

**Examination of the Welwyn Hatfield
Local Plan**

**Council's Statement for the
Stage 3 Hearing on
20th to 22nd February 2018**

Session 10

SP5 Retail Development and SADM4-6



SP5 Retail Development

16) Why does the plan only seek to support additional retail floorspace sufficient to meet forecasted expenditure growth up to 2026 and not 2032?

Welwyn Hatfield Response

- a) The targets for growth – including retail - are set out in Policy SP2 of the Local Plan, with the retail element explained in paragraphs 5.13 and 5.14. The Policy sets out an opportunity to facilitate the provision of around 12,500sqm of additional retail floorspace, and the composition of this between the various centres is set out in Policy SP5.
- b) Policy SP5 sets out floorspace requirements for both convenience and comparison goods throughout the retail hierarchy, most significantly in the town centres of Hatfield and Welwyn Garden City. These forecasts are taken from the 2016 Welwyn Hatfield Retail and Town Centre Needs Assessment Update (RTC/5) produced by Carter Jonas.
- c) This forecast of requirements in the Local Plan uses 2026 as its end point rather than 2032 - the end of the plan period – and this is explained in paragraphs 5.13 and 5.14 which gives two reasons. Firstly, forecasts of this type are known to be less accurate beyond a five year time horizon, given much of the apparent increase comes from the assumptions regarding annual increases in expenditure, and secondly with changes in the economy and changes in shopping habits there are many uncertainties around the retail sector at the present time.
- d) Clearly the longer the time horizon used in forecasts, the greater the level of uncertainty that such rates will be maintained. This is particularly true for retail where changing shopping habits, the growth of online shopping, the performance of the economy more generally and other factors all have a bearing on performance, but all are subject to considerable uncertainties at the present time, and the impact and level of this uncertainty increases the further into the future any forecasts go. In the capacity forecasts produced, the need between 2026 and 2032 increases significantly – for example from an additional 10,453sqm of comparison space in 2026 to 19,793sqm in 2032, mainly due to the assumed 3.2% per annum increase. This equates to 17% over five years and 37% over ten. This significant increase suggested that caution should be taken, so a decision to plan until 2026 was taken.
- e) Carter Jonas echo the need for caution in paragraph 8.3 of their 2016 Welwyn Hatfield Retail and Town Centre Needs Assessment Update (RTC/5), when they say that “capacity forecasts beyond a five year period should be treated with caution”.
- f) As a result, it was deemed prudent to use 2026 as the point at which forecasts were focussed, rather than being a few years further on simply to line this up with the rest of the plan period. These forecasts have taken account of foreseeable changes in the amount of turnover that can be generated from retail floorspace. Naturally, forecasts will be kept under review during the plan period and revised at appropriate times in

order to understand future need beyond 2026, and appropriate action will be taken if necessary.

- 17) **In the context of the growth in on-line retailing, are the expenditure forecasts at individual centres and the anticipated resultant need for additional retail floorspace at them, appropriate.**

Welwyn Hatfield Response

- a) Online retailing is an established and very important part of the retail market and one which has developed over a relatively short timescale, albeit other “Special Forms of Trading” (SFT), such as catalogue sales, have existed for a considerable period. However, online retailing is now the main element of SFT and as such it is the expected trend in online shopping that affect the allowance made in Retail Studies for SFT.
- b) It is also a sector which is continuing to grow but in ways that are difficult to predict. The technology is continuing to evolve, as is the retail sector’s response to it and increasingly online and store trading are being integrated by retailers who refer to “omni channel”. This includes arrangements such as “click and collect” where shoppers purchase online and then visit the store, where there is potential for further purchases. As a result, like many forecasts that relate to consumer behaviour, forecasts for retail sales by SFT / online can change considerably in a relatively short period.
- c) The use of online shopping however is not consistent across the retail sectors, geographic areas or even within the population as is shown by the household survey results, as summarised in **RTC/5, Appendix 3**. For instance overall 17.8% of all comparison spend is spent online (**RTC/5, A3, Table 1**) but even within the relatively small study area this varies from 14.4% in Zone 4 to 20.8% in Zone 5.
- d) There is also significant variation depending on the types of goods being purchased, with just 5.9% of convenience sales being made online (**RTC/5, Appendix 2, Table 1**) compared with, for example, 65% of recording media purchases (**RTC/5, A3, Table 3**). This increases to over 80% of such expenditure in Zones 1, 3, 6 and 8.
- e) As a result, as is the case for many of the inputs into retail capacity models, the proportion of sales that is likely to be take place online in the future has to be estimated, using the best information available at the time. If this proportion is under-estimated and online sales increase to higher levels than anticipated, the need for additional retail floorspace will be overstated. Conversely, over-estimating how much retail expenditure is spent online will mean the future demand for floorspace could be higher than forecast.

Carter Jonas Methodology

- f) In this case Carter Jonas (CJ) have used the household survey results to estimate the market share of SFT for the base year. They have then made a judgment on the likely proportion of retail expenditure that will be made online in the future, adjusting the

national projections provided by Experian in their 2015 Briefing Note, (the most up-to-date available at the time) to reflect the base position **(RTC/5, A5, Tables 2 and 4)**.

- g) The starting point for both the convenience and comparison capacity forecasts is therefore the household survey results and resulting market shares including SFT which are set out in **RTC/5 Appendix 2 (Convenience) and Appendix 3 (Comparison)**.
- h) The proportion of trade going to SFT is then excluded from the Market Share Analysis Tables **(RTC/5, Appendix 6, Table 1 and Appendix 7, Table 1)** and the market shares of the other stores is recalculated on the basis of the total excluding SFT, on a zone-by-zone basis. For instance, in Appendix 2, Table 1, the Zone 1 market share for all Welwyn Garden City is 36.9%. This equates to 38.8% of the overall market share minus the 5.0% internet sales, the figure in Appendix 6, Table 1.
- i) The result of this approach is that not only does the base position reflect actual shopping patterns in the study area, but the analysis by zone reduces the effect of any particular SFT figure over influencing the market share analysis.
- j) For instance, using the same example as above, even if SFT was double that indicated by the survey for Welwyn Garden City in Zone 1 (i.e. 10% not 5%), the market share for Welwyn Garden City in that zone would only increase from 38.8% to 41.0%, an increase of just 2.2% when SFT is excluded.
- k) However, as the overall market share is based on the data for 9 zones, some of which have higher SFT shares and others are lower, it is very unlikely that all zones under or over-estimate the market share for SFT. Any minor differences in the results for an individual zone therefore will have less effect on the final market shares for the specified centres. Thus, the total study area expenditure for the centres under consideration **(RTC/5, A6, Table 2 and A7, Table 2)** would not be expected to change significantly even if the proportion of SFT spend in one zone were to alter at base year.
- l) For the expenditure forecasts for 2016, 2021, 2026 and 2032, CJ have sought to reflect how expenditure on SFT is expected to increase in the future by using the national projections provided by Experian, the “industry standard” source for such information and the one used in the majority of retail assessments whether undertaken for the public or private sectors.
- m) However, to reflect the noted differences between Experian’s national averages and the local use of SFT, CJ have adjusted the projected SFT market shares to reflect the current (base) position.
- n) For convenience goods this means using slightly lower estimates of SFT as the household survey has shown lower use of online shopping than nationally (RTC/5, paras 4.11 & 4.12). For comparison goods, the opposite is the case and the market share for online shopping is above the national average **(RT/5, para 4.15)**.

- o) In both cases this has also required them to adjust the market shares for SFT to reflect those retailers who sell goods online but source goods from their existing store network. This is consistent with the approach adopted by Experian, as such sales, whilst included as SFT, require the same physical retail floorspace as if the customer visited the store.
- p) The resulting assumptions used by CJ are summarised below alongside the equivalent figures from the Experian Briefing Note current at the time the report was prepared (BN 13).

Special Forms of Trading - Convenience Goods

	2016	2021	2026	2032	2033 ^c
Experian Projected market share for SFT - BN 13 ^a	10.0%	14.7%	17.0%	19.9%	20.4%
Experian Projected market share for SFT adjusted for store-based sales - BN 13 ^b	3.0%	4.4%	5.1%	6.0%	6.1%
Household Survey market share for SFT ^d	5.9%				
CJ projected market share for SFT adjusted for store-based sales ^e	1.5%	2.1%	2.6%	3.0%	n/a

Notes

(a) As summarised in RT/5 Table 3.2

(b) As summarised in RT/5 Table 3.3 and

(c) Not provided in RT/5 but taken directly from Experian BN13

(d) RT/5, Appendix 2, Table 1

(e) RT/5, Appendix 5, Table 2

Special Forms of Trading - Comparison Goods

	2016	2021	2026	2032	2033 ^c
Experian Projected market share for SFT - BN 13 ^a	16.5%	20.0%	19.9%	19.3%	19.2%
Experian Projected market share for SFT adjusted for store-based sales - BN 13 ^b	12.4%	15.0%	15.0%	14.5%	14.4%
Household Survey market share for SFT ^d	17.8%				
CJ projected market share for SFT adjusted for store-based sales ^e	13.2%	16.0%	16.0%	15.5%	n/a

Notes

(a) As summarised in RT/5 Table 3.2

(b) As summarised in RT/5 Table 3.3 and

(c) Not provided in RT/5 but taken directly from Experian BN13

(d) RT/5, Appendix 3, Table 1

(e) RT/5, Appendix 5, Table 4

- q) The most recent Briefing Note from Experian (Briefing Note 15, published December 2017) (BN17) provides updated estimates for SFT and these are summarised below:

Special Forms of Trading - Convenience Goods

	2016	2021	2026	2032	2033 ^c
Experian Projected market share for SFT - BN 13	10.0%	14.7%	17.0%	19.9%	20.4%
Experian Projected market share for SFT adjusted for store-based sales - BN 13	3.0%	4.4%	5.1%	6.0%	6.1%
Experian Estimated & Projected market share for SFT - BN 15 (December 2017)	9.6%	13.1%	15.5%	17.0%	17.2%
Experian Estimated & Projected market share for SFT adjusted for store-based sales - BN 15 (December 2017)	2.9%	3.9%	4.6%	5.1%	5.2%

Special Forms of Trading - Comparison Goods

	2016	2021	2026	2032	2033 ^c
Experian Projected market share for SFT - BN 13	16.5%	20.0%	19.9%	19.3%	19.2%
Experian Projected market share for SFT adjusted for store-based sales - BN 13	12.4%	15.0%	15.0%	14.5%	14.4%
Experian Estimated & Projected market share for SFT - BN 15 (December 2017)	18.0%	22.5%	23.4%	23.8%	23.8%
Experian Estimated & Projected market share for SFT adjusted for store-based sales - BN 15 (December 2017)	13.5%	16.9%	17.5%	17.8%	17.9%

- r) This shows that the most up-to-date forecasts for convenience purchases online are now lower than anticipated in 2015 when BN13 was prepared. Conversely comparison sales online are likely to be higher. This is consistent with the approach adopted by CJ and reflected the local situation in 2015.
- s) In isolation, and assuming the local use of online sales would also change further in line with the national expectations, this would suggest that the retail capacity figures prepared by CJ for convenience expenditure and additional floorspace in the future may be slightly low, as less of the available expenditure may be spent online. However, even at the end of the Plan period (2032/2033), the difference in Experian forecasts is less than 1%.
- t) This equates to a maximum increase in retail floorspace provision of 68 sq m (1% of the 6,760 forecast by CJ for 2032 under Option 2) (**RTC/5, Appendix 10, Table 1**). As such we consider the convenience forecasts both overall and by centre remain appropriate.
- u) For comparison spend, the latest forecasts suggest a higher proportion of available comparison expenditure will be spent online than previously anticipated, with the figures differing by 3.5% in 2032/2033 from that envisaged by Experian at the time the CJ report was prepared.
- v) Again, in isolation, this level of change does not have a significant effect on the overall capacity figures and thus the centre floorspace projections will not be greatly affected. However, unlike the convenience situation, for comparison goods this means that the amount of additional floorspace required in the Borough may be lower than anticipated by CJ.
- w) In practice this level of change is only about the same as the anticipated growth in retail expenditure in a single year (**RTC/5, Table 3.1**), with the most recent Experian data suggesting a 3.2% per annum increase in comparison spend between 2025 and 2036 (BN15, Figure 1a). As a result, the reduction in online sales would soon be offset

by increased spend overall suggesting that the projections for comparison floorspace in 2026 may now actually be more appropriate for 2027, all other model assumptions and inputs remaining unchanged. Similarly the figures for 2032 may now apply to 2033.

- x) On this basis we consider that the allowance that has been made for on-line retailing was and remains appropriate and that the forecast additional floorspace requirements both overall and for individual centres remain valid.

18) To what extent are appropriate recommendations of the Portas Review being incorporated into retail policy?

Welwyn Hatfield Response

- a) The Portas Review, subtitled “An independent review into the future of our high streets”, was published in December 2011, having been commissioned from Mary Portas by the then Prime Minister and Deputy Prime Minister. It was intended to consider how a range of key stakeholders; central and local government, landlords, traders’ associations, retailers and others should respond to the changing retail landscape in order to arrest the decline of the traditional high street.
- b) The review, which took submissions, papers and responses from a wide range of organisations and people, made 28 recommendations covering a range of areas.
- c) A number of the 28 recommendations are aimed at Local Authorities, but the majority concern their role in town centres from an operational perspective; for example to establish Town Teams to focus on making high streets accessible, attractive and safe (recommendation 10). Other recommendations relate to planning issues, but the majority concern national planning policies, or something which requires action from Central Government, for example recommendations around use classes (recommendation 13), and introducing Secretary of State “exceptional sign off” for out of town developments (recommendation 15).
- d) Only three of the recommendations relate to planning issues at a local level. These are to address the restrictive aspects of the Use Class system to make it easier to change the uses of key properties on the High Street (recommendation 12); that Local Authorities should make more proactive use of Compulsory Purchase Order powers to encourage the redevelopment of key high street retail space (recommendation 21); and to Promote the inclusion of the High Street in Neighbourhood Plans (recommendation 25).
- e) Policy SADM4 of the Local Plan sets out the approach to appropriate uses within the two Town Centres in Welwyn Hatfield. This sets out that each of the two centres has Core Retail Zones, Anchor Stores, Primary Frontages and Secondary frontages, the locations of which are defined on the Policies Map. The policy sets out appropriate uses within each, and that there should be limits to the uses and combinations permitted within each area, in order to secure the vitality and viability of the centres and ensure that the core is primarily A1 led. This has been reviewed and refined since the 2005 District Plan. For example, the required level of A1 uses in secondary

frontages [called Mixed Use Frontages in the 2005 Plan] has fallen from 50% to 30%, and the quantity of secondary frontage compared to primary frontage has increased, thus allowing greater flexibility to accommodate a range of uses within the centres.

- f) One section of the policy sets out the criteria for any exceptions to this policy, and says that these will be permitted when there are overriding benefits to the viability and vitality of the town centre, and where there is evidence of marketing for at least 12 months to demonstrate a lack of demand for an A1 use. Thus, an appropriate degree of flexibility is included within the policy in order to change uses whilst ensuring the town centre's key role as a shopping destination is protected, in order to safeguard the vitality of the town centre.
- g) Retail vacancy rates in Welwyn Hatfield are generally low. In the 2016-17 Annual Monitoring Report (January 2018), vacancy rates in the two town centres had fallen between 2015 and 2017, with the overall figure being a low 3.5% in Welwyn Garden City and 11.7% in Hatfield, though in Hatfield a number of units are deliberately being left vacant, pending the outcome of a planning application for a retail and residential development. It therefore appears that this policy is not seen as unduly restrictive by potential occupiers and does not appear to be having any negative impact on the viability and vitality of any of the centres to which it applies. In addition, when the Local Plan was consulted upon in August 2016, no objections to this policy were received, suggesting that there is no concern from landowners, developers, the public and others.
- h) The encouragement of the evening economy in Welwyn Garden City is a specific objective within Policy SP16 of the Local Plan and an objective of the Supplementary Planning Document for the Town Centre North site, adopted in April 2015 (**WH/15**) and this would appear to be a site which could accommodate greater numbers of A3 users, as these uses often benefit from clustering together.
- i) Welwyn Hatfield Borough Council has identified a need to bring forward additional retail floorspace in both Welwyn Garden City and Hatfield in order to meet future need, and in both towns development opportunity sites have been allocated in the Local Plan to meet that need.
- j) Welwyn Hatfield Borough Council has a recent track record of using Compulsory Purchase Order (CPO) powers to assemble land in town centres, as an extensive CPO was used in Hatfield in the early 2000's, though the development scheme this related to was ultimately a victim of the 2008 recession. As a result, the Council is now a major landowner in Hatfield town centre, and the landholding which the Council assembled at that time is now being used to bring forward redevelopment and regeneration in the town. For example, the land at 1-9 Town Centre, which is currently the subject of a planning application for new retail floorspace and residential units (6/2017/0606/MAJ) is owned by the Council, who have also submitted the planning application. The site is allocated for mixed use development in the Local Plan MUS2 (HC100b)

- k) Welwyn Hatfield does not currently have any completed neighbourhood plans. However, a Supplementary Planning Document (SPD) to guide regeneration of the Town Centre North site which is allocated in the Plan MUS1 (Han40) would add significant retail capacity to Welwyn Garden City was adopted in April 2015 (WH/15), and the Council is working to deliver this site within the current plan period. In Hatfield, the Council convened the Hatfield Renewal Partnership, also known as Hatfield 2030+, which comprises key stakeholders and landowners in the town, in order to bring forward comprehensive regeneration in the town. This Partnership, which continues to operate, developed the Hatfield Renewal Framework (July 2016) (WH/16) which sets out a wide range of projects in a number of areas, of which the town centre is a key part.

SADM4 Centres, Services and Facilities

19) Why hasn't the Galleria shopping centre been included in the retail hierarchy at an appropriate point?

Welwyn Hatfield Response

- a) The borough's retail hierarchy is set out in Policy SP5 of the Local Plan, with additional commentary in paragraph 8.2. This separates the various centres and facilities into five categories, from Major Town Centre (Welwyn Garden City) to Individual Small Convenience Stores which provide for day to day needs.
- b) Policy SP5 also sets out the sequential approach for the consideration of proposals outside centres in the retail hierarchy, whilst Policy SADM5 sets out specific criteria for development outside designated centres, both in the form of individual convenience shops and out of centre retail. The commentary in paragraph 8.2 gives examples of the out of centre retail provision within the borough including the Galleria, Oldings Corner in Hatfield, and the Morrisons supermarket and B&Q in Welwyn Garden City.
- c) This approach is in line with the recommendation from Carter Jonas in their 2016 Welwyn Hatfield Retail and Town Centre Needs Assessment Update (RTC/5), paragraph 10.8 of which states that "We do not consider that the centre is included within the retail hierarchy and it should continue to be treated as an out of centre retail destination". It is also consistent with earlier advice from NLP who undertook the 2007 Retail Study (RTC/1).
- d) Paragraphs 8.23 and 8.24 of the Local Plan clarify that whilst the Galleria is an important retail destination, it should be treated as an out of centre location, which means that it would be subject to Policy SADM5. This policy sets out the requirement for a sequential test for any additional development, and that the Council will resist any relaxation of conditions relating to the restriction of the type of goods which can be sold from existing out of centre developments.
- e) This approach ensures that policy has a town centre first approach and that a sequential test, in line with paragraph 24 of the NPPF, would be necessary for any additional development.

20) Why does the Galleria shopping centre not function as a Town Centre?

Welwyn Hatfield Response

- a) The Galleria is a large retail and leisure facility situated in the southern part of Hatfield, much of it astride the A1, above where the road goes into a tunnel. According to the Land Securities website it totals 306,100sqft of space, and according to the most recent Welwyn Hatfield Borough Council retail count, there were 84 units in all; 62 A1, 1 A2, 14 A3; 5 vacant and 4 other (nail bar, car rental, cinema).
- b) According to paragraph 5.110 of the Welwyn Hatfield Retail and Town Centre Needs Assessment (**RTC/5**) produced by Carter Jonas in 2016, the facility attracts 4.6 million visits pa. These figures suggest that it attracts visitors from a wide geographic area, something implied by Carter Jonas in paragraph 7.33, and the variety of outlets, plus the combination of retail, restaurants and leisure will presumably make it attractive to visit for a significant length of time.
- c) One of the representations to the August 2016 consultation said that the centre had an “effective function as a town centre” (dlpps 1068) and that it should be included within the retail hierarchy as a town centre, citing its role as “Hatfield’s durable goods and leisure centre” and claiming that for Hatfield residents it is the “closest and most convenient centre for the purchase of a very wide range of durable goods” (dlpps1069), as well as citing its position within the urban area and easy accessibility for a large number of people, many of whom live within walking distance.
- d) There is a definition of a “town centre” in the Glossary to the NPPF, which describes them as “including the primary shopping area and areas predominantly occupied by main town centre uses within or adjacent to the primary shopping area”. Main Town Centre uses are further defined in the Glossary to include a wide range of uses including retail, leisure, entertainment and recreation uses such as restaurants, offices, and arts, cultural and tourism development. The glossary also clarifies that “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”.
- e) The Galleria is an important facility as well as a location for employment in the borough and therefore plays a role in the local economy. However, it would be inappropriate to designate it as a town centre. Looking at the breakdown of use classes within the Galleria from the Welwyn Hatfield Borough Council retail count quoted above, it is clear that there is a clear dominance of A1 and A3 units but it lacks a number of the types of facilities which would be normally expected within a town centre.
- f) Whilst retail is a key element of a Town Centre, town centres will also host a variety of other facilities, which are not to be found at the Galleria. For example, in the retail count, there is only one A2 unit, a foreign currency trading outlet. This means that there are no banks, building societies or estate agents, and nor is there a Post Office, all of which would be expected to be found in a town centre. Neither is there any convenience shopping, such as a supermarket, nor any A4 or A5 uses, all of which would be expected to be found in a town centre.

- g) The Galleria does not possess a public library, another facility which might generally be expected to be found in a town centre. By contrast, Hatfield's public library is within the town centre. Nor does it possess any healthcare facilities, such as medical provision, or other community facilities which might be expected to be found in a town centre.
- h) In addition, the Galleria does not possess public realm or public space in the sense that it would be found in a town centre. There is communal space within the Galleria, but this is privately rather than publicly owned and can only be accessed whilst the centre is open. This compares to public space in a town centre which would be accessible at all times.
- i) The Galleria does not have commercial space other than the retail / leisure floorspace. For example, other than that concerned with the management of the facility, there is no office space in the Galleria, another element that might normally be found within a town centre.
- j) In conclusion, whilst the Galleria is an important facility and an important contributor to the local economy, it does not possess the wide range and mix of facilities which would normally be expected to be found within a town centre. As a result, designating it as a town centre would be inappropriate and not doing so is in line with guidance in the NPPF.

21) To what extent is the Galleria shopping centre in direct competition with Hatfield Town Centre?

Welwyn Hatfield Response

- a) As noted above, the Galleria attracts a very large number of annual visits from a wide geographic area. Its offer is a combination of retail and leisure (mainly A3 but also a cinema).
- b) By contrast, Hatfield Town Centre possesses a wide range of facilities which would be expected to be found in a town centre, many of which are absent from the Galleria. These include convenience shopping, a number of banks, a Post Office, a public library, public houses, public space, offices and residential dwellings.
- c) However, the Carter Jonas Welwyn Hatfield Retail and Town Centre Needs Assessment Update (2016) (RTC/5) reports that Hatfield Town Centre is under represented for comparison shopping and leisure so people do visit the Galleria who might otherwise visit the town centre. Hatfield Town Centre is also under represented with national multiples. Despite this, the range of facilities Hatfield Town Centre offers means that it will be used for a range of day to day needs by local residents.
- d) Despite their different roles, there will be some overlap of functions, and the relatively close proximity of the Galleria to Hatfield Town Centre means that there will be an element of competition between them. Paragraph 8.23 of the Local Plan acknowledges that the Galleria “attracts many visitors who might otherwise have visited the town centre”.
- e) Welwyn Hatfield Borough Council has a major objective to regenerate Hatfield and to this end has formed the Hatfield Renewal Partnership, also known as Hatfield 2030+. The Hatfield New Town Renewal Framework of July 2016 (WH/16), which was developed by the Partnership has regeneration of the town centre as one of the projects in its action plan, and significant work is underway to deliver this.
- f) Paragraph 10.8 of the Carter Jonas report says that it is important that Welwyn Hatfield Borough Council should maintain its “town centre first” approach with a presumption against out of centre retail development, and that the Galleria should continue to operate as a discount outlet centre to minimize competition with Hatfield Town Centre, with any expansion of the Galleria being restricted to outlet concepts only rather than general retail so as to not compete with Hatfield Town Centre.
- g) The differences between The Galleria and more traditional town centres can clearly be seen from the household survey results (see attached). The Galleria has a very different, more dispersed trade draw pattern and only offers some types of retail goods. Even its main offer, namely clothing and footwear does not serve a local catchment, with market penetration similar in Zones 1, 2 and 6. In contrast Hatfield Town Centre’s local role is clear. The use of town centres for the purchase of Personal Care and Medical goods is also clear, but The Galleria provides neither.

h) In conclusion, Hatfield Town Centre and the Galleria fulfil different roles, though there is inevitably overlap between the two. Where competition is perhaps most evident is in the location and attraction of occupiers, with occupiers looking to secure a presence in this area seemingly unlikely to choose to locate in both the town centre and the Galleria.

22) Is the portrayal of the Galleria as a centre trading to the disadvantage of Hatfield Town Centre justified by the evidence base?

Welwyn Hatfield Response

- a) The Galleria has been trading as an outlet centre since the 1990's. As such, it has been part of the retail offer for a considerable time and is clearly well used by those living in the immediate vicinity and those travelling from further afield.
- b) The retail offer in all the surrounding towns will have evolved since The Galleria opened and this will be due to a wide variety of factors including, but not limited to:
- The changing retail offer in out-of-town stores, including The Galleria;
 - Economic conditions;
 - Development of the Internet;
 - Changing popularity of specific retailers;
 - In-centre development both within the borough and the surrounding area; and
 - The trend towards greater leisure and service uses in town centres and a decline in the comparison offer.
- c) These trends are described in detail in the evidence base, specifically **RTC/1 Section 2; RTC/2 paras 2.14 – 2.15** and more comprehensively in **RTC/5 Section 3**.
- d) More recently there have been further changes that were not anticipated when RTC/5 was prepared, most notably the UK decision to leave the European Union (Brexit). This has affected general business confidence and the value of the pound has fallen. This in turn has led to inflationary pressure within the retail sector, exacerbating general consumer trends that have seen greater emphasis on value and discount retailing.
- e) The overall effect is that many well-known, established retailers have and continued to struggle and business failures are numerous. Since RTC/5 was prepared the following have all ceased trading or are known to have financial problems:
- Austin Reed
 - Banana Republic
 - Brantano
 - British Home Stores (BHS)
 - Jaeger
 - Staples
 - Store Twenty One
 - Toys R Us

- f) In such a dynamic sector therefore it is not possible to show conclusively that The Galleria is trading to the disadvantage of Hatfield Town Centre. Nor, and equally importantly, is it possible to show that any adverse effects of The Galleria are limited to Hatfield Town Centre. Indeed, given the 72% of shoppers at The Galleria are coming from beyond 10 minutes' drive (CgMS Hearing Statement September 2017, para 3.4), the likelihood is that the centre is drawing trade from a wide range of town centres including Welwyn Garden City, some or all of whom may now be performing less well than they would have if The Galleria did not exist.
- g) What is clear from the Evidence Base however is that on-going changes within the retail sector are:
- Reducing the comparison offer within centres, whilst leisure uses (especially food and beverage units) have been expanding;
 - Reducing the number of physical locations that retailers wish to operate from;
 - Reducing the number of retailers looking for new space; and
 - Putting a number of existing retailers at risk of closure.
- h) In that sense it is very clear that The Galleria will be in competition with all the surrounding town centres to attract both retailers and customers and that retailers securing a presence in the former will be much less inclined to open stores/maintain existing stores in centres which serve a similar catchment.
- i) It is also clear that, as the town centre closest to The Galleria, Hatfield is the most likely to experience such competition, as the proximity of the two locations mean they will serve the same catchment population, albeit The Galleria will also be able to draw on trade from a considerably wider area.
- j) This is important in that there are longstanding and on-going plans to regenerate Hatfield Town Centre and a very clear desire amongst local residents to see an improvement in the comparison offer and better representation of national multiples within it (**RTC/5, Household Survey Q29**). More / better comparison provision is mentioned by nearly half of all respondents in Zone 2 as the improvement that would see them visit more often, whilst trade from further afield could be increased by more national multiples being present.
- k) Such improvements have been wanted for a long time, with similar responses received to the question asked as part of the 2007 Household Survey (**RTC/1, Table 6.12**). However since then the centre has seen relatively little improvement in this aspect of the offer with two of the five major national multiples referred to in 2007 (**RTC/1, para 8.10**), Clinton Cards and Superdrug, now closed. Superdrug is however still represented in The Galleria.
- l) During the same period there have been a number of independent retail openings and, recently Peacocks have opened in the town centre. However, an analysis of changes of occupiers within The Galleria (taken from WHBC data used to inform the

Annual Monitoring Report) suggests that there have been a number of openings at The Galleria since 2013, that might otherwise have been expected to be represented in Hatfield town centre:

- Pizza Express
 - Harvester Restaurant
 - Prezzo
 - Caffé Nero
 - H Samuel
 - Sports Direct
- m) Going forward and with the very latest business reports suggesting that some food and beverage businesses are likely to be reviewing/rationalising their store portfolios in the future, it is clear that any retailer wishing to be represented in the Welwyn Hatfield area will have a choice of three main locations – Welwyn Garden City town centre, Hatfield town centre or The Galleria.
- n) Whilst some retailers may choose to operate in both towns, it is extremely unlikely that any retailer would actively seek representation in both Hatfield town centre and The Galleria and thus the two locations will continue to compete directly for the limited number of businesses seeking to open stores.
- o) As such it has to be concluded that, whilst there are differences in the retail offer between The Galleria and Hatfield town centre there are also many retail and food and drink operators who will choose between the two locations. Where the choice is to go to The Galleria, this will inevitably disadvantage Hatfield Town Centre, not just by increasing competition for the existing town centre businesses but also reducing the potential list of future occupiers necessary to secure the private sector investment so clearly needed to regenerate the centre and which is recognised as the number one priority for the community and the town’s stakeholders in the Hatfield New Town Renewal Framework (**WH16, page 20**).

SADM 6 Shopfronts, Advertisements and signage

23) Does the Policy controlling advertisements appropriately reflect the historic context of Welwyn Garden City?

Welwyn Hatfield Response

- a) Policy SADM6 applies throughout the borough but highlights the need for further consideration of the design principles set out in the “Welwyn Garden City guide to shopfront and advertisement design” (**WH/10**) which will be a material consideration in the determination of any planning application or advertisement consent. The guidance does not ban advertisements in the town centre, instead it provides advice on good practice and the type of advertisements which are likely to receive approval in the town centre.

- b) A representation has been made which seeks an Article 4 direction in Welwyn Garden City town centre.
- c) However, advertisements are controlled under the Town and Country Planning (Control of Advertisements) (England) Regulations 2007. An Article 4 Direction, under the Town and Country Planning (General Permitted Development) Order 1995, cannot be applied to advertisements or signage.
- d) As Welwyn Garden City town centre is located within a conservation area, deemed consent for the erection of certain classes of advertisement does not apply to illuminated advertisements, flag advertisements, and advertisements on hoardings around temporary construction sites. Therefore advertisement consent would be required.
- e) New shopfronts require planning permission where they constitute 'development', therefore an Article 4 Direction (which removes permitted development rights) would not result in any additional controls over new shopfronts.
- f) Should there be a need for any further guidance then this can be incorporated into a review of the "Welwyn Garden City guide to shopfront and advertisement design" guide.