

Your ref: 4/03157.MFA

Our ref: 33954



25 May 2017

Intan Keen  
Dacorum Borough Council  
The Forum  
Hemel Hempstead  
Herts

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Dear Intan

**RE: Land at Maylands Avenue, Hemel Hempstead (4/03157/16/MFA)**  
**Review of retail planning policy issues**

You have asked us to review the further submission made by Savills, dated 19 April 2017, in relation to the above application. This follows on from the advice we gave you earlier in the year which informed your report to committee in February. At that time, the application sought a number of changes to the existing permission (4/01132/15/MOA) including increasing the number of units, the amount of convenience floorspace, and widening the range of goods to allow the sale of baby/children's clothes from one unit.

The latest submission from Savills relates to a further change to allow one unit to be used more extensively for the sale of clothing and footwear. The current permission allows the sale of clothing and footwear from one unit but on the proviso that the amount of floorspace devoted to those goods does not exceed 49% of the total net sales area. While the current amendment seeks to reduce the quantum of space from a maximum of 1,550 sqm to 920 sqm, it also includes the removal of the restriction which ensures that the majority of the floorspace in the unit cannot be used for clothing and footwear.

We note the reference to the reduction in quantum of clothing and footwear floorspace from 1,550 sqm to 920 sqm and the resultant reduction in scheme turnover from clothing and footwear. However, there is no suggestion elsewhere in the Savills submission that there is a reduction in the overall scheme floorspace and therefore turnover. So while we note that the floorspace would not be used for clothing and footwear sales, it would still be used for other comparison goods.

Savills suggest that because there will be reduction in scheme turnover from fashion goods, the impact on the town centre will be reduced. However, the relationship is not that simple: as Savills acknowledge later in their submission, the PPG adopts the principle of like competing with like. The change that Savills is seeking will mean a clothing retailer which might more readily compete with those currently in the town centre could take space in the Aviva scheme and therefore the level of diversion and therefore impact could be greater than under the current permission or the February 2017 resolution.

We note that while Savills have sought to remove the restriction which ties the proportion of clothing to the net sales floorspace, they have proposed a different restriction of a minimum GIA for the unit of 1,750 sqm. Assuming a net to gross ratio of 80%, this would mean that the maximum 920 sqm of clothing floorspace could comprise 65% of the net sales area. However, because the proposed restriction now relates to the gross area, the Council would have no way of controlling i.e.

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the while the gross area of the unit might extend to 1,750 sqm, the sales area could only be 920 sqm and therefore entirely devoted to clothing and fashion goods.

In addition, Savills have also offered a five-year 'no poaching' clause which would prevent a number of retailers from taking space within the scheme. This effectiveness of such a clause is clearly premised on the list of retailers being agreed by the Council but in principle, this is welcomed and considered important if the impact on the town centre are to be controlled.

### **Cumulative impact assessment**

As we advised in November 2015, our advice was that the cumulative impact of the schemes at both Jarman Fields and the Aviva site on Hemel Hempstead town would be significant adverse. However, in determining the original Aviva application, the Council was also informed by advice from Chase and Partners that in market terms the town centre could sustain two out-of-centre schemes; this was factored into the balancing exercise and permission granted.

In our comments earlier this year on the current application, we advised the Council that, while recognising the fall-back position, the cumulative impact work should be revisited to inform the decision-making process. This was not done in advance of the above application being taken to committee in February and instead the Council reached a judgement which drew on the November 2015 Chase and Partners work that the cumulative impact of two schemes would be acceptable. Again, this committee resolution is a fall-back position which is material in considering the cumulative impact now.

Following the further amendments submitted in April, we have updated the cumulative assessment work prepared for the Council in November 2015. This original assessment considered impact in 2020. This takes account of the permission granted on appeal at Jarman Fields and the effects of the proposed revisions to the Aviva permission. The previous assessment also considered a Lidl application which was subsequently refused; this has therefore been removed from the updated assessment. We have not sought to update the inputs in terms of population, expenditure, special forms of trading or sales efficiencies from those used in the previous cumulative work. An overview of the method is provided at Appendix A.

The previous cumulative assessment assumed a 10% ceiling on the proportion of clothing and footwear that could be sold from the Jarman Fields scheme. The condition attached to the appeal is less specific and states that:

*'The A1 retail units hereby permitted shall not be used for the sale and display of clothing and footwear (except ancillary clothing or footwear for DIY, motoring or cycling activities).'*

It is therefore possible that the quantum of floorspace for these goods could be higher than 10%.

The existing permissions at the Aviva site and the Jarman Fields represent fall-back positions, with an associated cumulative impact, which must be considered in the context of this current amendment. Based on the extant permission, and as set out in Appendix B (Scenario A), forecast diversion of £26.4m from Hemel Hempstead town centre i.e. a 9.1% impact. The second scenario, Scenario B, reflects the combined revisions to the scheme and forecasts 9.8% impact on the town centre.

### **Summary and conclusions**

We do not revisit the matters which the Council considered in the February 2017 committee resolution and focus primarily on the amendments sought in the April 2017 Savills submission. We have however also undertaken an updated cumulative assessment to inform our advice and this necessarily also incorporates the changes to the extant permission which were considered in February.

In our view, the current amendments exacerbate the quantitative impacts and while we are aware of the view taken in the Chase and Partners work, we remain of the view that the cumulative impacts are significantly adverse. As we have previously advised, because we judged the cumulative impact at 9.1% to be



unacceptable, it is for the Council to determine how much weight should be attached to the fall-back position and in balancing their views on the modestly higher impact of the current amendments.

The key concern is whether the current amendments will undermine the health of the town centre either by allowing existing tenants to relocate to the Aviva scheme, thus reducing the attraction of and footfall within the town centre. The amendments proposed by Savills mean that a fashion retailer could locate to the scheme which is not the case under the current permission. However, the addition of a 'no poaching' clause, subject to the agreement of a suitable list of retailers, could mitigate these impacts.

If there are any queries, please contact us.

Yours sincerely

For and on behalf of  
**PETER BRETT ASSOCIATES LLP**



## Appendix A – Cumulative impact assessment method overview

- 1.1 This appendix accompanies the May 2017 advice from PBA in relation to the current application on Land at Maylands Avenue, Hemel Hempstead. It provides a short summary of the method and data inputs that have been used to underpin the cumulative impact assessment which informs our advice.
- 1.2 Two scenarios are considered:
- A. Extant Aviva permission + Jarman Fields permission
  - B. Amended Aviva application + Jarman Fields permission
- 1.3 The following data inputs have been used to quantify the turnovers of the various schemes:

	<b>Extant Aviva permission</b>	<b>Amended Aviva application</b>	<b>Jarman Fields permission</b>
<b>Floorspace</b> (sqm net)			
Comparison	7,848	7,800	8,000
Convenience	1,414	1,900	812
<b>Restrictions</b>	c.30% cap on fashion floorspace	One unit primarily fashion (920 sqm) c. 10% cap overall	c.10% cap on fashion floorspace
<b>Sales densities</b> (£/sqm) <sup>1</sup>			
Comparison	£4,000-8,000 <sup>2</sup>	£4,000-8,000	£4,000
Convenience	£12,000	£10,000	£11,200
<b>Scheme turnovers</b>			
Comparison	£38.8m	£38.8m	£34.5m
Convenience	£17.3m	£19.3m <sup>3</sup>	£9.2m
Total	£56.1m	£58.1m	£43.9m

- 1.4 An impact year of 2020 has been adopted. This allows for all the schemes having opened and reached maturity.
- 1.5 The modelling sequence adopted is as follows: Aviva scheme opens first, then Jarman Fields. It is assumed that the opening of the first development (Aviva) will result in the Jarman Fields scheme not achieving its full turnover. Jarman Fields has therefore been assumed that it will achieve 80% of the forecast turnover set out above.
- 1.6 As the most recent household survey undertaken, PBA has adopted the results of the survey undertaken in support of the Aviva application. Consequently, the same catchment area and survey zones as those adopted in the Aviva application have been used. Following on from these assumptions, the following data inputs have been used:
- Population and baseline 2015 expenditure data have been derived from Savills Planning Statement Appendices 7 (Tables 1a and 1b) and 8 (Tables 1a and 1b).

<sup>1</sup> Convenience grown at 0.25% per annum and comparison at 1.5% per annum

<sup>2</sup> Sourced from Savills assessment

<sup>3</sup> Sourced from February 2017 Savills convenience assessment



- Expenditure growth: making allowance for growth in special forms of trading (SFT), baseline expenditure has been allowed to grow in line with Experian Retail Planner Briefing Note 13.
- Comparison goods shopping patterns: due to a lack of transparency in the impact modelling submitted in support of the Aviva application, PBA has used the survey results to establish zone-based market shares for comparison goods.
- Convenience goods shopping patterns: the main food and top-up market shares set out in Savills Planning Statement Appendix 7 Table 2 have been combined with expenditure to establish overall convenience market shares on a zone-by-zone basis.
- Inflow expenditure: this is the proportion of expenditure derived by the relevant centres from beyond the area covered by the household survey. Unless otherwise specified, no allowance is made for inflow expenditure.

1.7 PBA has used its own judgement in relation to the assumptions adopted on trade draw and diversion. This seeks to address deficiencies identified in the various application documents reviewed by PBA, including the need for impact to be assessed on a zone-by-zone basis in order to be able to understand that the assumptions adopted in relation to trade draw and diversion are realistic.

1.8 The effect of inflow expenditure on the performance of existing centres has only been considered in relation to Hemel Hempstead. In relation to the other centres, it is considered that they are not dominant in the catchment area; therefore assumptions in terms of the proportion of trade that they draw from the catchment area would not be robust.



## ***Appendix B – Cumulative impact assessment***

COMBINED CUMULATIVE IMPACT - SCENARIO A														May-17
	Comparison				Convenience				Combined					Growth from 2015
	2015 turnover	2020 turnover	Diversion	Post-diversion turnover	2015 turnover	2020 turnover	Diversion	Post-diversion turnover	2015 turnover	2020 turnover	Diversion	Post-diversion turnover	Cumulative impact	
Aviva			-£38.81	£38.81			-£9.21	£9.21			-£48.02	£48.02		
Jarman Fields			-£27.58	£27.58			-£16.76	£16.76			-£44.33	£44.33		
Hemel Hempstead	£198.69	£242.91	£23.93	£218.98	£44.42	£46.84	£2.43	£44.40	£243.11	£289.75	£26.37	£263.38	9.10%	£20.27
Local centres Hemel Hempstead	£22.98	£28.09		£27.82	£29.38	£31.11	£1.62	£29.49	£52.36	£59.20	£1.89	£57.31	3.19%	£4.95
			£0.28											
Out-of-centre stores Hemel Hempstead	£61.06	£74.65	£11.15	£63.50	£141.34	£149.02	£19.24	£129.79	£202.40	£223.67	£30.39	£193.29	13.58%	£-9.11
Berkhamstead	£26.37	£32.24	£0.75	£31.49	£35.37	£36.99	£0.58	£36.41	£61.74	£69.23	£1.33	£67.90	1.92%	£6.16
St Albans	£17.30	£21.15	£2.24	£18.91					£17.30	£21.15	£2.24	£18.91	10.59%	£1.61
Watford town centre	£81.62	£99.79	£7.98	£91.81					£81.62	£99.79	£7.98	£91.81	8.00%	£10.18
Watford retail parks	£18.43	£22.53	£2.02	£20.52					£18.43	£22.53	£2.02	£20.52	8.94%	£2.09
Luton	£6.07	£7.42	£0.93	£6.49					£6.07	£7.42	£0.93	£6.49	12.57%	£0.42
Tring	£0.52	£0.63	£0.02	£0.61					£0.52	£0.63	£0.02	£0.61	3.25%	£0.09
Central London	£8.63	£10.56	£0.09	£10.47					£8.63	£10.56	£0.09	£10.47	0.81%	£1.84
Other	£62.35	£76.23	£3.69	£72.54	£64.78	£67.73	£1.55	£66.18	£127.13	£143.96	£5.24	£138.72	3.64%	£11.59

## Notes

2. Post-diversion turnovers for 'Out-of-centre stores Hemel Hempstead' does not include new developments.

COMBINED CUMULATIVE IMPACT - SCENARIO B														May-17
	Comparison				Convenience				Combined					
	2015 turnover	2020 turnover	Diversion	Post-diversion turnover	2015 turnover	2020 turnover	Diversion	Post-diversion turnover	2015 turnover	2020 turnover	Diversion	Post-diversion turnover	Cumulative impact	Growth from 2015
Aviva														
Jarman Fields			-£38.81	£38.81			-£9.21	£9.21			-£48.02	£48.02		
			-£27.58	£27.58			-£18.69	£18.69			-£46.26	£46.26		
Hemel Hempstead	£198.69	£242.91	£25.28	£217.64	£44.42	£46.84	£3.12	£43.71	£243.11	£289.75	£28.40	£261.35	9.80%	£18.24
Local centres Hemel Hempstead	£22.98	£28.09		£27.83	£29.38	£31.11	£1.73	£29.37	£52.36	£59.20	£2.00	£57.20	3.37%	£4.84
			£0.26											
Out-of-centre stores Hemel Hempstead	£61.06	£74.65	£10.63	£64.03	£141.34	£149.02	£20.65	£128.38	£202.40	£223.67	£31.27	£192.40	13.98%	-£10.00
Berkhamstead	£26.37	£32.24	£0.72	£31.51	£35.37	£36.99	£0.63	£36.36	£61.74	£69.23	£1.35	£67.88	1.96%	£6.14
St Albans	£17.30	£21.15	£2.12	£19.02					£17.30	£21.15	£2.12	£19.02	10.05%	£1.72
Watford town centre	£81.62	£99.79	£7.65	£92.14					£81.62	£99.79	£7.65	£92.14	7.67%	£10.52
Watford retail parks	£18.43	£22.53	£1.92	£20.61					£18.43	£22.53	£1.92	£20.61	8.53%	£2.18
Luton	£6.07	£7.42	£0.88	£6.53					£6.07	£7.42	£0.88	£6.53	11.90%	£0.47
Tring	£0.52	£0.63	£0.02	£0.61					£0.52	£0.63	£0.02	£0.61	3.12%	£0.10
Central London	£8.63	£10.56	£0.08	£10.48					£8.63	£10.56	£0.08	£10.48	0.77%	£1.84
Other	£62.35	£76.23	£3.51	£72.72	£64.78	£67.73	£1.66	£66.07	£127.13	£143.96	£5.17	£138.79	3.59%	£11.66

#### Notes

1. Diversion (i.e. new trade) to new stores/development appears as negative. Forecast turnover only appears as 'post-diversion turnover'.
2. Post-diversion turnovers for 'Out-of-centre stores Hemel Hempstead' does not include new developments.