



NEXUS
PLANNING

Herefordshire Town Centre and Retail Assessment

Final Report

On behalf of Herefordshire Council

September 2022

Contents

1	Introduction.....	3
	Instruction and Purpose.....	3
	Structure of Report.....	3
2	Current and Emerging Trends.....	5
	The Current State of the UK Economy.....	5
	Available Expenditure and the Impact of the Internet.....	7
	Convenience Goods.....	9
	Comparison Goods.....	11
	Leisure and Food & Drink.....	12
	Planning Reform on the High Street.....	13
	Implications for Herefordshire Centres.....	14
3	Planning Policy Context.....	18
	Revised National Planning Policy Framework.....	18
	Ensuring the Vitality of Town Centres Planning Practice Guidance.....	20
	Use Classes Order.....	22
	Town Centre Use Permitted Development Rights.....	23
	Local Planning Policy Context.....	23
4	Market Research: In-Street Surveys.....	26
	Introduction.....	26
	Survey Responses.....	26
	In-Street Survey: Key Messages.....	31
5	Healthcheck Assessments.....	33
	Introduction.....	33
	Hereford City Centre.....	34
	Market Towns.....	35
6	Population and Expenditure.....	39
	Study Area and Survey.....	39
	Study Area Population.....	40
	Retail Expenditure.....	40
7	Market Research: Household Survey.....	45
	Market Share Analysis: Household Survey Results.....	45

Convenience Goods Analysis	47
Comparison Shopping Patterns	48
Summary.....	53
8 Assessment of Retail Capacity	56
General Approach to Estimating Quantitative Capacity.....	56
Capacity for Future Convenience Goods Floorspace.....	57
Assessment of Convenience Goods Needs on a Settlement Basis	60
Capacity for Future Comparison Goods Floorspace	61
Assessment of Comparison Goods Needs on a Settlement Basis.....	63
Qualitative Requirements	64
9 Assessment of Leisure Capacity.....	68
Commercial Leisure: Bingo, Cinemas, Ten Pin Bowling and Casinos	68
10 Summary and Recommendations	73
Key Findings: Retail Need and Retail Strategy	73
Key Findings: Leisure	75
Key Findings: Principal Centres.....	76
Key Policy Recommendations.....	78
Monitoring Recommendations	85

Appendices

- Appendix 1 – Study Area Plan
- Appendix 2 – Household Survey Results
- Appendix 3 – In-Street Survey Results
- Appendix 4 – Town Centre Healthchecks
- Appendix 5 – Quantitative Capacity Assessment
- Appendix 6 – Recommended Town Centre Boundaries

1 Introduction

Instruction and Purpose

- 1.1 Nexus Planning has been instructed by Herefordshire Council (hereafter referred to as 'the Council') to undertake a new Authority-wide Town Centre and Retail Assessment ('the Study'). The primary focus of the Study is to establish the current position in respect of the need for additional retail and leisure facilities in Herefordshire, and to consider the vitality and viability of the authority's principal defined centres.
- 1.2 The Study replaces the previous Town Centres Study Update, which was undertaken by Drivers Jonas Deloitte and reported in December 2012. The principal purpose of the commission is to inform the emerging Herefordshire Local Plan 2021-2041, and to assist in the determination of future planning applications for retail and other main town centre uses.
- 1.3 The Study is underpinned by new empirical evidence in the form of a new household shopper survey, stakeholder consultation, and our site visits to survey and assess the health of the principal centres. The household survey was undertaken by NEMS Market Research in April 2022 and covers seven separate zones, which are collectively considered representative of the principal catchment area for retail facilities within Herefordshire. The zones are consistent with those utilised in the previous 2012 Study in order to allow comparison of shopping patterns over time.
- 1.4 A plan of the Study Area is provided at Appendix 1, and the tabulated household survey results are provided at Appendix 2. Whilst the Study Area largely corresponds with the boundaries of the Herefordshire authority area, it does include small parts of neighbouring authority areas of Forest of Dean and Powys, where residents sometimes look to facilities in Herefordshire to meet at least some of their retail and leisure needs.
- 1.5 The Study is also supported by an in-street survey which was undertaken in Hereford city centre in April 2022 in order to identify the views of local residents and visitors, and understand how the centre functions in practice. A full tabulated copy of the in-centre survey and its results is provided at Appendix 3.

Structure of Report

- 1.6 Our report firstly provides an overview of prevailing retail and leisure trends, before then going on to consider the planning policy context for the Study. We then summarise the key findings of the

new in-street survey, before considering the vitality and viability of defined centres within the Herefordshire authority area. We then review the shopping patterns established by the household survey before setting out our assessment of retail needs.

1.7 Accordingly, our report is structured as follows:

- Section 2 sets out key retail and leisure trends of relevance to the commission;
- Section 3 provides an overview of the planning policy context;
- Section 4 summarises the findings of the in-street surveys in Hereford city centre;
- Section 5 summarises our assessment of the vitality and viability of the defined centres;
- Section 6 provides an overview of forecast changes in Study Area population and expenditure;
- Section 7 summarises the findings of the household survey;
- Section 8 sets out an updated assessment of retail needs;
- Section 9 sets out an updated assessment of leisure needs; and
- Section 10 provides a summary of our key findings and conclusions.

2 Current and Emerging Trends

- 2.1 In order to provide a context for this Study and help identify the sectors that are more likely to be the subject of additional development proposals, we provide an overview of current retail and leisure trends below. In reading the below review, it should be noted that the retail and leisure sectors are dynamic and, whilst online shopping has impacted on the retail sector, new retailers and formats continue to evolve to meet shoppers' needs.
- 2.2 The below commentary should therefore be taken as a 'snapshot' in respect of current market conditions; it will be necessary to judge future development proposals for main town centre uses with reference to the prevailing conditions at the time of a proposal's determination. Trading conditions continue to be impacted by the Covid-19 pandemic, albeit greater confidence is now returning to the retail and leisure sectors. We reflect further on the impact of the pandemic below.

The Current State of the UK Economy

- 2.3 The UK economy has clearly been substantially impacted over the past two years by the Covid-19 pandemic, and subsequent restrictions on movement and behaviour which have sought to mitigate its impact. This uncertain background caused business investment and expenditure to decline. Household spending fell by over 20% quarter-on-quarter in the second quarter of 2020 following the imposition of national lockdown measures¹. This is the largest quarterly contraction on record. Retail sales volumes also suffered double-digit falls in April 2020 as all but essential stores closed during the height of the lockdown, and a number of others, which were unable to open at that time, received support from the Government in the form of the furlough scheme and grants.
- 2.4 However, as a result of the gradual reopening of businesses over summer 2020, the economy returned to growth, with this gathering momentum as a greater number of sectors reopened, including hospitality and leisure services followed by the full reopening of schools. A more pronounced resurgence in the number of cases of Covid-19 resulted in the Government reinstating a nationwide lockdown in early 2021. The outlook continues to be of concern at the time of reporting given the inflation rate and substantial increases in the general cost of living.

¹ Coronavirus and the Impact on UK households and businesses: 2020' analysis, ONS, April 2021.

- 2.5 In January 2022, Experian published its Retail Planner Briefing Note 19 ('ERPBN19'), which provides a comprehensive overview of anticipated future growth in the retail sector, and considers likely changes in bricks and mortar retail floorspace and online sales.
- 2.6 ERPBN19 anticipates that the post-pandemic recovery will be subdued in 2022, and indicates that the economy will not recover to pre-Covid levels until at least 2023. More recent figures from ONS² have identified a fall in GDP by 0.6% in June 2022, after growth of 0.4% in May 2022. Annual GDP growth was also up 1.9% in the 12 months to June 2022. Although the medium term outlook in respect of gross domestic product ('GDP') will be shaped by the course of the pandemic, the long term outlook for GDP remains largely unchanged, albeit with growth expected to remain below historic averages due to slower population and productivity increases. The Bank of England has forecast five quarters of negative growth, lasting from the final three months of 2022 until the end of 2023³.
- 2.7 Overall retail sales are forecast to be volatile in the short term, but growth is less impacted over the medium and longer term. The Covid-19 pandemic has accelerated the shift to online retailing. As a consequence, the proportion of expenditure committed via special forms of trading (i.e. internet and mail order sales) has increased.
- 2.8 More generally, as a result of relatively modest growth forecasts and the shift to online retailing, Experian forecasts that there will be a reduction in the stock of retail floorspace over the next few years.
- 2.9 In terms of inflation, Office for National Statistics data⁴ indicates that the rate of inflation (as measured by the consumer price index) increased from 0.3% at April 2016 to 2.4% at April 2018, before reducing to 0.8% at April 2020. The rate of inflation then increased to 5.5% at January 2022 and further to 9.0% at April 2022 and 10.1% at July 2022. The Bank of England has forecast inflation rising above 13% in October 2022³, with some predictions suggesting inflation could reach 22.4%⁵. Retail has been an industry under significant stress, as many retailers find themselves squeezed between rising costs and the increasing volume of sales over the internet. Such difficulties have, of

² ONS 'GDP monthly estimate, UK : July 2022', September 2022.

³ Article headlined The Guardian 'Bank of England hikes rates as it predicts 13% inflation and long recession', The Guardian, August 2022.

⁴ ONS 'Consumer price inflation tables' dataset, May 2022.

⁵ Article headlined 'Energy prices could push UK inflation to 22%, a near post-war record', The Guardian, August 2022.

- course, been exacerbated by the Covid-19 pandemic and the cost of living crisis associated with rising energy prices and inflation.
- 2.10 There will still be the need and demand for physical stores, despite the increase in shopping online. This is particularly the case for convenience goods sales in light of the fact that the online shopping orders are typically picked from the shelves of physical stores. In respect of comparison goods, there is a need for the offer to become more 'experiential' in order to encourage shoppers onto the high street, and to ensure that shopping is viewed as a pleasurable pastime. The shopping experience needs to evolve and diversify both to attract footfall and convert increased activity into sales. Independents clearly have an important role to play in adding interest and in providing differentiation between shopping venues.
- 2.11 In considering the current strength of the retail and leisure sectors, it is important to recognise that different types of retailer have been the subject of different fortunes.
- 2.12 Non-essential retailers haven't been impacted by enforced 'lockdown' closures in 2020 and 2021. However, dispensing chemists traded more strongly from March 2020, and their sales continued to in June 2022 even after restrictions were eased and other non-essential stores were allowed to reopen. Non-specialised foodstores, which include supermarkets, also traded consistently above their pre-pandemic levels. This was initially due to a degree of stockpiling of grocery goods, but some ongoing benefit was evident due to the ongoing prevalence of working from home. Furniture and homeware retailers have also generally benefitted from people spending more time in their homes and wanting to improve their own environment. However, in light of increasing inflation and changes to working patterns throughout 2022, it is understood that there has more recently been a shift away from this pattern⁶.

Available Expenditure and the Impact of the Internet

- 2.13 Experian expenditure data and growth forecasts confirm that the pandemic has resulted in fairly turbulent short term growth in per capita convenience and comparison goods expenditure. In this regard, ERPBN19 identifies that per capita convenience goods expenditure growth in the convenience goods sector will decrease slightly in 2022 by 2.0%. This follows 8.7% convenience goods expenditure growth in 2020, followed by a contraction of 3.7% in 2021. The strong level of growth at 2020 is largely attributable to consumers spending more on such goods as a result of lockdown measures.

⁶ Article headlined 'Retail sales in Great Britain rise despite cost of living crisis', The Guardian, 19 August 2022.

However, this growth is forecast to unwind over the short to medium term, and Experian forecasts very limited per capita convenience goods growth beyond 2022.

2.14 As the below Table 2.1 indicates, forecast increases in per capita comparison goods spending are more optimistic following growth of 1.6% in 2020 and 1.9% in 2021. However, forecast per capita comparison goods expenditure increases going forward are still below the level apparent at the turn of the millennium. Experian identifies that per capita comparison goods expenditure growth dropped from 3.9% at 2017 to 1.0% at 2018, and forecasts that it will remain between 2.8% to 2.9% per annum in the medium to long term.

Table 2.1: Experian’s Identified and Forecast Convenience and Comparison Goods Per Capita Expenditure Growth

Volume Growth per Head (%)	2017	2018	2019	2020	2021	2022	2023	2024-28	2029-40
Convenience goods	0.2	0.0	-1.2	8.7	-3.7	-2.0	0.1	0.1	0.1
Comparison goods	3.9	1.0	2.2	1.6	1.9	2.1	2.8	2.8	2.9

Source: Figure 1a and Figure 1b of Experian Retail Planner Briefing Note 19

2.15 Whilst the above figures relate to a level of growth which is significantly below that which has historically been available to retailers, the situation for high street stores is exacerbated through the increasing amount of expenditure which is committed through special forms of trading⁷ and, in particular, online.

2.16 In this regard, Figure 5 of ERPBN19 indicates that special forms of trading accounted for just over 30% of total retail sales at 2021 as a consequence of Covid-19 and subsequent to very strong growth in online retailing over the past decade. Although the growth in special forms of trading is anticipated to drop back slightly in 2022, Experian believes that special forms of trading will again account for over 30% of retail sales by 2025, increasing to around 34% of retail expenditure by 2031.

2.17 The below Table 2.2 sets out Experian’s identified and forecast level of special forms of trading as a proportion of overall convenience and comparison goods expenditure. Experian estimates that special forms of trading will account for well over a third of comparison goods expenditure and almost a quarter of convenience goods expenditure at 2031.

⁷ Including internet sales, mail order, stalls and markets, door-to-door and telephone sales.

Table 2.2: Experian’s Identified and Forecast Market Share of Non-Retail Sales for Convenience and Comparison Goods Sectors

Volume Growth Per Head (%)	2017	2018	2019	2020	2021	2022	2026	2031
Convenience goods	11.2	12.4	13.7	18.0	20.9	19.1	22.2	23.9
Comparison goods	20.8	22.8	24.3	34.1	35.5	31.9	35.6	38.1

Source: Figure 5 of Experian Retail Planner Briefing Note 19

2.18 The ongoing popularity of internet shopping continues to have clear implications in respect of the viability of some ‘bricks and mortar’ retailers. However, it is important to note that changes in how people shop also bring about some opportunities for retailers trading from the high street. In particular, many stores sell online but fulfil orders from regular stores rather than warehouses⁸, with purchases therefore helping to sustain tangible retail floorspace. As a consequence, Experian also provides an ‘adjusted’ estimate of special forms of trading, which relates to expenditure which is not available to actual stores.

Convenience Goods

2.19 Recent socio-economic conditions have led to significant shifts in convenience goods retailing, which have resulted in the ‘big four’ supermarket operators’ market share being cut. Indeed, recent analysis from Kantar has identified that the traditional ‘big four’ supermarket operators are no longer such, with Aldi’s market share overtaking that of Morrisons over the 12 weeks to 4 September 2022. Over this period, Aldi’s market share of 9.3% was ahead of Morrisons’ share of 9.1%⁹. Mintel¹⁰ finds that the decline of the food superstore is well established and that this can be attributed to two matters.

2.20 Firstly, people are undertaking food shopping in different ways. More people are living in town and city centres, and are generally purchasing their own home at a later age than was previously the case¹¹. Mintel indicates that such people are more likely to undertake food shopping on an ‘as needs’ basis and are more likely to eat out or use takeaways. As such, they are less likely to have need to undertake a ‘main food shop’.

2.21 Secondly, the current uncertainty in the economy has made discount foodstore operators (namely Aldi and Lidl) a more attractive proposition, and may such stores are thriving given that shoppers are currently having to be ‘money savvy’. Discounters have also made efforts to try to compete more

⁸ This is particularly the case with food shopping and speciality comparison goods purchases, where retailers often try to tap into a wider market through an online presence.

⁹ Article headlined ‘Big four no more’: where now for UK grocers as Aldi overtakes Morrisons?, The Guardian, September 2022

¹⁰ ‘UK Retail Rankings’, Mintel, April 2018.

¹¹ Article headlined ‘Average UK first-time buyer is now older than 30, says Halifax’, The Guardian, January 2022.

directly with the 'big four' supermarket operators, with larger stores, greater ranges of goods, fresh foods and premium products becoming increasingly prevalent. It is clear that the likes of Aldi and Lidl are no longer 'hard discounters' in quite the same way they once were, as they are able to meet a wider range of customers' needs by offering a greater range of premium products.

2.22 The move towards the middle ground has allowed discounters to secure market share from both superstores and smaller convenience stores. In addition, we note that discount retailers are often happy to trade alongside more upmarket convenience goods retailers (such as M&S Foodhall) as, collectively, the two stores can meet many food shopping needs.

2.23 The shifts in the sector are illustrated with reference to changes in retailers' market share in recent years, as shown in Table 2.3.

Table 2.3: Market Share of Convenience Goods Operators

Operator	December 2016	December 2017	December 2018	December 2019	December 2020	December 2021
Tesco	28.4	28.1	27.8	27.4	27.3	27.9
Sainsbury's	16.5	16.5	16.1	16.0	15.9	15.7
Asda	15.3	15.3	15.2	14.8	14.3	14.2
Morrisons	10.8	10.8	10.6	10.3	10.4	10.1
Aldi	6.2	6.8	7.4	7.8	7.4	7.7
Co-op	6.3	5.8	5.9	6.1	6.0	5.8
Lidl	4.6	5.0	5.3	5.9	6.1	6.3
Waitrose	5.1	5.2	5.0	5.0	5.0	5.1
Iceland	2.2	2.2	2.2	2.3	2.5	2.4
Symbols & Independent	1.8	1.7	1.5	1.6	1.7	1.6
Other Outlets	1.7	1.6	1.7	1.6	1.8	1.8
Ocado	1.1	1.1	1.2	1.3	1.6	1.7

Source: KANTAR Grocery Market Share. Figures shown are for the final reporting period in each calendar year

2.24 The past few years has seen the closure of a number of unprofitable foodstores and the continuation of Aldi and Lidl's expansion programme. Aldi announced in September 2021 that it intends to open another 100 stores in the next two years¹². Lidl's expansion plans are similar ambitious as it intends to open a further 220 stores in the period to 2025¹³. Whilst the 'big four' remain more cautious in respect of new openings, a limited number of proposals for mid-sized foodstores are currently being promoted by these operators in areas where there is a growing population or an obvious shortfall in existing provision. These stores are typically of a scale that is broadly comparable to that provided by Aldi and Lidl, which allows customers to shop in a convenient and efficient manner.

¹² Article headlined 'Aldi to create 2,000 jobs in £1.3bn UK expansion plan', The Guardian, 27 September 2021.

¹³ Article headlined 'Lidl to ramp up UK store opening with 1,100 stores by 2025', BBC, 24 November 2021.

Comparison Goods

- 2.25 The comparison goods sector is currently being squeezed by a number of factors, the most substantial being the effects of Covid-19 and the efforts to contain it. Other factors include reduced expenditure growth, the ability of internet shopping to plug gaps in retailer representation, increases in the minimum wage, business rates changes and inflation.
- 2.26 Whilst the sector is continually evolving and there are a number of ongoing success stories (including Primark, Zara, Next, Boots, JD Sports and Joules), recent headlines have focussed on failing retailers and store closures. High profile retailers that have struggled include Debenhams, which announced the closure of all 124 stores in December 2020¹⁴, and the Arcadia Group, which owned Topshop Topman and Dorothy Perkins. Arcadia Group announced the closure of around 500 stores in February 2021¹⁵. Furthermore, Intu Properties, one of Britain's biggest shopping centre owners, fell into administration in June 2020 after failing to secure an agreement with its creditors¹⁶.
- 2.27 Whilst the loss of some of the above names will have significant repercussions for certain towns (particularly those that lose one or more of Debenhams, Marks & Spencer or House of Fraser from their high street), some well-known retailers have failed to 'move with the times' and update their offer, accommodation and online presence. This is partly a consequence of retailers struggling to reinvest in their business when margins are tight (or non-existent).
- 2.28 Many operators have also rationalised their portfolio with the aim of serving the UK by concentrating on larger centres supplemented by a strong online presence. It will be interesting to see whether any permanent change in respect of working from home may act to counterbalance this 'polarisation' trend, given the prospect of fewer commuters travelling to larger centres and greater numbers of people spending the working day in and around their home. The impact on larger centres may be to reduce footfall, particularly within the week, and result in the shift in expenditure being directed to the smaller town, district and local centres. Whilst this will be a positive for the smaller centres, larger centres may suffer as a result.
- 2.29 Whilst structural changes have had a material impact on the vitality and viability of many UK high streets, there are some beneficiaries. In particular, 'discount variety' operators, such as B&M Bargains, Poundland and Wilko, have taken advantage of lower rents and reoccupied a number of medium to

¹⁴ Article headlined 'Debenhams set to close putting 12,000 jobs at risk', BBC, 1 December 2020.

¹⁵ Article headlined 'After Topshop owner Arcadia's demise, what now for UK clothes shopping?' The Guardian, 13 February 2021.

¹⁶ Article headlined 'Shopping centre owner Intu collapses into administration', The Guardian, 26 June 2020.

large retail units. However, as evidenced by the failure of Poundworld, there is some evidence that this market may be approaching capacity.

- 2.30 It remains to be seen what additional long-term impacts will eventuate from retail closures resulting from Covid-19 containment measures. However, prior to the implementation of lockdown measures, trading conditions for retailers were challenging and many retailers were struggling to meet costs, including rents, resulting in a higher proportion of retailers restructuring or entering administration. As has been seen throughout 2020 and 2021, the conditions have only become more challenging.

Leisure and Food & Drink

- 2.31 The greater availability of high street units appears to have helped stoke an entrepreneurial spirit in recent years, with a number of centres beginning to benefit from a greater focus on independent retailers and also modern markets, which are frequently focussed around food and drink operators.
- 2.32 More generally, the food and drink sector has also been buoyed in recent years by the success of mid-market national multiples, which expanded quickly across the UK. However, this market has become saturated in many locations and a number of high profile operators have been in financial difficulty. Given the problems suffered by such operators, the market has become more cautious and mid-market operators are picking new sites carefully as a result. Instead, we have seen a number of independent operators flourish, both before and throughout the pandemic, and a desire for customers to choose local operators over larger regional and national brands.
- 2.33 A further significant recent high street success story has been the resurgence of the town centre leisure sector, which has resulted in new cinemas being developed close to the shopping core and 'competitive socialising' concepts, which include bowling, crazy golf, table tennis, darts, axe-throwing, escape rooms and other seemingly niche pursuits.
- 2.34 Cinema openings have been on the up in recent years and 'boutique' cinema operators – including Curzon, Everyman and The Light – are able to operate from smaller sites in town centres (partly as a consequence of digital technology). Town centre cinema development has successfully underpinned wider mixed-use developments, as food and drink operators are typically keen to locate in close proximity to benefit from spin-off custom. New, innovative leisure operators have been particularly beneficial both in re-using existing difficult to let premises, and in driving the evening economy.

- 2.35 More generally, the gym market continues to perform well, with there now being around 7,200 health and fitness clubs across the UK, which are estimated to have a total turnover of approximately £2bn¹⁷. Around one in every seven Britons has a gym membership¹⁸. Budget gyms are currently particularly popular, with operators such as Pure Gym, the Gym Group and easyGym utilising a format that is based on low costs and high volume.
- 2.36 The impact of the pandemic on the leisure industry is still to be determined. Support provided by the Treasury has helped support businesses in 2020 and 2021, and mitigated the effects of 'lockdown' restrictions to some degree. However, the full and ongoing impact will become clearer this year as more stable trading conditions return.

Planning Reform on the High Street

- 2.37 One of the most impactful planning reforms of the last year has been the consolidation of a number of separate Use Classes under a single Class E 'Commercial, Business and Service' use. This update to the Town and Country Planning (Use Classes) Order 1987 (the 'UCO') came into effect in September 2020. The new use class combines shops, restaurants, offices, gyms and nurseries (amongst other uses) such that planning permission is no longer required to switch uses.
- 2.38 Furthermore, in March 2021, an update was made to the General Permitted Development (England) Order 2015 (the 'GPDO'). This allows for the change of use from Class E properties to residential from August 2021 (extending a right that had previously been restricted to office uses). This permitted development right is subject to maximum size requirements, the property having been in use as Class E for two years and vacant for three months. An application to the determining authority for 'Prior Approval' is also required for limited consideration of impacts relating to transport, contamination, flood risk, noise, light, and neighbourhood amenity. Further limitations apply in Conservation Areas and for nurseries, as well as in areas covered by 'Article 4 directions' where the rights are extinguished.
- 2.39 On 20 July 2021, paragraph 53 of the latest iteration of the National Planning Policy Framework ('NPPF') introduced new limitations on the use of Article 4 directions. The revised national policy significantly narrows the areas in which it is justified to introduce Article 4 directions, limiting local authorities' ability to control development.

¹⁷ Article headlined 'Fitness industry in the United Kingdom (UK) – statistics & facts', Statista, 26 May 2021.

¹⁸ Ibid.

- 2.40 The changes in the application of Article 4 directions were first put forward in the January 2021 consultation for draft revisions to the NPPF. However, the final updates differ from the initial consultation in a couple of key areas. The text recognises that the loss of the 'essential core of a primary shopping area' could result in wholly unacceptable adverse impacts on an area's vitality and viability. This is the Government's first acknowledgement of the potential for the permitted development rights to undermine the health of centres in the NPPF. The updated text also introduces a requirement for 'robust evidence'.
- 2.41 This can be seen as good news for local authorities concerned about the erosion of retail and service uses, and the need to protect vulnerable centres from potentially poor quality residential development. Protection of the vitality and viability of a high street or town centre against the adverse impacts of change of use is now established as justification for issuing an Article 4 direction.

Implications for Herefordshire Centres

- 2.42 The above trends have a number of potential implications for retail and leisure provision within Herefordshire.
- 2.43 Hereford city centre is the principal retail and leisure centre within Herefordshire, and (as we would expect) provides a local focus in respect of national multiple retail provision. The retail offer in Hereford has changed substantially in recent years, initially as a consequence of the Old Market development and then as a result of structural changes in the retail sector.
- 2.44 Whilst the closure of the Debenhams department store in 2021 removed a key anchor from the centre, Hereford benefits from a relatively varied offer and is not substantially reliant on fashion retailers to underpin its future vitality and viability. Furthermore, we note that planning permission has recently been granted¹⁹ for external alterations to support the re-occupation of the Debenhams unit by MandM Direct. This is an encouraging sign given the general difficulty in repurposing large format department store accommodation.
- 2.45 The contraction in the comparison goods sector provides opportunities to convert and repurpose former retail floorspace into modern leisure uses. Hereford should be well positioned to support such uses given its status within the local hierarchy, attractive environment, and ability to attract visitors from outside the area. This may include the introduction of 'competitive socialising' concepts. Modern 'boutique' cinema concepts can also act as a catalyst for increased demand from food and

¹⁹ Planning application reference P221677/F, approved July 2022.

beverage operators; such interest could help attract new leisure formats and operators to the town. In respect of Hereford's food and drink offer, although there have been notable closures in the centre's mid-range offer (including Pizza Express and Prezzo), there have also been recent openings, such as Amazing Asia at Old Market shopping centre in November 2021. Once again, such investment is important in demonstrating that greater normality and confidence is returning to the commercial market.

- 2.46 Notwithstanding the structural changes across the retail and leisure sectors, retail will remain an important element of Herefordshire's centres. In Hereford, the current comparison goods function includes a diverse range of 'day-to-day' retailers, such as chemists and household goods retailers, and also a number of more specialist retailers. Niche operators, such as antique shops and art dealers, are particularly apparent in Ross-on-Wye, which is likely to be able to draw some trade from a relatively wide catchment as a result. Such uses can help differentiate town centres and provide an 'experiential' offer that is not directly replicable online. In addition, the high proportion of independent operators in town centres such as Ledbury and Leominster similarly helps to provide a distinct offer and provide a degree of resilience.
- 2.47 The visitor economy also plays a key role in supporting the function of the main centres across Herefordshire, and the centres therefore serve both the resident and tourist populations. This is reflected in their offer, which is 'experiential' in nature and includes window-shopping, browsing and generally enjoying the environment that the centre offers. This is particularly evident in Ross-on-Wye.
- 2.48 Hereford is also relatively well served by large format convenience destinations meeting both main and top-up food shopping needs, and it is able to attract residents from across a relatively large catchment area. Given the rural character of much of the catchment, it is inevitable that some residents will need to travel to access main food shopping, but there may be opportunities to increase grocery provision in other locations. Subject to securing appropriate sites, increased grocery provision may have some benefit in reducing the need to travel and creating more sustainable shopping patterns.
- 2.49 In this regard, a number of grocery operators remain acquisitional. We note that Lidl's website²⁰ identifies that it has outstanding requirements for Hereford North, Hereford South, Ledbury,

²⁰ Consulted on 26 July 2022.

Leominster and Ross-on-Wye²¹. Aldi's website²² identifies a requirement for Hereford. It will be important to try to direct any such requirements to sustainable locations which have the potential to support linked trips to in-centre retailers and service providers.

- 2.50 Whilst we believe that further future growth in online retailing will most directly impact upon the performance of larger town and city centres, it will still be important for Herefordshire's centre to provide a greater experiential offer in order to encourage visitors to travel and to stay for longer periods. Current regeneration projects – including the refurbishment of Hereford Museum and Art Gallery in Broad Street, and the relocation of Hereford Library to a renovated Maylord Orchards centre – will assist in diversifying the centre's cultural and visitor experience. The independent and food and drink sectors will also be an important part of this differentiation. There will also be a need to actively manage centres and programme regular events in order to attract visitors on a consistent basis. To this end, the establishment of the Hereford BID in 2015 has provided a key group to help drive change and reinvigorate the centre through offering support to local businesses.
- 2.51 Across the County, it is noted that there are a range of projects underway or in the pipeline. These include the refurbishment of Hereford Museum and Art Gallery (HMAG) in Broad Street and the relocation of Hereford Library to a renovated Maylord Orchards Centre, through a funding bid to the Stronger Towns Fund, the multi-million pound High Street Heritage Action Zone fund in Leominster town centre and an application to the Levelling-Up Fund, with projects in Leominster and Ledbury town centres, transport improvement works at Hereford and improved transportation linkages between the Ross Enterprise Park and the rest of the town.
- 2.52 There is a need for flexibility in centres, which needs to be adaptable to a number of uses to address a wide range of future needs. This is ever important subsequent to the Covid-19 pandemic in order to help sustain the recovery of high streets, and ensure that they are able to meet local needs in a sustainable manner. Herefordshire's centre are not principally sustained through an influx of office workers, and any longer-term trend to working from home may provide some benefits in terms of residents using their centres more during the week and, in particular, at lunchtime. This requirement for centres to adapt to potentially meet a wider range of local needs is generally consistent with the

²¹ To this end, we note the article headlined 'Lidl announces plans to build a new superstore in Herefordshire which would create a large number of jobs', Your Herefordshire, September 2022, which relates to plans for a new foodstore in Ross-on-Wye.

²² Consulted on 26 July 2022.

objective of Policy E1 of the adopted Herefordshire Local Plan, which seeks to support a range of main town centre uses.

3 Planning Policy Context

3.1 In order to shape the direction of this Study, it is helpful to understand relevant retail and town centre planning policy at a national and local level. As such, we first summarise national planning policy of relevance before considering relevant development plan policy as set out in the Herefordshire Local Plan Core Strategy. We also consider changes to the Use Classes Order and the application of permitted development rights to town centre uses.

Revised National Planning Policy Framework

3.2 The most recent iteration of the National Planning Policy Framework ('NPPF') was published in July 2021. The NPPF reflects the fact that the traditional role of town centres has been somewhat undermined by structural changes in the retail sector, and that there may be a need to plan for a more diverse range of uses going forward. As such, the NPPF advocates a more flexible policy framework to support the future vitality and viability of town centres.

3.3 NPPF policies are considered on a thematic basis below.

Plan-Making

3.4 Paragraph 20 of the NPPF indicates that development plans should set out an overall strategy for the pattern, scale and quality of development, including policies to deliver retail, leisure and other commercial development. Paragraph 31 states that the preparation and review of all policies should be underpinned by relevant and up-to-date evidence. This should be proportionate and take into account relevant market signals.

Building a Strong, Competitive Economy

3.5 Paragraph 81 of the NPPF indicates that planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt. Significant weight should be placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development.

Ensuring the Vitality of Town Centres

3.6 Paragraph 86 specifically relates to planning for town centres. It states that:

'Planning policies should:

- a. **define a network and hierarchy of town centres and promote their long-term vitality and viability –**

by allowing them to grow and diversify in a way that can respond to rapid changes in the retail and leisure industries, allows a suitable mix of uses (including housing) and reflects their distinctive characters;

- b. define the extent of town centres and primary shopping areas, and make clear the range of uses permitted in such locations, as part of a positive strategy for the future of each centre;**
- c. retain and enhance existing markets and, where appropriate, re-introduce or create new ones;**
- d. allocate a range of suitable sites in town centres to meet the scale and type of development likely to be needed, looking at least ten years ahead. Meeting anticipated needs for retail, leisure, office and other main town centre uses over this period should not be compromised by limited site availability, so town centre boundaries should be kept under review where necessary;**
- e. where suitable and viable town centre sites are not available for main town centre uses, allocate appropriate edge of centre sites that are well connected to the town centre. If sufficient edge of centre sites cannot be identified, policies should explain how identified needs can be met in other accessible locations that are well connected to the town centre; and**
- f. recognise that residential development often plays an important role in ensuring the vitality of centres and encourage residential development on appropriate sites.'**

3.7 The requirement to plan to meet needs across a minimum ten year period represents a change from the previous NPPF which required town centre needs to be met in full across the entire plan period.

3.8 In addition, it is notable that the NPPF Annex 2 Glossary fails to make any reference to the designation of primary and secondary frontages. Page 32 of the Government Response to the Draft Revised National Planning Policy Framework Consultation²³ indicates that, whilst the revised NPPF has removed the expectation in national planning policy that such frontages must be defined, this does not necessarily preclude authorities from doing so where their use can be justified. However, it is evident that the general intention is to provide for more flexibility through a less prescriptive approach to land use.

3.9 Paragraph 90 of the NPPF states that it is appropriate to identify thresholds for the scale of edge of centre and out of centre retail and leisure development that should be the subject of an impact assessment. Any such threshold policy applies only to the impact test. All planning applications for main town centre uses that are not in an existing centre and not in accordance with an up-to-date development plan will generally be the subject of the sequential test²⁴.

²³ Published July 2018.

²⁴ With the exception (in accordance with paragraph 88 of the NPPF) of small scale rural office proposals and other small scale rural development.

Promoting Healthy and Safe Communities

3.10 Paragraph 93 seeks to support the social, recreational and cultural facilities and services the community needs.

3.11 As such, planning policies and decisions should:

- plan positively for the provision and use of shared spaces, community facilities (such as local shops, meeting places, sports venues, open space, cultural buildings, public houses and places of worship), and other local services to enhance the sustainability of communities and residential environments;
- take into account and support the delivery of local strategies to improve health, social and cultural well-being for all sections of the community;
- guard against the unnecessary loss of valued facilities and services, particularly where this would reduce the community's ability to meet its day-to-day needs;
- ensure that established shops, facilities and services are able to develop and modernise, and are retained for the benefit of the community; and
- ensure an integrated approach to considering the location of housing, economic uses and community facilities and services.

Ensuring the Vitality of Town Centres Planning Practice Guidance

3.12 The Town Centres and Retail Planning Practice Guidance ('the Town Centres PPG') was published in July 2019 and thereafter updated in September 2020. It provides additional direction in respect of how retail and town centre planning policy should be applied in respect of plan-making and decision taking. The Town Centres PPG affirms the Government's aspiration to support town centres in order to generate employment, promote beneficial competition and create attractive, diverse places where people want to live, work and visit.

3.13 Paragraph 004 of the Town Centres PPG indicates that a local planning authority's strategy for their town centres should include:

- The realistic role, function and hierarchy of town centres over the plan period. Given the uncertainty in forecasting long-term retail trends and consumer behaviour, this assessment may need to focus on a limited period (such as the next five years), but will also need to take the lifetime of the plan into account and be regularly reviewed.

- The vision for the future of each town centre, including the most appropriate mix of uses to enhance overall vitality and viability.
- The ability of the town centre to accommodate the scale of assessed need for main town centre uses, and associated need for expansion, consolidation, restructuring or to enable new development or the redevelopment of under-utilised space.
- How existing land can be used more effectively – for example, the scope to group particular uses such as retail, restaurant and leisure activities into hubs or for converting airspace above shops.
- Opportunities for improvements to the accessibility and wider quality of town centre locations, including improvements to transport links in and around town centres, and enhancement of the public realm.
- What complementary strategies are necessary or appropriate to enhance the town centre and help deliver the vision for its future, and how these can be planned and delivered. For example, this may include consideration of how parking charges and enforcement can be made proportionate.
- The role that different stakeholders can play in delivering the vision. If appropriate, it can help establish the level of cross-boundary/strategic working or information sharing required between both public and private sector groups.
- Appropriate policies to address environmental issues facing town centres, including opportunities to conserve and enhance the historic environment.

3.14 This particular Study seeks to provide a high level County-wide retail and leisure strategy, which will provide an overall context to the determination of planning applications for such uses and will help inform the Council's consideration of specific strategies and regeneration initiatives. As such, many of the above detailed requirements could be addressed in greater by future centre-specific commissions.

3.15 Paragraph 006 of the Town Centres PPG identifies a series of key indicators of relevance in assessing the health of a centre over time²⁵. The indicators allow the role, performance and function of centres to be monitored and are considered in greater detail at Section 5 of this report (which specifically addresses the vitality and viability of Herefordshire's principal centres).

²⁵ These indicators inform the healthcheck assessments that are set out at Section 5 of this report.

Use Classes Order

- 3.16 Significant changes to the Use Classes Order have been enacted through the Town and Country Planning (Use Classes) (Amendment) (England) Regulations 2020, which came into force on 1 September 2020.
- 3.17 The amendments include the revocation of Parts A and D, and the introduction of three new Use Classes, these being Classes E, F1 and F2. The Government's objective is that the changes will support the revival of the high street and allow for greater flexibility in changing uses within town centres without the need for planning permission.
- 3.18 In addition to the three new Use Classes, the changes also result in some changes in respect of uses classified as sui generis. In practical terms, the changes comprise:
- **Use Class E** – Commercial, business and service uses include: shops or retail; cafes or restaurants; financial services; professional services; any service appropriate to provide in a commercial, business or service locality; indoor sports, recreation or fitness; medical or health services; crèche, day nursery or day centre; and, offices.
 - **Use Class F1** – Learning and non-residential institutions include any non-residential use for the: provision of education; display of works of art; museum; public library or public reading room; public hall or exhibition hall; for or in connection with public worship or religious instruction; or, as a law court.
 - **Use Class F2** – Local community uses include: a shop selling mostly essential goods, including food, no larger than 280 sq.m and where there is no other such facility within 1,000 metres radius of the shop's location. A hall or meeting place for the local community, an area or place for outdoor sport or recreation and an indoor or outdoor swimming pool or skating rink.
 - **Sui Generis** – Use within this Class now include Public house, wine bar or drinking establishment; a drinking establishment with expanded food provision; as a hot food takeaway for the sale of hot food where consumption of that food is mostly undertaken off the premises; live music venue; cinema; concert hall; bingo hall; or, dance hall.
- 3.19 The introduction of Class E is significant and places a wide range of uses including retail, food, financial services, gyms, healthcare, nurseries, offices and light industry into a single use class. Unless restrictive planning conditions preclude otherwise, the ability to move within the Use Class E without planning permission allows centres to evolve in a flexible manner.

3.20 However, as ever, the provisions of the Use Classes Order are not linked to any spatial considerations. As such, the expanded Use Class E applies equally to both town centres and out of centre locations, and there may be unintended consequences in providing for additional flexibility across Class E outside of town centres. Accordingly, it may be necessary for the Council to apply restrictive conditions to certain forms of development in order to restrict the authorised use to that which has been justified in the application submission. This will help ensure that unacceptable impacts do not arise from future Class E development.

Town Centre Use Permitted Development Rights

3.21 An amendment was made to the General Permitted Development (England) Order 2015 (the 'GPDO') in March 2021. This allows for the change of use from Class E properties to residential from August 2021 (extending a right that had previously been restricted to office uses). This permitted development right is subject to maximum size requirements, the property having been in use as Class E for two years, and the property having been vacant for three months. In addition to this, 'prior approval' for the change of use must be sought from the planning authority. Restrictions on this right apply in conservation areas and for nurseries, as well as in areas that are covered by an Article 4 direction.

Local Planning Policy Context

Adopted Development Plan

3.22 The statutory development plan for Herefordshire is the Local Plan Core Strategy 2011-2031, which was adopted in October 2015.

3.23 Local Plan Policy HD2 relates to Hereford city centre, and in respect of commercial and office developments (including changes of use) states that these will be approved where they:

- Are located in appropriate city centre locations, including above existing retail and commercial premises; and,
- Maintain and enhance the vitality and viability of the city centre. Proposals for town centre uses outside the defined town centre will be subject to the sequential test and applications for development over 700 sq.m gross floorspace will require an impact assessment to determine whether there could be any adverse impacts on the centre.

3.24 Local Plan Policy E4 concerns tourism, and states that the County will be promoted as a destination for quality leisure visits and sustainable tourism by utilising, conserving and enhancing the County's

unique environmental and heritage assets, and by recognising the intrinsic character and beauty of the countryside.

3.25 Local Plan Policy E5 focuses on town centres. It states that town centres will be the focus for retail, commercial, leisure, cultural, and tourism uses. Proposals for such uses which contribute to the vitality and viability of the town centres of Hereford and the market towns will be supported, provided that they do not:

- adversely affect the primary function of the town centres as shopping destinations; and
- are of a scale and design appropriate to the size, role, character and heritage of the centre.

3.26 Proposals located outside of town centres will be required to demonstrate compliance with the sequential test, and that the proposals would not have a significant adverse impact on the vitality and viability of relevant centres. An impact assessment for retail, leisure and commercial proposals outside of the town centres may be required with reference to the thresholds set out at paragraph 5.2.27 of the Local Plan. These are as follows:

- Hereford - 700 sq.m;
- Ledbury, Leominster and Ross-on-Wye - 400 sq.m; and
- Bromyard and Kington - 200 sq.m.

3.27 Within town centres, retail uses will be concentrated within the primary shopping areas as defined by Local Plan Policy E6.

3.28 Local Plan Policy E6 relates to primary shopping areas and primary and secondary shopping frontages. It is expected that primary shopping frontages will be dominated by retail shops (Class A1), with secondary frontages including a greater mix of uses.

3.29 Proposals for uses within Use Classes A2 to A5 (largely comprising service uses) in ground floor premises in primary and secondary shopping frontages will be permitted where the proposed use will not result in a continuous frontage or more than two non-retail units, and the overall proportion of non-retail use does not exceed 25% in respect of primary shopping frontages and 50% in respect of secondary shopping frontages. Exceptions may arise where a proposal is supported by a business case and would result in the appropriate re-use of vacant or underutilised premises.

Emerging Development Plan

3.30 The Council consulted on Policy Options to inform the review of the Local Plan in April and May 2022.

This review will comprise the Local Plan 2021-2041, and will replace the current Core Strategy. The revised Local Plan will set out policies by which planning applications will be determined, and allocate land for housing, employment and other uses.

- 3.31 The Council's Local Development Scheme, adopted in February 2022, anticipates a round of pre submission consultation on the Draft Plan in Spring 2023, followed by submission to the Secretary of State for Examination in early-2024. It is anticipated that the new Local Plan will be adopted in late 2024.

Neighbourhood Plans

- 3.32 There are a total of 113 designated neighbourhood areas and 84 made/adopted Neighbourhood Development Plans in Herefordshire. In respect of the market towns, Ledbury, Leominster and Ross-on-Wye have made Plans. In respect of town centre proposals, the following policies from these three made Plans are considered to be of some relevance:

- Ledbury – Neighbourhood Plan Policy EE3.1 relates to retail areas and provision, and states that the change of use of Class A1 (Shops), A3 (Restaurants & Cafes) or A4 (Drinking Establishments) to other use classes in the primary shopping area will not be supported. New Class A1, A3 and A4 provision will be supported within the primary and secondary shopping areas.
- Leominster – Neighbourhood Plan Policy LANP6 relates to development in the town centre, and states that development of retail, office, commercial, cultural and tourism uses will be encouraged subject to Local Plan Policies E5 and E6.
- Ross-on-Wye – Neighbourhood Plan Policy E3 relates to town centre uses, and states that the town centre will continue to be a focus for retail, commercial, leisure, cultural and tourism uses. Proposals for new or changed uses which contribute to the vitality and viability of Ross-on-Wye will be supported.

- 3.33 Kington²⁶ is currently in the process of preparing a Neighbourhood Plan.

²⁶ In July 2019, less than half of the population of the Kington, Kington Rural and Lower Harpton Group and Huntington parish areas voted to adopt the Kington Area Neighbourhood Development Plan. The Plan was therefore not made.

4 Market Research: In-Street Surveys

Introduction

- 4.1 In-street surveys were undertaken in Hereford city centre by NEMS in April 2022, in order to understand how the centre is used, and identify those aspects of the centre that may benefit from improvement and change.
- 4.2 In total, 150 surveys were undertaken at various locations across the town centre comprising:
- Commercial Street/High Town;
 - Widemarsh Street;
 - Church Street;
 - Eign Gate; and
 - Old Market.
- 4.3 The surveys were undertaken at various locations to ensure that the results are reflective of the range of different visitors to the centre. At all of the above locations, the surveys were undertaken at different times and on different days to try to ensure interactions with a variety of users.
- 4.4 The full tabulated in-street survey results are provided at Appendix 3. We set out an overview of the key findings of the survey below, focusing on customer satisfaction ratings, customer behaviour and suggestions for improvement.

Survey Responses

Purpose of Visit

- 4.5 Firstly, respondents were asked the main purpose for their visit and what, if anything else, they would be doing on the day of their visit. Almost one third of respondents (31.3%) stated that the principal reason for their visit was to go shopping in non-food shopping, followed by 14.7% visiting food shops, and 14.0% indicating that they were visiting to working. Less than one in ten (8.7%) indicated that their main reason for being in Hereford was to visit a pub, café or restaurant.
- 4.6 In terms of any other activity, a total of 48.7% stated that they would also visit a pub, café or restaurant, with 26.7% stating they would not be doing anything else on the day of the visit. The number of linked trips to eat and drink is considered to be encouraging in respect of the wider role and function of the centre.

Table 4.1: Purpose of Visit to Centre

Question	1st	2nd	3rd	4th
Main Purpose of visit to the town centre?	Non-food Shopping (31.3%)	Food Shopping (14.7%)	Working (14.0%)	Visiting a pub, café or restaurant (8.7%)
What else, if anything, will you be doing in the centre?	Visiting pub/café/restaurant (48.7%)	Nothing else (26.7%)	Non-food Shopping (14.0%)	Food shopping <i>and</i> Browsing or enjoying the atmosphere (both 10.0%)

Source: Questions 1 and 2 of the 2022 In-Street Survey

Length of Visit

- 4.7 When respondents were asked about the duration of their visit, 35.3% stated that they would be spending between one and two hours in the city centre, with 29.3% indicating that they expected to stay in the town centre for between two and four hours. The survey therefore suggests that approaching two-thirds of visitors spend between one and four hours in Hereford.
- 4.8 Just 13.3% of respondents indicated that they would be spending less than an hour in the centre. The low proportion of respondents stating they would spend less than hour in the centre is reflective of the fact that the majority of trips to the centre are multi-purpose.

Table 4.2: Length of Stay in the City Centre

Question	1st	2nd	3rd	4th
How long will you spend in the city centre?	Between 1-2 hours (35.3%)	Between 2-4 hours (29.3%)	Less than one hour (13.3%)	Between 4-6 hours (10.0%)

Source: Question 3 of the 2022 In-Street Survey

Frequency of Visit

- 4.9 Respondents were asked how frequently they visit the city centre during the day, and how frequently they visit in the evening.
- 4.10 In respect of visits during the day, the most common answer was 'more than once a week', with 44.0% of respondents providing this answer. This was followed by 'once a week' (provided by 24.7% of respondents), then by 'less often/not regularly' (13.3%), and 'once every 2-3 weeks' (8.7%).
- 4.11 In respect of evening visits, 32.0% of respondents stated that they visited less often or not regularly and 20.0% of respondents stated that they never visited the town centre. This was followed by 14.0% of respondents stating they visited the town centre monthly, and 11.3% of respondents visiting the centre more than once a week or once every two to three weeks.

Table 4.3: Frequency of Visit to the City Centre

Question	1st	2nd	3rd	4th
How often do you visit Hereford City Centre during the day?	More than once a week (44.0%)	Once a week (24.7%)	Less often / not regularly (13.3%)	Once every 2-3 weeks (8.7%)
How often do you visit Hereford City Centre during the evening?	Less often/not regularly (32.0%)	Never (20.0%)	Monthly (14.0%)	More than once a week <i>and</i> Once every 2-3 weeks (both 11.3%)

Source: Questions 4 and 5 of the 2022 In-Street Survey

How Respondents Travelled to the City Centre

- 4.12 When asked how they travelled to the city centre, 52.0% of respondents indicated that they had travelled by car or van as a passenger or a driver. More than a quarter (26.7%) stated that they walked, 10.0% travelled by bus, and 5.3% travelled by train. Clearly, the large majority of users are currently reliant on the motor car to travel to the Hereford city centre. However, the proportion of visitors walking to the centre is considered to be relatively high which reflects Hereford's pleasant character and the proximity of residential suburbs to the centre.

Table 4.4: How Respondents Travelled to the Town Centre

Question	1st	2nd	3rd	4th
How did you travel here today?	Car/van (as driver or passenger) (52.0%)	Walk (26.7%)	Bus (10.0%)	Train (5.3%)

Source: Question 6 of the 2022 In-Street Survey

- 4.13 Respondents who travelled by car or van were also asked where they parked on the day of the survey. Of those who travelled by car, 16.3% stated that they had been dropped off. A total of 15.0% of respondents stated that they parked at the Old Market, and 12.5% indicated that they parked at Maylord Orchards. One in ten respondents had used on-street parking.

Table 4.5: Where Respondents Parked

Question	1st	2nd	3rd	4th
Where did you park today?	Dropped off (16.3%)	Old Market (15.0%)	Maylord Orchards (12.5%)	On-street parking (10.0%)

Source: Question 7 of the 2022 In-Street Survey

What do Respondents Like about Hereford City Centre?

- 4.14 Respondents were asked what they currently like about Hereford city centre. Interviews recorded multiple responses to this question where they were provided. The most frequently identified attribute of the centre is its general appearance or character of the centre (identified by 37.3% of respondents), followed by the range of shops or markets (32.0%).

4.15 A total of 28.0% of respondents also stated that they liked the range or quality of places to eat, and 17.3% liked the range of quality of the pubs and bars. Other responses included the city centre being convenient to home (noted by 13.3% of respondents), and being easy to walk or cycle around (10.0%). A further 8.7% of respondents stated they visited the centre out of habit, or that they had always used it and were therefore familiar with it.

Table 4.6: What Respondents Like about the City Centre

Question	1st	2nd	3rd	4th
What do you currently like about Hereford City Centre?	Appearance or character of the centre (37.3%)	Range of shops or markets (32.0%)	Range or quality of places to eat (28.0%)	Range or quality of pubs or bars (17.3%)

Source: Question 8 of the 2022 In-Street Survey

What do Respondents Dislike about Hereford City Centre?

4.16 Respondents were also asked what they currently disliked about the city centre. One third of respondents indicated that the centre has a poor range of shops or that there are too many empty shops. However, a relatively high proportion of respondents (28.0%) indicated that there was nothing they were dissatisfied about in the centre, and a further 11.3% indicated that they didn't know of anything they disliked. The cleanliness of the centre and the poor quality of shops which each respectively cited by 8.0% of respondents as things they disliked about the centre. A further 6.0% of respondents identified that they disliked the appearance or character of the centre, and 4.0% mentioned that the centre is congested.

Table 4.7: What Respondents Dislike about the City Centre

Question	1st	2nd	3rd	4th
What do you currently dislike about Hereford City Centre?	Poor range of shops/too many empty shops (33.3%)	Nothing (28.0%)	Don't know (11.3%)	Cleanliness of the centre and poor quality of shops (both 8.0%)

Source: Question 9 of the 2022 In-Street Survey

How Could the City Centre be Improved?

4.17 Respondents were also asked how they think the city centre could be improved. Table 4.8 below indicates that 39.3% of respondents stated that they believe different or better shops or markets could improve the town centre. In respect of improvements, a total of 26.3% of respondents indicated that there is 'nothing in particular' that would improve the city centre, and a further 15.3% stated that they didn't know of anything.

4.18 A further 9.3% of respondents stated they would like to see an improved quality or cleanliness of public spaces, and a further 8.0% stated more or better parking, transport or cycle facilities.

Table 4.8: How Could the City Centre be Improved?

Question	1st	2nd	3rd	4th
How do you think Hereford City Centre should be improved?	Different / more or better shops or markets (39.3%)	Nothing in particular (26.3%)	Don't know (15.3%)	Improved quality or cleanliness of public spaces (9.3%)

Source: Question 10 of the 2022 In-Street Survey

4.19 Further questions were then asked to better identify specific changes respondents would like to see.

Table 4.9 provides a breakdown of the key responses below for each of the separate topics.

Table 4.9: What Kind of Changes Would You Like to See?

Question	1st	2nd	3rd	4th
What changes would you like to see to shops?	None (25.3%)	More or new independent shops (24.0%)	More or new national retailers (23.3%)	Better quality shops (18.0%)
What changes would you like to see to markets?	None (56.7%)	Different types of markets (i.e. food, craft, and so on) (12.7%)	Don't know (10.7%)	More frequent markets (7.3%)
What kind of changes would you like to see to places to eat or drink?	None (70.7%)	Don't know/better range of restaurants (7.3%)	More independent restaurants or cafes (6.0%)	More opportunities to eat or drink outside (3.3%)
What kind of changes would you like to see to leisure facilities?	None (70.7%)	Don't know (14.7%)	More or better entertainment for children/families (7.3%)	More or better cultural facilities (5.3%)
What changes would you like to see in respect of service facilities?	None (82.0%)	Don't know (13.3%)	More or better public services (e.g. health) (2.7%)	More or better banking/financial services (2.0%)
What changes would you like to see to help and inform visitors?	None (54.7%)	Don't know (21.3%)	Improved signage (14.7%)	Improved visitor information Centre (12.0%)
What kind of changes would you like to see to public transport or cycle facilities?	None (48.0%)	More frequent bus services (15.3%)	Cheaper car parking (10.7%)	Don't know (9.3%)
What kind of changes would you like to see to improve quality or cleanliness of public spaces?	None (61.3%)	Cleaner streets or parks (16.0%)	More green spaces (10.7%)	Floral displays/hanging baskets/greenery (8.7%)

Source: Questions 11 to 18 of the 2022 In-Street Survey

4.20 It is evident from the above that some respondents want to see more variety in respect of the retail offer. In this regard, 24.0% of respondents want to see more or new independents, 23.3% want more or new national multiple retailers, and 12.7% want different types of markets.

4.21 A greater level of satisfaction is apparent in respect of eating and drinking, with 70.7% of respondents not asking for any improvements. The same proportion of respondents indicated that they are satisfied in terms of leisure facilities.

4.22 The lowest level of satisfaction was reported in respect of public transport and cycle facilities. In this regard, 15.3% of respondents proposed cheaper bus services as a required improvement.

What One Thing does Hereford City Centre do Better than other Places You Visit?

4.23 Finally, respondents were asked what one thing the town centre does better than other places they visit. Half of respondents were unable to identify any particular attribute which makes Hereford stand out. Of those that did respond positively to the question, the vast majority of respondents identified that the architecture and environment of Hereford elevated it above other places to visit. A total of 38.0% of respondents provided this response, followed then by the food and drink offer, and the shopping offer (both of which were mentioned by 4.7% of respondents).

Table 4.10: What One Thing does Hereford City Centre do Better than other Places you Visit?

Question	1st	2nd	3rd	4th
What one thing does Hereford city centre do better than other places you visit?	Architecture/ environment (38.0%)	Nothing in particular (26.0%)	Don't know (24.0%)	Food and drink <i>and</i> Shopping (both 4.7%)

Source: Question 19 of the 2022 In-Street Survey

In-Street Survey: Key Messages

4.24 In terms of factors which are of particular importance to land use planning and the future composition of Hereford city centre, we note that the in-centre survey identifies that:

- the primary reasons to visit the centre are to undertake non-food shopping (31.3%), food shopping (14.7%), and to work (14.0%);
- a very significant proportion of respondents (48.7%) also identified a planned visit to a pub, café or restaurant as a secondary reason for being in the centre on the day of the survey;
- the majority of visitors (64.6%) spend between one and four hours in the centre;
- more than two-thirds of visitors (68.7%) visit Hereford city centre once a week or more during the day;
- respondents tend to visit the centre far less frequently in the evening, with 20.0% indicating that they never make such visits;
- whilst the majority of trips (52.0%) are made by car, a significant proportion of visitors (26.7%) walk into the city centre;
- visitors identified the appearance and character of the centre, the range of shops, and the range and quality of places to eat as key attributes;

- other visitors suggested that there is a need to improve the range of shops and address the number of empty shops; and
- suggested improvements were focused around the quality of the retail and food and drink provision, and the need for more frequent bus services.

5 Healthcheck Assessments

Introduction

- 5.1 Paragraph 86 of the NPPF indicates that planning policies should promote the long term vitality and viability of town centres by allowing them to grow and diversify in a way that can respond to rapid changes in the retail and leisure industries. The same paragraph also states that town centres should accommodate a suitable mix of uses (including housing) and provide for development that reflects a centre's distinctive character.
- 5.2 Paragraph 006 of the Town Centres PPG identifies a range of indicators that should be assessed over time in order to establish the health of a town centre. The indicators include the following:
- diversity of uses;
 - proportion of vacant street level property;
 - retailer representation and intentions to change representation;
 - pedestrian flows;
 - accessibility;
 - perception of safety and occurrence of crime;
 - the state of town centre environmental quality;
 - the balance between independent and national multiple retailers; and
 - the extent to which there is an evening and night time economy.
- 5.3 New healthcheck assessments have been undertaken for the Principal Centre of Hereford city centre, and the Secondary Centres of Bromyard, Ledbury, Leominster, Kington and Ross-on-Wye as identified by Figure 3.4 of the adopted Herefordshire Local Plan Core Strategy.
- 5.4 The healthchecks are based on site visits which were undertaken in May 2022. These assessments should be taken as a 'snapshot' of the performance of each centre at a moment in time, and further issues may subsequently become apparent in each centre as a consequence of the ongoing impacts arising from the Covid-19 pandemic, rising inflation, and other economic pressures.
- 5.5 Detailed healthchecks for the town centres are provided at Appendix 4. We provide a summary of the key conclusions from our healthcheck assessments in respect of the principal centres in the authority area below.

5.6 For Hereford, Ledbury, Leominster and Ross-on-Wye town centres, the boundary as defined by Experian Goad has been used. In the absence of an Experian Goad plan for Bromyard and Kington town centres, the boundaries from the Herefordshire Local Plan Core Strategy have been used.

Hereford City Centre

5.7 Hereford is an historic city and is the County Town of Herefordshire. As such, it is the key service centre for the County, and occupies the highest position in the retail hierarchy. It is by some distance the largest centre in Herefordshire in respect of unit numbers and floorspace.

5.8 The town is focused around a historic retail core, which includes a number of attractive period buildings, such as the Grade I listed Hereford Cathedral, which add character to the city but which do not provide modern, purpose built accommodation that appeals to national multiple retailers. The Old Market shopping centre in the northern part of the city centre provides a significant amount of modern, purpose built retail accommodation and as such accommodates the greatest concentration of national multiples in Hereford. In addition to this, the city accommodates a good number of high end and independent retailers alongside more traditional day-to-day retail and service operators.

5.9 Table 5.1 provides a summary of the unit composition of Hereford city centre.

Table 5.1: Hereford City Centre Unit Composition at May 2022

Year	Comparison	Convenience	Financial	Leisure	Retail	Other	Vacant
2022	28.3%	8.3%	7.8%	22.8%	15.3%	0.0%	17.5%
2012	44.7%	5.8%	34.8%			2.1%	12.6%
National	27.0%	9.3%	8.9%	25.0%	15.7%	0.0%	13.8%

Source: Composition of Hereford City Centre derived from Nexus Planning survey of May 2022 using Experian Goad boundary definition, Goad averages at April 2022. Composition figure from 2012 taken from Town Centres Study Update, undertaken by Drivers Jonas Deloitte in December 2012

5.10 Although the city centre benefits from a diverse range of retail operators, it also has a vacancy rate which is both higher than the national average level, as well as the vacancy rate previously recorded in the city centre in 2012. A number of these vacancies have occurred as a result of wider market trends, particularly in respect of clothing goods operators (such as the closure of Debenhams and the Outfit unit at the Old Market shopping centre). It should be noted that, in the context of changes in the clothing goods sector, it is typical for centres with a historically substantial clothing goods to be the subject of higher vacancy rates. Notwithstanding this, the proliferation of vacancies is a concern, both in respect of its impact on the visual appearance of the centre and with regard to the need to re-let properties in order to drive additional footfall and improve the overall vibrancy and vitality of the town centre.

- 5.11 In this regard, the proposed re-occupation of the upper floors of the former Debenhams unit by MandM Direct, are considered to be an extremely positive development which brings in additional activity to the centre in order to support other businesses. Additionally, the relocation of the Library to the Maylord Orchards Shopping Centre (which was purchased by the Council in June 2020) will further add to and improve the vibrancy of the town centre.
- 5.12 As a result of the increased vacancy rate, and its negative impact in respect of the appearance and function of the parts of the centre, we find Hereford’s vitality and viability to currently be moderate. The centre would appreciably benefit from further diversification in order to provide for the re-occupation of retail units, and provide additional reasons to visit and to linger in the centre.

Market Towns

- 5.13 The composition of each of the market towns centres is set out at Table 5.2 below. With the exception of Kington and Leominster, Herefordshire’s market towns display vacancy rates lower than the UK national average of 13.8% (as identified by Experian Goad at April 2022).

Table 5.2: Town Centre Unit Composition at May 2022

Town	Year	Comparison	Convenience	Financial	Leisure	Retail	Other	Vacant
Bromyard	2022	38.8%	8.2%	7.1%	21.2%	17.6%	0.0%	7.1%
	2012	36.7%	10.1%	43.0%			1.3%	8.9%
Kington	2022	29.9%	16.9%	10.4%	15.6%	13.0%	0.0%	14.3%
	2012	39.7%	11.8%	33.8%			1.5%	13.2%
Ledbury	2022	34.6%	11.1%	8.0%	19.1%	17.9%	0.0%	9.3%
	2012	48.3%	12.1%	32.2%			2.0%	5.4%
Leominster	2022	30.4%	8.9%	9.3%	16.9%	17.3%	0.0%	16.9%
	2012	50.3%	8.0%	33.7%			3.0%	5.0%
Ross-on-Wye	2022	40.7%	8.2%	10.4%	17.3%	16.0%	0.0%	7.4%
	2012	40.6%	8.0%	33.5%			1.9%	16%
National Average		27.0%	9.3%	8.9%	25.0%	15.7%	0.0%	13.8%

Source: Composition of Town Centres derived from Nexus Planning survey of May 2022 using Herefordshire Local Plan Core Strategy boundary area for Bromyard and Kington, and Experian Goad boundaries for Hereford, Ledbury, Leominster and Ross-on-Wye. Goad national averages at April 2022. Composition figure from 2012 taken from Town Centres Study Update, undertaken by Drivers Jonas Deloitte in December 2012

- 5.14 We provide a brief summary of the health of each town centre below. Further detail can be found at Appendix 4.

Bromyard

- 5.15 Bromyard town centre is focused along Broad Street, and comprises an historic retail core. This results in the town having few modern, purpose built retail units which might offer greater appeal to national

multiples. As a consequence of the nature of the stock of properties and the relatively limited nature of its catchment, the majority of operators in Bromyard town centre are independents.

- 5.16 The town centre provides a good range of uses, which are considered appropriate in meeting the day-to-day needs of the local community. The centre also accommodates a number of residential properties and other non-retail operators, which creates interest and activity. The proximity of retail uses to residential dwellings also means that the centre is well located in terms of meeting day-to-day retail needs, albeit we note that its convenience goods retail offer has slightly diminished over the past decade.
- 5.17 The centre is generally well maintained and provides an attractive and pleasant retail environment. As a consequence of this – and the mix of uses and low vacancy rate – Bromyard is considered to be a strong town centre.

Kington

- 5.18 Kington is a key service centre in the west of the County, and provides a diverse range of services and facilities geared at meeting the day-to-day needs of the local community. It is anchored by a diverse range of convenience and comparison goods operators, augmented by a number of service operators and community facilities. The proportion of units dedicated to convenience goods use is higher than any other principal centre in Herefordshire, and reflects how this sector has grown in Kington in recent years.
- 5.19 The town centre is historic, and the character of the built environment means that Kington is a pleasant place to spend time. The large number of independent operators in the town also enhance its appeal. Notwithstanding this, the centre's leisure service offer is relatively modest and there may be the potential to expand this in the future.
- 5.20 Although the vacancy rate is very slightly higher than the national average, it has remained stable since 2012 and, as such, is not considered to represent particular cause for concern at this time. Accordingly, Kington is considered to be a vital and viable centre, although it will be important to try to ensure that there is no significant deterioration in the centre's vacancy rate.

Ledbury

- 5.21 Ledbury is similarly characterised by its historic buildings and attractive street scene. As a consequence, the centre is extremely attractive but lacks modern, purpose built retail premises (and, for the most part, the opportunity to provide them). Notwithstanding this, the town centre provides

a diverse range of operators who are able to provide for the day-to-day needs of the local community.

5.22 Although the vacancy rate has increased from 5.4% of units at 2012 to 9.3% at 2022, it remains substantially lower than the national average. The centre's vacancies are located in the more peripheral parts of Ledbury, with fewer vacant units located in the main retail core along The Homend and High Street. The centre has become more diverse in recent years, with comparison goods units being successfully repurposed for service uses.

5.23 As such, Ledbury is considered to be a highly vital and viable centre and the current vacancy rate in Ledbury is not considered to represent cause for concern.

Leominster

5.24 Leominster is one of the larger retail destinations in Herefordshire, and provides a diverse range of retail and service operators to provide for the day-to-day needs of the local community and a wider rural catchment. The town centre is dominated by independent operators which again may in part reflect the character of the historic commercial stock of properties. The key advantage of this is that the town has a number of unique and characterful operators which underpin a distinct offer.

5.25 The offer within the centre is supplemented by the edge of centre Aldi (situated at Dishley Street, to the south) which is well located and able to support linked trips to other businesses within the centre itself.

5.26 A total of 16.9% of commercial properties within the centre are currently vacant, which is both above the national average level and represents a significant increase in the vacancy rate recorded in 2012 (of 5.0%). However, these vacancies are largely concentrated in the more peripheral parts of the centre and do not unduly affect its general attractiveness and function. Some of these vacancies may offer potential for conversion to other uses, including residential.

5.27 Whilst it will important to ensure that the vacancy rate does not further increase, Leominster is found to be a reasonably vital and viable centre.

Ross-on-Wye

5.28 Ross-on-Wye is a historic and attractive market town of national renown. It has been voted the UK's best-loved market town, and is considered to be 'the birthplace of British tourism'. As such, the town centre benefits from considerable tourist activity, and therefore meets the needs of both the local community and visitors.

- 5.29 The town centre's comparison goods offer has 'bucked the trend' and has remained consistent since 2012. The proportion of units in comparison goods use is substantially above national average and is reflective of the centre's role in catering for visitors. In this regard, the centre accommodates antique shops, bookshops, fashion boutiques, and gift shops. Ross-on-Wye has a particularly distinct offer which has aided its resilience and ongoing attractiveness to operators. The centre also benefits from the presence of well-located Aldi and Morrisons foodstores to the north.
- 5.30 Notwithstanding wider issues in respect of retail and town centres, Ross-on-Wye's vacancy rate has declined substantially since 2012, with just 7.4% of units being vacant at the time of our visit in May 2022. As a consequence of its low vacancy rate, unique retail offer and historic character, Ross-on-Wye is considered to be a highly vital and viable centre.

6 Population and Expenditure

Study Area and Survey

- 6.1 In April 2022, a survey of 750 households was undertaken by NEMS across the defined Study Area in order to ascertain where residents go to undertake a range of shopping and leisure activities.
- 6.2 The defined Study Area is consistent with that used in undertaking the 2012 Town Centres Study Update. The Study Area reflects the area where residents look to facilities within Herefordshire to help meet their retail and leisure needs. We provide a plan of the Study Area as Appendix 1.
- 6.3 The defined Study Area has been broken down into seven separate zones (in a manner which is also consistent with the 2012 Study) based on postcode sectors. The seven zones are considered representative of geographic areas that may accommodate broadly similar patterns of shopping behaviour. The below Table 6.1 identifies the postcode sectors which define each of the zones. The Herefordshire authority area is broadly consistent with the seven zones that constitute the Study Area.

Table 6.1: Study Area Zones by Postcode Sector

Survey Zone	Postcode Sectors
1A: 'Herefordshire City'	HR1 1, HR1 2, HR2 6, HR2 7, HR 4 0, HR4 9
1B: 'Herefordshire Rural'	HR1 3, HR1 4, HR2 0, HR2 8, HR2 9, HR3 6, HR4 7, HR4 8
2: 'Kington'	HR5 3
3: 'Leominster'	HR6 0, HR6 8, HR6 9
4: 'Bromyard'	HR7 4
5: 'Ledbury'	HR8 1, HR8 2, GL18 2
6: 'Ross-on-Wye'	HR9 5, HR9 6, HR9 7

- 6.4 The zones were used as the basis for the NEMS household survey, which is used to inform our assessment of shopping patterns as set out at Section 7 of this report. The survey results also underpin the quantitative retail capacity assessment which follows at Section 8. However, in order to identify the quantum of expenditure claimed by centres and other retail venues, it is first necessary to estimate the population and future convenience and comparison goods expenditure apparent in the Study Area.

Study Area Population

- 6.5 The population within each postcode sector and each zone at 2022 has been calculated using Experian Micromarketer G3 data. We have utilised 2020 base data, which was issued in February 2022.
- 6.6 Table 6.2 below sets out Experian's population projections for each zone in the Study Area for reporting years 2022, 2026, 2027, 2031, 2036 and 2041.

Table 6.2: Estimated Study Area Population by Survey Zone

Zone	2022	2026	2027	2031	2036	2041
1A	66,056	67,853	68,224	69,729	71,676	73,655
1B	45,875	47,238	47,555	48,686	49,881	50,849
2	5,192	5,324	5,360	5,451	5,575	5,683
3	22,142	22,681	22,815	23,306	23,837	24,267
4	7,876	8,039	8,070	8,182	8,287	8,353
5	16,029	16,340	16,439	16,742	17,033	17,333
6	22,322	22,882	23,014	23,558	24,063	24,501
Total	185,492	190,357	191,477	195,654	200,352	204,640

Source: Table 1 of Appendix 5

- 6.7 The Study Area population is estimated to increase from 185,492 persons at 2022 to 204,640 persons at 2041. This equates to an increase of 19,148 over the 19-year period.

Retail Expenditure

- 6.8 In order to calculate per capita convenience and comparison goods expenditure, we have utilised Experian Micromarketer G3 data, which provides detailed information on local consumer expenditure that takes into consideration the socio-economic characteristics of the local population. The base year for the Experian expenditure data is again 2020. Our methodology takes account of the fact that some special forms of trading expenditure²⁷ is not available to support retail floorspace, and then allows for increases in per capita expenditure growth on an annual basis.
- 6.9 Figure 5 of Appendix 3 of ERPBN19 (January 2022) provides forecasts in respect of the proportion of convenience and comparison goods expenditure that will be committed through special forms of trading both now and in the future. We have 'stripped out' any survey responses which relate to expenditure committed via special forms of trading and have instead made an allowance derived

²⁷ Identified as comprising sales via the internet, mail order, stalls and markets, door-to-door and telephone sales (i.e. all expenditure not available to traditional retail floorspace).

- from Experian's recommendations (which we consider to be the most appropriate means by which to account for such expenditure).
- 6.10 In considering special forms of trading, it should be noted that many products which are ordered online are actually sourced from a store's shelves or stockroom (particularly in the case of convenience goods). As such, expenditure committed in this manner acts to sustain shops and can be considered 'available' to support floorspace within the Study Area.
- 6.11 Accordingly, in order not to overstate the influence of special forms of trading on retailers, our methodology utilises Experian's 'adjusted' allowance for special forms of trading (which is provided at Figure 5 of ERPBN19). This allowance indicates that 5.4% of convenience goods expenditure and 25.6% of comparison goods expenditure is 'lost' from shops at base year 2020 through special forms of trading purchases.
- 6.12 Having made an allowance for special forms of trading, we then take account of forecast changes in expenditure in accordance with the recommendations provided by Figure 6 of Appendix 3 of ERPBN19. Experian provides overall growth rates and 'adjusted' rates, which account for any additional increases in expenditure lost to special forms of trading. Experian's forecast growth figures account for the anticipated impacts associated with Brexit and Covid-19.
- 6.13 We set out Experian's expenditure growth estimates at Table 6.3, which is provided over the page. It should be noted that Experian only provides growth forecasts to 2040, and, in practice, we extrapolate the annual growth rates at 2040 to provide an estimate for the subsequent year of 2041.
- 6.14 Our methodology utilises the 'adjusted' figures and our quantitative assessment therefore fully accounts for changes in online retailing that have occurred because of Covid-19, and those that will likely occur in the future as yet more expenditure is committed online.
- 6.15 For convenience goods, Experian forecasts very limited per capita expenditure growth across the entire period to 2040. The position is even more pessimistic when account is taken of future growth in special forms of trading, with Experian's forecasts suggesting that the growth in convenience goods expenditure available to actual stores will not exceed 0.1% per annum across the entire period 2022 to 2040. Overall, it is evident that per capita convenience goods expenditure is not forecast to increase in the period to 2040.
- 6.16 The position in respect of comparison goods expenditure is more positive. Experian forecasts that per capita comparison goods expenditure growth will take place over the period to 2041, but, with

the exception of growth of 5.9% in 2022, it is not expected to exceed 2.7% per annum in the period from 2022 to 2040. Experian’s forecast suggests that there will be relatively healthy growth in comparison goods even after accounting for expenditure lost to special forms of trading.

Table 6.3: Experian Retail Planner Briefing Note 19 Convenience and Comparison Goods Annual Per Capita Growth Rates

Year	Convenience Goods	Convenience Goods 'Adjusted SFT'	Comparison Goods	Comparison Goods 'Adjusted SFT'
2021	-3.7	-4.6	1.9	0.5
2022	-2.0	-1.4	2.1	5.9
2023	0.1	-0.2	2.8	1.8
2024	0.1	-0.2	2.8	1.8
2025	0.1	-0.1	2.8	1.9
2026	0.1	-0.1	2.8	2.0
2027	0.1	-0.1	2.9	2.1
2028	0.1	0.0	2.9	2.3
2029	0.1	0.0	2.9	2.4
2030	0.1	0.0	2.9	2.4
2031	0.1	0.1	2.9	2.5
2032	0.2	0.1	2.9	2.6
2033	0.2	0.1	2.9	2.6
2034	0.2	0.1	2.9	2.6
2035	0.1	0.1	2.9	2.7
2036	0.2	0.1	2.9	2.7
2037	0.1	0.1	2.9	2.7
2038	0.1	0.0	2.9	2.7
2039	0.1	0.0	2.9	2.7
2040	0.1	0.0	2.9	2.7

Source: Figure 6 of Appendix 3, Experian Retail Planner Briefing Note 19 (January 2022)

6.17 Growth in expenditure forecasts in the longer term (beyond the next ten years) should be treated with caution given the inherent uncertainties associated with predicting the performance of the economy over time (particularly in the current economic, health and political climates). As such, assessments of this nature should be reviewed on a regular basis in order to ensure that forecasts over the medium and longer term reflect changing circumstances.

6.18 In this regard, we also note that paragraph 85 of the revised NPPF requires local planning authorities to allocate sites to meet likely needs ‘...**looking at least ten years ahead**’, which differs from the previous requirement to meet needs across the entire plan period. We believe that this change directly reflects current economic conditions and changes in the retail sector in recent years. By applying Experian’s recommendations in respect of special forms of trading and expenditure growth,

we are able to produce expenditure estimates for each survey zone and the Study Area as a whole at 2022, 2026, 2027, 2031, 2036 and 2041.

Convenience Goods Expenditure

6.19 Taking into account the Study Area resident population and the available per capita convenience goods expenditure, we estimate that £453.2m²⁸ of convenience goods expenditure originates within the Study Area at 2022. The below Table 6.4 indicates that available Study Area convenience goods expenditure is forecast to increase to £499.8m at 2041.

Table 6.4: Total Available Study Area Convenience Goods Expenditure

2022 (£m)	2026 (£m)	2027 (£m)	2031 (£m)	2036 (£m)	2041 (£m)
453.2	462.3	464.6	475.2	489.0	499.8

In 2020 Prices

6.20 Table 6.5 indicates that this represents a relatively modest increase of £46.6m (or 10.3%) across the Study Area between 2022 and 2041. Given the static growth in respect of per capita convenience goods expenditure, this increase can be attributed to growth in the Study Area's population.

Table 6.5: Growth in Available Study Area Convenience Goods Expenditure

Growth 2022-26 (£m)	Growth 2022-27 (£m)	Growth 2022-31 (£m)	Growth 2022-36 (£m)	Growth 2022-41 (£m)
9.1	11.4	22.0	35.8	46.6

In 2020 Prices

6.21 We have assumed that around 75% of available convenience goods expenditure would take the form of main food shopping and that around 25% would take the form of top-up shopping (which relates to smaller purchases, often including staple items such as milk and bread)²⁹. By applying this ratio, we estimate that main food shopping trips account for £339.9m of Study Area convenience goods expenditure at 2022, and top-up shopping trips account for £113.3m.

Comparison Goods Expenditure

6.22 For comparison goods, Table 6.6 sets out our estimate that the resident population of the Study Area will generate £572.3m of comparison goods expenditure at 2022. Available comparison goods expenditure is then forecast to grow to £993.1m at 2041.

²⁸ In 2020 prices, as is every subsequent monetary reference.

²⁹ This is a fairly standard split applied in undertaking this exercise.

Table 6.6: Total Available Study Area Comparison Goods Expenditure

2022 (£m)	2026 (£m)	2027 (£m)	2031 (£m)	2036 (£m)	2041 (£m)
572.3	632.6	649.7	730.0	851.3	993.1

In 2020 Prices

- 6.23 The identified increase in comparison goods expenditure growth is substantial, but it represents a level of annual growth that is more circumspect than that which has been achieved in the past. This is due to both a reduction in the overall level of growth when compared to that achieved in the early part of this millennium, and as a consequence of further forecast increases in expenditure committed via special forms of trading (most obviously, internet shopping). It is important to note that the large majority of this growth would occur across the latter part of the reporting period to 2041.

Table 6.7: Growth in Available Study Area Comparison Goods Expenditure

Growth 2022-26 (£m)	Growth 2022-27 (£m)	Growth 2022-31 (£m)	Growth 2022-36 (£m)	Growth 2022-41 (£m)
60.3	77.4	157.7	279.1	420.9

In 2020 Prices

- 6.24 We sub-divide comparison goods expenditure into eight categories, these being: 'DIY', 'Electrical' and 'Furniture' (collectively referred to as bulky goods); and, 'Clothing and Footwear', 'CDs, DVDs and Books', 'Health, Beauty and Chemist Goods', 'Small Household Goods', and 'Toys, Games, Bicycles and Recreational Goods' (collectively referred to as non-bulky goods). The proportion of expenditure directed to each sub-category is estimated by Experian on a zonal basis. Experian's estimates are reflected in our detailed assessment of expenditure growth, which is set out at Table 7b of Appendix 5.
- 6.25 In considering expenditure growth, it should be noted that not all growth arising within the Study Area will be to support additional floorspace. Instead, account needs to be taken of: the market share of expenditure secured by retailers within the authority area; the claim made by existing retailers on expenditure growth (the future efficiency of retail floorspace); and, the expenditure that will be claimed by committed retail developments.

7 Market Research: Household Survey

Market Share Analysis: Household Survey Results

- 7.1 The NEMS household survey identifies where Study Area residents travel to undertake a range of shopping and leisure activities. The summary of results provided in this section focusses on the market share of shopping trips secured by retail venues for various types of shopping.
- 7.2 In April 2022, a survey of 750 households was undertaken by NEMS within the defined Study Area in order to ascertain where residents go to undertake a range of shopping and leisure activities. The defined Study Area is consistent with that used in undertaking the 2012 Town Centres Study Update. The Study Area reflects the area where residents look to facilities within Herefordshire to help meet their retail and leisure needs.
- 7.3 Herefordshire's authority area largely corresponds with the boundaries of the Study Area, although it does include small parts of neighbouring authority areas of Forest of Dean and Powys. Notwithstanding this, the entire Study Area is of interest in considering market shares.
- 7.4 In this regard, it is to be expected that Herefordshire's convenience goods provision will secure almost all of the convenience goods turnover which originates within the Study Area (as convenience goods shopping is generally undertaken as close to home as possible). In respect of comparison goods, whilst we would anticipate that Hereford attracts a significant proportion of such expenditure across the Study Area, key destinations just beyond the Study Area, such as Worcester, will attract some such expenditure away from the Study Area in practice.
- 7.5 The household survey is reproduced as part of Appendix 2 of this Study. In retail terms, the principal purpose of the survey is to establish:
- patterns of convenience goods spending, based on the location of:
 - the destination the respondent last visited and visited 'the time before last' to undertake their main food shop; and
 - the destination the respondent last visited and visited 'the time before last' to undertake their top up food shop.

- patterns of convenience comparison goods spending, based on the location of the respondent's last shopping trip to purchase the following types of comparison goods:
 - clothing and footwear;
 - books, CDs, DVDs and stationery;
 - small household goods, such as home furnishings, clocks, jewellery, glass and china;
 - toys, games, bicycles and recreational goods;
 - chemist goods, including health and beauty items;
 - electrical goods, such as televisions, washing machines and computers;
 - DIY and gardening goods; and
 - furniture, carpets and floor coverings.

7.6 The analysis which follows considers market share for the above sub-sectors. Our assessment is based on the market share of *expenditure* claimed by particular retail destinations. In most cases, we are able to compare the current market share findings with those established in the 2012 Study. The exception to this is the 'Toys, games, bicycles and recreational goods' category, for which there is no comparable sub-sector in the 2012 Study. Accordingly, our analysis does not provide a review of market shares in respect of the 'Toys, games, bicycles and recreational goods' category.

7.7 In order to identify changes in market share over time and to allow for a 'like-for-like' comparison, the same methodology as that utilised at Section 6 of the 2012 Study has been applied.

7.8 As such, at Tables 4.1 and 4.2 below, the market share for Hereford has been calculated by combining Zones 1A and 1B.

7.9 Furthermore, at Table 7.3 the catchment used to determine the comparison goods market share of expenditure for the home zone for 'Hereford city centre' and 'Hereford city' is taken as being the whole Study Area, whereas for the five market towns this relates solely to the zone within which they sit (e.g. the home zone for Kington is Zone 2). At Table 7.3, 'Hereford city centre' refers to the market share of expenditure claimed by destinations located within the defined city centre boundary, whereas 'Hereford city' refers to all expenditure claimed by destinations located within Zone 1A.

7.10 In respect of Tables 7.4 to 7.10, references to 'Hereford city centre' refer to the market share of Study Area expenditure claimed by destinations located within the defined city centre, whereas the market share for the five market towns relates solely to expenditure originating in the zone within which they sit.

7.11 The market shares relates to expenditure claimed across the relevant settlement, which is consistent with the approach taken in the 2012 Study³⁰

Convenience Goods Analysis

7.12 Table 7.1 below provides a summary of the convenience goods market share of expenditure for each of the six settlements. This indicates that for Hereford, Leominster, Ledbury and Ross-on-Wye, there has been an increase in the proportion of market share of convenience goods expenditure claimed in the zone within which they sit. The increase in market share is particularly pronounced in Ledbury and Ross-on-Wye, both of which have benefitted from an Aldi foodstore opening in the period since 2012. The increase of the market share for both of these centres suggests that these facilities have been beneficial in retaining expenditure arising within their home zone. The market shares of both Hereford and Leominster have increased since 2012, although not to the same degree as in Ledbury and Ross-on-Wye.

Table 7.1: Convenience Goods Market Share of Expenditure by Centre

Centre	2012 Market Share from Home Zone	2022 Market Share from Home Zone	2012-2022 Change
Hereford	83%	90%	7%
Kington	64%	53%	-11%
Leominster	83%	92%	9%
Bromyard	60%	43%	-17%
Ledbury	75%	91%	16%
Ross-on-Wye	67%	84%	17%

Source: Table 4 of Appendix 2 and Table 6.1 of the 2012 Town Centres Study Update

7.13 Conversely, the market share of local convenience goods expenditure claimed by facilities in both Bromyard and Kington has decreased. These towns have a more limited convenience goods offer relative to that available within the other four settlements and, in particular, lack the discount convenience goods offer found elsewhere.

7.14 Table 7.2 below provides a summary of each centre’s market share as a percentage of expenditure across the entire Study Area. Unsurprisingly, this analysis clearly shows the key role that Hereford has in meeting the convenience goods needs that arise across the Study Area. Hereford provides the

³⁰ As explained at paragraph 7.9, the exception to this is Hereford in respect of comparison goods expenditure where we identify the market share of the settlement and the city centre itself.

most diverse and comprehensive range of convenience goods operators in the Study Area, as well as being the most populated settlement in Herefordshire.

- 7.15 As would be expected, the broad changes in market share observed at Table 7.1 are also evident within Table 7.2. The convenience goods market share secured by Leominster, Ledbury and Ross-on-Wye has increased since 2012, whilst decreases in market share are apparent at Bromyard and Kington.

Table 7.2: Convenience Goods Market Share of Centre from Study Area

Centre	2012 Market Share	2022 Market Share	2012-2022 Change
Hereford	53%	57%	5%
Kington	3%	2%	-1%
Leominster	13%	15%	2%
Bromyard	3%	2%	-1%
Ledbury	8%	9%	2%
Ross-on-Wye	10%	11%	2%
Study Area	89%	97%	8%

Source: Table 4 of Appendix 2 and Table 7 of Appendix 2 of the 2012 Town Centres Study Update

- 7.16 Table 7.2 also clearly sets out that the convenience goods market share for the Study Area has increased from 89% at 2012 to 97% at 2022. The Study Area is therefore retaining a notably greater proportion of expenditure than at 2012, as well as retaining the overwhelming amount of convenience goods expenditure that arises in the Study Area. This suggests that the convenience goods provision across the Study Area as a whole successfully meets the needs of the local population. This improvement may have also occurred as a result of the aforementioned improved discount foodstore provision in certain settlements.

Comparison Shopping Patterns

Overall Comparison Goods

- 7.17 In respect of comparison goods expenditure, Table 7.3 below provides an overview of market share of expenditure at each centre from the zone within which the settlement sits.
- 7.18 This shows that the market share of Hereford city centre has decreased relatively substantially from 45% to 34% across the decade to 2022. Conversely, across Hereford as a whole, the market share has actually increased slightly since this time. This suggests that, although expenditure directed to the city centre has declined, Hereford as a whole retains a strong market share of comparison goods expenditure. This is largely due to increased market shares being secured by out-of-centre retail

destinations in Hereford (including Hereford Retail Park and Spur Retail Park), and is consistent with the contraction in the city centre comparison goods offer.

7.19 The market share of Ross-on-Wye has increased significantly since 2012, with Table 7.3 indicating that this has increased from 41% at 2012 to 57% at 2022. This reflects the resilience of Ross-on-Wye’s comparison goods offer and the fact that such uses occupy a very significant proportion of the centre’s floorspace.

Table 7.3: Comparison Goods Market Share of Expenditure by Settlement

Centre	2012 Market Share from Home Zone	2022 Market Share from Home Zone	2012-2022 Change
Hereford City Centre	45%	34%	-11%
Hereford City	62%	67%	5%
Kington	32%	27%	-5%
Leominster	47%	48%	1%
Bromyard	23%	18%	-5%
Ledbury	51%	46%	-5%
Ross-on-Wye	41%	57%	16%

Source: Table 25 of Appendix 5 and Table 6.2 of the 2012 Town Centres Study Update

7.20 Elsewhere, changes have been more limited, with a marginal increase in comparison goods market share of expenditure observed at Leominster, and decreases recorded at Ledbury, Bromyard and Kington.

Clothing and Footwear

7.21 Table 7.4 below provides a summary of clothing and footwear market share of expenditure for the six settlements. Hereford city centre has been the subject of an 11 percentage point reduction in its market share since 2012, with its clothing and footwear market share being 53% at 2022. This is reflective of the ongoing (albeit reduced) role that the city centre has in meeting clothing and footwear needs across the Study Area.

7.22 In Bromyard, Leominster and Kington, the local market share of clothing and footwear expenditure has remained largely static since 2012. Ledbury and Ross-on-Wye have been the subject of increases in clothing and footwear market share since 2012. The former has been the subject of a nine percentage point increase in market share (to 24%) over the past decade, and the latter has been the subject of a 15 percentage point increase (to 32%) over the same timeframe.

7.23 The local clothing and footwear market share claimed by the five market towns is generally rather limited, reflecting the limited provision in respect of such retailers in these settlements.

Table 7.4: Clothing and Footwear Market Share of Expenditure from Home Zones

Centre	2012 Market Share from Home Zone	2022 Market Share from Home Zone	2012-2022 Change
Hereford City Centre	65%	53%	-11%
Kington	11%	10%	-1%
Leominster	19%	22%	4%
Bromyard	6%	2%	-3%
Ledbury	14%	24%	9%
Ross-on-Wye	17%	32%	15%

Source: Table 10 of Appendix 5 and Table 6.3 of the 2012 Town Centres Study Update

Books, CDs and DVDs Goods

7.24 In respect of books, CDs and DVDs, the local market share claimed by both Hereford and Ledbury has decreased relatively significantly since 2012. Ledbury, in particular, has been the subject of a significant reduction (equating to 21 percentage points). For the five other settlements, the market share of books, CDs and DVDs expenditure has either increased marginally or remained static since 2012.

Table 7.5: Books, CDs and DVDs Market Share of Expenditure from Home Zones

Centre	2012 Market Share from Home Zone	2022 Market Share from Home Zone	2012-2022 Change
Hereford City Centre	57%	43%	-14%
Kington	26%	32%	6%
Leominster	49%	50%	0%
Bromyard	26%	31%	5%
Ledbury	68%	47%	-21%
Ross-on-Wye	51%	55%	5%

Source: Table 12 of Appendix 5 and Table 6.3 of the 2012 Town Centres Study Update

Small Household Goods

7.25 Turning to small household goods, the local market share of expenditure claimed by four of the six settlements has remained generally static. The exceptions relates to the performance of Hereford city centre and Ross-on-Wye, as shown at Table 7.6 below.

7.26 The market share of expenditure claimed by Hereford city centre has decreased from 44% at 2012, to 21% at 2022. Conversely, the market share of expenditure at Ross-on-Wye has increased

substantially from 32% at 2012 to 63% at 2022. As such, the small household goods local market share has nearly doubled in Ross-on-Wye, and has been more than halved in Hereford city centre.

Table 7.6: Small Household Goods Market Share of Expenditure from Home Zones

Centre	2012 Market Share from Home Zone	2022 Market Share from Home Zone	2012-2022 Change
Hereford City Centre	44%	21%	-22%
Kington	14%	16%	2%
Leominster	24%	20%	-3%
Bromyard	20%	20%	0%
Ledbury	23%	25%	3%
Ross-on-Wye	32%	63%	31%

Source: Table 14 of Appendix 5 and Table 6.3 of the 2012 Town Centres Study Update

Chemist Goods

7.27 In respect of chemist goods, the majority of settlements in Herefordshire have been the subject of a marked decrease in respect of their local market share. The most substantial decreases in market share are observed at Ledbury and Bromyard, with more limited decreases being noted at Hereford city centre and Leominster (with these centres being the largest retail destinations in the authority area). Ross-on-Wye is the subject of a 13 percentage point increase in local market share across the ten years to 2022, with it now claiming 90% of locally-generated chemist goods expenditure.

Table 7.7: Chemist Goods Market Share of Expenditure from Home Zones

Centre	2012 Market Share from Home Zone	2022 Market Share from Home Zone	2012-2022 Change
Hereford City Centre	41%	35%	-6%
Kington	72%	59%	-13%
Leominster	80%	72%	-8%
Bromyard	56%	28%	-29%
Ledbury	85%	62%	-24%
Ross-on-Wye	77%	90%	13%

Source: Table 18 of Appendix 5 and Table 6.3 of the 2012 Town Centres Study Update

Electrical Goods

7.28 Electrical goods are generally purchased from out-of-centre retail parks which accommodate 'bulky' goods retailers. As a result of this, Table 7.8 below shows that Hereford city centre and each of the five other settlements in Herefordshire each retain a limited proportion of local electrical goods expenditure. By far the most dominant location for such purchases is the Currys store at Hereford Retail Park.

7.29 The general pattern is that electrical expenditure claimed by the market towns and Hereford city centre has been squeezed over the past decade, which reflects the fact that smaller electrical retailers have often struggled in recent times and, as such, the market is dominated by large format operators and online retailers.

Table 7.8: Electrical Goods Market Share of Expenditure from Home Zones

Centre	2012 Market Share from Home Zone	2022 Market Share from Home Zone	2012-2022 Change
Hereford City Centre	31%	14%	-17%
Kington	41%	15%	-26%
Leominster	22%	13%	-9%
Bromyard	11%	0%	-11%
Ledbury	39%	22%	-17%
Ross-on-Wye	37%	31%	-5%

Source: Table 20 of Appendix 5 and Table 6.3 of the 2012 Town Centres Study Update

DIY and Gardening Goods

7.30 Turning to DIY and Gardening Goods expenditure, Table 7.9 below shows that the market share at each of the six locations has generally decreased significantly since 2012. The exception to this is Ross-on-Wye, where a small (six percentage point) increase in the market share of local DIY and Gardening Goods expenditure has been recorded.

7.31 The most substantial percentage point decrease in the market share of local DIY and Gardening Goods expenditure occurred at Kington, with the household survey recording no such purchases within this settlement. This is perhaps reflective of its limited scale and the need to travel in Herefordshire to source some goods.

Table 7.9: DIY and Gardening Goods Market Share of Expenditure from Home Zones

Centre	2012 Market Share from Home Zone	2022 Market Share from Home Zone	2012-2022 Change
Hereford City Centre	19%	7%	-12%
Kington	36%	0%	-36%
Leominster	40%	9%	-31%
Bromyard	25%	9%	-17%
Ledbury	44%	21%	-23%
Ross-on-Wye	37%	43%	6%

Source: Table 22 of Appendix 5 and Table 6.3 of the 2012 Town Centres Study Update

Furniture Goods

- 7.32 Furniture goods are the final 'bulky' goods category, and generally operate from out-of-centre retail parks in larger settlements. However, as Table 7.10 below shows, the market towns of Leominster, Ledbury, Ross-on-Wye and Bromyard town centre retain a significant percentage of local furniture goods expenditure. For Leominster, Ross-on-Wye and Bromyard, the market share has increased relatively substantially since 2012. This perhaps reflective of the nature of retail provision within these centres and the proliferation of specialist operators, including antiques dealers and furniture shops.
- 7.33 The market share of local furniture goods expenditure has decreased in Hereford city centre, Ledbury and Kington. In Hereford, the city centre now retains 32% of furniture goods expenditure at 2022, which compares to 44% at 2012.

Table 7.10: Furniture Goods Market Share of Expenditure from Home Zones

Centre	2012 Market Share from Home Zone	2022 Market Share from Home Zone	2012-2022 Change
Hereford City Centre	44%	32%	-12%
Kington	32%	26%	-6%
Leominster	37%	51%	14%
Bromyard	32%	49%	18%
Ledbury	49%	42%	-8%
Ross-on-Wye	27%	43%	16%

Source: Table 24 of Appendix 5 and Table 6.3 of the 2012 Town Centres Study Update

Summary

- 7.34 We set out the overall authority-wide market share by zone for each of the eight comparison goods sub-sectors in Table 7.11 below.

Table 7.11 Herefordshire Comparison Retention Rates by Category and Zone

Category	Zone 1A	Zone 1B	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Total
Clothing and footwear	92%	82%	78%	80%	67%	51%	74%	81%
Books etc.	92%	97%	94%	94%	92%	93%	73%	91%
Household	91%	89%	87%	96%	88%	80%	89%	90%
Toys etc.	94%	93%	82%	100%	50%	70%	87%	89%
Chemist	98%	98%	95%	99%	79%	86%	97%	96%
Electrical	100%	95%	91%	98%	70%	82%	75%	92%
DIY	98%	98%	90%	99%	87%	82%	84%	94%
Furniture	89%	87%	100%	94%	87%	78%	72%	86%

- 7.35 Table 7.11 provides a summary of the overall proportion of expenditure (for each comparison goods sub-sector) which originates within each zone and is claimed by comparison goods facilities within the Herefordshire authority area. For example, in respect of clothing and footwear market share of expenditure, 92% of the total expenditure arising in Zone 1a is retained within the authority area.
- 7.36 As would perhaps be expected given the comparison goods offer in Hereford, the retention rate across all sub-sectors is strong in Zone 1 (defined as Herefordshire City). Retention is also reasonably strong in Zones 1B (Herefordshire Rural), 2 (Kington) and 3 (Leominster). This retention can be partially attributed to the geographic location of these zones, which results in residents looking towards facilities within Herefordshire to meet their comparison goods needs.
- 7.37 Elsewhere, the retention of comparison goods market share expenditure in Zones 4 (Bromyard), 5 (Ledbury) and 6 (Ross-on-Wye) is somewhat lower than in other zones. This is considered reflective of these zones being closer to other larger centres beyond the Study Area, such as Gloucester and Worcester.
- 7.38 Looking across the eight comparison goods sub-sectors, the lowest authority area market share is apparent in respect of clothing and footwear goods. This is particularly the case again in Zones 4, 5 and 6 where residents look towards destinations beyond the Study Area to meet their needs.
- 7.39 The household survey results are provided in full at Appendix 2. In respect of convenience goods, the findings that are of greatest relevance to the future retail strategy in Herefordshire are as follows:
- Overall, the Herefordshire convenience destinations meet both main and top up food shopping requirements for Herefordshire residents in a satisfactory manner; and
 - For Hereford, Leominster and Ledbury, more than nine of every ten main food shopping and top-up expenditure is directed to stores within the zone in which these centres are located. Although the market share of expenditure has decreased in both Bromyard and Kington, this is set against growth in the profile and role of discount convenience goods operators over that time, and that both of these centres lack a discount convenience goods retailer.
- 7.40 In terms of comparison goods, our assessment has identified that:
- The vast majority of residents in all zones are able to meet their comparison goods shopping needs within the Herefordshire authority area (principally at Hereford city centre, and within the market towns of Ledbury, Leominster and Ross-on-Wye);

- The overall clothing and footwear market share claimed by facilities within Herefordshire represents 81% of the total market share in the Study Area; and
- As set out at Table 7.3, since 2012 there has been a decline in Hereford city centre's comparison goods market share, which has reduced from 45% at 2012 to 34% at 2022. However, the comparison goods market share claimed by Hereford as a whole (both in and out of centre) has increased from 62% to 67% over the same period. This indicates that out of centre retail provision in Hereford has been a beneficiary of the reduction in retail provision within the city centre.

8 Assessment of Retail Capacity

8.1 Our retail capacity tables set out our step-by-step approach to estimating the expenditure surplus which is available to support additional retail floorspace and are provided at Appendix 5. A summary of our methodological approach, together with our findings, is provided below.

General Approach to Estimating Quantitative Capacity

8.2 Retail capacity modelling follows the basic principle that: *Available Expenditure minus Expected Turnover of Existing and Committed Floorspace equals Expenditure Surplus or Deficit*.

8.3 An identified quantitative expenditure surplus indicates that there may be capacity to support additional retail floorspace (subject to there being no unacceptable impacts arising as a consequence of the increased provision). We summarise the key considerations relating to each component of the equation below.

Available Expenditure

8.4 As we set out in Section 6 of this report, available expenditure within a zone is calculated by multiplying the population at a given reporting year by the estimated per capita expenditure. The available expenditure takes into consideration:

- estimated population growth;
- forecast increases in per capita expenditure; and
- forecast increases in special forms of trading.

Anticipated Turnover of Herefordshire's Retail Floorspace

8.5 The turnover relates to the expenditure required by existing retailers (and by retail commitments benefitting from an extant planning permission) to ensure that they trade viably. For convenience goods retailers, the expected 'benchmark' turnover of existing convenience goods facilities is calculated with reference to GlobalData Convenience and Comparison Goods Sales Densities of Major Grocers and Mintel Retail Rankings data³¹.

Surplus/Deficit

8.6 The expenditure surplus (or deficit) is calculated by subtracting the turnover of existing and

³¹ These datasets provide independent analysis of key grocery retailers' declared turnover and the overall floorspace in their portfolio in order to calculate national average sales densities.

committed floorspace from the available expenditure in the Herefordshire authority area. A surplus figure effectively represents an under-provision of retail facilities within the authority area (which may indicate that additional floorspace could be supported), whereas a deficit would suggest a quantitative over-provision of retail floorspace.

- 8.7 Although a surplus is presented as a monetary figure, it can be converted to a floorspace requirement through the application of an appropriate sales density. In this regard, the floorspace requirement will vary according to operator and the likely sales density they could achieve. For example, in the case of comparison goods, non-bulky goods retailers tend to achieve higher sales densities than bulky goods retailers.
- 8.8 However, within the bulky goods sector there is significant variation, with electrical retailers typically having higher sales densities than DIY or furniture retailers. The turnover of destinations is generally considered with reference to retailers' net sales areas and all of the following floorspace figures relate to net sales areas. Our assessment considers convenience and comparison goods needs on an Authority-wide basis and then on a settlement by settlement basis based on the existing market share secured by each.

Capacity for Future Convenience Goods Floorspace

- 8.9 In order to identify the likely need for additional convenience goods floorspace in Herefordshire, it is first necessary to consider the performance of the current provision. In this respect, the built up area of Herefordshire already accommodates a relatively good variety of foodstore operators. As such, we believe that many of the food shopping trips which originate within the Study Area, but are directed to facilities outside of Herefordshire, occur principally because the trip is convenient (i.e. close to home or work), rather than due to any significant deficiencies in Herefordshire's offer.
- 8.10 In practice, the household survey results indicate that this happens infrequently.
- 8.11 Accordingly, we believe that the Herefordshire's existing convenience goods market share of 96.5% of Study Area convenience goods expenditure is broadly appropriate and should be sustained in the future.
- 8.12 Based on the existing market share, we estimate that £437.3m of convenience goods expenditure which originates within the Study Area will be claimed by retailers in Herefordshire at 2022. For each convenience goods retail destination, consideration has been given as to whether any of its turnover is likely to be derived as 'inflow' from outside the Study Area.

- 8.13 Visitor spending has been estimated using data from the Hereford Steam Final Trend 2015 Report 2015 prepared by Global Tourism Solutions (UK) Ltd ('GTS'). Discussions with GTS have confirmed that the visitors' expenditure is split 42:58 in respect of convenience and comparison goods. On this basis, the Steam data suggests that, in Herefordshire in 2015, tourists spend around £40.3m on convenience goods and around £54.8m on comparison goods³².
- 8.14 Our detailed methodology in apportioning inflow expenditure is set out at Appendix 5 of this Study.
- 8.15 In broad terms, for convenience goods expenditure we anticipate that larger stores and those well located in respect of tourist activity will be better placed to benefit from inflow. For some stores, we have assumed that circa 10% of their turnover could be derived from shoppers who reside outside the Study Area. For other stores, we assume that 5% of turnover could derive from inflow, and for stores less likely to have penetration into this market we have made a nil inflow allowance.
- 8.16 We apportion comparison goods inflow to the six settlements on a pro-rata basis with reference to their identified Study Area turnover. On this basis, we assume that the greatest level of inflow will occur at Hereford followed then by the market towns of Ledbury, Leominster and Ross-on-Wye.
- 8.17 More generally, in respect of convenience goods capacity, the identified survey-derived turnover is compared to its expected benchmark performance (which is estimated with reference to company average sales densities and the estimated net sales areas of individual shops).
- 8.18 Our assessment assumes a 'goods based' approach, which disaggregates expenditure by sector, as it is important to recognise that major foodstore operators generally also sell some comparison goods, such as clothing, household goods, books and CDs. To account for this, the typical split between convenience and comparison goods provision for each operator has been identified³³, and this multiplier has been applied to the estimated net floorspace of each foodstore. This provides an indication of the likely floorspace dedicated to the sale of convenience goods at each store and provides for an accurate estimation of convenience goods benchmark turnover.
- 8.19 The calculation of the estimated benchmark turnover of individual stores allows an assessment to be made in respect of individual retailers' trading performance and whether (on an aggregated basis) surplus expenditure exists to support additional floorspace. For smaller shops (where it is more

³² In 2015 prices.

³³ Generally sourced from GlobalData Convenience and Comparison Goods Sales Densities of Major Grocers 2021, except where the data is not likely representative of how a store trades in practice. Detailed notes in respect of our approach in calculating net convenience goods sales areas are provided at Table 5 of Appendix 5.

difficult to collate accurate floorspace and sales density data), we assume that stores are trading ‘in equilibrium’ (i.e. the survey-derived turnover equates to the anticipated benchmark turnover).

8.20 Our assessment is summarised below at Table 8.1 and identifies that convenience goods floorspace in Herefordshire has an expected benchmark turnover of £448.2m at 2022, which is below the estimated survey-derived turnover of £477.4m. As such, taken collectively, convenience goods floorspace is ‘overtrading’ by £29.2m once tourism expenditure is accounted for.

8.21 In order to appraise the future need for additional convenience goods floorspace, it is necessary to consider how the performance of stores will be affected by forecast growth in expenditure. Accordingly, Table 8.1 also sets out the anticipated increases in expenditure that will be available to convenience goods retailers, assuming the authority’s current market share is maintained. We have assumed that the benchmark turnover of floorspace will change going forward in accordance with improvements in floorspace efficiency set out in ERPBN19.

8.22 Table 8.1 sets out our estimate that the convenience goods expenditure available to facilities in Herefordshire will be £477.4m at 2022, increasing to £487.0m at 2026, to £489.4m at 2027, to £500.6m at 2031, to £515.1m at 2036, and then to £526.5m at 2041. When the available convenience goods expenditure is compared to growth in the benchmark turnover of such floorspace, the identified estimated convenience goods surplus equates to £69.3m at 2041.

Table 8.1 Quantitative Need for Convenience Goods Floorspace in Herefordshire

Year	Benchmark Turnover (£m)	Available Expenditure (£m)	Surplus Expenditure (£m)
2022	448.2	477.4	29.2
2026	456.7	487.0	30.3
2027	457.2	489.4	32.2
2031	457.2	500.6	43.4
2036	457.2	515.1	57.9
2041	457.2	526.5	69.3

Source Table 6a of Appendix 5
In 2020 Prices

8.23 When considering the above assessment, it should be noted that the survey only takes account of retail venues that were trading during the undertaking of the household survey in May 2022. As such, account needs to be made for committed retail floorspace and its claim on available expenditure.

8.24 In this regard, we note that there is a single planning application of relevance when considering extant commitments in the Herefordshire authority area, this being the proposed change of use of a

public house to a retail outlet at The Barrell Inn in Ross-on-Wye³⁴.

8.25 In this context, the below Table 8.2 identifies convenience goods capacity across the County allowing for this single convenience goods commitment. The table demonstrates that there is an immediate estimated expenditure surplus of £26.5m at 2022, increasing to £66.6m at 2041.

8.26 We estimate that the identified surplus could support between 2,000 sq.m and 3,300 sq.m of additional convenience goods floorspace at 2022, increasing to between 4,900 and 8,200 at 2041.

Table 8.2 Quantitative Need for Convenience Goods Floorspace in Herefordshire after Commitments

Year	Surplus (£m)	Commitments (£m)	Residual (£m)	Floorspace Requirement	
				Minimum (sq.m)	Maximum (sq.m)
2022	29.2	2.7	26.5	2,000	3,300
2026	30.3	2.8	27.5	2,000	3,400
2027	32.2	2.8	29.4	2,100	3,600
2031	43.4	2.8	40.6	3,000	5,000
2036	57.9	2.8	55.1	4,000	6,800
2041	69.3	2.8	66.6	4,900	8,200

Source Table 6d of Appendix 5
In 2020 Prices

Assessment of Convenience Goods Needs on a Settlement Basis

8.27 Table 8.3 below allocates residual convenience expenditure capacity to Hereford and each of the other settlements in Herefordshire.

8.28 It is evident from Table 8.3 that five of the six settlements are the subject of a positive convenience goods floorspace requirement at 2041, with the greatest quantum identified in Leominster. A negative requirement is evident in Bromyard at 2041, and requirements in Ross-on-Wye and Kington are effectively *de minimis*.

8.29 In Hereford, the estimated convenience goods floorspace equates to between 1,500 sq.m and 2,600 sq.m at 2041, which is consistent with a medium-sized supermarket.

8.30 In Leominster, the estimated convenience goods requirement is between 2,200 sq.m and 3,700 sq.m at 2041, which is broadly comparable to two or three discount foodstores.

8.31 For Ledbury, the estimated convenience goods requirement is between 900 sq.m and 1,600 sq.m at 2041, which supports at least one discount foodstore (and more besides).

³⁴ Planning application reference 174513.

Table 8.3: Quantitative Need for Convenience Goods Floorspace in Herefordshire's Settlements

Year	Surplus (£m)	Commitments (£m)	Residual (£m)	Floorspace Requirement	
				Minimum (sq.m)	Maximum (sq.m)
Hereford					
2022	-1.4	0.0	-1.4	-100	-200
2026	-1.2	0.0	-1.2	-100	-100
2027	-0.1	0.0	-0.1	0	0
2031	6.2	0.0	6.2	500	800
2036	14.4	0.0	14.4	1,100	1,800
2041	20.9	0.0	20.9	1,500	2,600
Leominster					
2022	23.4	0.0	23.4	1,700	2,900
2026	24.0	0.0	24.0	1,800	2,900
2027	24.3	0.0	24.3	1,800	3,000
2031	26.0	0.0	26.0	1,900	3,200
2036	28.3	0.0	28.3	2,100	3,500
2041	30.1	0.0	30.1	2,200	3,700
Ross-on-Wye					
2022	-0.5	2.7	-3.2	-200	-400
2026	-0.4	2.8	-3.2	-200	-400
2027	-0.2	2.8	-3.0	-200	-400
2031	1.1	2.8	-1.7	-100	-200
2036	2.8	2.8	0.0	0	0
2041	4.1	2.8	1.3	100	200
Ledbury					
2022	9.0	0.0	9.0	700	1,100
2026	9.2	0.0	9.2	700	1,100
2027	9.4	0.0	9.4	700	1,200
2031	10.5	0.0	10.5	800	1,300
2036	11.9	0.0	11.9	900	1,500
2041	13.0	0.0	13.0	900	1,600
Kington					
2022	0.4	0.0	0.4	0	0
2026	0.4	0.0	0.4	0	0
2027	0.4	0.0	0.4	0	100
2031	0.6	0.0	0.6	0	100
2036	0.9	0.0	0.9	100	100
2041	1.1	0.0	1.1	100	100
Bromyard					
2022	-4.1	0.0	-4.1	-300	-500
2026	-4.1	0.0	-4.1	-300	-500
2027	-4.1	0.0	-4.1	-300	-500
2031	-3.9	0.0	-3.9	-300	-500
2036	-3.6	0.0	-3.6	-300	-400
2041	-3.4	0.0	-3.4	-200	-400

Notes: Assumes constant market share of Study Area expenditure claimed by facilities in each respective settlement; allows for changes in benchmark turnover sales efficiency in accordance with Table 4a of Experian Retail Planner Briefing Note 19; minimum floorspace requirement based on an assumed sales density of £13,434 per sq.m at 2022 (which equates to the average sales density of the 'big four' foodstore operators); maximum floorspace requirement based on an assumed sales density of £8,000 per sq.m at 2022 (which is typical figure for discount operators)

In 2020 prices

Capacity for Future Comparison Goods Floorspace

- 8.32 Our methodology in calculating comparison goods capacity necessarily departs from that used in considering convenience goods needs. This is because it is difficult to accurately estimate a

benchmark turnover for comparison goods floorspace due to the large number of operators and the variation in the trading performance of floorspace, depending on its location, character and the nature of the catchment.

8.33 As a consequence, we adopt the position for comparison goods floorspace that it is trading 'at equilibrium' at base year 2022 (i.e. our survey-derived turnover estimate effectively acts as benchmark). We assume that there is therefore a nil quantitative need for any additional comparison goods floorspace across the authority area at 2022.

8.34 The £511.5m of comparison goods expenditure claimed by facilities within Herefordshire that originates from inside the Study Area equates to a market share of 89.4% of all such comparison goods expenditure. By making provision for inflow and 'rolling forward' this market share, our assessment finds that facilities in the authority area will attract £623.7m at 2026, increasing to £640.6m at 2027, to £719.7m at 2031, to £839.4m at 2036, and then to £979.2m at 2041.

8.35 Given forecast increases in comparison goods expenditure and allowing for annual forecast changes in the productivity of existing floorspace, we estimate that, at 2026, there will be an expenditure surplus of £7.5m of comparison goods expenditure available to support additional floorspace within Herefordshire. As set out by Table 8.4, this surplus is forecast to increase to £10.9m at 2027, to £24.6m at 2031, to £49.1m at 2036, and to £80.7m at 2041.

Table 8.4 Quantitative Need for Comparison Goods Floorspace in Herefordshire

Year	Benchmark Turnover (£m)	Available Expenditure (£m)	Surplus Expenditure (£m)
2022	564.3	564.3	0.0
2026	616.2	623.7	7.5
2027	629.7	640.6	10.9
2031	695.1	719.7	24.6
2036	790.3	839.4	49.1
2041	898.5	979.2	80.7

Source: Table 26a of Appendix 5

Notes: Assumes constant market share (89.4%) of Study Area expenditure claimed by facilities in Herefordshire; allows for changes in benchmark turnover sales efficiency in accordance with Table 4b of Experian Retail Planner Briefing Note 19 In 2020 Prices

8.36 Once more, the above assessment does not take into consideration existing commitments and the claim they will have on capacity.

8.37 As Table 8.5 illustrates, once the single identified commitment in Ross-on-Wye is taken into account there is a relatively modest requirement for additional comparison goods floorspace across the period to 2031, with the requirement increasing significantly in the second half of the plan period.

Table 8.5 Quantitative Need for Comparison Goods Floorspace in Herefordshire after Commitments

Year	Surplus (£m)	Commitments (£m)	Residual (£m)	Floorspace Requirement	
				Minimum (sq.m)	Maximum (sq.m)
2022	0.0	1.4	-1.4	-200	-400
2026	7.5	1.5	6.0	1,000	1,600
2027	10.9	1.5	9.3	1,400	2,200
2031	24.6	1.7	22.9	3,400	5,300
2036	49.1	1.9	47.2	7,000	10,900
2041	80.7	2.2	78.5	11,600	18,200

Source: Table 26d of Appendix 4
In 2020 Prices

8.38 In considering comparison goods commitments, it is again relevant to note that the capacity assessment is based on the market share of the local authority area being maintained going forward. We are unaware of any significant proposed development (either inside or in neighbouring authority areas) which is likely to have a very significant impact on Herefordshire’s future comparison goods market share.

Assessment of Comparison Goods Needs on a Settlement Basis

8.39 Consideration has also been given to the residual comparison expenditure capacity which arises in each of the six settlements. This is provided below at Table 8.6, which indicates that there is a limited capacity for additional comparison floorspace in the County to 2041 outside of Hereford itself.

8.40 In considering the below, it should be noted that there are vacant units in all centres and that the level of need identified for the five market towns is rather limited (and subject to change as growth rates are revised over coming years). We do not recommend that the comparison goods needs identified for Leominster, Ross-on-Wye, Ledbury, Kington and Bromyard over the longer term are used to justify retail proposals across a shorter timeframe.

8.41 In Hereford, the identified need equates to a requirement for between 8,900 sq.m and 14,000 sq.m of comparison goods floorspace across the period to 2041.

8.42 In this regard, it should be noted that our healthcheck assessment of Hereford identified a total of 20,170 sq.m of gross floorspace at May 2022. As such, the amount of available commercial floorspace far exceeds the identified long term requirement.

Table 8.6: Quantitative Need for Comparison Goods Floorspace in Herefordshire's Settlements

Year	Surplus (£m)	Commitments (£m)	Residual (£m)	Floorspace Requirement	
				Minimum (sq.m)	Maximum (sq.m)
Hereford					
2022	0.0	0.0	0.0	0	0
2026	5.6	0.0	5.6	900	1,500
2027	8.1	0.0	8.1	1,200	1,900
2031	18.4	0.0	18.4	2,700	4,300
2036	36.8	0.0	36.8	5,400	8,500
2041	60.4	0.0	60.4	8,900	14,000
Leominster					
2022	0.0	0.0	0.0	0	0
2026	0.6	0.0	0.6	100	200
2027	0.9	0.0	0.9	100	200
2031	2.0	0.0	2.0	300	500
2036	4.0	0.0	4.0	600	900
2041	6.6	0.0	6.6	1,000	1,500
Ross-on-Wye					
2022	0.0	1.4	-1.4	-200	-400
2026	0.6	1.5	-0.8	-100	-200
2027	0.9	1.5	-0.6	-100	-100
2031	2.1	1.7	0.4	100	100
2036	4.2	1.9	2.3	300	500
2041	6.9	2.2	4.7	700	1,100
Ledbury					
2022	0.0	0.0	0.0	0	0
2026	0.4	0.0	0.4	100	100
2027	0.6	0.0	0.6	100	100
2031	1.3	0.0	1.3	200	300
2036	2.5	0.0	2.5	400	600
2041	4.2	0.0	4.2	600	1,000
Kington					
2022	0.0	0.0	0.0	0	0
2026	0.1	0.0	0.1	0	0
2027	0.1	0.0	0.1	0	0
2031	0.2	0.0	0.2	0	100
2036	0.5	0.0	0.5	100	100
2041	0.8	0.0	0.8	100	200
Bromyard					
2022	0.0	0.0	0.0	0	0
2026	0.1	0.0	0.1	0	0
2027	0.1	0.0	0.1	0	0
2031	0.2	0.0	0.2	0	100
2036	0.5	0.0	0.5	100	100
2041	0.8	0.0	0.8	100	200

Notes: Assumes constant market share of Study Area expenditure claimed by facilities in each respective settlement; allows for changes in benchmark turnover sales efficiency in accordance with Table 4b of Experian Retail Planner Briefing Note 19; minimum floorspace requirement based on an assumed sales density of £5,500 per sq.m at 2022; maximum floorspace requirement based on an assumed sales density of £3,500 per sq.m at 2022

In 2020 prices

Qualitative Requirements

- 8.43 As we identified earlier in this section, we estimate that convenience goods retail facilities in Herefordshire turn over £477.4m at 2022, which is more than their expected benchmark turnover of £448.2m. However, in examining the performance of specific stores, it is evident that Aldi's discount

supermarkets are all performing particularly strongly and that the performance of food superstores³⁵ is more variable. In this regard it should be noted that, whilst household survey respondents have in the past perhaps been slightly reluctant to acknowledge that they undertake their main food shop at a discounter, this no longer appears to be the case. In addition, our methodology apportions convenience goods expenditure to foodstore destinations according to their identified market share. The methodology does not take into consideration that similar items are generally cheaper in Aldi and Lidl than in one of the 'big four' operators' stores. As such, the performance of discount operators is probably overstated and the performance of the 'big four' operators is probably understated.

8.44 The below Table 8.7 provides an overview of the current performance of existing larger foodstores (which provide an estimated net convenience goods sales area of 806 sq.m or more³⁶) in the Herefordshire authority area with reference to their expected trading performance.

8.45 There are a total of seven food superstores³⁷ across the authority area³⁸, which collectively have an estimated convenience goods turnover of £224.0m at 2022, which is slightly lower than their anticipated benchmark turnover of £241.4m.

8.46 Our assessment identifies that just three large food superstores 'overtrade', these being: Tesco at Abbotsmead Road in Hereford; Sainsbury's at Barton Yard in Hereford; and, Morrisons at Barons Cross Road in Leominster. All other superstores 'undertrade' when compared to their anticipated benchmark turnover.

8.47 The food superstore with the strongest performance is the Tesco at Abbotsmead Road in Hereford, which has an estimated convenience goods benchmark turnover of £32.8m and an estimated survey-derived turnover of £54.1m at 2022 (we therefore estimate that it is overtrading by around £21.2m). The worst performing food superstore when compared to its expected benchmark average is the Tesco at Bewell Street, close to Hereford city centre. This store has a convenience goods benchmark turnover of £36.8m and an estimated survey-derived turnover of £13.5m at 2022 (it is therefore undertrading by an estimated £23.3m).

8.48 The modest performance of some existing food superstores is not particularly surprising, given that across the country shoppers are frequently foregoing the previously dominant 'big four' foodstore

³⁵ Defined as having a net sales area of more than 2,500 sq.m.

³⁶ Which equates to the convenience goods net sales area of the smallest discount supermarket operated by either Aldi or Lidl, this being the Aldi at Brookend Street in Ross-on-Wye.

³⁷ Defined as having a net sales area of more than 2,500 sq.m.

³⁸ This includes three Morrisons stores, two Sainsbury's, an Asda, and a Tesco.

operators in favour of discounters. As a consequence of this, we believe that it is highly unlikely that there will be any requirement in the foreseeable future for any further large food superstores in the area. This is consistent with the current strategy of the 'big four' who are currently very circumspect in terms of their appetite to bring forward additional large superstores.

8.49 We do, however, note that the Aldi foodstores across the County performing strongly. The four Aldi stores in the authority area have a collective convenience goods benchmark turnover of £38.1m at 2022 and an estimated survey-derived turnover of £97.9m; as such, their convenience goods floorspace very significantly overtrades by an estimated £59.8m.

8.50 The sole Lidl in the authority area is located at Commercial Road in Hereford. This store has a benchmark turnover of £7.7m and an estimated survey-derived turnover of £18.6m. We therefore find that it overtrades by around £10.9m.

Table 8.7: Performance of Convenience Goods Floorspace at Principal Foodstores at 2022

Zone	Store	Benchmark Turnover (£m)	Survey Derived Turnover (£m)	Performance Against Benchmark (£m)
1	Aldi, Eign Street, Hereford, HR4 0AP	9.6	31.1	24.9
	Asda, Belmont Road, Hereford, HR2 7JE	43.2	20.9	-20.0
	Co-op, Grandstand Road, Hereford, HR4 9LT	12.1	12.4	1.7
	Lidl, Brook Retail Park, Commercial Road, Hereford, HR1 2BQ	7.7	16.8	10.9
	M&S, High Town, Hereford, HR1 2AB	11.0	6.4	-4.6
	Morrisons, Station Approach, Hereford, HR1 1DN	31.3	23.6	-5.0
	Sainsbury's Superstore, Barton Yard, Hereford, HR4 0AG	35.4	36.0	4.5
	Tesco Superstore, Abbotsmead Road, Belmont, Hereford, HR2 7XS	32.8	48.7	21.2
	Tesco Superstore, Bewell Street, Hereford, HR4 0BW	36.8	12.2	-23.3
	Waitrose, The Old Market, Hereford, HR4 9HX	17.0	7.1	-9.9
3	Aldi, Dishley Street, Leominster, HR6 8NY	8.9	23.0	16.7
	Morrisons, Barons Cross Road, Leominster, HR6 8RH	31.2	38.8	11.9
5	Aldi, Leadon Way, Ledbury, HR8 2SS	10.7	18.2	9.6
	Co-op, New Street, Ledbury, HR8 2EZ	9.7	4.9	-4.3
	Tesco Superstore, Orchard Lane, Ledbury, HR8 1DQ	12.7	16.1	5.2
6	Aldi, Brookend Street, Ross-on-Wye, HR9 7EE	8.9	15.7	8.6
	Morrisons, Station Street, Ross-on-Wye, HR9 7AG	30.7	21.5	-6.8

Source: Table 5 of Appendix 5

Notes: The above summary table provides details of the trading performance of foodstores with a net convenience goods sales area of 806 sq.m or above, which correlates to the estimated net sales area of the smallest discount supermarket in the Herefordshire authority area (this being the Aldi at Brookend Street at Ross-on-Wye) In 2020 prices

8.51 As set out at Section 2 of this report, both Aldi and Lidl have substantially improved their share of the national grocery market in recent years. Notwithstanding this, the very strong performance of discount foodstores across the authority area suggests that the market could support more discount foodstore provision. In this regard, we again note that Lidl has a significant number of further

requirements for new stores across the County and that Aldi is also seeking additional representation in Hereford. We therefore anticipate that additional proposals for discount foodstore development will likely come forward in the short term.

- 8.52 Any additional proposed food supermarkets should be considered on their merits in accordance with relevant policy tests. Most particularly, planning applications which seek to provide additional food retail provision should be considered having regard to potential sequential alternative sites, and with reference to the magnitude of impacts arising at any defined centre. The potential qualitative benefits associated with any improvement in customer choice can also be afforded weight in the decision-making process. Given the findings of this Study in respect of capacity, there will likely be potential to accommodate further grocery provision in Hereford, Leominster and Ledbury.
- 8.53 In terms of comparison retailing, it is clear that the principal centre of Hereford, supplemented by the other defined centres, are able to meet most general comparison goods needs arising within the authority area. There are limited levels of leakage of comparison expenditure to destinations outside of the Study Area, and efforts should be maintained to maintain this high proportion of expenditure directed towards facilities within Herefordshire.
- 8.54 However, we note the higher than national average vacancy rate currently identified at Hereford city centre. Wherever possible, efforts should be made to secure the re-occupation of currently vacant units, and to this end plans announced by MandM Direct to occupy the former Debenhams unit at the Old Market shopping centre are welcome. Continued efforts should be made to ensure that both independent and national multiple operators are attracted to the centre, with improvements to the public realm on Commercial Street (underway at the time of our visit) likely to be of benefit in encouraging further businesses to invest in Hereford.

9 Assessment of Leisure Capacity

Commercial Leisure: Bingo, Cinemas, Ten Pin Bowling and Casinos

- 9.1 Our approach to the assessment of commercial leisure needs necessarily deviates from our retail methodology, in part because it is difficult to source some of the required information to undertake a similar exercise for the leisure sector³⁹. In addition, the commercial leisure sector is different to the retail sector; large-scale leisure uses are relatively limited in number and customers often expect to travel at least some distance in order to access them. As such, we believe it is sensible to consider the general appropriateness of provision on a Study Area basis, with reference to the typical number of persons required to support particular uses.
- 9.2 Our assessment considers the typical population required to support bingo halls, casinos, cinema screens and ten pin bowling alleys, and is based around three key stages.
- 9.3 We firstly calculate the expected Study Area and local authority population⁴⁰ for the relevant reporting years (2022, 2026, 2027, 2031, 2036 and 2041).
- 9.4 We then calculate the number of persons required to support a bingo hall, cinema screen and bowling alleys nationally, across the UK. We have identified the current level of provision across the UK with reference to the following sources:
- Mintel's Casinos and Bingo UK report (March 2019), which identifies that there are approximately 350 bingo halls across the UK;
 - the UK Cinema Association website⁴¹ which identifies that there are approximately 4,596 cinema screens across the UK; and
 - Mintel's Ten Pin Bowling UK report (May 2017), which identifies that there are approximately 5,242 bowling lanes across the UK.
- 9.5 We then apply the respective ratio to the Study Area population in order to gauge the appropriate local 'benchmark' level of provision.

³⁹ Experian does not forecast improvements in sales efficiency for leisure operators, which is a critical element in translating a monetary surplus into a floorspace requirement.

⁴⁰ Taken from Table 6.2 of this report.

⁴¹ www.cinemauk.org.uk.

Bingo

- 9.6 Mintel’s March 2019 Casinos and Bingo UK report identifies that there are 350 bingo halls across the UK, which equates to a bingo hall for every 195,377 persons or thereabouts⁴². Accordingly, we estimate that the Study Area could theoretically support around 0.9 bingo halls at 2022, increasing to around 1.0 bingo halls at 2041.
- 9.7 At present, there is a sole purpose built bingo facility in the authority area, this being Clifton Bingo on South Street in Leominster. However, it should be noted that a number of smaller facilities provide bingo facilities on an infrequent basis (such as social clubs), but these do not constitute a bingo hall as such. The level of existing provision within Herefordshire is therefore considered to be appropriate to meet identified requirements.
- 9.8 As such, we do not believe that there is any requirement to plan for additional bingo hall provision across the plan period to 2041. Table 9.1 below confirms requirements in the authority across the period to 2041.

Table 9.1: Bingo Hall Requirement in Study Area

Year	Study Area Population	Typical Population Required to Support Hall	Potential Number of Halls Supported by Study Area	Existing Provision in Study Area	Outstanding Potential Requirement in Study Area
2022	185,492	195,377	0.9	1.0	-0.1
2026	190,357	195,377	1.0	1.0	-0.0
2027	191,477	195,377	1.0	1.0	-0.0
2031	195,654	195,377	1.0	1.0	0.0
2036	200,352	195,377	1.0	1.0	0.0
2041	204,640	195,377	1.0	1.0	0.0

Note: Typical population to support bingo hall calculated with reference to the Mintel Casinos and Bingo UK 2019 report

- 9.9 In considering the potential need for additional bingo facilities, it should also be noted that the sector has been significantly affected by the ban on smoking in enclosed workplaces that came into force in 2007 as a consequence of the Health Act 2006. Subsequent to the Act being enforced, new bingo hall openings are rare and we consider it highly unlikely that there will be any need for additional provision in the Study Area in the foreseeable future.

Cinemas

- 9.10 The UK Cinema Association website estimates that there are 4,596 cinema screens in the UK, which

⁴² Based on the Experian 2020 populations projections for the UK, England and Wales, Scotland and Northern Ireland, which identifies a UK population of 68,381,957 persons at 2022.

equates to one screen for every 14,879 persons or thereabouts. On this basis, we estimate that the Study Area population could support around 12.5 cinema screens at 2022, increasing to around 13.8 screens at 2041.

- 9.11 There is a single large multiplex in the Study Area, this being the Odeon at the Old Market in Hereford. This facility provides of six screens, which, together with a limited number of independents and speciality cinemas⁴³, provide a total of nine screens across the County. This suggests that there is a requirement for 3.5 additional screens in the authority area at 2022, increasing to 4.8 additional screens at 2041, with reference to national average levels of provision.
- 9.12 Although this would suggest that there is an existing under-supply of cinema screens in Study Area, it should be noted that levels of cinema going in more rural areas may be less than that which is apparent in more urbanised parts of the country. We also recognise the availability of multiplex cinemas in Worcester⁴⁴ which help serve the needs of some residents of the Study Area. There are also a number of smaller facilities that, although not purpose built cinema facilities, provide additional temporary screens. These include showings at village halls and theatres.
- 9.13 Notwithstanding this, the Council may wish to explore further opportunities to secure additional provision within Hereford. In particular, we note that 'boutique' cinema operators are increasingly interested in centres of Hereford's size (particularly when they are able to offer an attractive environment). The 'boutique' model usually comprises three or four cinema screens together with a string food and drink offer. Such cinemas can also act as a catalyst for other leisure operators to consider locating within a town.

Table 9.2: Cinema Screen Requirement in Study Area

Year	Study Area Population	Typical Population Required to Support Cinema Screen	Potential Number of Cinema Screens Supported by Study Area	Existing Provision in Study Area	Outstanding Potential Requirement in Study Area
2022	185,492	14,879	12.5	9.0	3.5
2026	190,357	14,879	12.8	9.0	3.8
2027	191,477	14,879	12.9	9.0	3.9
2031	195,654	14,879	13.2	9.0	4.2
2036	200,352	14,879	13.5	9.0	4.5
2041	204,640	14,879	13.8	9.0	4.8

Note: Typical population to support a cinema screen calculated with reference to data provided by the UK Cinema Association website

⁴³ Including The Courtyard at Edgar Street and The Loft at West Street in Hereford, and The Gateway at Labels Shopping outlet centre in Ross-on-Wye.

⁴⁴ Including the Odeon at Foregate Street and the Vue at Friar Street.

Ten Pin Bowling

- 9.14 Mintel’s Ten Pin Bowling UK 2017 report identifies that there are 5,242 ten pin bowling lanes across the UK, which equates to a bowling lane for every 13,045 persons or thereabouts. Accordingly, we estimate that the Study Area could support around 14.2 bowling lanes at 2022, increasing to around 15.7 lanes at 2041.
- 9.15 There are two existing ten-pin bowling operators within the Study Area, namely Grove Golf & Bowl on Ford Bridge at Leominster and MFA Bowl on Station Approach at Hereford. Collectively, these facilities provide a total of 18 bowling lanes. As such, we believe that there is a modest oversupply of around 3.8 bowling lanes at 2022, decreasing to 2.3 lanes at 2041.
- 9.16 Whilst very few new ten-pin bowling alleys were built in the early part of this century, the market has picked up in recent years. This upturn in the sector has been partly assisted by a more modern type of offer, which is typically ‘in centre’ and aimed at those going out in the evening as much as families. As such, typical ‘in-centre’ bowling alleys (such as Lane 7) often incorporate other forms of leisure activity (most notably through a strong food and drink offer). We note that the current ten pin bowling offer in Herefordshire does not provide this type of facility. Accordingly, whilst we do not find any quantitative need for new facilities, the Council may wish to engage with operators to understand their requirements and whether Hereford may potentially be of interest to them in the future.

Table 9.3: Ten Pin Bowling Lane Requirement in Study Area

Year	Study Area Population	Typical Population Required to Support Bowling Lane	Potential Number of Bowling Lanes Supported by Study Area	Existing Provision in Study Area	Outstanding Potential Requirement in Study Area
2022	185,492	13,045	14.2	18.0	-3.8
2026	190,357	13,045	14.6	18.0	-3.4
2027	191,477	13,045	14.7	18.0	-3.3
2031	195,654	13,045	15.0	18.0	-3.0
2036	200,352	13,045	15.4	18.0	-2.6
2041	204,640	13,045	15.7	18.0	-2.3

Note: Typical population to support ten pin bowling alley calculated with reference to the Mintel Ten Pin Bowling UK 2017 report

Casinos

- 9.17 Mintel’s Casinos and Bingo UK 2018 report identifies that there are 145 bingo halls across the UK, which equates to a bingo hall for every 471,600 persons or thereabouts. Accordingly, we estimate that the Study Area could support around 0.4 casinos at 2022, a figure which would barely change

throughout the period to 2041.

9.18 There are two casino operators within Hereford, comprising Admiral Casino on Commercial Street and Merkur Casino on Eign Street, both of which are located in Hereford. Accordingly, the current level of provision is considered to be sufficient to serve the needs of the Study Area.

Table 9.4: Casino Requirement in Study Area

Year	Study Area Population	Typical Population Required to Support a Casino	Potential Number of Casinos Supported by Study Area	Outstanding Potential Requirement in Study Area
2022	185,492	471,600	0.4	-1.6
2026	190,357	471,600	0.4	-1.6
2027	191,477	471,600	0.4	-1.6
2031	195,654	471,600	0.4	-1.6
2036	200,352	471,600	0.4	-1.6
2041	204,640	471,600	0.4	-1.6

Note: Typical population to support casino calculated with reference to the Mintel Casinos and Bingo UK 2018 report

10 Summary and Recommendations

- 10.1 We summarise the key findings of the Study below, before then addressing a series of planning policy considerations of relevance to the Council's emerging plan.

Key Findings: Retail Need and Retail Strategy

Quantitative Considerations

- 10.2 As identified at Section 8, we have identified a quantitative requirement for additional convenience goods floorspace across the authority area, and on a settlement by settlement basis across the reporting period to 2041. This is because, when considered cumulatively, the existing convenience provision within the whole authority area is identified as overtrading when compared against the aggregate benchmark average, indicating that there is surplus capacity to support additional floorspace. In total, we identify that there is an immediate convenience goods capacity surplus of £26.5m at 2022, which will likely support between 2,000 sq.m and 3,300 sq.m of convenience goods floorspace. We anticipate that the surplus will increase to £66.6m at 2041, which equates to a requirement for between 4,900 sq.m and 8,200 sq.m of convenience goods floorspace.
- 10.3 We have also calculated the quantitative capacity for additional convenience and comparison floorspace on a settlement basis, having regard to the performances of specific stores within each settlement. For example, the Aldi stores in Hereford, Leominster, Ledbury and Ross-on-Wye are all identified as significantly overtrading when compared with their benchmark averages.
- 10.4 As a consequence of overtrading, relatively substantial capacity is identified at Leominster and Ledbury at 2022. Over the plan period, capacity also emerges at Hereford to support additional grocery provision.
- 10.5 We confirm our findings in respect of convenience goods floorspace requirements below at Table 10.1.

Table 10.1: Quantitative Need for Convenience Goods Floorspace by Settlement

Settlement	Year	Residual (£m)	Minimum Floorspace Requirement (sq.m)	Maximum Floorspace Requirement (sq.m)
Authority-wide	2022	29.2	2,000	3,300
	2041	69.3	4,900	8,200
Hereford	2022	-1.4	-100	-200
	2041	20.9	1,500	2,600
Leominster	2022	23.4	1,700	2,900
	2041	30.1	2,200	3,700
Ross-on-Wye	2022	-2.9	-200	-400
	2041	1.7	100	200
Ledbury	2022	9.0	700	1,100
	2041	13.0	900	1,600
Kington	2022	0.4	0	0
	2041	1.1	100	100
Bromyard	2022	-4.1	-300	-500
	2041	-3.4	-200	-400

Note: Assumes constant market share of Study Area expenditure claimed by facilities in each respective settlement; allows for changes in benchmark turnover sales efficiency in accordance with Table 4a of Experian Retail Planner Briefing Note 19; minimum floorspace requirement based on an assumed sales density of £13,434 per sq.m at 2020 (which equates to the average sales density of the 'big four' foodstore operators); maximum floorspace requirement based on an assumed sales density of £8,000 per sq.m at 2020 (which is typical figure for discount operators)
In 2020 prices

- 10.6 In terms of comparison retailing, we assume that there is no immediate capacity and that the current level of provision has been established to meet the needs of local residents. The household survey confirms that most Study Area comparison goods shopping needs are met by facilities in Herefordshire in practice.
- 10.7 Table 10.2 confirms our assessment of comparison goods capacity across Herefordshire and its principal settlements across the plan period.
- 10.8 By 2027, across the authority area as a whole, we identify a need for between 1,400 sq.m and 2,200 sq.m of comparison goods floorspace, increasing to a need for between 11,600 sq.m and 18,200 sq.m at 2041. In Hereford, we identify a comparison goods capacity residual of £60.4m at 2041, which we estimate could support between 8,900 sq.m and 14,000 sq.m of comparison goods floorspace.
- 10.9 It is important to recognise that this requirement does not result in a need for additional retail units to be built out in Herefordshire. The quantum of vacant floorspace across the County is significantly in excess of the need identified. In Hereford city centre alone, 20,170 sq.m gross commercial floorspace was identified at being vacant at May 2022.

10.10 The first priority should be to reoccupy existing vacant floorspace within defined centres, and there is no requirement to allocate floorspace for additional comparison goods uses.

Table 10.2: Quantitative Need for Comparison Goods Floorspace by Settlement

Settlement	Year	Residual (£m)	Minimum Floorspace Requirement (sq.m)	Maximum Floorspace Requirement (sq.m)
Authority wide	2022	-1.4	-200	-400
	2041	78.5	11,600	18,200
Hereford	2022	0.0	0	0
	2041	60.4	8,900	14,000
Leominster	2022	0.0	0	0
	2041	6.6	1,000	1,500
Ross-on-Wye	2022	-1.4	-200	-400
	2041	4.7	700	1,100
Ledbury	2022	0.0	0	0
	2041	4.2	600	1,000
Kington	2022	0.0	0	0
	2041	0.8	100	200
Bromyard	2022	0.0	0	0
	2041	0.8	100	200

Notes: Assumes constant market share of Study Area expenditure claimed by facilities in each respective settlement; allows for changes in benchmark turnover sales efficiency in accordance with Table 4b of Experian Retail Planner Briefing Note 19; minimum floorspace requirement based on an assumed sales density of £5,500 per sq.m at 2022; maximum floorspace requirement based on an assumed sales density of £3,500 per sq.m at 2022

In 2020 prices

Key Findings: Leisure

10.11 As identified at Section 9, we have identified a limited quantitative requirement for additional cinema provision in Herefordshire. The estimated need equates to 3.5 cinema screens at 2022, increasing to 4.8 screens at 2041. We note that Hereford already has a modern multiplex in the form of the Odeon at Old Market.

10.12 In this context, we envisage that any further provision is likely to take the form of a 'boutique' cinema with a limited number of screens which is typically supported by a strong associated food and drink offer. Any such development in Hereford may also help to attract other leisure operators to the city centre.

10.13 We do not identify any quantitative capacity for additional ten pin bowling alleys, but note that such uses are increasingly accommodated within centres and are geared to evening socialising as much as the family market. Should there be operator interest in providing such a use, we recommend that consideration is given to sites that are both well located in respect of Hereford city centre and able to support linked trips with other leisure destinations. Further development of this nature would

clearly enhance the diversity of uses within Hereford, increase the attraction of the centre, and support the evening economy.

Key Findings: Principal Centres

Hereford City Centre

- 10.14 Hereford is the key service centre for the County, and occupies the highest position on the retail hierarchy. It is also the largest centre in Herefordshire in respect of unit numbers and floorspace. The Old Market shopping centre in the northern part of the city provides a significant amount of modern, purpose built retail accommodation and is a particular focus for national multiples. The city centre also accommodates a significant number of high end and independent retailers, alongside more traditional day-to-day retail and service operators.
- 10.15 Although the town benefits from a diverse range of retail operators, the vacancy rate of 17.5% is well above the national average level of 13.8%. Furthermore, the vacancy rate has increased significantly from the rate of 12.5% recorded in 2012.
- 10.16 Whilst the increased vacancy rate reflects wider structural issues in the retail sector (which resulted in the closure of Debenhams and Outfit at the Old Market shopping centre), the proportion of vacant units is such that efforts are required to diversify the offer in the town centre to both re-let currently vacant properties and drive footfall. The proposed re-occupation of the former Debenhams unit by MandM Direct is an important step in this regard.
- 10.17 As a result of the increased vacancy rate, we find that Hereford's vitality and viability is currently moderate. There is a need to focus additional activity towards the centre in order to re-occupy floorspace and diversify the centre.

Ledbury Town Centre

- 10.18 Ledbury town centre provides a diverse range of operators which meet the needs of the local community. Although the vacancy rate has increased from 5.4% of units at 2012 to 9.3% at 2022, it remains below national average level at April 2022. These units are located in the more peripheral parts of Ledbury, with fewer vacant units located in the main retail core along The Homend and High Street. As such, Ledbury is considered to be vital and viable and the current vacancy rate in Ledbury is not considered to represent cause for concern.

Leominster Town Centre

10.19 Leominster is one of the larger retail destinations in Herefordshire, and provides a diverse range of retail and service operators to provide for the day-to-day needs of the local community. Our survey of the centre recorded a vacancy rate of 16.9%, which is both in excess of the national average position and represents a significant increase since 2012.

10.20 However, most of these vacancies are located at the centre and Leominster remains an attractive centre to visit and spend time in. Whilst it will be important to ensure that the vacancy rate does not further increase, Leominster is found to be a reasonably vital and viable centre.

Ross-on-Wye Town Centre

10.21 Ross-on-Wye town centre's comparison goods offer has remained consistent and the proportion of units dedicated to this use is substantially greater than most other towns of its size. This is a consequence of Ross-on-Wye attraction to tourists and the specialist retailers which cater for this market. The centre also benefits from the presence of well-located Aldi and Morrisons foodstores to the north.

10.22 Ross-on-Wye's vacancy rate has declined substantially since 2012, and it is considered to be a highly vital and viable centre.

Market Towns

10.23 The two smaller town centres in Hereford typically serve a more localised role and provide catchments with their day-to-day retail and service needs.

10.24 Bromyard town centre is focused along Broad Street, and comprises an historic retail core. The centre supports a reasonable range of (largely independent) operators, which provide an important function in meeting local needs. The centre is generally well maintained and provides an attractive environment for shoppers. Bromyard's vacancy rate is the lowest of all of Herefordshire's centres, and it is considered to be a strong centre.

10.25 Kington provides a good range of services and facilities geared at meeting the day-to-day needs of the local community. The proportion of units dedicated to convenience goods use is higher than any other principal centre in Herefordshire, and the number of such retailers present in the centre has grown in recent years. Kington's vacancy rate is around national average level. Whilst it will be important to try to ensure that there is no further deterioration in the vacancy rate, the centre is considered to currently be vital and viable.

Key Policy Recommendations

General Policy Approach

- 10.26 The adopted Herefordshire Local Plan Core Strategy promotes a 'town centre first' which pre-dates but is broadly consistent with the general requirements of paragraph 86 of the NPPF (which indicates that planning policy should support the role of town centres at the heart of local communities), paragraphs 87 and 88 (which set out the sequential approach to development), and paragraph 90 (which sets out the town centre impact test).
- 10.27 This Study identifies that Hereford's city centre has a vacancy rate in excess of national average, and that there is a clear need to direct additional main town centre uses to the centre. The current vitality and viability of some of the city centre provides some cause for concern and planning policy must be applied carefully in order to support the centre and bring forward future in-centre opportunities.
- 10.28 We note that paragraph 017 of the Town Centres PPG indicates that proposals for edge and out of centre retail and leisure developments should be considered with reference to the health of centres that would be impacted upon. In this regard, paragraph 017 states that:
- 'A judgement as to whether the likely adverse impacts are significant can only be reached in light of local circumstances. For example, in areas where there are high levels of vacancy and limited retailer demand, even very modest trade diversion from a new development may lead to a significant adverse impact.'**
- 10.29 In this context, it will be important for the emerging plan to clearly set out the importance of the sequential and impact tests, and explain the local circumstances which frame how they will be applied in practice. The sequential and impact tests will need to be applied in a robust manner so as to reduce the vacancy rate across the city centre, and support centres that retain a strong retail function as well as a diverse range of other uses. Whilst non-retail uses will be an important component of the mix of land uses in principal centres moving forward, there is still a requirement to accommodate new retailers and additional retail floorspace within defined centres wherever possible in accordance with the requirements of the NPPF.
- 10.30 In the context of the current vacancy rate, we recommend the Council ensures that policies are sufficiently flexible so as to allow for an appropriate range of town centre uses beyond retail, and reflect the need to repurpose historic, sometimes outdated retail stock in order to accommodate new residential, leisure and community uses. This is particularly the case in Hereford. To this end, paragraph 86 of the NPPF states that planning policies should:

'...recognise that residential development often plays an important role in ensuring the vitality of centres and encourage residential development on appropriate sites.'

10.31 In addition, changes to permitted development rights as referred to at paragraph 3.21 of this report, allow for the change of use from Class E properties to residential. This right introduces the potential for uncontrolled change in high streets, through the potential loss of viable employment and commercial uses to residential uses, which could potentially be compromised in respect of quality, size and appearance. It is relevant to recognise that local planning authorities are able to introduce Article 4 directions (where justified) in order to retain control over the conversion of such properties to residential use.

Boundaries

10.32 Paragraph 86 of the NPPF requires local planning authorities to **'define the extent of town centres and primary shopping areas'**, with there now being no specific requirement to identify primary and secondary frontages.

10.33 The Government has confirmed that the deletion of this requirement is to encourage a more positive and flexible approach to planning for the future of town centres due to the rapid changes taking place in the retail and leisure industries. However, the removal of the reference to primary and secondary frontages does not preclude local planning authorities from identifying such frontages where their use can be justified.

10.34 It is evident that all of Herefordshire's principal centres contain a good mix of uses, and that there is a need to diversify the uses present in Hereford city centre in order to provide for the reoccupation of floorspace. As such, there would be no benefit in defining primary and secondary frontages for the authority's defined centres given that flexibility will be important in responding to changing needs and ensuring that centres remain relevant. We therefore consider the removal of defined frontages to be the appropriate approach within Herefordshire.

10.35 Annex 2 of the NPPF indicates that a primary shopping area is the **'Defined area where retail development is concentrated.'**

10.36 Annex 2 also identifies that a town centre is the:

'Area defined on the local authority's policies map, including the primary shopping area and areas predominantly occupied by main town centre uses within or adjacent to the primary shopping area.'

- 10.37 Given the mix of uses apparent within the five town centres, we do not believe that it is necessary to define a primary shopping area ('PSA') for these centres. The centres are generally compact and the diversity of uses present adds to their character and attraction. In Ledbury, Leominster, Ross-on-Wye, Kington and Bromyard, we do not believe that there is any requirement to differentiate between a PSA and a wider town centre boundary.
- 10.38 Hereford city centre is of a larger scale, and the identification of a PSA is therefore of benefit in trying to locate additional retail facilities as centrally as possible in order to support a critical mass of comparison goods operators.
- 10.39 In Hereford, we recommend that the PSA is focused around High Town and Widemarsh Street, and takes in both the Old Market shopping centre and Maylord Orchards shopping centre. This area provides a particular focus for comparison goods retailers.
- 10.40 We consider that the currently defined town centre boundaries for Hereford, Leominster and Kington are appropriate and do not recommend any changes. In respect of Hereford, notwithstanding the current vacancy rate, the current boundary is considered to appropriately reflect the location of main town centre uses. The boundary is therefore considered robust.
- 10.41 For Ledbury, Ross-on-Wye and Bromyard, we recommend that amendments are made to the current boundaries to better reflect land uses.
- 10.42 In Ledbury, the current town centre boundary is relatively extensive and covers both main town centre uses along The Homend, New Street and Bye Street, but also extends to cover a number of peripheral areas where other uses, including residential, dominate. As such, recommended boundary amendments include the removal of residential units on Belle Orchard Close, Bank Crescent, Homend Crescent, Church Street, Worcester Road, and New Street from the defined centre. The boundary is therefore proposed to be focused on High Street, The Homend and Bye Street, with this being the principal focus of main town centre uses (this area includes retail units along The Homend together with the medical centre on Market Street, Halo Ledbury Swimming Pool, and Ledbury Community Hall). Although these amendments will result in the removal of some facilities, including places of worship and a Police Station, these are not considered main town centre uses and, in any event, are considered sufficiently removed from the main retail part of the town centre.
- 10.43 For Ross-on-Wye, proposed amendments relate to the need to focus the town centre around Brookend Street, Broad Street, Gloucester Road and High Street. Our recommended revisions relate

to the removal of non-retail units to the north-west on New Street, Kyrle Street and Trenchard Street, and to the south on Chase Road, Old Gloucester Road and Copse Cross Street. Predominately, the uses in these locations are residential in nature. However, we are aware that there are some community facilities (including Hale Ross Swimming Pool), Ross-on-Wye Community Hospital, and Alton Street Surgery that would be excluded from the town centre boundary. These uses are, however, physically separate from the main retail and commercial core of Ross-on-Wye, principally by residential development. As such, the proposed town centre boundary is reflective of the location of main town centre uses within Ross-on-Wye.

10.44 In Bromyard, our proposed amendments largely relate to the focusing of the town centre boundary around Broad Street, High Street and Cruxwell Street. This is achieved through the removal of units along Rowberry Street and Church Street (to the north of the junction with Rowberry Street) which are mixed in nature but accommodate few main town centre uses. . We also recommend the removal of non-retail (predominately residential units) on Frog Lane and New Road.

10.45 We set out our recommendations in respect of centre boundaries at Appendix 6.

Thresholds

10.46 Paragraph 90 of the NPPF states that it is appropriate to identify thresholds for the scale of edge of centre and out of centre retail and leisure development that should be the subject of an impact assessment. Any such threshold policy applies only to the impact test (all planning applications for main town centre uses that are not in an existing centre and not in accordance with an up-to-date development plan will generally be the subject of the sequential test⁴⁵).

10.47 The NPPF establishes a national impact threshold of 2,500 sq.m. Above this, edge and out of centre retail and leisure proposals should be accompanied by a retail impact assessment.

10.48 The purpose of identifying a lower local threshold is to allow the Council to retain appropriate control in respect of the potential for development to impact on the future health of defined centres. By applying a lower threshold, planning applications for developments which could potentially have a harmful effect on the overall vitality and viability of a defined centre will need to be supported by a *proportionate* impact assessment which sets out the potential trade diversion impact assumptions.

⁴⁵ With the exception (in accordance with paragraph 89 of the NPPF) of small scale rural office proposals and other small scale rural development.

10.49 Paragraph 16 of the Town Centres PPG provides specific guidance in relation to floorspace thresholds and states:

‘The impact test only applies to proposals exceeding 2,500 square metres gross of floorspace unless a different locally appropriate threshold is set by the local planning authority. In setting a locally appropriate threshold it will be important to consider the:

- **scale of proposals relative to town centres**
- **the existing viability and vitality of town centres**
- **cumulative effects of recent developments**
- **whether local town centres are vulnerable**
- **likely effects of development on any town centre strategy**
- **impact on any other planned investment.’**

10.50 Using the above guidance, we provide justification below to support our recommendation that a lower threshold is applied across the hierarchy of centres within the authority area. We note that the current adopted policy adopts a different threshold across the six town centres, with Hereford’s threshold being 700 sq.m; Ledbury, Leominster and Ross-on-Wye’s being 400 sq.m; and, Bromyard and Kington’s being 200 sq.m.

10.51 In principle, we are supportive of the setting of different threshold which are reflective of the varying nature of the centres, given the different scale and nature of each of the centres. The imposition of a blanket threshold across an authority area generally fails to reflect the fact that the robustness of a centre in respect of retail impact will vary according to its size and character.

10.52 In considering the setting of a local impact threshold, it is important to give consideration to the type of development which could, in practice, remove key operators from a centre. Should such operators leave a centre, there will likely be the potential for a significant adverse impact to arise.

10.53 As such, where there is genuine potential for an application proposal to divert a material level of expenditure away from a defined centre, or potentially remove a key tenant from that centre, there will likely be a requirement to consider the impacts arising from the proposal in detail.

10.54 In respect of lower order centres, the introduction of even a small convenience store nearby (of the type operated by Sainsbury’s Local or Tesco Express) may have the potential to impact on the ongoing viability of key operators. Small convenience stores operated by national multiple grocers can generate a relatively substantial turnover. If this is diverted from existing retailers in defined

centres, the impact on the overall vitality and viability, through the loss of expenditure and footfall, could be of a significant adverse magnitude.

10.55 Therefore, in implementing a local threshold policy, it is considered more appropriate to apply a range of thresholds in accordance with the type of centre the proposed development is proximate to. The thresholds should not only apply to new floorspace, but also to changes of use and variations of condition to remove or amend restrictions on how units operate or trade in practice.

10.56 In Hereford city centre, around 8% of the total stock of commercial units in the town centre is greater than 500 sq.m. Such larger units typically accommodate national multiples such as Sainsbury's, M&S, H&M and Next. The vacancy rate equates to 15.8% of total commercial floorspace and 17.5% of all units. In total, retail uses (convenience and comparison operators) account for 58,530 sq.m of floorspace, which equates to 45.8% of the total stock of retail floorspace.

10.57 In Ledbury town centre, around 13% of all units are greater than 300 sq.m. This includes Co-op foodstore, Boots and Spar. The vacancy rate equates to 7.7% of total commercial floorspace and 9.3% of all units. In total, retail uses account for 12,420 sq.m of floorspace, which equates to 49.3% of the total stock of retail floorspace.

10.58 In Leominster town centre, around 7% of all units are greater than 300 sq.m, which includes the Aldi and Co-op foodstores, and a large vacant unit at 17 South Street. The vacancy rate equates to 15.0% of total commercial floorspace and 16.9% of all units. In total, retail uses account for 14,720 sq.m of floorspace, which equates to 44.8% of the total stock of retail floorspace.

10.59 In Ross-on-Wye town centre, around 11% of all units are greater than 300 sq.m, which includes Morrisons, Sainsbury's and Aldi. The vacancy rate equates to 6.2% of total commercial floorspace and 7.4% of all units. In total, retail uses account for 23,410 sq.m of floorspace, which equates to 59.2% of the total stock of retail floorspace.

10.60 In Bromyard town centre, around 13% of all units are greater than 200 sq.m, which includes the Co-op foodstore. The vacancy rate equates to 6.5% of total commercial floorspace and 7.1% of all units. In total, retail uses account for 3,777 sq.m of floorspace, which equates to 36.9% of the total stock of retail floorspace.

10.61 In Kington town centre, around 10% of all units are greater than 200 sq.m, which includes the Co-op foodstore. The vacancy rate equates to 9.6% of total commercial floorspace and 14.3% of all units. In

total, retail uses (convenience and comparison operators) account for 4,644 sq.m of floorspace, which equates to 52.9% of the total stock of retail floorspace.

10.62 In this context, we recommend that the impact threshold of relevance to Hereford centre is set at 500 sq.m for retail and leisure proposals. This threshold would effectively be the default to be applied authority-wide, should a proposal not fall within the criteria set out below which we recommend is applied to development in proximity to the remaining centres. It is also recommended that the Council gives consideration to the need to apply restrictive conditions to edge and out of centre Class E development, when such development has been considered with reference to the sequential and/or impact test.

10.63 The remaining five town centres are generally anchored by a limited number of national multiple retailers (often foodstores). These operators underpin the function of these centres, drawing in custom and encouraging linked trips to the other parts of the centre. Should the viability of such stores be impacted, there is a real risk of the role of the wider centre being undermined. There are relatively few units substantially larger than 300 sq.m in any of the five centres and the level of retail floorspace is considerably less than within Hereford. As such, to lose an occupier of this magnitude could have a significant adverse impact on the centre as a whole. Accordingly, in the local context, we believe that 300 sq.m constitutes a significant unit in Ledbury, Leominster and Ross-on-Wye, and 200 sq.m in Bromyard and Kington.

10.64 We recommend adopting these floorspace figures as the respective threshold in each of these centres.

10.65 For the purpose of drafting future planning policy, it is important to qualify the area to which each local impact threshold will apply. We recommend that the thresholds of relevance to Herefordshire's town centres (i.e. 300 and 200 sq.m respectively) would be applicable within 800 metres of the boundary of the relevant centre.

10.66 The distance of 800 metres is broadly commensurate with the potential walk-in catchments of smaller centres and is identified by Guidelines for Providing for Journeys on Foot (The Institution of Highways & Transportation, 2000) as being the 'preferred maximum' acceptable walking distance to a centre. We consider it to be appropriate for the higher threshold of 500 sq.m to apply authority-wide (i.e. beyond 800 metres of these centres), due to the lesser likelihood of significant adverse impacts arising from retail and leisure development.

10.67 It is important to emphasise that, whilst the locally set threshold would require the submission of an impact assessment for all edge of centre and out of centre developments exceeding the threshold, national guidance states that the impact test should be undertaken in a proportionate and locally appropriate way, commensurate to the scale of development proposed. The level of detail would typically be agreed with planning officers during the pre-application process in order to avoid overly onerous requirements that may otherwise restrict and delay development opportunities from coming forward.

Monitoring Recommendations

10.68 This study provides the Council with recommendations in respect of future retail and leisure needs, and establishes current patterns of land use within centres. To understand how future needs are being met in practice, we recommend that the Council monitors:

- planning permissions for retail floorspace - by type, amount (sq.m gross and net), location and retailer;
- completions of retail floorspace - by type, amount, location and retailer;
- the mix of uses within centres, including vacancies; and
- the health of principal centres.

10.69 The monitoring recommended above is relatively straightforward and should be conducted on a rolling basis for the first two items and at fixed intervals (likely annually or every two years) for the latter two items.

10.70 The recommendations set out in this report may need to be adjusted going forward due to changes in market conditions, population growth, demographics or due to the impact of developments elsewhere. The outputs of the Study may also need to be reviewed if key assumptions (in particular those relating to expenditure growth and expenditure committed via special forms of trading), change.

Nexus Planning

Manchester

One Express
1 George Leigh Street
Manchester
M4 5DL

T: 0161 819 6570
nexusplanning.co.uk