2.0 The Shopping Hierarchy

Introduction

2.1 The National Planning Policy Framework (NPPF) indicates (paragraph 23) that planning policies should be positive, promote competitive town centre environments and set out policies for the management and growth of centres over the plan period. Local Plans are expected to define a network and hierarchy of centres that is resilient to anticipated future economic changes.

2.2 The Planning Practice Guidance (PPG) places emphasis on developing strategies for town centres that are appropriate and realistic to the role of centres in the hierarchy. Town centre strategies should be based on the current state of a centre and opportunities to meet development needs (in full). These town centre strategies should seek to support the town centre vitality and viability, and should assess if changes to the role and hierarchy of centres are appropriate.

2.3 This section provides an overview of the shopping hierarchy in North Herts District and the surrounding sub-region.

Centres in North Hertfordshire and Surrounding Area

2.4 North Hertfordshire District is bounded by Central Beds, East Hertfordshire, Luton, South Cambridgeshire, Stevenage, St Albans, Uttlesford and Welwyn Hatfield. The District contains four main town centres, Hitchin, Letchworth Garden City, Royston and Baldock. These centres compete with each other, and also centres within surrounding authority areas.

2.5 The Javelin Group's publishes a UK Shopping venues ranking called VENUESCORE, which provides a straight forward toll for comparing shopping destinations. VENUESCORE ranks the UK's top 3,000 retail destinations including town centres, malls, retail warehouse parks and factory outlet centres. The results for North Hertfordshire and other selected centres are shown in Table 2.1. Each destination is given a weighted score for the number of multiple retailers present, including anchor stores, fashion operators and non-fashion multiplies. The score attributed to each retailer is weighted depending on their overall impact on shopping patterns, for example a large department store will achieve a high score. The VENUESCORE data for more centres in the sub-region is also shown on Figure 2.2.

2.6 In general the VENUESCORE closely correlates to the actual market size of the shopping destination in terms of consumer expenditure. VENUESCORE also assesses the market position of centres based on the retailers present and the centre's relative position along a spectrum running from discount to luxury or down-market to aspirational (i.e. lower, middle to upscale). The market positon relates specifically to the fashion offer together with other easily classifiable operators.

2.7 Cambridge is a top tier centre and is the only "upscale" centre in the sub-region, which suggests it has an excellent and high quality comparison retail offer, comparable with other top destinations across the country. Milton Keynes is also a top tier centre, with a slightly lower market position "upper middle" compared with Cambridge's "upscale" position. St Albans is a second tier centre relatively high in the rankings, at a slightly lower market position than Cambridge i.e. "upper middle". Luton and Bedford are second tier centres relatively high in the rankings, but at a lower market position "middle", which suggests these centres have more comparison multiples than St Albans, but the retail offer is generally more mid-market.

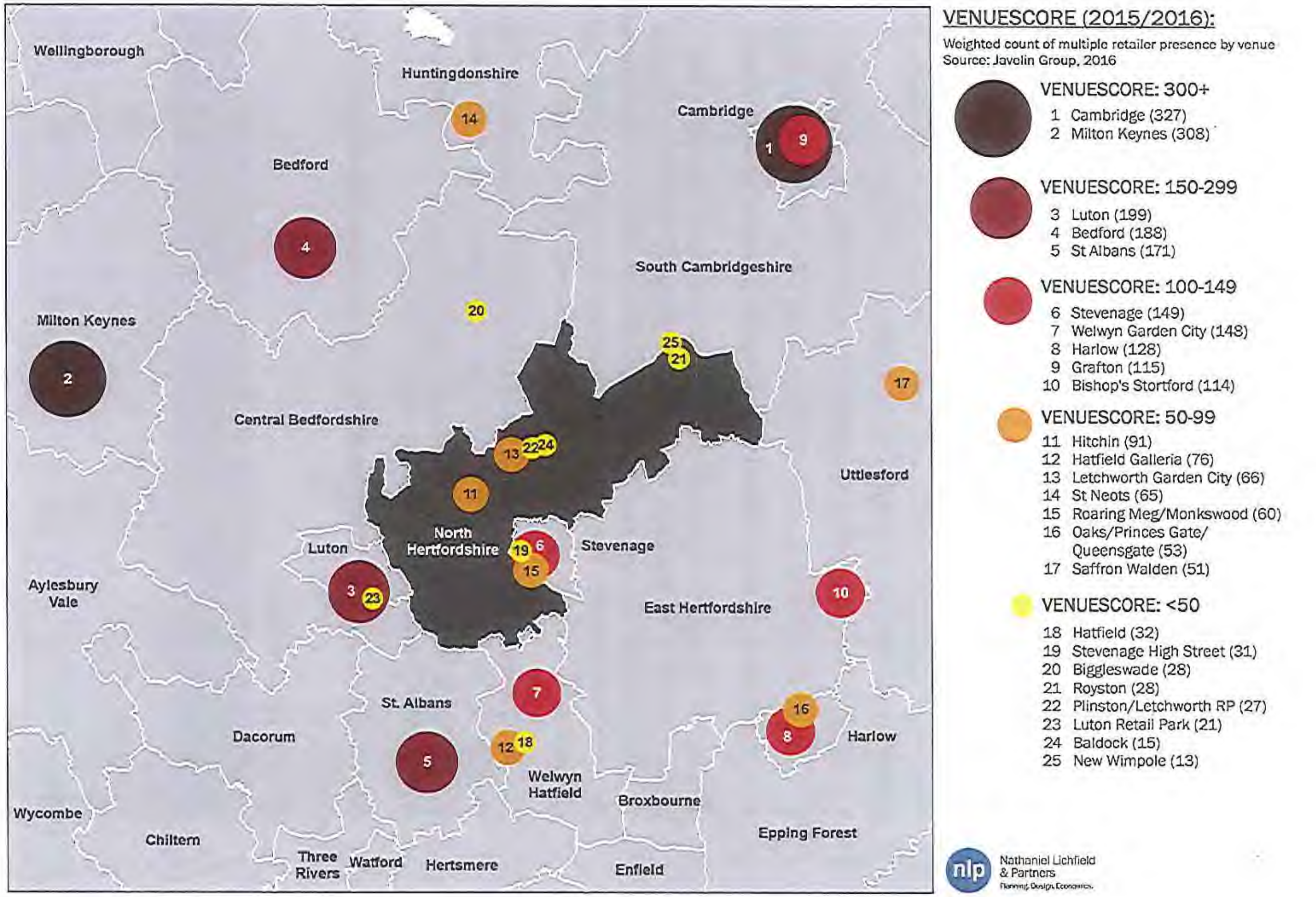
Table 2.1 VENUSCORE UK Shopping Index

Centre	UK Rank	VENUESCORE	Market Position
Cambridge	26	327	Upscale
Milton Keynes	34	308	Upper Middle
Luton	91	199	Middle
Bedford	100	188	Middle
St Albans	125	171	Upper Middle
Stevenage	157	149	Lower Middle
Welwyn GC	160	148	Middle
Harlow	193	128	Lower Middle
Cambridge - Grafton	222	115	Middle
Bishop's Stortford	224	114	Middle
Hitchin	**297**	**91**	**Middle**
Hertford	354	79	Middle
Hatfield Galleria	100	76	Upper Middle
Letchworth GC	**435**	**66**	**Lower Middle**
St Neots	445	65	Middle
Saffron Walden	600	51	Middle
Hatfield	1,003	32	Lower Middle
High St - Stevenage	1,047	31	Middle
Biggleswade	1,151	28	Lower Middle
Royston	**1,151**	**28**	**Middle**
Baldock	**2,034**	**15**	**Lower Middle**

Source: VENUESCORE, Javelin Group 2015/16

2.8 Most of the centres within the sub-region, including the four main centres in North Hertfordshire, are "middle" or "lower middle" in terms of market position. Hitchin is ranked higher than Letchworth Garden City and has a higher market position i.e. "middle" compared with "lower middle". Both centres are ranked significantly below Stevenage and Welwyn Garden City, but Hitchin has a higher market position than Stevenage. Hitchin and Letchworth Garden City are third tier centres within the hierarchy.

Figure 2.1 North Hertfordshire Shopping Hierarchy – VENUESCORE



Source: Javelin Group 2015/16

2.9 Royston and Baldock are much smaller centres fourth tier centres, with relatively low scores. These centres have a smaller number of multiple retailers overall. Royston has a much lower VENUESCORE than Letchworth Garden City (28 compared with 66), but has a slightly higher market position (middle compared with lower middle), which suggests Royston has less multiple comparison retailers, but a higher proportion of the fashion retailers present are classified as having a higher market position, rather than discount/value end of the market

2.10 Figure 2.1 indicates that residents in North Hertfordshire District have good access to a number of large centres, as well as having a choice of smaller centres for day to day shopping needs. The outflow of retail expenditure from the District, particularly comparison goods, is significant and this is likely to remain high in the future.

2.11 In addition to VENUESCORE and market position, each destination is assessed in terms of a range of other attributes, as follows:

- Age focus (is the offer targeting younger or older consumers?)
- *Fashionability* of its offer (is the clothing offer traditional or progressive?)
- Food/service bias (how strong is the food and beverage offer?)

2.12 The Javelin Group classifies retailers in terms of their "fashionability" ranging from "traditional" at one end, the "updated classic", "fashion moderate", "fashion forward" through to "progressive" at the other, i.e. least fashionable to the most fashionable. Shopping destinations in London dominate the most "progressive" venues, such as Carnaby Street and Bond Street.

2.13 The age positon of the fashion offer is also classified ranging from "young", "middle" to "old", for example shops such as Hollister, H&M, Miss Selfridge and Superdry appealing more to the young and others such as Evans and Edinburgh Woollen Mill appealing more to the old.

2.14 The results for the four main centres in North Hertfordshire are shown in Table 2.2.

Table 2.2 Centre Attributes

Centre	Age	Fashion Position	Food/Service Index (ave. =100)
Hitchin	Old	Traditional	140
Letchworth GC	Old	Updated	101
Royston	Old	Moderate	65
Baldock	Old	Moderate	n/a *

Source: Javelin Group 2015/16 * Food/Service index not provided for smaller centres

2.15 The centres tend to cater for older customers with moderate or traditional tastes. Letchworth Garden City is the most fashion progressive but still caters predominantly for older customers.

2.16 Hitchin has a particularly strong food and beverage offer. Unfortunately Javelin does not provide a food/service score for Baldock. Baldock's food and beverage is accessed in the health check for the centre in Appendix 5.

Existing Retail Provision in North Hertfordshire

2.17 An assessment of the existing retail and service provision in the main centres is provided in the centre health checks included at Appendix 5. A summary of existing retail provision in provided in Table 2.3 below.

Table 2.3 Existing Class A Retail Provision in North Hertfordshire

Centre	Number Shop Units*	Convenience Floorspace (sq.m gross)	Comparison Floorspace (sq.m gross)	Food and Beverage (sq.m gross)
Hitchin	359	9,960	30,250	10,216
Letchworth Garden City	251	11,220	16,150	5,320
Baldock	92	10,920	4,530	6,460
Royston	162	2,080	6,327	6,941
Large out of centre stores	13	19,109	9,342	-
Total	**877**	**53,289**	**66,599**	**28,939**

Sources: North Hertfordshire Council April 2015, VOA, StorePoint * Class A1-A5 including vacant units

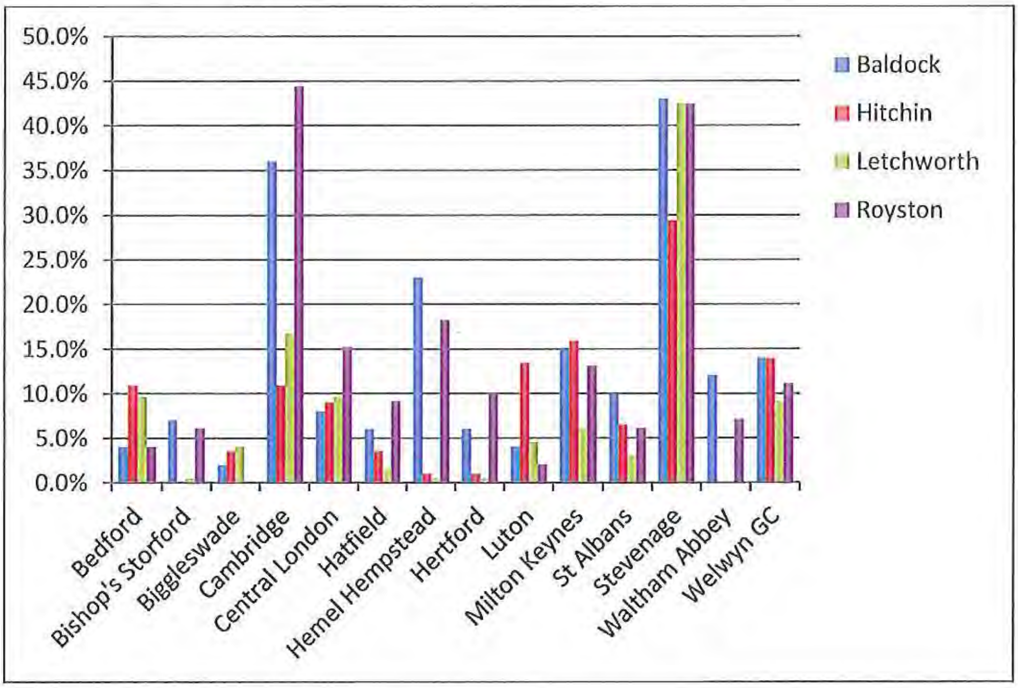
2.18 A more detailed breakdown of the existing retail floorspace is provided in the capacity assessment in Appendix 2, 3 and 4. Table 2.3 and the town centre health checks confirm that Hitchin and Letchworth Garden City are the main comparison goods shopping destinations within the District. However all four centres cater for food and grocery shopping and food/beverage needs.

2.19 Hitchin and Letchworth Garden City provide a reasonable range of shops and facilities that serve their settlements and nearby villages. They have a critical mass of convenience and comparison shopping floorspace and a good range of non-retail services. Nevertheless both centres fall within the catchment areas of larger centres, in particular Stevenage town centre and the large retail parks in Stevenage.

2.20 Baldock and Royston are smaller centres that serve their respective settlements and smaller catchment areas, providing a more limited range of shops and non-retail services.

2.21 The in-street survey results indicate that customers within the four main centres regularly shop at other centres outside the District, as shown in Figure 2.2. This graph shows Cambridge and Stevenage (including retail parks) have a particularly strong draw. Customers have a wide choice of destinations and shop in more than one centre.

Figure 2.2 Other Shopping Destinations Regularly Used by Visitors (% of all visitors)



Source: NEMS In-Street Survey 2016

2.22 National and local policy indicates that it is important for the District's town centres to maintain and strengthen their role in the retail hierarchy. The smaller centres should continue to perform a more local function meeting day to day shopping and service needs.