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L 150611 SAV Policy Response



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Dear Ms Bogle

**SECTION 62 OF THE TOWN AND COUNTRY PLANNING ACT 1990 (AS AMENDED)  
OUTLINE APPLICATION FOR THE CONSTRUCTION OF RETAIL FLOORSPACE (USE CLASS A1)  
MEASURING 12,503 SQ. M, RESTAURANTS (USE CLASS A3) MEASURING 1,031 SQ. M, OFFICE  
FLOORSPACE (USE CLASS B1) MEASURING 3,004 SQ. M AND ASSOCIATED CAR PARKING,  
ACCESS AND LANDSCAPING WORKS  
LAND AT MAYLANDS AVENUE, HEMEL HEMPSTEAD  
AVIVA LIFE AND PENSIONS UK LIMITED**

**Introduction**

We write in respect of the above application registered under Reference: 4/01132/15/MOA. It seeks planning permission for a mixed use development including provision for food and non-food retail, commercial leisure and office floorspace at land accessed via Maylands Avenue.

This correspondence provides clarification and additional evidence relating to the Retail Impact Assessment ('RIA') submitted as part of the application. It responds to the matters raised in the initial consultation response of the planning policy team, following advice from Peter Brett Associates, and at the meeting held on 20 May 2015.

The correspondence responds to the points in the same sequence as the policy response for ease of reference.

**Proposed Development**

Paragraph 3 states that the application is seeking completely unrestricted use for the floorspace. This is not the case. The applicant is seeking some flexibility to ensure that it can respond to operator demand and market requirements but is willing to look at conditions that impose certain limitations on area of types of goods to ensure the scheme does complement rather than compete with the town centre.

Furthermore, the proposed development will provide large format, warehouse premises which are qualitatively different to the premises in the town centre. The resultant premises will accommodate operators and business models that complement rather than compete with the town centre. The floorspace will compete directly with other retail warehouses facilities in Hemel and in competing towns (e.g. Watford).

The applicant is willing to discuss the wording of potential conditions that create a framework of controls in respect of the amount and / or size of units at the application site.



It is critical that the proposed development has the necessary flexibility to ensure that it can attract new, national operators that enhance the overall retail offer of Hemel Hempstead. New operators and retail formats will help to better meet needs locally and reduce the requirement to travel for retail activities. This accords with the overarching objective to deliver more sustainable forms of development.

### **Sequential Approach**

The sequential approach to site selection is considered at Paragraph 7 of the consultation response. We provide comments below under a series of separate sub-headings.

#### ***Area of Search***

The response states that the sequential assessment has been based predominantly on Hemel Hempstead and that no assessment has been made of other centres such as Watford.

The area of search has been focused on Hemel Hempstead as the proposed development is intended to meet a quantitative and qualitative requirement for new retail floorspace within the town. The Core Strategy states there is a requirement for 15,550 sq. m of additional comparison floorspace in Hemel Hempstead by 2021. The proposed floorspace will meet both consumer and operator demand in the town.

Furthermore, a detailed household survey was undertaken to inform the RIA contained within the Planning Statement. The empirical data demonstrates that a significant proportion of comparison goods expenditure generated within the Study Area is leaking to competing centres, in particular Watford. For example, 21% of the expenditure on 'clothing and footwear' and almost 30% of the expenditure on 'furniture' in the Study Area is spent in Watford town centre in Watford as a whole (i.e. including Retail Parks).

A total of £186.1m of comparison expenditure generated in the Study Area currently leaks out to competing centres and this is expected to increase to £236.1m by 2020. This represents 34% of the total comparison expenditure which, given Hemel Hempstead's role in the retail hierarchy, is considered to be unsustainable.

It is correct that the sequential assessment should be limited to Hemel Hempstead. Providing additional floorspace in Watford would not meet the same consumer or operator demand and therefore would not perform the same role and function as the proposed development.

The professional officers of the Local Planning Authority ('LPA') agreed that there is no requirement to expand the area of search to include Watford.

#### ***Flexibility***

The correspondence then goes on to refer to the requirement to demonstrate flexibility within the sequential approach.

The NPPF requires applicants to demonstrate flexibility when considering the sequential approach to site selection in respect of format and scale.

The application site measures 6.4 hectares. As part of the original assessment, the applicant considered sites that measure in excess of 4 hectares. It is considered that any sites that are below that minimum threshold would require a material change to the development proposed so that it would not meet the same consumer or operator demand. Such a change goes beyond the requirements of the policy.

Section 6.0 of the Planning Statement provides a comprehensive review of the binding authority which is clear that alternative sites should be able to accommodate the development 'as proposed'.

Furthermore, there is no requirement to 'disaggregate' individual elements of a proposed development so they could fit on smaller, sequentially preferable sites. In December 2014, the CLG Select Committee

published its findings into the operation of the NPPF. One of the recommendations was that ‘disaggregation’ should be re-introduced as a consideration in the sequential approach.

In March 2015, the Government published its response to the recommendations. In respect of disaggregation, they disagreed with the recommendation and asserted that the current wording already provides sufficient control for local authorities.

Within the comments on ‘Flexibility’, the consultation response also states that no justification is provided in respect of the office floorspace (Class B1). As the site is allocated for employment uses, there is no requirement to undertake an assessment of alternative sites for this element of the proposed development. This was agreed with the professional officers of the LPA.

### ***Status of the Application Site***

As part of the RIA, the applicant asserted that the application site is in an ‘edge of centre’ location. This was due to its proximity to the proposed Heart of Maylands centre.

The policy response takes a very simplistic view of the position and states that because the Heart of Maylands centre has not yet been built and no primary shopping area has been defined, the application site cannot be considered edge of centre.

The Heart of Maylands is an identified objective of Policy CS34 of the adopted Dacorum Core Strategy which states that a retail centre should be delivered at the site to support residents and workers. As the LPA is aware, planning permission<sup>1</sup> has been granted for the commercial floorspace that will comprise the Heart of Maylands and work is due to commence imminently on site. It follows that there is certainty that the centre will be delivered in the short term.

We would also stress that, given the scale of the centre, it is unlikely that a Primary Shopping Area would be defined. It follows that an ‘edge of centre’ location would be 300m from the boundary of the centre.

The clear direction of travel in respect of the adopted policy combined with the planning permission means that the ‘edge of centre’ status asserted in the RIA should be afforded weight by the LPA.

Irrespective of the classification of the application site, be it ‘edge’ or ‘out’ of centre, the assessment has demonstrated that there are no alternative sites that are available, suitable and viable to accommodate the proposed development.

### **Retail Impact**

Paragraph 8 of the consultation response raises a series of queries in respect of the methodology and technical assumptions adopted as part of the statistical assessment. We provide a response to each in turn below.

### ***Special Forms of Trading***

The RIA assumed a constant market share approach. The consultation response states that an allowance should be made for growth in the rate of SFT.

The empirical data obtained to inform the RIA demonstrates that the propensity for people within the Study Area to shop online is lower than the UK average. As a result the overall level of growth, in what is now a maturing sector, will also be lower.

We will include an assumption in respect of growth in SFT as part of an updated set of Tables.

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<sup>1</sup> Planning Permission: 4/00676/14/MFA

### ***Design / Impact Year***

The consultation response requests an explanation for the assessment years that have been adopted.

The RIA adopts assessment years of 2020 and 2022. These years accord with Paragraph 26 of the NPPF which states '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 5 years from the time the application is made.*'

The application was submitted in 2015 and therefore 2020 has been adopted as an appropriate assessment date. If approved, the floorspace is likely to commence trading in 2017 and therefore a second assessment date of 2022 is also considered appropriate.

This approach ensures that the full impacts of the proposed development can be assessed properly by the LPA.

### ***Inflow of Expenditure***

The consultation response requests an explanation for the amount of 'inflow' expenditure that has been adopted as part of the RIA.

In respect of convenience goods, we have assumed inflow of expenditure of 3%. In respect of comparison goods, this is assumed as 20%.

Convenience and comparison retailing have very distinct and different shopping patterns. Convenience shopping is undertaken at regular intervals, usually once or twice a week. Given the frequency of trips, people are only willing to travel short distances to visit convenience store. This is demonstrated by the high market share (or retention rate) that Hemel Hempstead achieves in respect of convenience shopping expenditure compared to comparison expenditure. The same is true of competing towns and therefore the amount of 'inflow' for convenience sales from outside the Study Area will be low.

Comparison shopping has very different characteristics. Shoppers are willing to travel much further distances in order to find the best value goods, or to visit specific retailers or retail formats that aren't represented in other towns. As Hemel Hempstead is a higher order centre, it is expected to attract spending from outside the Study Area as shoppers look to meet their needs for higher order goods.

The assumption that 20% of the turnover of the proposed comparison turnover is derived from expenditure generated outside the Study Area is robust.

In terms of the assumptions in respect of the Jarman Field proposal, the assumptions were taken directly from the application documents for that scheme. We do not agree with those but have retained them in the interest of consistency.

### ***Trade Draw and Diversion***

The consultation response requests that information is provided to enable the data to be analysed on a zone by zone basis.

The applicant will provide a more detailed analysis of the origination of expenditure but this will not alter the overall figures contained within the assessment in terms of the impact on Hemel Hempstead. Clearly it is the overall economic impact that is the key land use policy consideration rather than the origin of the expenditure.

The consultation response also refers to the fact that the level of comparison impact will differ based on the goods sold.



As the application is being made in outline, there are no retailers signed up to take space at the site. It is therefore very difficult to accurately predict the type of retailers that could operate from the site.

Notwithstanding this, the type of goods sold is not the only consideration. The scale of the retail operation is also important, and we have assumed that the proposal will primarily compete with other large format retail units.

As set out above, the applicant is willing to discuss a framework of conditions that provide controls in respect of ranges of goods, maximum number of units and floorspace limits. The conditions can be drafted to provide sufficient control to ensure that the development complements rather than competes directly with Hemel Hempstead whilst at the same time providing the applicant with the flexibility it requires to attract, new, high quality operators to the town.

### ***Impact Upon Planned Investment***

The correspondence also refers to the impact upon planned investment within the catchment, in centres other than Hemel Hempstead and Berkhamsted. We are not aware of any developments in any other centres that would be adversely affected by the proposed development.

### **Summary**

We trust the above information provides you with clarification to assist the consideration of the proposed development.

We will issue an updated set of statistical tables with a supporting note on the revised 'methodology'. We trust that this will demonstrate the proposed development accords with the necessary planning policy tests and meets the requirements of the LPA.

In the meantime, should you require any further information in respect of any element of the proposed development, please do not hesitate to contact Tim Price or Philip Marsden at these offices.

Yours sincerely

**Savills (UK) Limited**  
Commercial Planning