rate of 5.9%, denoting a healthy retail environment.
33. The broad locations of the district's local centres are identified on the draft proposals map. The extents of the local centres (at 2016) are detailed in the Communities Chapter of the Local Plan.

Urban Extensions

34. Four of the urban extensions/strategic sites are specifically allocated additional floorspace in the quantitative forecasting in the retail study (the other 2 are incorporated in town wide projections) and provide an opportunity to deliver additional retail development that will need to be accounted for in the overall provision in the long term.

35. The retail study update (2016) provides indicative figures for these types of developments; however in terms of the allocations north-east of Great Ashby and East of Luton these need to be agreed with the appropriate neighbouring authorities to ensure that there is no double counting and ensure that market share figures match.
36. New retail development within the strategic sites will create new local centres in the form of neighbourhood centres. These new centres will be covered by Policy ETC6 as and when they are delivered.

Long Term Strategy

37. The retail study at Para 5.12 states *“It will not be necessary to bring forward opportunities to accommodate longer term growth after 2026, and these long term projections will need to be monitored and kept under review. Broad areas where long term growth may be accommodated should be identified, and if necessary brought forward if the projected levels of growth are achieved.”*
38. Sites are identified where they are needed up to 2026. Post 2026, the Council has identified that Letchworth Town Centre provides a number of opportunities to meet long term needs; however, this requires further discussions with landowners as currently it contradicts retail demand evidence in Letchworth Garden City. In the medium term the Council will start to review the town centre strategies in order to take account of progression of residential allocations and to meet long term retail need. In reviewing the strategies, a pragmatic approach will be followed which will allow for a more detailed assessment of each of the town centres and the wider town centre areas, where the Council's growth strategy; changes in retail demand/patterns and the economic climate will be taken into consideration.
39. Towards the middle of the plan period we expect that retail development will also start to be delivered within the strategic sites, therefore we need to keep these figures under review to ensure that the new centres that come forward are of an appropriate scale and do not negatively impact on the district's existing town and local centres.

Town Centre Boundaries and Frontages

40. The town centre boundaries and the extents of primary and secondary frontage are shown on the draft Proposals Map.

Background papers

41. The retail study (2016) includes recommendations for the future extents of both town centre boundaries and frontages and details the resulting changes since the previous Local Plan (i.e. the 1996 NHDC Local Plan No 2 with Alterations). The majority of these changes have been taken forward as they reflect changes in the retail environment and mix of uses that currently exist. The key changes are summarised below for each of the towns:

Hitchin

42. The Hitchin Town Centre Boundary reflects the 1996 Local Plan and Hitchin Town Centre Strategy (2004). It includes a large area around the Primary Shopping Area, reflecting the nature, extent and function of the town centre.
43. The primary and secondary frontages have been amended from the previous extents within the 1996 Local Plan to consolidate the Primary Frontage to the main part of the High Street, Bancroft and Market Square areas. Secondary frontage extends along Bancroft, Sun Street, Bridge Street, Hermitage Road and Brand Street.
44. The areas of secondary frontage are quite extensive reflecting the wide variety of non-retail uses and the thriving night time economy

Letchworth Garden City

45. The Letchworth Town Centre Boundary reflects the extent used in Letchworth Town Centre Strategy (2007). This is slightly different from the 1996 Local Plan boundary as it includes the additional area around Broadway Gardens.
46. The primary and secondary frontages have been amended to concentrate the primary shopping frontage in a circuit through Garden Square Shopping Centre along Eastcheap, the western part of Leys Avenue and along Commerce Way. The more peripheral areas along Station Road, the eastern end of Leys Avenue, Arena Parade and Broadway are classified as secondary frontage.
47. Non-retail uses are becoming more common in the town centre, consolidating the retail uses in the centre will allow a wide variety of uses across the town and enable flexibility.

Baldock

48. The town centre boundary reflects the 1996 Local Plan and Baldock Town Centre Strategy (2006). The extent of secondary frontage has been refined to the west to take account of changes from town centre uses to residential; however, the area to the north of Whitehorse Street has been included in secondary frontage reflecting the mix of uses that exist in this area.

Royston

49. The town centre boundary reflects the 1996 Local Plan and Royston Town Centre Strategy (2008). The Primary Frontage has been consolidated along the main centre core of the High Street. Secondary frontage extends along Fish Hill, Melbourne Street and Kneesworth Street to allow more flexibility and range of uses within the wider town centre area.

Background papers

Appendix 1: Total Floorspace Breakdown

	Existing commitments ⁴ Sales (net) m ²	Filling vacant shops/ m ²	Requirement 2016-2021 / m ² (Gross)	Short term strategy (vacant + commitments)	Requirement 2021-2026 / m ² (Gross)	Medium term Strategy	Requirement 2026-2031/ m ² (Gross)	Long term Strategy
Hitchin	352 – Sailor boy (A1 Conv) 390 – Hitchin Delivery office (A1-A5)	190	3800	Under-provision in 2021 of 2500m ² . Refurbishment of Churchgate Centre could provide some additional floorspace. The Highover Farm site could start to deliver provision to contribute although more likely in the medium term. .	3600	Opportunities for mixed used development at Churchgate (up to 4000m ²) and Paynes Park (up to 4000m ²) sites will need to be promoted and allocated to meet short to medium term need.	3700	Longer term a lack of development options in the town centre will mean floorspace provision is be diverted back to Letchworth town centre to even market share between towns.

⁴ Includes new floorspace, rather than changes of use

Letchworth Garden City	293 – Garden Square (A1/A3) 2200 – Premier Inn, Station Road	2100	2400	Fill vacant shops and Garden Square = slight overprovision.	3300	Wynd Development (up to 4500m ²) could deliver additional floorspace to meet needs up to 2026.	3500	Longer term there are opportunities in the town centre for mixed use development in the form of: Junction of Gernon Road (1000m ²) – mixed use. Arena Parade (up to 5000m ²) These two sites provide an oversupply
Royston	1670m – A505 site	1100	3200	Fill vacant shops and A505 site = Overprovision in excess of 1000m ²	2000	Medium to Longer term Town Hall site could deliver up to 4000m ² This would meet need.	1900	Town Hall site still accommodating need.
Baldock	Tesco permission	0	300	Under provision of 300	1600	Extension of Tescos would cover most	1400	Long term new centre associated with the strategic

Background papers

	now lapsed.					need. Previous extension was 1764m ² net.		site allocation North of Baldock could incorporate future growth and diversion to Letchworth town centre.
Urban Extensions/Strategic Sites			1500		2700		2600	
Other	0		200		500		400	
Total	2264							

Source: NLP (2016)

Appendix 2: Sites considered and reasoning

Allocation	Previous reference	Name	Place	Type	Evidence and reasoning	Conclusion
Preferred Sites						
HT11	H/m02	Land at and around Churchgate	Hitchin	Mixed use	The Town Centre and Retail Study (2016) identifies need for additional town centre uses (A1 to A5 use classes) in Hitchin in the short, medium and long term. This site provide an opportunity to meet this need. The site's town centre location means it includes and is located near to a number of heritage assets including Hitchin Conservation Area, St Mary's Church (Grade I), The Biggin, The Sun Hotel and various buildings on the Market Place, for which appropriate mitigation will be required. The site provides the opportunity to improve the Churchgate Centre which has a detrimental impact on the environmental quality of the Town Centre. The site also provides opportunity to provide phased development - improvement of Churchgate Centre in the short term, with redevelopment medium-longer term. The town centre location means no sequential test is required. The site will help Hitchin maintain its market share in the medium term.	Allocate site

Background papers

HT12	H/m01	Land at Paynes Park	Hitchin	Mixed use	<p>The Town Centre and Retail Study (2016) identifies need for additional town centre uses (A1 to A5 use classes) in Hitchin in the short, medium and long term. This site provide an opportunity to meet this need. The town centre location means that the site includes and is located near to a number of heritage assets including The Cock Public House, Paynes Park House, The Green Hythe, Bank Flat and 3-4 High Street for which mitigation will be required. Redevelopment of the area will help improve the environmental quality of this part of the town centre. The town centre location means no sequential test is required. The site will help Hitchin maintain its market share in the medium term.</p>	Allocate site
LG19	L/m2	Land at The Wynd	Letchworth	Mixed use	<p>The Town Centre and Retail Study (2016) identifies need for additional town centre uses (A1 to A5 use classes) in Letchworth beyond 2021. Sites in Letchworth also provide the opportunity for longer term need accross the district to be met i.e. from Hitchin. Site provides opportunity for a mix of uses. The town centre location means no sequential test is required. The town centre location also means that the site includes and is located near to a number of heritage assets including Letchworth Conservation Area and 52-58 Leys Avenue.</p>	Allocate site

LG20	L/m1	Library and museum site, Gernon Road	Letchworth	Mixed use	The Town Centre and Retail Study (2016) identifies need for additional town centre uses (A1 to A5 use classes) in Letchworth beyond 2021. Sites in Letchworth also provide the opportunity for longer term need across the district to be met i.e. from Hitchin. Site provides opportunity for a mix of uses. The town centre location means no sequential test is required. The town centre location means that the site includes and is located near to a number of heritage assets including Letchworth Conservation Area, Vasant Hall and the Town Hall.	Do not allocate.
LG21	L/s2	Arena Parade	Letchworth	Retail	The Town Centre and Retail Study (2016) identifies need for additional town centre uses (A1 to A5 use classes) in Letchworth beyond 2021. Sites in Letchworth also provide the opportunity for longer term need across the district to be met i.e. from Hitchin. Site provides opportunity for a mix of uses. The town centre location means no sequential test is required. The town centre location means that the site includes and is located near to a number of heritage assets including Letchworth conservation area, the Town Hall and Broadway Chambers.	Allocate site

Background papers

RY12	R/m2	Civic Centre, Melbourn Street	Royston	Mixed use	Town Centre and Retail Study sets out requirement for additional need in Royston for additional town centre uses (A1 to A5 use classes) beyond 2021. The site has been previously identified in Town Centre Strategy and landowners are currently working to identify potential scheme. The sites location within the town centre means that a sequential test is not required. The town centre location means site is located near to heritage assets including Royston Conservation Area and Listed Buildings along Melbourn Street. Site also includes Town Hall building of Local Interest which should be retained. Likely phasing 2021-2031	Allocate
Non Preferred Sites						
n/a	H/m03	Post Office, Hermitage Road	Hitchin	permission now granted	Under construction.	No allocation required.
LG11	L/s1	Garden Square Shopping Centre, Commerce Way	Letchworth	Mixed use	Resolved to grant planning permission on part of site. Intentions for remainder of site unclear. The site is located within the town centre which means the site could be considered in the future, however currently no certainty regarding the sites availability and deliverability.	Do not allocate.

n/a	L/o1	Old Grammar School, Broadway	Letchworth	Mixed use	Site currently being used by north Herts college - Unavailable.	Do not allocate.
n/a	R/m1	Land south of Corn Exchange, Market Hill	Royston	permission now granted	Permission granted for Tesco Store and Residential.	No allocation required.
n/a	R/m3	Shopping parade, Angel Pavement	Royston	Mixed use	No identified need for additional town centre uses (A1 to A5 use classes) up to 2021, therefore no compelling requirement to allocate sites. Town centre strategies will be reviewed to identify long term provision for town centre uses. Lack of allocation does not prevent landowners and developers from bringing forward schemes, to be considered through the planning application process.	Do not allocate.